

HB

310

(7)

HOUSE COMMITTEE REPORT

Date Referred: May 1, 1991

FURTHER REFERRALS:

Labor & Commerce
Finance

Date of Committee Action: 5/10/91

The TRANSPORTATION Committee considered:

HB 310

HOUSE BILL NO. 310

INSTATE MAINTENANCE OF MARINE VESSELS

"An Act relating to instate maintenance of state marine vessels; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____ [] the same title

[] have attached amendments(s)

[x] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[x] zero fiscal note DOT

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Richard J. Jolley	*				
Jimmy M. [unclear]	*				
Lair Phillips	x				
Bill Anderson	✓				

Richard J. Jolley
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 310

Revision Date: 4/1/91 Department Affected: DOT/PP/AMHS
 Title: An Act relating to institute BRU Marine Engineering
maintenance of state marine vessels Component: Overhaul
 Sponsor: Taylor
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	*	*	*	*	*	*
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	*	*	*	*	*	*
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
OTHER						
TOTAL	*	*	*	*	*	*

POSITIONS.

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact .. unknown

ANALYSIS: (Attach a separate page if necessary) * This statute may require the award of a vessel maintenance contract to other than the lowest bidder. It is not possible to calculate the fiscal impact except in each specific instance. Projects which are principally funded by the federal government must be awarded to the lowest bidder, notwithstanding the requirements of AS 36.90.030.

Prepared By: John Halferman Phone 465-3950
 Division: AMHS Date 5/6/91
 Approved by Commissioner: *Kenil Springs* *F. F. Turpin*
 Agency: DOT/PP Date 5/8/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Alaska State Legislature

COMMITTEES:

MEMBER

RULES

INTERNATIONAL TRADES & TOURISM

LABOR & COMMERCE

ETHICS

WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE



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WRANGELL, ALASKA 99929
(907) 874-2316

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4905

House of Representatives

ROBIN L. TAYLOR
MINORITY LEADER

MEMORANDUM

TO: House Transportation Committee

FROM: Rep. Robin L. Taylor

DATE: May 7, 1991

REF: Background on HB 310

In 1986, the Second Session of the 14th Alaska State Legislature passed HB 181, an Act Relating to the Maintenance of Vessels of the Alaska Marine Highway System. The bill passed the House on reconsideration on April 14 by a vote of 30-7. It passed the Senate on June 1, 1986 by a vote of 18-0.

HB 181 had been amended in the House to include a sunset provision. HB 310 will repeal that sunset provision, which would otherwise take effect on August 30, 1992.

The State of Alaska began investigating the feasibility of developing a small ship repair yard in 1976. A special appropriation was approved in 1978, authorizing the DOT/PF to acquire a site for a permanent marine maintenance facility for State ferries.

Between 1983 and 1986, the State spent in excess of \$32 million, building a shipyard at Ketchikan. The yard has never been completed as originally designed or intended. The shipyard is leased to the City of Ketchikan, which in turn sublets the facility to Seley, Inc. Seley, Inc., dba Ketchikan Shipyard, Inc. (KSI) provides full time employment for an average of 50 workers, with an annual payroll of approximately \$2 million. In 1990, KSI provided service to 96 commercial vessels and eight vessels of the Alaska Marine Highway System and the Department of Public Safety.

Since 1987, work on state owned vessels has generated \$10,142,332 in revenue at the Ketchikan yard. All but approximately \$557,000 of that total has been for work on vessels of the Marine Highway. In addition to providing employment, KSI pays property taxes to the City of Ketchikan of about \$180,000 per year.

The intent of the 1986 law was to give Alaska's two shipyards (the other is at Seward) the best advantage possible under law in competing with facilities outside the State. It has not been easy going. The initial operator lost money on the Ketchikan yard and only now is that facility beginning to see a turn around. There is a cooperative effort in the works between the State, City of Ketchikan and KSI to make the yard a viable Alaskan business. Those efforts could be jeopardized by the threat of the sunset provision written in to HB 181 back in 1986.

While the problems at KSI can be blamed in part on poor management by the initial operator, many of the problems stem from an apparent reluctance on the part of the State to use the yard to the fullest extent possible. That attitude is changing with the new Administration and the passage of HB 310 will reemphasize the intent of the Legislature that work on State owned vessels take place in Alaska.



