

"An Act making a special appropriation to the Legislative Budget and Audit Committee for a study of the feasibility of locating a marine maintenance facility in Alaska for the Division of Marine Transportation; and providing for an effective date."

COMMITTEE REPORT

HOUSE

3/16/75

Mr. Speaker:

Date April 1, 1975

The Committee on FINANCE has had HR 230

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR 10 AND THAT

CS FOR 10 DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

[Signature]
[Signature]

Members NOT concurring in the Majority report:

[Signature] recommends: no rec
[Signature] recommends:
[Signature] recommends:
_____ recommends:
_____ recommends:

[Signature] Chairman

Introduced: 2/28/75
Referred: State Affairs and
Finance

1 IN THE HOUSE . BY GARDINER, ELIASON AND MILLER

2 HOUSE CONCURRENT RESOLUTION NO. 24

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 Proposing a study of the feasibility of
6 locating a marine maintenance facility in
7 Alaska for the vessels of the state ferry
8 system.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 WHEREAS the State of Alaska spent approximately \$235,500 in Seattle
11 shipyards in fiscal year 1974 to overhaul and maintain six of the seven
12 vessels that comprised the fleet of the Alaska Marine Highway during that
13 period; and

14 WHEREAS, in addition to the substantial outflow of Alaska tax dollars to
15 the State of Washington, generally, and to Puget Sound in particular, repre-
16 sented by this sum, the Alaska state ferries must travel many miles to secure
17 all but the most minor, routine maintenance work done; and

18 WHEREAS, when there is an emergency requiring immediate access to dry
19 dock facilities, as the state ferry system has experienced on several oc-
20 casions in recent months, the inability to utilize a marine maintenance
21 facility in Alaska requires that a ship face a long, arduous journey south
22 to Seattle, with all the attendant uncertainties the ship must face mechani-
23 cally not to mention the potential jeopardy to the safety of the ship and
24 crew; and

25 WHEREAS, during the annual overhaul period, averaging two months for
26 each vessel each Winter -- too long a period in the judgment of some respon-
27 sible observers, the ships' crews must live away from their Alaska homes, and
28 the cost of transporting them between Alaska and Puget Sound is great; and

29 WHEREAS the performance of annual maintenance or overhaul in an Alaska

1 facility would contribute income to the state's frequently sluggish winter
2 economy;

3 BE IT RESOLVED by the Alaska State Legislature that the Legislative
4 Budget and Audit Committee is respectfully requested to appoint a subcommittee
5 of two members of the Senate and two members of the House of Representatives
6 to meet and work with the Commissioner of Public Works and the Director of
7 the Division of Marine Transportation to conduct, or supervise the conduct of,
8 a comprehensive study of the feasibility of leasing or otherwise acquiring
9 and using, or constructing, operating and maintaining a marine maintenance
10 facility for the ferry vessels owned by the State of Alaska and operated by
11 the Division of Marine Transportation of the Department of Public Works; and
12 be it

13 FURTHER RESOLVED that the Legislative Budget and Audit Committee is
14 authorized to contract with a recognized consultant, or consultants, in the
15 field of marine survey, engineering or architecture to assist the legislature
16 and the Department of Public Works in conducting the feasibility study; and
17 be it

18 FURTHER RESOLVED that this subcommittee of the Legislative Budget and
19 Audit Committee present its findings and recommendations to the Ninth Alaska
20 Legislature, not later than 30 days after the Second Session convenes.
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STATE OF ALASKA

DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

POUCH Z — JUNEAU 99801

JAY S. HAMMOND, Governor

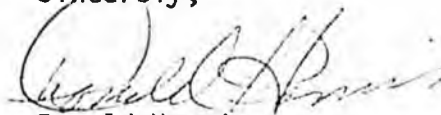
March 21, 1975

Mr. Jay Hogan, Director
Division of Legislative Finance
State Capital, Room 409
Pouch WF
Juneau, Alaska 99811

Dear Mr. Hogan:

In reply to your request of March 17, 1975, attached is the Fiscal Note for House Bill 234 and House Concurrent Resolution No. 24 for use of Legislative Finance.

Sincerely,



Donald Harris
Commissioner

Attachment

cc: Rep. Terry Gardiner, Sponsor, w/copy of Fiscal Note
Budget & Management, w/copy of Fiscal Note

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Concurrent Resolution No. 24 & House Bill No. 234

Title: Study of Feasibility of Locating Marine Facility in Alaska & Appropriation for

Requested by: House Finance Committee Date: 3/17/75 study.

