

SCOMM

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Alaska State House of Representatives

Representative Mark Neuman, Chair
Alaska State Capitol, Room 432
Juneau, Alaska 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
House District 15



Representative Vic Kohring
Representative Carl Gatto
Representative Bob Lynn
Representative Kyle Johansen
Representative Andrea Doll
Representative Mike Doogan

House Special Committee on Economic Development, Trade & Tourism

To: House Economic Development, Trade, and Tourism Committee Members
From: Representative Mark Neuman, Chair
Date: February 26, 2007
Re: Committee Schedule

Schedule for House: Special Committee on Economic Development, Trade & Tourism

+ **Tuesday, February 27th, 2007**, 11:00 a.m. in Room 106

Alaska's Shipbuilding Industry is afloat
Presented by Douglas B Ward of Alaska Ship & Dry Dock Inc.

- * First Hearing in First Committee of Referral
- + Teleconferenced
- = Bill was Previously Heard/Scheduled

At this time we will call the meeting to order.

Let the record reflect the time is 11 am on Tuesday, February 20, 2007.

Let the record show that

- ☐ Representative Gatto
- ☐ Representative Lynn
- ☐ Representative Kohring
- ☐ Representative Johansen
- ☐ Representative Doll
- ☐ Representative Doogan
- ☐ And myself Representative Neuman

and that we have a quorum.

(Let the record also reflect that _____ has been excused from the committee meeting today.)

Today we will be hearing a:

Alaska's Shipbuilding Industry is afloat

Presented by Douglas B Ward of Alaska Ship & Dry Dock Inc.

(Doug)

Before you start please, state your name for the record.

Does the committee have any questions?

Thank You.