Department of Transportation & Public Facilities

POSITION PAPER

BILL NO: HB 310

APPROVED:

J. Springer *J. F. Turpin*

TITLE: An act relating to instate maintenance

DATE: 5/6/91

May 6, 1991

AMHS POSITION PAPER
HOUSE BILL 310

AS 36.90.050(a) requires that a marine vessel owned by the state be maintained or repaired within Alaska unless the commissioner of Transportation and Public Facilities determines there is no facility in the state able to perform the maintenance at a price that is in the state's best interest. In making the finding the commissioner must consider the following:

- (1) the amount of money the state has granted to, or otherwise invested in, marine vessel maintenance facilities in the state;
- (2) the amortization, overhead, and start-up costs of the facilities in the state; and
- (3) the direct and indirect benefits to the economy and labor force of the state that may be obtained by contracting with a facility in the state.

AS 39.90.050(b) suspends the competitive bid requirements of AS 36.30 to contracts for the repair or maintenance of state owned marine vessels if the contract is awarded to a facility in the state.

In order to comply with this statute AMHS has developed a policy and procedure which addresses the fact that there are two shipyards in Alaska which can work on some or all of the vessels in the fleet. The procedure gives Alaskan shipyards a 5% Alaska bidder's preference, as well as calculates the cost of moving the vessel either from its designated base port or the port where the vessel's operations are terminated prior to beginning its maintenance.

All vessels serving Southeast Alaska have Ketchikan designated as

the base port. The M/V Tustumena and the M/V Bartlett are based in Seward for the purpose of this calculation. The 5% Alaska bidder's preference is deducted from the resident shipyard's bid, while the vessel transfer costs are added to any shipyard's bid which is either not the vessel's designated base port, or the point at which its service is terminated prior to entering maintenance status.

While this procedure is fairly straightforward and is designed to account for real costs which would be incurred by AMHS in transporting a vessel for maintenance outside of Alaska, AS 36.90.050(a) requires a higher test before the vessel can actually leave the state. The conditions which must be met have no relationship to the need to keep vessel maintenance costs low or maintaining the vessel. These conditions require the consideration of economic factors which are difficult to quantify and cannot be directly related to the primary goal of AMHS.

Perhaps the legislature in renewing this statute should consider deleting AS 36,090.050(a)(1)-(3), allowing the Alaska bidder's preference requirements to serve the public purpose this statute is designed to achieve. In addition consider amending AS 39.090.050(a) to read: ".....determines that there is no facility in the state able to perform the required maintenance at (a) the price or quality that is in the state's best interest." This will insure that AMHS receives the best service possible at the fairest price.

Ketchikan Shipyard Inc.
State of Alaska Revenue

Customer		Vessel Yr Annual Maint	Vessel Gen Maint	Vessel Emerg Maint	Other	Total Revenue
Dept of Public Safety	1987					
	1988	223,622				223,622
	1989	162,579				162,579
	1990	100,470		69,980		170,450
	1991					
Dept of Public Safety	Subtotal	486,672	0	69,980	0	556,652

Dept of Fish & Wildlife	1987					
	1988					
	1989				150	150
	1990					
	1991					
Dept of Fish & Wildlife	Subtotal	0	0	0	150	150

Dept of Transportation Alaska Marine Highway	1987	400,263	172,281	48,738	79,731	701,013
	1988	2,747,070	131,855	68,316	5,825	2,953,065
	1989	2,806,300	6,805	10,538	14,208	2,837,851
	1990	1,649,633	16,975	63,227	30,873	1,760,709
	1991	1,329,283	1,611	2,000		1,332,893
Alaska Marine Highway	Subtotal	8,932,549	329,526	192,819	130,636	9,585,531

Total State of Alaska	1987	400,263	172,281	48,738	79,731	701,013
	1988	2,970,692	131,855	68,316	5,825	3,176,687
	1989	2,968,880	6,805	10,538	14,358	3,000,581
	1990	1,750,103	16,975	133,208	30,873	1,931,159
	1991	1,329,283	1,611	2,000	0	1,332,893
State of Alaska	Total	9,419,221	329,526	262,799	130,786	10,142,332



KETCHIKAN SHIPYARD INC.

P.O. BOX 5180 • 5TH TUNGASS AVE. • KETCHIKAN, ALASKA 99901
PHONE 907-225-0400 FAX 907-225-0517

PERSONNEL:

General Manager:	Greg Dronkert
Production Manager:	John Thompson
Dockmaster:	Pat Major
Ship Superintendent:	Lance Ridgely
Ship Superintendent:	Chris Cleman
Support Services:	Craig Trettevik

Foremen:

Steel	Ed Couture
Pipe	Martin Towner
Machinist	Lewis Stamm
Electrical	Janelle Castroni
Paint	Keith Wolfe

See attached resume's



KETCHIKAN SHIPYARD INC.