Return Date Requested: 3-24-75

Agency: PUBLIC WORKS Program: MARINE TRANSPORTATION

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Capital Improvement.

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		50.0	400.0	40,000.0	100.0	100.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CENTS, ETC.						
TOTAL	0	50.0	400.0	40,000.0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	50,000			
FEDERAL FUNDS				
OTHER		Go Bonds	Go Bonds	

C. POSITIONS:

PERMANENT/TEMPORARY	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
MAN MONTHS (P.T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section 11)

Assuming State decides to construct the Marine Facility after study is completed, estimates for next three fiscal years expenses are: FY 77 Planning and Design, FY 78 Obligation for total amount to construct, which in actuality will be spent over an estimated three (3) year construction period including FY 79 and FY 80. Added costs in FY 79 & 80 are for Administrative and Designers supervisory expenses. The cost estimates are based on comparative construction of new ocean going vessel on estimated current year costs, plus inflationary costs.

IV. ATTACHMENTS

See attachment - Agency Comments.

V. DATE: MARCH 21, 1975 PREPARED BY: W. Hudson
Director MPT

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

A T T A C H M E N T

Agency Comments on House Concurrent Resolution No. 24 and House Bill No. 234

The following major points should be considered in relation to the feasibility of locating a Marine Maintenance Facility in Alaska.

1. Labor
2. Competitive Contractors
3. Supporting Services
4. Availability of Parts and Supplies
5. Weather
6. Electrical Power
7. Regulating Agencies

1. Labor

It requires highly skilled and professional labor to make vessel and engine repairs. If the State, for example, were to construct and operate this facility, we would have three (3) or four (4) new craft unions to deal with and would probably not be able to pick or choose individual employees; but would get whoever is available from the various union halls. This would include pipe fitters, plumbers, welders, boiler-makers, carpenters, electricians, to name a few. Federal regulatory agencies such as the United States Coast Guard and the American Bureau of Shipping require that in many cases only licensed and certified individuals can perform certain repairs to the vessels and engines. Right now there is not a welder in Southeast Alaska certified to perform necessary repairs to our vessels.

2. Competitive Contractors

In an informal discussion recently with key personnel in the British Columbia ferry system, we were advised that if they did not have a Marine Maintenance Facility, they would not now ever venture into such a facility. They find themselves locked into a specified pool of talents and facilities that they are required to support on a year round basis with increasing costs. Otherwise they would be in a position to hire or obtain the services only when needed, and at open market competitive prices. Some particular talents are needed for very short periods of time.

3. Supporting Services

Each vessel is like a small town requiring various vendors and a variety of service and repairmen to take care of dishwashers, ice cream machines, garbage disposal, refrigeration, office machines, cash registers, etc. We could not afford the services of repairmen for servicing all the various machines if competitive bidding were not available.

4. Availability of Parts and Supplies

Unless the maintenance facility is located close to a market area where parts for engines, generators and other major equipment is readily available, valuable time would be wasted waiting for one particular item and additional freight charges could be incurred. Repairs to some equipment requires the service of trained company men from the manufacture of the equipment. If these men are not in the area of the facility, additional travel and per diem costs are added to the normal service charge.

5. Weather

Actual dry dock time is only one phase of the overhaul and lay-up time of each vessel. In most instances it represents only five to seven days of a two month period. The rest of the time is devoted to painting, cleaning, completely rebuilding and overhauling engines, repairing and servicing the many variety of equipment and machines. Much of this work can only be done in a dry and fairly warm climate. The cost to build a complete shelter for our large vessels would be exorbitant.

6. Electrical Power

Access to cheap electrical power is needed as we would have to have shore power for at least two vessels. We would need in excess of six-hundred (600) amps, 440 volts - 3 phase current for our larger vessels plus two (2) tie-ins for 300 amps and 440 volts - 3 phase for the smaller vessels. As the annual overhaul and lay-up period covers a period of six (7) or seven (7) months, this electrical power would not be utilized on a year round basis.

7. Regulating Agencies

Each vessel must undergo an annual inspection by the United State Coast Guard and major repairs and engine overhauls must be certified by the American Bureau of Shipping. If inspectors and key personnel of these agencies are not located in the area of our facility, additional travel and per diem costs are added to our costs. There are no American Bureau of Shipping inspectors in Alaska and United States Coast Guard inspection is limited.