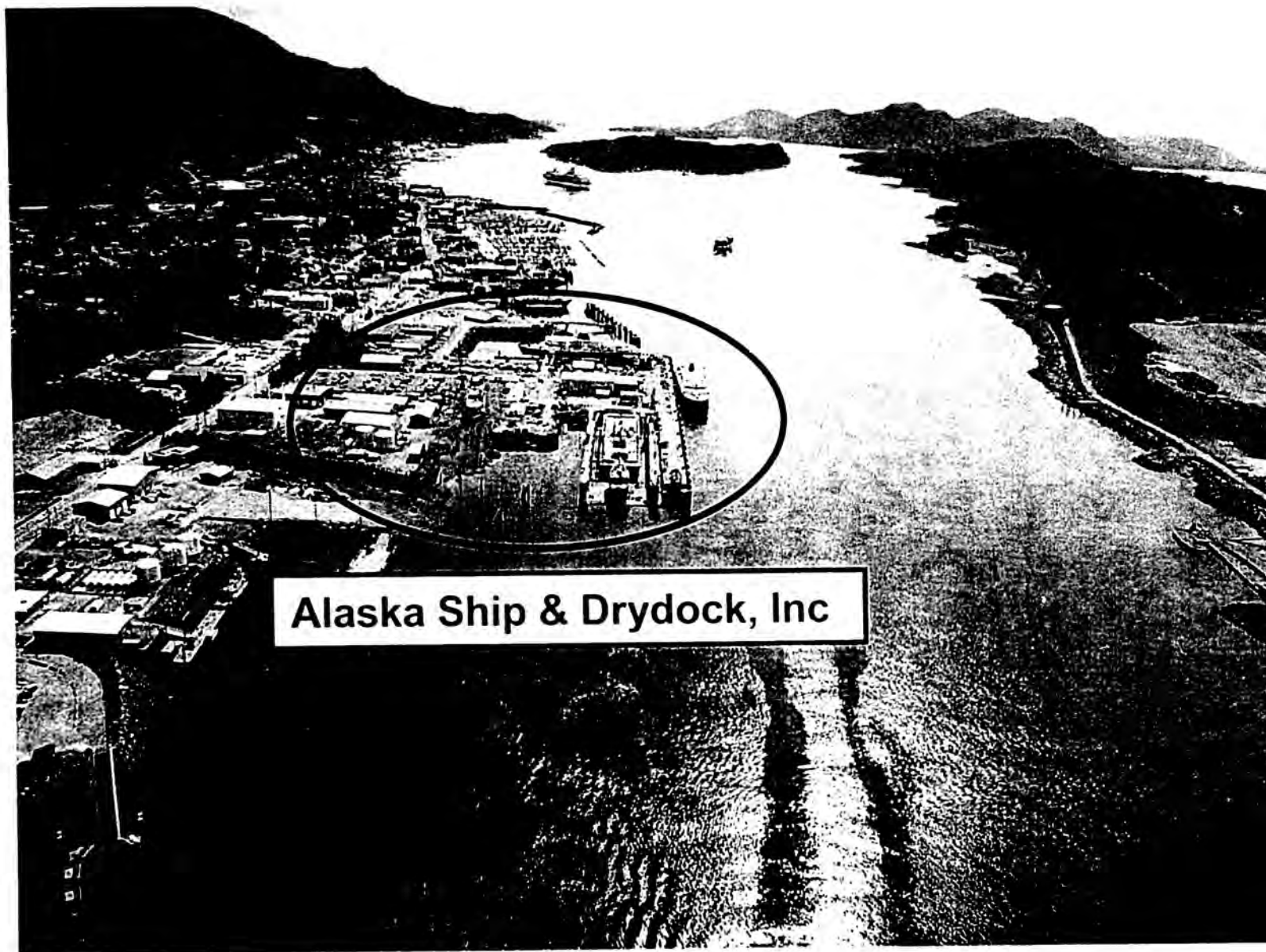
This committee is adjourned



Alaska Ship & Drydock & AIDEA

**A Public Private Partnership
Anchoring Alaska's**

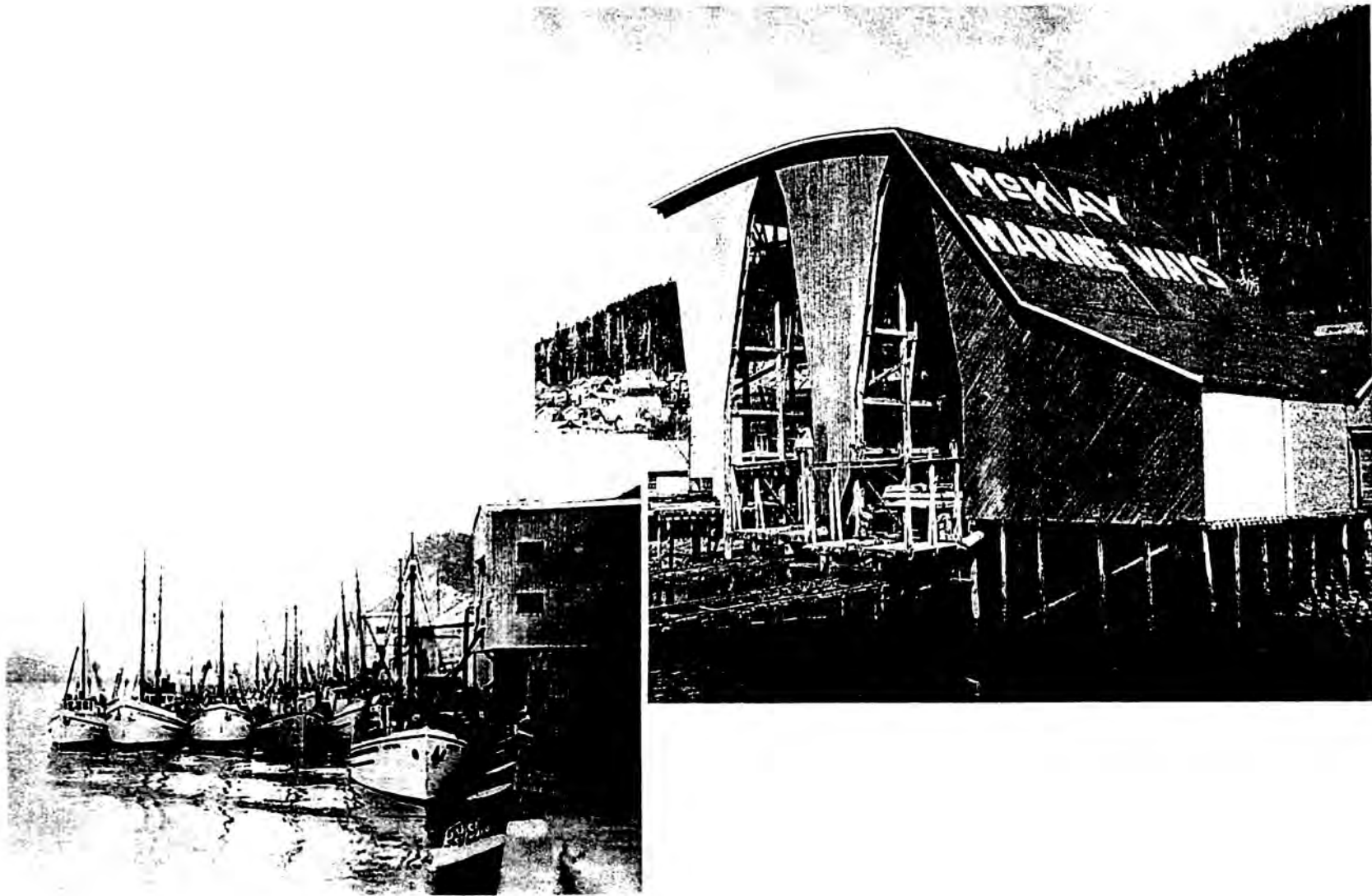
Maritime Industry Complex

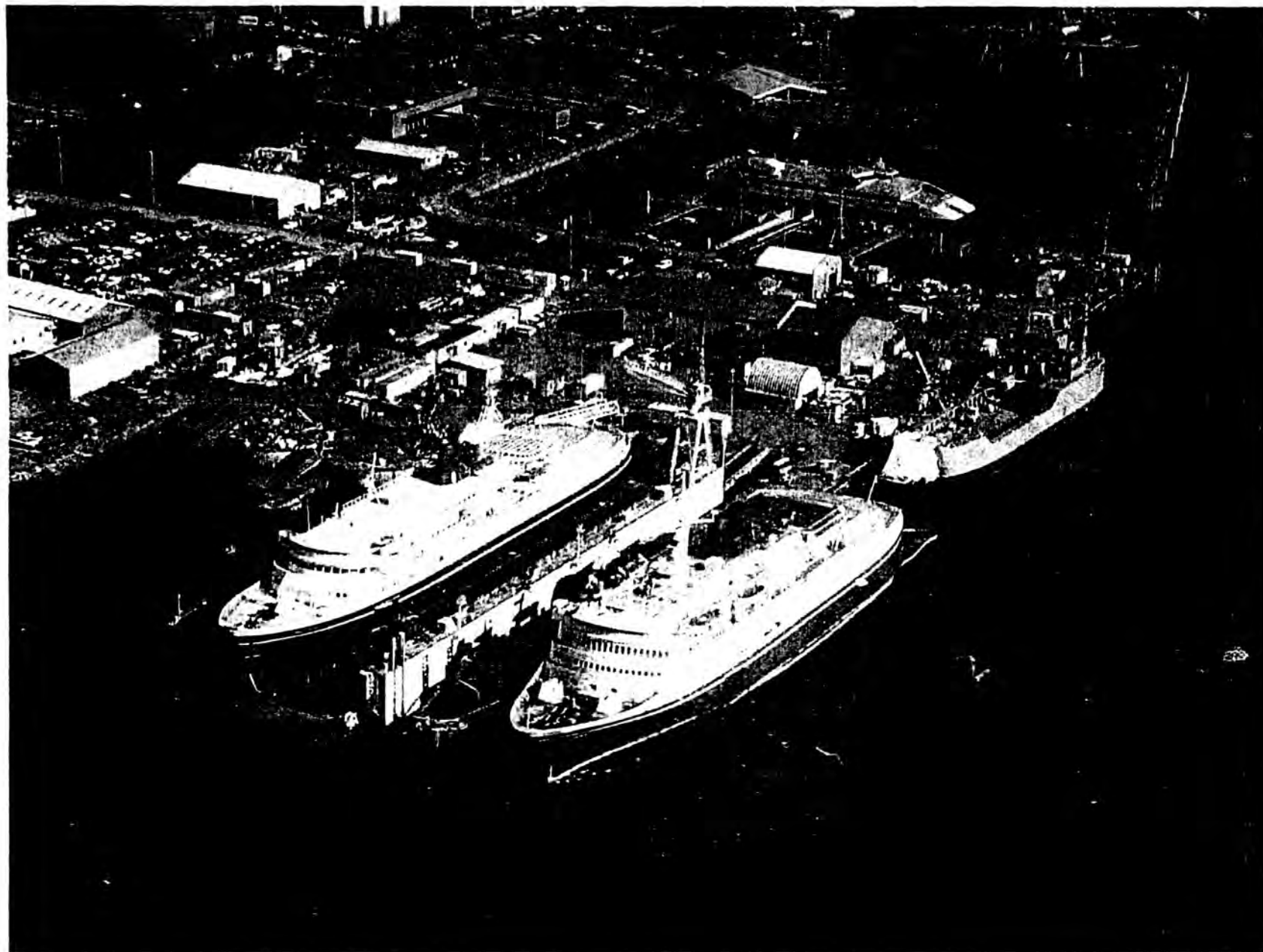


Alaska Ship & Drydock, Inc



A Sustainable Industry in Alaska

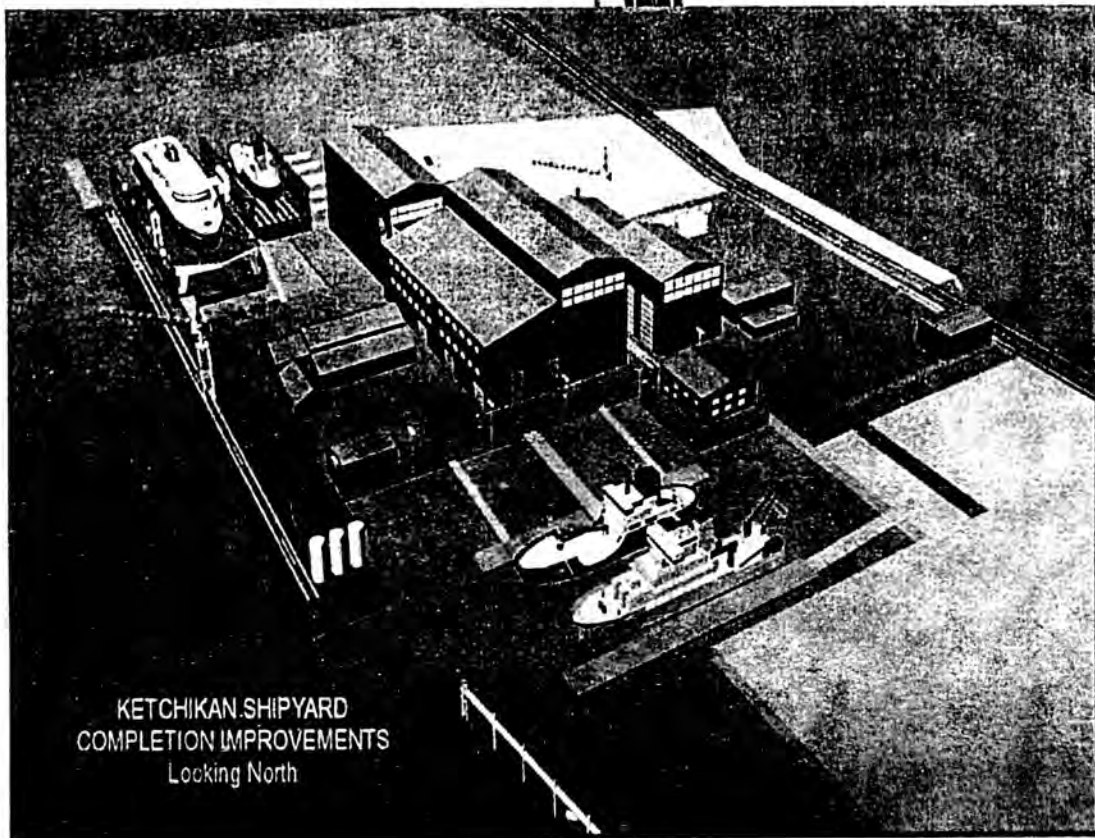
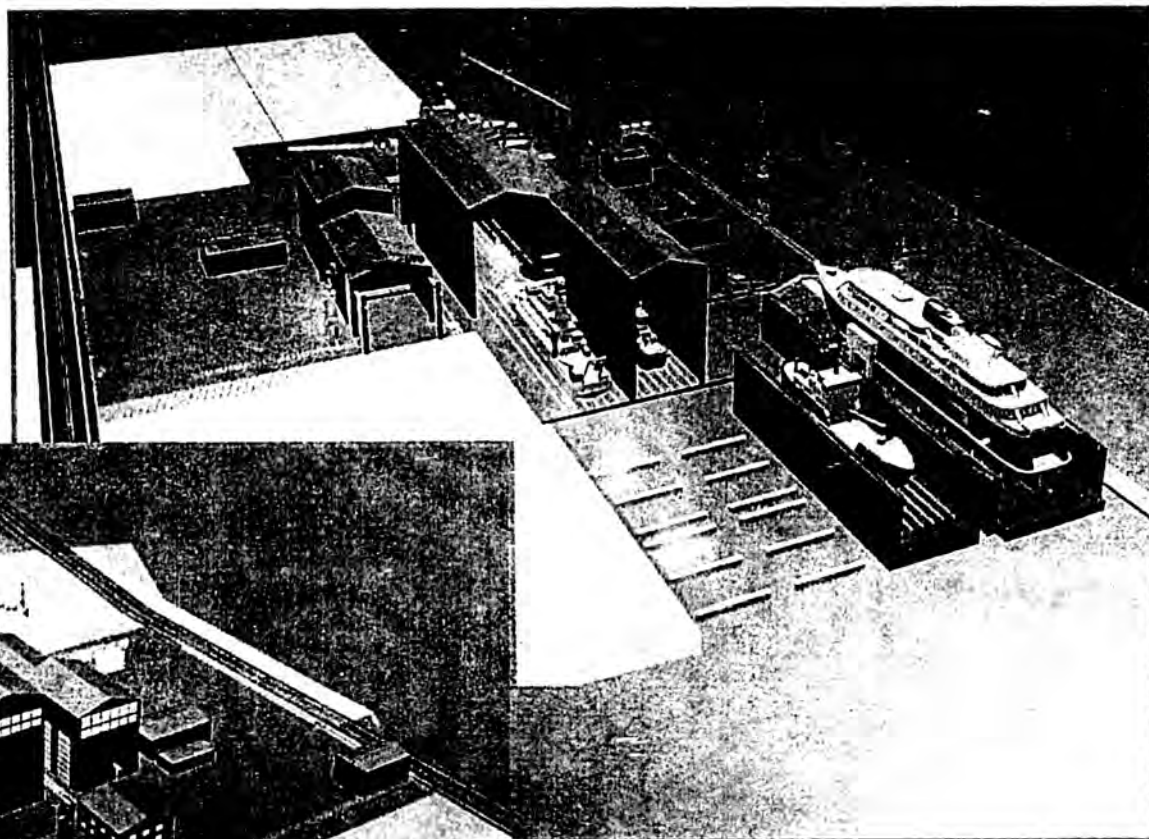






A Globally Competitive Shipyard in Alaska

