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165

FISCAL NOTE

Revision Date:
Title: Ferries with Oil Spill Response Ability

Department Affected: DOT&PF
BRU:

Sponsor:
Requestor:

Component:
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
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	500.0	14,500.0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	500.0	14,500.0*	0	0	0	0
TOTAL FUNDING:	500.0	14,500.0	0	0	0	0

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: _____

ANALYSIS: (Attach a separate page if necessary)

In FY92, \$0.5 million would be appropriated from the oil and hazardous response fund to the Alaska Marine Highway System for preliminary engineering to develop plans for both a new vessel and modifications to one or more vessels currently in the fleet. In FY93, \$14.5 million would be appropriated to the AMHS Vessel Replacement Fund to finance new ship construction and/or modifications to one or more vessels of the fleet.

*The actual cost may be less depending on final results of reconnaissance and engineering.

Prepared by: John Halterman

Phone: 465-3900

Division: Alaska Marine Highway System

Date: April 1, 1991

Approved by Commissioner: 

Phone: 465-3900

Frank G. Forpin

Agency: Department of Transportation and Public Facilities

Date: April 1, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 165

APPROVED:

A handwritten signature in cursive, appearing to read "J. Duggin", written over a horizontal line.

TITLE: Ferries with Oil Spill Response Ability DATE: April 1, 1991

Senate Bill 165 authorizes the Commissioner of the Department of Transportation and Public Facilities, subject to legislative appropriation, to either design and construct a vessel of the Alaska Marine Highway System which is capable of assisting in the clean-up of spills of oil and hazardous substances into the marine waters of the state. Alternatively, the legislation would also allow the modification of existing vessels in the fleet to achieve the same purpose. The discussion below outlines in general terms the operational and spill response capabilities which would be considered in designing a new vessel, or modifying existing vessels, which would meet the needs contemplated in the legislation.

The legislation also authorizes the payment of partial expenses required to keep vessels in operation so as to be available to respond to a release of oil or hazardous substances. It is estimated that the annual operating and overhaul costs of this vessel, chargeable to the fund, would be approximately \$500 thousand dollars. These expenses would be for annual training, as well as overhaul of the spill response equipment. The direct expenses incurred in responding to a spill would also be paid by the fund. A new or modified vessel is not expected to be in service until after fiscal year 1997.

General Requirements

All Alaska Marine Highway System vessels must have unrestricted highway vehicle and passenger carrying capacity - as the highway function is the basic mission of the Alaska Marine Highway System. The vessel must provide safe, comfortable accommodations for passengers,

For Further Information contact Katy McHugh at 465-3900.

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with reasonable priced meals and lodging. The vessel must be family oriented, with special accommodations for children and for the physically challenged. The Alaska Marine Highway System must further provide passengers the benefit of riding a vessel with excellent safety equipment for fire fighting and damage control, including a state of the art sprinkler system throughout the vessel, and an enclosed method of safely evacuating the vessel in case of emergency.

Should a new vessel be constructed, regulatory concerns dictate that it must be American flagged, inspected by the U.S. Coast Guard, and operated by American crews. A vessel must be designed for a 50 or 60 year life, through the use of planned refurbishments. It is not contemplated that all or even 50% of the costs of a new vessel would be allocated to the fund. The State would defray most costs through other means.

Southwest System Specific Requirements

The S.W. System must be serviced by a vessel that is ocean rated and must be able to transit the Gulf of Alaska year round. This vessel must have a vehicle transfer system that will enable it to service docks with no transfer ramps, and have a stern car door. The vessel length is constrained to a length no greater than 400 ft, due to the confined harbors it must serve; preferably the length should be no greater than 380 ft.

Southeast System Specific Requirements

The S.E. Mainline System is optimally served by a vessel with a forward car door, at main deck height. All other S.E. needs are met by the general and S.W. requirements.