P.O. BOX 5180 • 3RD TONGASS AVE. • KETCHIKAN, ALASKA 99901
PHONE 907-223-0400 FAX 907-223-0317

Facility Portfolio

December 15, 1990

Facilities:

Lift Facilities:

- Drydock
- DD Gantry Crane
- Grove 50T
- Cascade Shop Crane
- Manlifts
- Forklifts

Paint/Blast Facilities:

- Grayco King Pump
- Butterworth Hydro Blaster
- Blast Pots

Machine Shop

- Lathe L&S
- Enco Lathe
- Horizontal Boring Mill
- Vertical Mill
- Radial Drill
- Hydraulic Press
- Drill Presses
- Ironworker
- Pinch Roll

Steel and Pipe

- Air Compressors
- Miller 8 Pacs - 3
- Miller Big 50 - 1
- Threader/Cutter - 2

Services

- 2000 Gal Vacuum Truck
- Waste Water Storage Tanks
- Oil Containment Boom
- Mooring Lines
- Shore Power Lines

KETCHIKAN SHIPYARD, INC.

DATA SHEET

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MOORAGE FACILITIES

DOCK FACE	1,000 LINEAR FEET
WATER DEPTH	-35 FT MLLW
DOCK HEIGHT	+25 FT MLLW

VESSEL SUPPORT SYSTEMS

ELECTRICAL	WATER
OILY WASTE DISPOSAL	SEWER
COMPRESSED AIR	STEAM
TELEPHONE	

AVAILABLE SERVICES

HULL PRESERVATION, WATER-BLASTING, SANDBLASTING AND COATING SYSTEMS

ENVIRONMENTAL SERVICES, WASTE DISPOSAL, TANK CLEANING AND GAS FREEING (NORVAC)

CRANE SERVICES, TO 50 TONS

STEEL/ALUMINUM, FABRICATION AND REPAIR

PIPEFITTING AND FABRICATION

SHIPWRIGHT SERVICES

MACHINE SHOP, HYDRAULICS AND DIESEL REPAIR SERVICES, LATHES TO 35 FEET.

KETCHIKAN SHIPYARD, INC.

DATA SHEET

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DRYDOCK

ABS CLASS +A1

LENGTH, OVERALL	434'0"
LENGTH, OVER PONTOON	384'0"
WIDTH, BETWEEN WINGWALLS	110'0"
WIDTH, BETWEEN FENDERS	107'0"
TOTAL LIFTING CAPACITY	9,600 LONG TONS

PONTOON DECK, APRON, & VEHICLE RAMP LOADING

FORK LIFTS	8,000 LBS
TRUCKS	HS-20-44
MOBILE CRANES	5-10 SHORT TON, SWL

VESSEL SUPPORT SYSTEMS

ELECTRICAL	OILY WASTE
LIGHTING	COMPRESSED AIR
EMERGENCY GENERATOR	TELEPHONE
FIRE PROTECTION	POTABLE WATER
SEWAGE COLLECTION	



KETCHIKAN SHIPYARD INC.