Concurrent Development



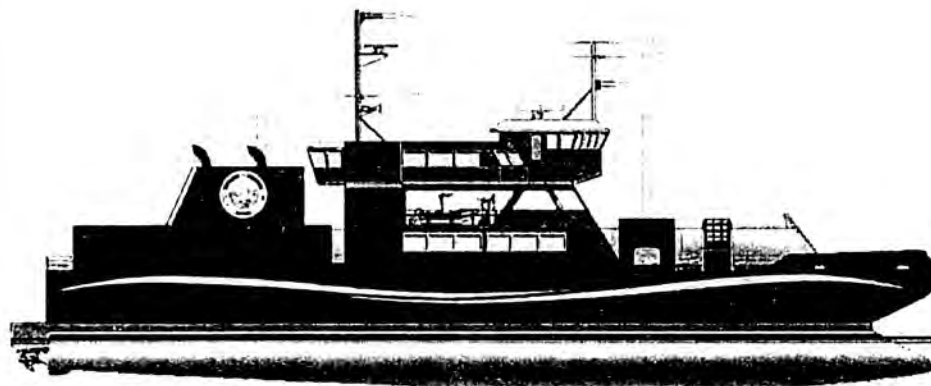
KETCHIKAN SHIPYARD
COMPLETION IMPROVEMENTS
Looking North

**Supporting the
Southeast
Transportation Plan**
Affordable Ferries



Keel Laying M/V Susitna

Lockheed Martin
Design



Vessel Characteristics:

Length -195 Feet, Beam - 60 feet

Displacement: 940 tons full load

Variable Draft - SWATH mode is 12± feet,
shallow-draft landing-craft mode is 4± feet.