Oil Spill Response Requirements

Members of the legislature and the public have identified the importance of the state having an emergency response capability for containing, and cleaning up oil spills as a result of the Exxon Valdez experience. Therefore, a new mainline vessel or modified vessel from the existing fleet should be able to respond to the oil spills in the following capacities:

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- A. Communication/Command Center
- B. Work/Machine Shop for Equipment Repair
- C. Room and Board for Spill Response Team
- D. Helicopter Support
- E. Boom Deployment
- F. Loading/Storage Spill Response Material
- G. Storage of Liquids, Dispersant/Oil
- H. Training Center

New Vessel Description

The list of mission requirements above, and the conceptual design work done for the Tustumena replacement project in 1982, provides enough data to assemble the major characteristics of a mainline vessel that would meet the above requirements.

A new vessel would be a steel displacement vessel, 380 feet in length by 65 feet in beam, designed and constructed in the United States. The vessel would carry approximately 450 people, 75 standard vehicles, and 100 berths. The vessel would be diesel-powered with twin controllable pitch propellers. Propulsion machinery would be augmented by the addition of bow thrusters and fin stabilizers. This vessel should have a large vehicle elevator/transier system located near the stern. This vessel would also have a stern door and stern ramp, and a crane above the stern door for handling the rescue boat and emergency stores or gear. Emergency evacuation would occur through covered lifeboats, boarded from inside the boat deck. The vessel would have a sprinkler system throughout.

A new mainline vessel would be well suited to oil spill response efforts, as it could respond anywhere in the Pacific Ocean in a matter of days. The bridge of the vessel would have the necessary electronic gear to act as a control/command center. The vessel would have the unique ability to travel to any dock and load containerized vans full of response gear, without assistance. The vessel's machine shop, adequate working space, and accommodations would be available for use by the clean-up crew. The aft upper-most deck could support a helicopter pad. The stern ramp would

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be easily converted to deploy oil containment booms underway, or act as a small vessel dock when anchored. The crane above the ramp could be used to move gear from the vessel to boats moored off the stern. The vessel would have large integral tanks able to hold spill response chemicals or recovered oil.

Vessel Design and Construction

To obtain a new vessel or perform necessary refurbishments to one or more existing vessels, the Alaska Marine Highway System must go through three design phases: conceptual, preliminary, and construction. Design time would be on the order of 18-24 months for a new vessel and from 6-12 months for modifications to an existing ship. Construction time would be on the order of 30-36 months for new construction and 6-12 months for major modification to an existing ship.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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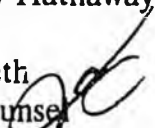
Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

April 4, 1991

SUBJECT: Is language in AS 46.08 relating to the establishment of "emergency response depots" sufficient to authorize the development of depots aboard vessels of the Marine Highway System?

TO: Senator Jay Kerttula
ATTN: Kathy Hathaway

FROM: Jack Chenoweth
Legislative Counsel 

AS 46.08.120 provides:

The division [of emergency services, Department of Military and Veterans' Affairs] shall maintain emergency response depots in areas of the state determined in the plans prepared under AS 46.04.200 - 46.04.210 to be potential sites of releases or threatened releases of oil or hazardous substances. The depots shall be equipped and staffed in a manner that ensures prompt response when containment and cleanup actions are necessary.

You have asked whether the requirement authorizes the development of vessels as emergency response depots or the placement of emergency response depots on state vessels.

AS 46.08.190(2) offers a definition of the term "depot," but the definition is not helpful for our purposes.

I understand from Terri Lauterbach, who handled ch. 190, SLA 1990, the source of the language of the first sentence of the quoted material, that the drafting history of the provision sheds no light on whether the legislature contemplated vessel-based depots.

Senator Jay Kerttula

April 4, 1991

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A common dictionary definition of the term "depot" seems to presume a land-based place for storage of material. Webster's New World Dictionary, Second College Edition, in use in our offices, defines "depot" as "a storehouse [or] warehouse; a storage place for supplies." Citing specific cases in which the term is used and defined, Black's Law Dictionary describes a "depot" as "[a] place for the deposit of goods; a warehouse or storehouse," again implying a location on land. (However, one standard reference, Webster's Third New International Dictionary, expands upon the definition to include reference to storage or maintenance of "military or naval supplies," opening the door to use of supply or storage ships for support of marine activities.)