There are many other things to consider. We would need a facility which was large enough to provide tie-up and docking space for three (3) or four (4) ships at one time. A lot of work has to be accomplished in a two (2) month period. Often the lay-up time of several vessels overlaps. During this two (2) month time, the ship has to be put in shape to run steadily for ten (10) months on an average of nineteen (19) to twenty (20) hours a day. Time is of an essence and there is no room for error or delay. Everything has to be coordinated very carefully and all supporting services, parts and supplies have to be readily available on short notice in order to accomplish the work on time.

Unless all the parts, supplies, services, electrical power, space, etc., are consolidated in the general area of a terminal facility, it is estimated by our Port Engineer's office that the annual overhaul and lay-up costs would be doubled and more time would have to be added to accomplish the necessary work.

Breakdown of Typical Vessel Overhaul

1. Ship proceeds to Pier 48 or owners lay-up facility.
2. Bids are opened and date set for drydocking.
3. Depending on dry dock date (usually 1-2 weeks after arrival at Pier 48) ships crew begins dismantling the equipment to be overhauled.
4. Time permitting ships crew commence complete engine or engines overhaul (only one main and one auxiliary engine completely rebuilt each year).
5. Port Engineer contacts innumerable potential small contract bidders to permit pre-bid inspection.
6. Parts for all affected ships machinery are ordered well in advance to permit timely delivery and installation (sometimes as far in advance as one or two years).
7. The ship is usually completely overhauled and work is in progress in virtually every area on the ship.
8. Weather is a critical factor in completing the exterior or exposed areas, as the old paint most often must be ground to bare metal and reapplied in dry and warm temperatures. (Paint applied on wet or cold metal peels or boils off almost immediately or simply won't dry.)
9. Successfully bid small dockside contracts are let and a massive coordination process begins.
10. Supervision of the complete job falls directly on the shoulders of the Port Engineer and other Division Staff depending upon the area affected. For example the Port Captain will oversee all deck, bridge and hull jobs. The Port Steward will oversee the many passenger service jobs, and often because more than one ship is in overhaul the Assistant Port Engineer must aid the Port Engineer.

All the while the work that can be done by ships crew is ongoing and very extensive.
11. A typical picture of the vessel would see:
 - a. Boiler overhaul.
 - b. Electrical wiring being re-run.
 - c. Passenger lounge chairs being re-upholstered and repaired.
 - d. New oily waste water bilge separator being installed by Coast Guard orders.

- e. A new radar installed and all vital electronics equipment must be checked and repaired or replaced.
- f. Rusted railings cropped and rewelded.
- g. Fuel tank being gas freed and cleaned or patched.
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- n. New curbing welded into critical spaces.
- o. Side loading doors and elevators being rebuilt.
- p. New carpeting being laid in unsightly areas.
- q. Replacement or repair of vital galley equipment.
- r. A new deck winch being installed or new fairleads placed in needed areas.
- s. Complete professional servicing of air conditioning units for ships refrigerators and freezing units.
- t. Inspection of all fire and lifesaving apparatuses.
- u. All lifeboats including inflatable boats must be opened and tested professionally. All davits must be inspected and overhauled as necessary.
- v. Floor tiles and other surfaced decks are patched and resurfaced.
- w. All shipping systems are overhauled, cleaned and renewed as required.
- x. Ventilating systems are inspected, cleaned and repaired.
- y. All auxiliary systems are placed in No. 1 operating condition.
- z. Bilges, tanks, voids and holds are cleaned, repaired and placed in good condition.

The above represents the occupation of at times as many as forty skilled tradesmen.

For example, there are few men who can weld on fuel tanks, ships piping systems and at times under water.

Shipboard electricians are usually available only in major shipping centers.

Vessel electronic technicians are not always available.

Shops that calibrate compression, temperature and many other ship type gauges are very rare.

Shops that can overhaul large ships electrical motors are rare and usually even they must order parts after inspection.

Thousands of needed nuts and bolts must be procured immediately in order to avoid delays that could cost many dollars.

I present all of the above to reveal the tremendous complexity of the operation of just the overhaul. The actual drydocking is another exclusive service available only in limited locations. To even hope to remain solvent those facilities must have extensive use as yet another bank of unique skills are needed to support the dock.

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DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER / POUCH Z — JUNEAU 99801

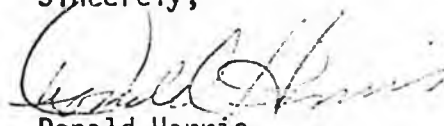
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