

**ALASKA STATE LEGISLATURE  
SENATE SPECIAL COMMITTEE ON WORLD TRADE, TECHNOLOGY AND  
INNOVATION**

March 19, 2009

4:11 p.m.

**MEMBERS PRESENT**

Senator Lesil McGuire, Chair  
Senator Bill Wielechowski

**MEMBERS ABSENT**

Senator Hollis French  
Senator Lyman Hoffman  
Senator Gary Stevens

**OTHER LEGISLATORS PRESENT**

Senator Bert Stedman

**COMMITTEE CALENDAR**

Overview: Ketchikan Shipyard  
HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record.

**WITNESS REGISTER**

DOUG WARD, Director  
Alaska Ship & Drydock, Inc.  
Ketchikan AK

**POSITION STATEMENT:** Delivered Ketchikan Shipyard overview.

**ACTION NARRATIVE**

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**CHAIR LESIL MCGUIRE** called the Senate Special Committee on World Trade, Technology and Innovation meeting to order at 4:11 p.m. Present at the call to order were Senators Wielechowski and McGuire.

**OVERVIEW: KETCHIKAN SHIPYARD**

CHAIR MCGUIRE announced the business before the committee is to hear an overview of the Ketchikan Shipyard.

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DOUG WARD, Director, Shipyard Development, Alaska Ship & Drydock, Inc. (ASD), delivered a PowerPoint to highlight what the men and women at the Ketchikan Shipyard have accomplished since it was established in 1987, which is to give the state a shipyard and workforce development project that has local, state, and national significance.

MR. WARD explained that this is a public private partnership. ASD is an Alaska corporation that since 2005 has operated the shipyard under a 30-year agreement with the Alaska Industrial Development and Export Authority (AIDEA). The Ketchikan Gateway Borough and the City of Ketchikan also have an indirect partnership. Other stakeholders include: Alaska Marine Highway System (AMHS), Department of Labor and Workforce Development, Department of Commerce, Community and Economic Development, Alaska Workforce Investment Board, Department of Transportation and Public Facilities, University of Alaska, and the Ketchikan School District. Because it's the kids in school now who will be building the ships of the future, ASD is working to give the youth of Alaska some sense of the marine oriented careers that haven't always been obvious. Water transportation is one of the larger non-resident employment sectors in the state and ASD is working to turn that around and employ more Alaskans.

Federal stakeholders include: Federal Transit Administration, Office of Naval Research, National Shipbuilding Research Program (NSRP), U.S. Economic Development Administration, U.S. Maritime Administration, U.S. Department of Labor, and Federal Highway Administration.

MR. WARD provided the history of the shipyard and displayed slides of projects including the extensive repair of the AMHS M/V Lituya after it broke from its mooring and went on the rocks near Ketchikan, a Chevron marine fueling station for export to Vancouver, and construction of the M/V Susitna. The latter is an Office of Naval Research demonstrator vessel owned by Mat/Su Borough that is to be operated as an ice-breaking ferry across Knick Arm. Ships like the M/V Susitna are built for Alaskan waters and will be needed in the northern sea routes as sea ice recedes. They have the ability to land on unimproved shores, which ASD thinks will help open Alaska's transportation routes at lower cost.

MR. WARD described what will be the first multi-skilled ship production apprenticeship program and said ASD is working with Commissioner Bishop to get it defined. The program is based on globally competitive best practices through the NSRP. A new worker will enter the apprentice program and spend a year or two to gain a broad knowledge of how a shipyard works after which a career path will be described.

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CHAIR MCGUIRE asked what code changes are needed to accommodate the kind of procurement he does.

MR. WARD replied we need to start implementing the existing federal highway rules for alternative procurements. He offered to provide her office with those documents.

CHAIR MCGUIRE said she has long had an interest in that and would be happy to help to the extent that it begins to impede innovation and efficiencies. She thanked Mr. Ward and asked him to let her office know how the committee can continue to support his efforts including Arctic transit and building smaller tankers to ship LNG to domestic ports.

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There being nothing further to come before the committee, Chair McGuire adjourned the Senate Special Committee on World Trade, Technology and Innovation.