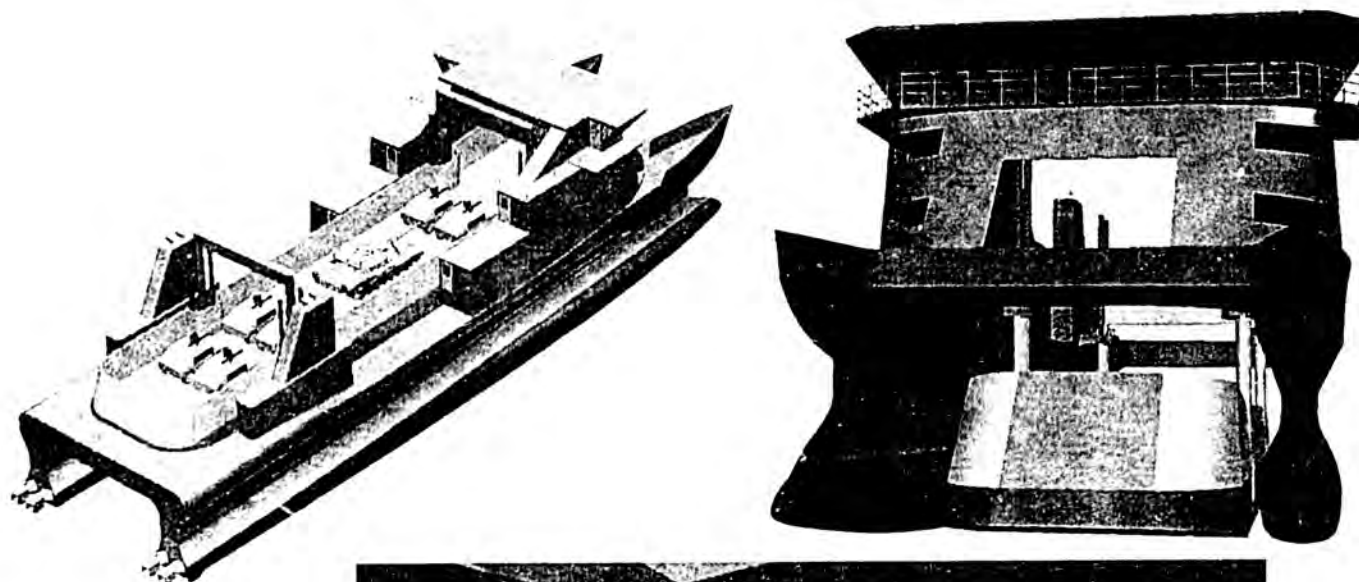
Capacity: 100 Passengers and 20 vehicles.

Speed: 20 knots

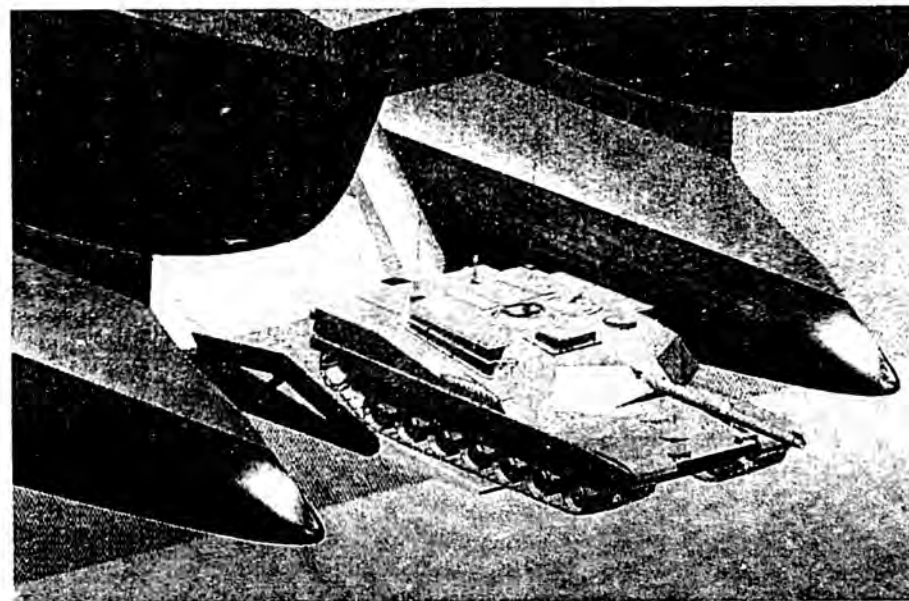
Power Plant: 4 ea., MTU 12V 4000 diesel
engines



Variable Geometry – Variable Draft Ice-Strengthened - Beachable

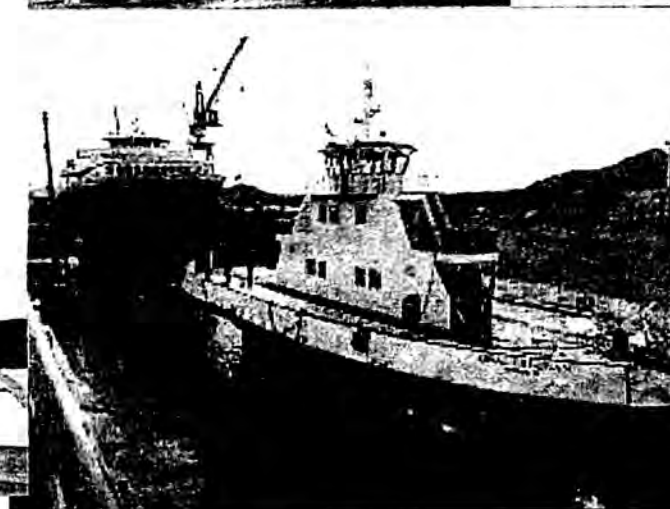
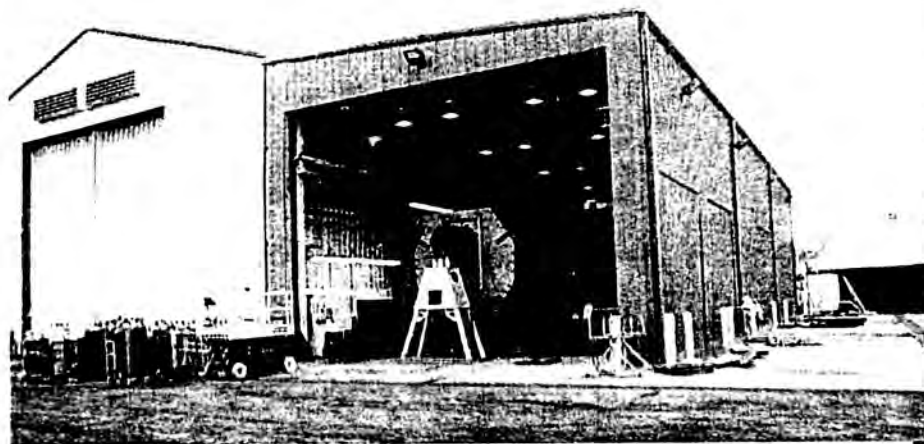
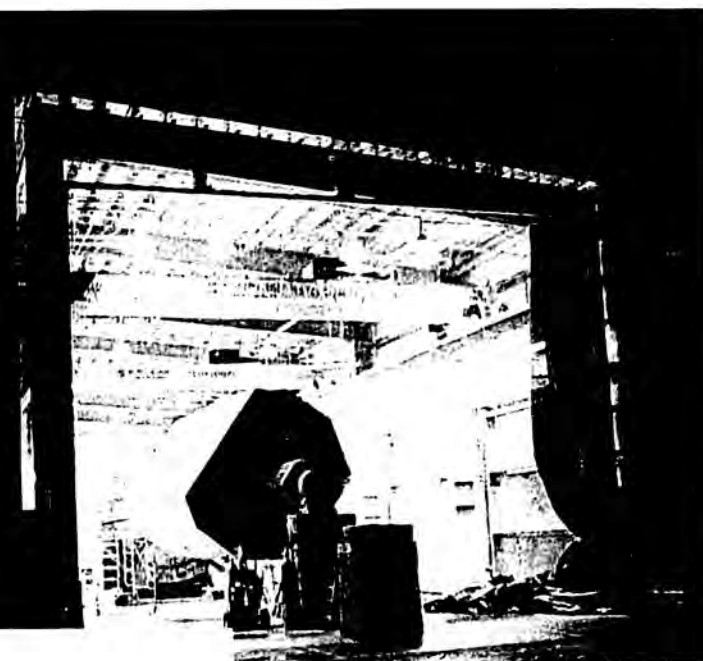