P.O. BOX 9380 • 3801 TONGASS AVE. • KETCHIKAN, ALASKA 99901
PHONE 907-223-0400 FAX 907-223-0517

Ketchikan Shipyard, Inc. Equipment List

DESCRIPTION	MAKE	MODEL	S/N
AIR COMPRESSOR, 150 HP	SULLAIR	20-150L	003-70386
AIR COMPRESSOR, 350 HP	SULLAIR	235-350H	003-70385
CRANE, WINCHALL	MANITEX	M6-2400	86064
CRANE, GANTRY	CASCADE	15-T	P5778
CRANE, 50 TON	GROVE	RT-75S	39149
FORKLIFT	HYSTER	H-60C	0050224318
FORKLIFT	CLARK	CFY200LB	25-482-1162
FORKLIFT, 8 TON	HYSTER	P80A	A01805037A
MANLIFT, 60 FT	HYSTER	T60A	6122
Manlift 40'	JLG	90/JLG-40H	0309014024
FLATBED TRUCK, 1968, GREEN	FORD	F-752	F75EUC73936
VACUUM TRUCK, 1965, RED	GMC	DS	F7012L
FUEL TRUCK, 1952, GREEN	CHEV	3800	6JSL1035
40 FOOT CONTAINER	TSPT EQUIP		
PICKUP, 1982, WHITE	FORD	F-250	
PICKUP, 1979, RED/WHIT	CHEV	C-20	CCL2397215292
PICKUP, 1976, GREEN	GMC	H6-25	TU02461523565
PICKUP, 1988, WHITE	CHEV	C-20	16C0C1424JE143755
PICKUP, 1987, WHITE	FORD	F-150	2FTCF15Y6CB66090
PICKUP, 1967, RED	DDDBE	D-100	1161789618
PICKUP, BLUE	MAZDA		
RESTROOM TRAILER	GELCO SPACE	1-1	9292
TRAILER, HOUSING	GARTRON		
SEN SET, EMERS, DRYDOCK	CATERPILLAR	3406TA	2WD00456
WASTEWATER OIL STOWAGE TANK	HARDROCK CONST	10,000 GAL	
SLDF TANKS	UNKNOWN	AUCTION?	
BOUSE 17 X 45'	ELLIS		
FRONT END LDR	HOUSH	H-60	28AH1320
FRONT END LOADER	BOBCAT	M371	2001
HYDRAULIC PRESS	DAVE	75H	132027
DRILL PRESS	WALKER-TURNER	113-41	0001359
IRONWORKER	MUREA	MPS 250	0150685-413-400
PIPE THREADER/CUTTER	RIBID	300	
DRILL PRESS	ORBIT	062501F	2-600729
PIPE THREADER/CUTTER	TOLEDO BEAVER	1-2-4	692425
PINCH ROLL	BERTSCH	6742	
LATHE, 1967	L & S	3220/24	46697
HORIZONTAL BORING MILL	GLIDDEN & LEWIS	350-T	
BOILER, AUX STEAM	YORK POWER	5PHC150-M3-965-9822-H-33069	
PAINT STILL (FURNACE), 1986	RENZMANN	6551	M20N
DRAIN CLEANER	RIBID	K1500A	23712
RADIAL DRILL	FOSDICK	X-114-A	
LATHE, 15 X 50, 1989	EMCO	111-3540	4929
VERTICAL MILL, 1989	SUPERMAI	YCM-1-1/2VB	90420134
BANDSAW	DO ALL	C-9V	296-74238
SANDBLASTER, 600 LB	CLENCO	2452	7077
SANDBLASTER, 600 LB	CLENCO	2452	7079
Steam Cleaner	HOTSY	5630B	H136620489
PRESS WASH, DIESEL 3500 PSI	KUBOTA	CM3006MDK	117549
PRESS WASH, GAS 3500 PSI	HONDA	3004	M/A
WELDERS, 8 PACK, PORTABLES	MILLER	MARK VIII	HK324903
WELDERS	MILLER	BIG 50	JD15554
WELDERS, 8 PACK	MILLER	MARK VII	JR495250
WELDERS, 8 PACK	MILLER	MARK VIII	MF370670
SANDBLAST POT, 1978	CAR	6090 LB	15830
PAINT PUMP	BRACO	KING	
2 PAINT PUMPS	SPEE-FLO 35:1	941842	11385/11224
OIL CONTAINMENT BOOM	SEASPAN	CITY KTM	
HOOSING LINES	UNKNOWN	CITY KTM	
SPOKE/SPYER CABLE	UNKNOWN	CITY KTM	
SERVICE HOSES	UNKNOWN	CITY KTM	

72 Price

1. CALL MEETING TO ORDER
2. NOTE THE DATE: **Thursday, May 9th, 1991**
NOTE TIME:
3. ROLL CALL OF MEMBERS PRESENT
4. DURING TODAYS MEETING WE WILL TAKE UP:
HB 305 - Repealing the sunset provisions of the manadatory automobila insurance requirements.
HB 310 - Repealing the sunset provisions of instate maintenance of state marine vessels
This bill is being teleconferenced to Seward and Ketchikan.
5. INTRODUCE ANY SPECIAL GUESTS OR V.I.P.s
6. REQUEST ANY PERSONS WISHING TO TESTIFY TO SIGN THE WITNESS REGISTER

ANNOUCEMENTS AT CLOSE OF MEETING

7. THE NEXT MEETING OF THE HOUSE TRANSPORTATION COMMITTEE WILL BE:
This afternoon at 1:30 in the Beltz room we are having an informal worksession with the top Federal Highway administration officials. This should be very interesting - please try to attend.

We are now on the 24 hour rule for bill scheduling
8. ADJOURN MEETING. NOTE TIME OF ADJOURNMENT.

STATE OF ALASKA
THE LEGISLATURE

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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Transportation 5-9-91



House Transportation Committee

DATE: 5/9/91

PLACE: Room 17

SUBJECT OF MEETING:
 HB 310
 HB 305

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Juanita Hensley	DPS/DNIV	P.O. N. JUNEAU	99811		465-4333	Y	<input checked="" type="radio"/> N	of Questions
Don Koch	DIV INSURANCE	Box D JUNEAU	99811		465-2577	<input checked="" type="radio"/> Y	N	HB 305
Frank E. Price	IRU-P	2225 N. Jordan JUN 99801			784-0333	<input checked="" type="radio"/> Y	N	HB 310
Beryl Ben	Daryl	Room 122			465-3892	<input checked="" type="radio"/> Y	N	HB 305
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	