However, the use of the term "depot" in context would seem to preclude the state from developing marine depots aboard one or more vessels of the Marine Highway System without specific statutory authority to do so. The substantive element of the provision quoted requires that the emergency response depots be "in areas of the state determined in the plans prepared . . . to be potential sites of releases or threatened releases of oil or hazardous substances." In implementing that requirement, the plan developer must take into consideration the factors bearing upon development and implementation of the state master plan in AS 46.04.200. AS 46.04.200(b)(5) directs that the state master plan must "designate the locations where oil and hazardous substance emergency response depots should be established" The reference in subsection (b)(5) to "the locations" seems to me to contemplate placing depots at fixed shore-based sites rather than aboard marine response vessels that are a part of the Marine Highway System.

JC:gc

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Alaska State Legislature

SENATE

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

Law

TO: Sen. Menard, Chairman
Senate Transportation
Committee

FROM: Senator Kerttula *JK*

SUBJ: Senate Bill 165-
Oil Spill Res-
ponse Ferries

DATE: March 13, 1991

I appreciate the scheduling of Senate Bill 165. Senate Bill 165 has a dual purpose -- to add to Alaska's oil spill response capability and to provide for funding of vessels to replace the Alaska Marine Highway System's aging fleet.

Senate Bill 165 provides for the construction of these vessels from the fund established by five-cents a barrel surcharge on North Slope crude which I sponsored, and which was approved by the legislature following the Exxon Valdez disaster. This bill will allow the state to use funds from this oil spill account to build a new breed of vessels which will be outfitted not only for passenger and cargo service, but for oil spill response as well. A new ocean-certified ferry could be built under provisions of this bill designed to deploy containment booms, house workers, serve as a communications and command center, store cleanup materials and perform other cleanup duties.

I believe that construction of ferries with oil spill response capabilities is an eminently suitable use of the oil spill response fund and urge favorable consideration of this bill.

JK:kh



Official Business

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P.O. Box V
State Capitol
Juneau, Alaska 99811

SPONSOR STATEMENT SENATE BILL 165

SENATOR JAY KERTTULA

The impact of the 1989 Exxon Valdez Oil Spill was heightened to a phenomenal extent by lack of preparedness. More than \$2 billion was spent in a summer-long effort to make up for that lack of preparedness -- mobilizing the equipment, personnel, logistics, communications, management and decision-making ability to pursue the oil and mitigate its impact. During the summer of 1989, more than 20 communities in the path of the oil, 11,000 cleanup workers and hundreds of boats and aircraft were consumed by the superhuman efforts required to contain and cleanup the oil.

In the wake of the Exxon Valdez disaster, I introduced Senate Bill 470 creating a 5 cents a barrel surcharge to fund the Oil and Hazardous Substance Release Response Fund. This fund offers an ideal mechanism whereby Alaska can create new oil spill response capabilities which are vital if we are to be prepared for another major spill.

Despite our best efforts to legislate environmental protections, current oil spill containment and cleanup assets in Alaska are insufficient to respond to a major oil spill. The public and private sectors need to encourage the creation and maintenance of new oil spill facilities and services in the state.

The Alaska ferry vessel, Bartlett, was used to house oil spill workers in 1989. The Bartlett served a useful purpose, but its usefulness was limited by its lack of spill response equipment. Alaska's ferries are almost always within one day of any location in Southeast, Southcentral, or Southcentral Alaska -- areas which are at high risk for oil spills. It makes eminent good sense to use the monies within the Oil and Hazardous Substance Release Response Fund to construct and refurbish ferry vessels which are capable of responding to, containing, and cleaning up spills.

I urge your support for Senate Bill 165.