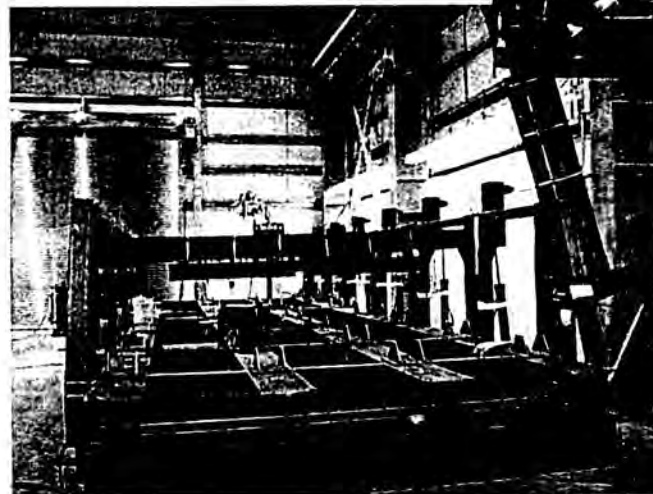
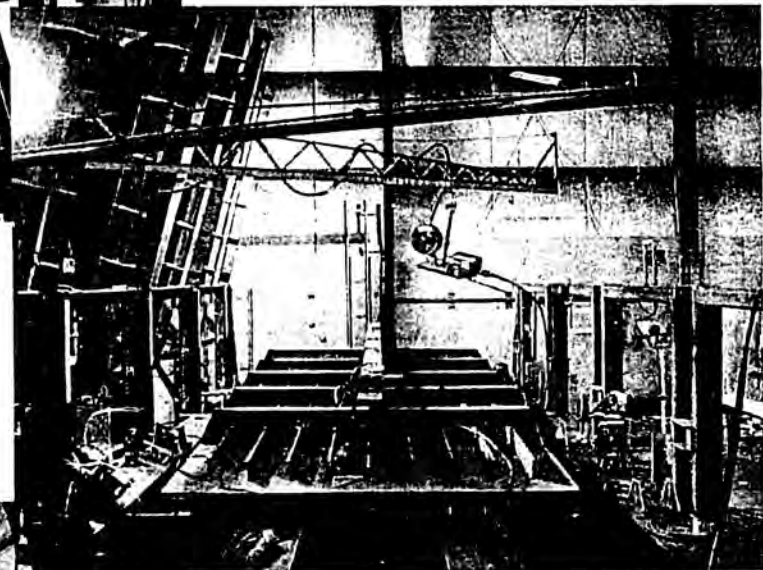
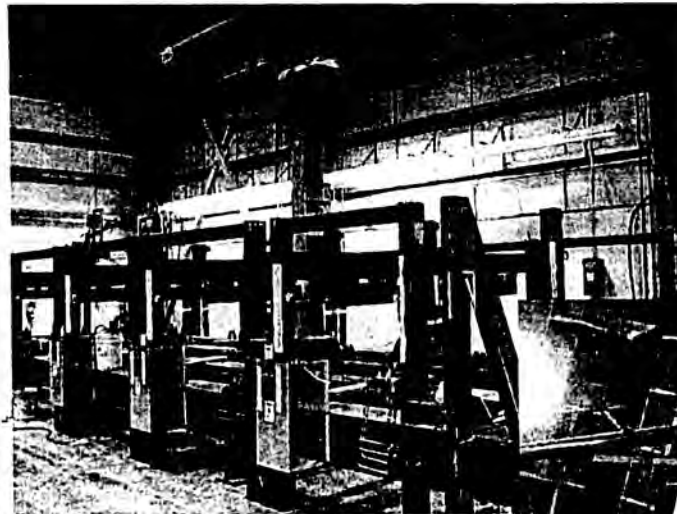
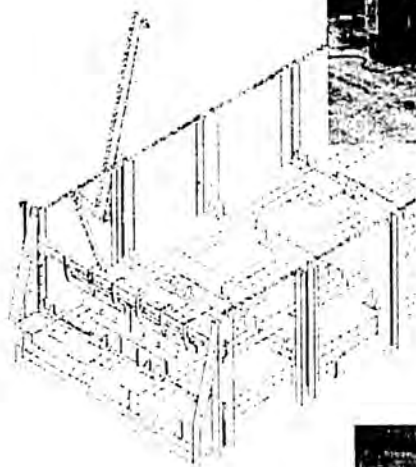
**Commercialization
of Defense Science
& Technology in
Alaska**



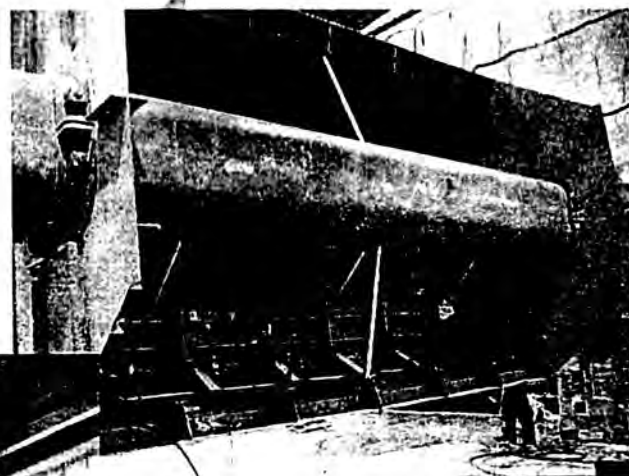
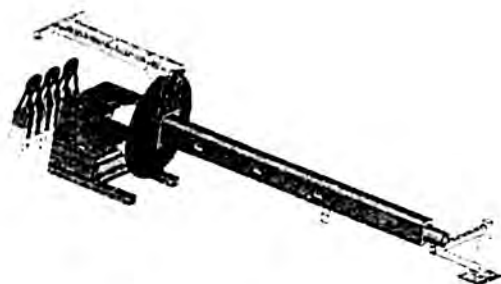
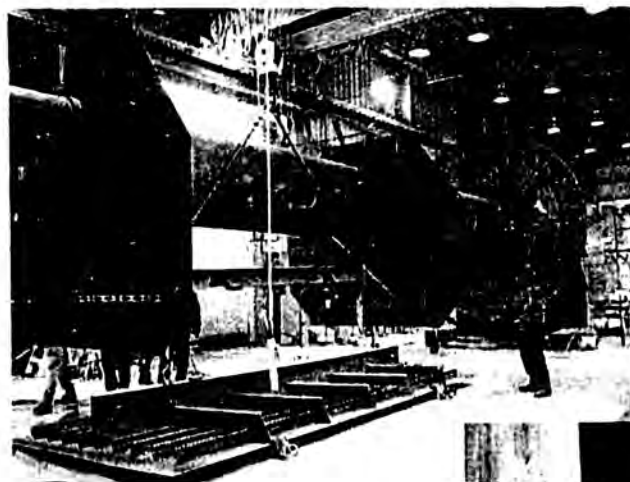


Agile & Advanced Manufacturing in Alaska





Advanced Hull Forming



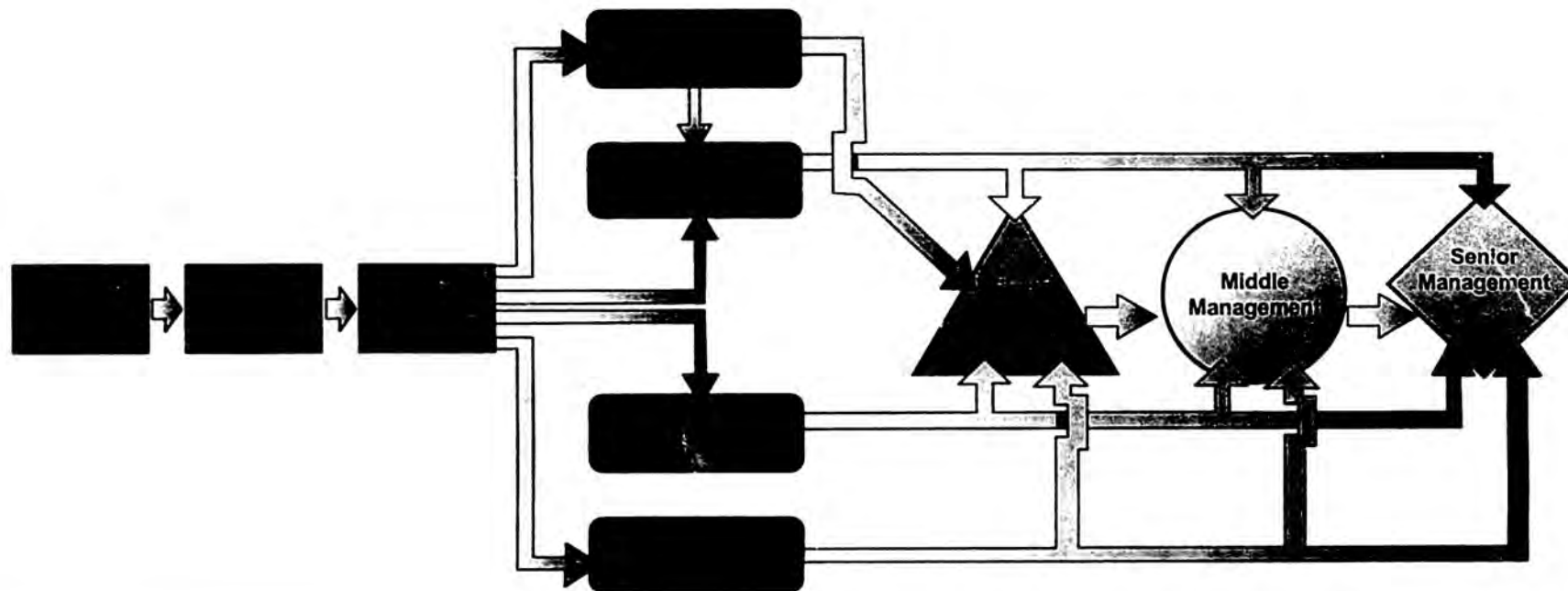
Positioner & Mandrel



**Semi-
Automated
Production**



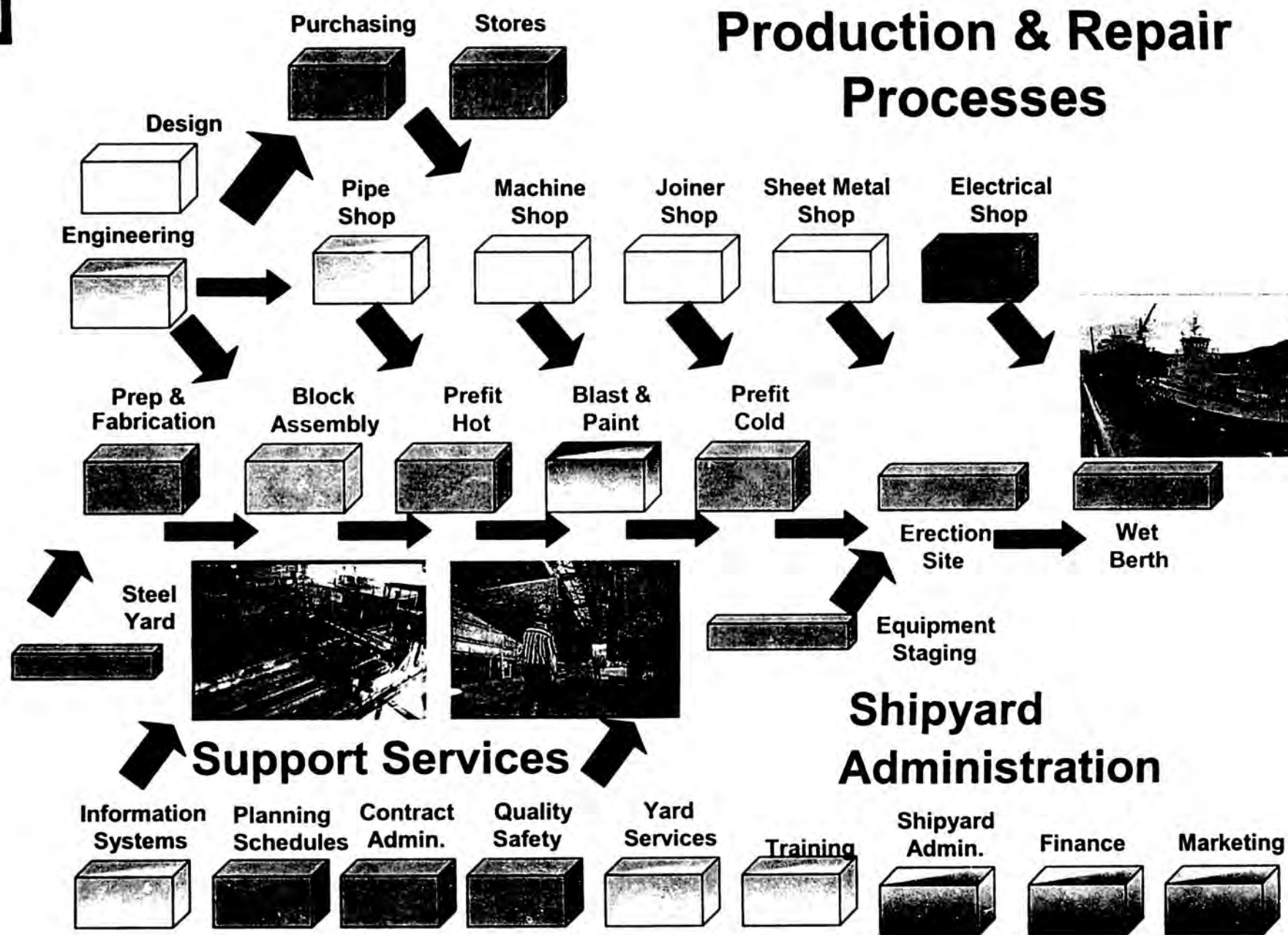
Shipyard Career



Career Pipelines -- Pre-Employment Assessments – Learning—On-The-Job Training

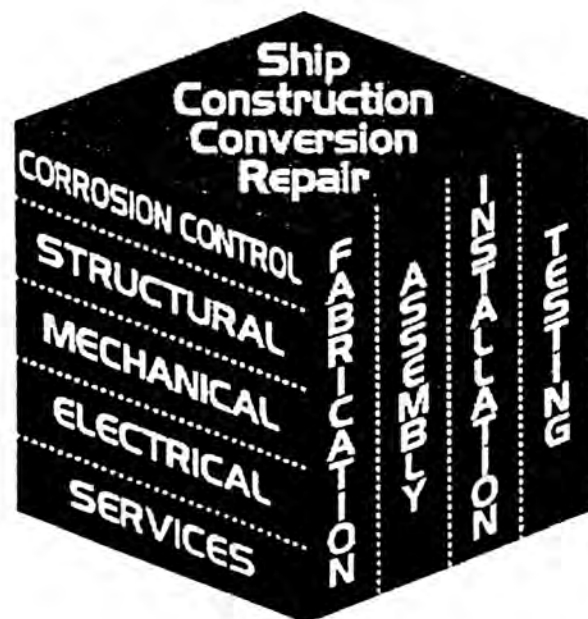


Production & Repair Processes





Globally Competitive Workforce TWI Training Within Industry



NSRP Improve Industry Image

Marine Industry Technical Centers

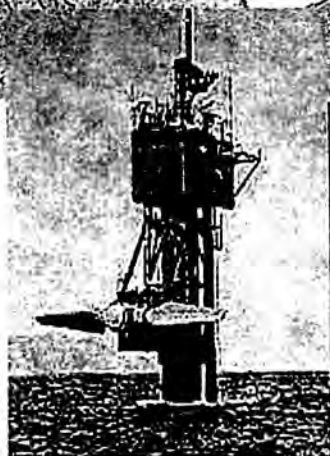
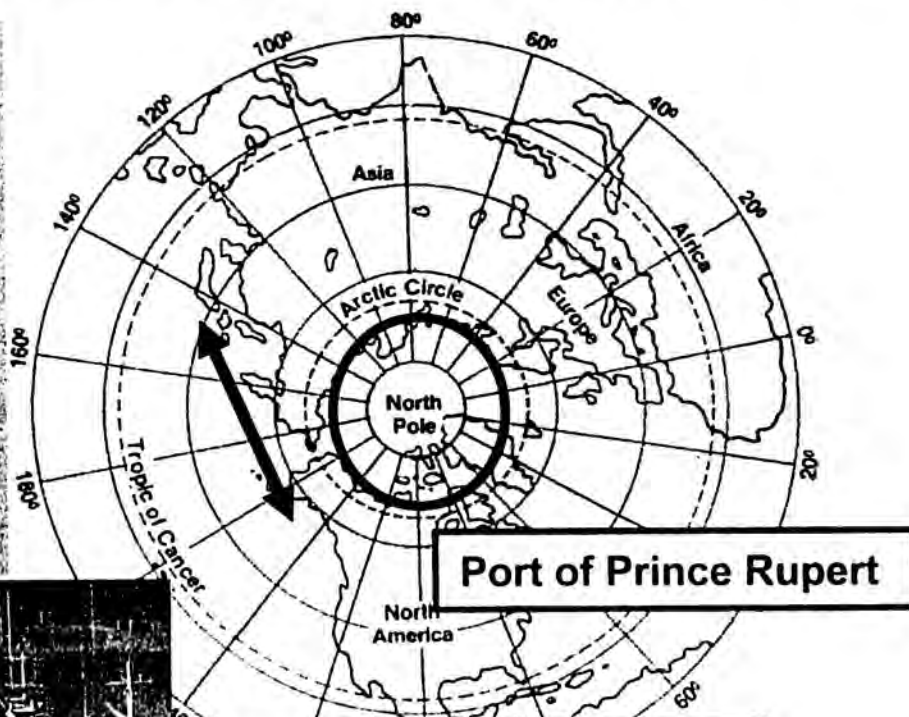
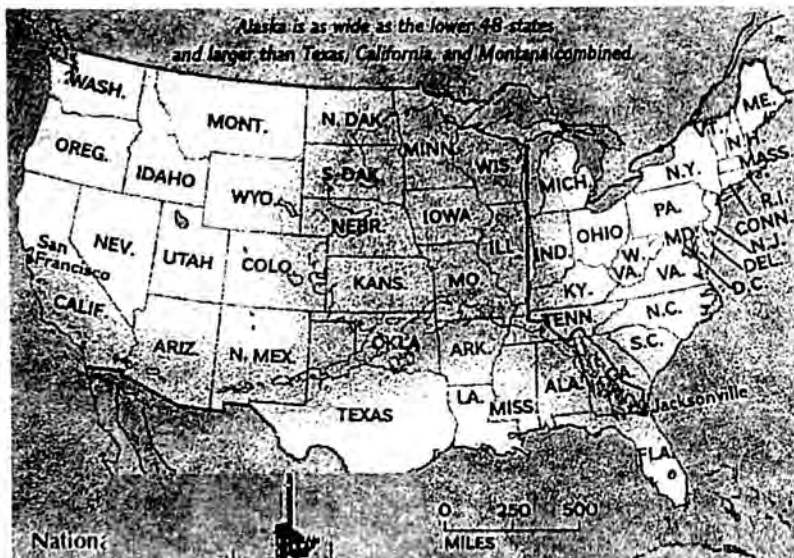
**Northrup Gruman – Newport News
Shipyard**

ASSET





Island Nation - Island State – Center of the Pacific Rim





ALASKA SHIP AND DRYDOCK, INC

3801 TONGASS AVENUE
P.O. BOX 9470 • KETCHIKAN, ALASKA 99901
BUS. (907) 225-7199 FAX: (907) 247-7200

Establishing Globally Competitive Shipbuilding and Repair in Alaska

Alaska Ship & Drydock, Inc. (ASD) commenced operations at the Ketchikan Shipyard in November 1993. Constructed by the State of Alaska and opened in 1987, the Ketchikan Shipyard was intended to reduce the cost of operating AMHS ferries and other marine vessels operating in the North Pacific and Arctic Oceans. Other intended beneficiaries include the communities of Ketchikan and Southeast Alaska where reversals in federal timber harvesting policy and more recent impacts from imported foreign farmed salmon devastated regional economies. Closure of the two large Southeast Alaska pulp mills in the 1990's followed by a 56% reduction in the number of active fishing permits between 1995 and 2004 has left the Southeast Region with the cruise and visitor industry as the most visible economic sector.

Early planning for the shipyard was lead by knowledgeable Ketchikan based maritime professionals who developed the economic and technical basis for establishing the Ketchikan Shipyard as an enduring enterprise. The state owned AMHS ferry fleet constitutes over 50% of repair, maintenance and conversion activity at

the Ketchikan Shipyard. Other government customers include the US Coast Guard, Army, Navy and NOAA. Commercial clients include a wide variety of work boats, barges, fishing, cruise, and research vessels (see back panel for project listing).



Historic Ketchikan Shipyards

Ketchikan's once viable ship repair industry included 3 independent all-weather marine ways supporting a fleet of 200 halibut schooners based in Ketchikan during the 1920's.

Gravina Island supported a shipbuilding yard where a fleet of US Forest Service cutters were built to patrol Southeast Alaska.

The last of Ketchikan's early shipyards survived until the 1980's, victims of increasing vessel size, complexity and welded steel construction.





The Ketchikan Shipyard as presently configured

Following the recommendations of the early Ketchikan shipyard planners, ASD has pursued expansion and improvement of the shipyard's production capabilities to achieve adequate business volumes necessary to produce a reasonable profit on a sustainable basis; an enduring enterprise. ASD has worked in partnership with the communities of Ketchikan, the State (AIDEA), and the Alaska Congressional Delegation to secure \$75 million to expand and improve ship production facilities at the Ketchikan Shipyard.

The year 2005 marked a significant turning point on decades of regional economic decline in Ketchikan and Southeast Alaska. In addition to capping \$75 million of new investment in the Ketchikan Shipyard, ASD also entered into a 30 year operating agreement with AIDEA and was awarded a contract to construct the Office of Naval Research (ONR)

demonstrator vessel M/V Susitna (formerly E-Craft).

Implementation of the \$75 million capital improvement program is underway with fast track procurement of production improvements needed to support construction of E-Craft. Construction of the balance of shipyard improvements is scheduled over the next three to five years and will provide the shipyard with the originally planned capacity to transfer up to 250 foot long ships to multiple, all-weather, land-level production facilities.



Ketchikan Shipyard at build out of \$65 million expansion and improvement

ASD is leading a Workforce Improvement Initiative with the University of Alaska and the Alaska Department of Labor and Workforce Development. The initiative is based on skill standards and recommendations from developed by the National Shipbuilding Research

Program's (NSRP) Crosscut Initiative Panel to expand and improve the nation's pool of multi-skilled and knowledgeable shipyard workers. This Workforce Improvement initiative will support a stable and globally competitive workforce estimated to grow from the present 100 workers to 300 workers following build out of the planned capital improvements.

Construction of the E-Craft in Ketchikan will catalyze over 30 years of planning and investment and accelerate the reindustrialization of Ketchikan and Southeast Alaska. With a globally competitive shipbuilding and repair yard located in Ketchikan, marine vessels that work principally in Alaska's waters, but homeport outside of the state, will be attracted by regional competitive advantage and seek new homeports in Southeast Alaska's ice free and protected harbors. Regionally available, globally competitive shipbuilding and repair capacity will reduce the cost of operating AMHS ferries and other marine vessels in Alaska.

ASD and AIDEA are implementing the principles of concurrent development

to reduce risk to the public and private stakeholders by concurrently developing infrastructure, workforce improvement and market opportunities to assure that, at build out, a knowledgeable and skilled work force is in place to maintain and build new, affordable marine vessels to work in Alaska and northern international waters.



M/V Susitna

A variable draft, ice strengthened, SWATH Vessel for the Office of Naval Research to be demonstrated as a commercial ferry across the Knick Arm between Anchorage and Mat/Su Borough. Construction of hull modules commences at the close of 2006 with the launch date scheduled for the fall of 2007

Major Projects Successfully Completed by ASD Since Year 2000

Year	Project	Owner	Project Value
2005	LECONTE REPAIRS	ALASKA MARINE HIGHWAY SYSTEM	\$4,041,219
2005	IX-527 BARGE	SAIC NAVAL SURFACE WARFARE CENTER	\$5,275,579
2005	M/V MATANUSKA	ALASKA MARINE HIGHWAY SYSTEM	\$6,212,917
2004	MISTY	US FOREST SERVICE	\$612,300
2004	KENNICOTT ANNUAL	ALASKA MARINE HIGHWAY SYSTEM	\$863,916
2004	US ARMY LT 802 TUG	US ARMY	\$1,219,820
2004	M/V MALASPINA	ALASKA MARINE HIGHWAY SYSTEM	\$3,562,221
2003	M/V TAKU	ALASKA MARINE HIGHWAY SYSTEM	\$682,404
2003	IX-527 BARGE	SAIC NAVAL SURFACE WARFARE CENTER	\$757,976
2003	M/V KENNICOTT	ALASKA MARINE HIGHWAY SYSTEM	\$1,110,325
2003	AMHS-M/V COLUMBIA	ALASKA MARINE HIGHWAY SYSTEM	\$4,516,973
2003	AMHS-M/V TAKU	ALASKA MARINE HIGHWAY SYSTEM	\$4,522,848
2003	M/V MATANUSKA	ALASKA MARINE HIGHWAY SYSTEM	\$5,315,922
2002	USCG STORIS WMEC38	US COAST GUARD	\$980,196
2002	M/V KENNICOTT	ALASKA MARINE HIGHWAY SYSTEM	\$1,110,325
2002	USCG ACUSHNET	US COAST GUARD	\$1,736,749
2002	KGB FERRY CONSTRUCT	KETCHIKAN GATEWAY BOROUGH	\$2,805,477
2002	M/V COLUMBIA	ALASKA MARINE HIGHWAY SYSTEM	\$10,334,592
2001	U S ARMY BD-6660	US ARMY	\$564,609
2000	AMHS M/V MALASPINA	ALASKA MARINE HIGHWAY SYSTEM	\$516,493
2000	M/V COLUMBIA	ALASKA MARINE HIGHWAY SYSTEM	\$620,055
2000	USCG ACUSHNET	US COAST GUARD	\$654,607
2000	MILLER FREEMAN	NOAA	\$5,653,285

