

## **Alaska Marine Surveyors, Inc.**

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Kodiak, Alaska 99615  
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September 8, 2020

Nancy Harriss  
North Star Insurance Services  
1801 Fairview Avenue East, Suite 200  
Seattle, WA 98102

RE: BARGE SM3 Grounding- - DOL: 8/30/2020  
Assured: Northline Seafoods, LLC  
Preliminary "Brief" Damage Report DV3148 "Hull & Machinery"

Ms. Harriss,

Please be advised and advise necessary underwriters that the undersigned did on September 3, 2020, attend the Barge SM3, hard aground along the beachfront East Southeast of the Village of Ekuk, in Bristol Bay, Alaska.

The purpose of the attendance was to determine the nature, extent and cause of damage as a result of a reported grounding, as well as to explore options that may or may not be available to mitigate that damage.

### **Attending**

Pat Glaab-Barge Owner Representative  
Harrold Arrowood - Salvage Master, representing Jag Seward Alaska  
Katy Stewart - Representing Global Salvage & Diving-for Pollution/Hull & Machinery underwriters' interests  
Jack L. McFarland - Marine Surveyor with Alaska Marine Surveyors, Inc., representing Barge Hull & Machinery underwriters' interests

### **Vessel Particulars**

Name:	SM3
Official No.:	505535
IMO. No:	Not found
Call Sign:	Not found
Hull ID No.:	Not found
Hailing Port:	Ketchikan, Alaska

BARGE SM3 – DV3148 “Hull & Machinery”

Preliminary “Brief” Damage Report

September 8, 2020

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Owner: Northline Seafoods, LLC  
609 OJA Street  
Sitka, AK 99835

Year Built: 1966 (original barge)  
Where Built: Portland, Oregon  
Built By: Zidell Corp.  
Year Converted: 2018  
Conversion: Fish Process/Freezer Barge  
Where Converted: Sitka, AK  
Converted By: Reportedly owners- specific subcontractors unknown  
Length Overall: 150.0'  
Registered Length: 150.0'  
Width: 42.0'  
Depth: 12.0'  
Gross Tons: 91  
Net Tons: 91  
Type: Fish process barge  
Registry: United States of America  
Load Lined: None- exempt  
Classified: None- exempt  
Propelled: None  
Accommodations: 30 (reported)  
Construction: Welded steel barge platform with above deck trailered accommodation, galley, office, restrooms, radio rooms, lounge and dining hall, all raised above the deck process/freezer building, supported via weld connect steel pipe columns and H-beam girders. Below deck: factory machinery, diesel power plants, refrigeration system, ice slush holding tanks, fish offload pumps, sanitation, diesel fuel storage, AC/DC electrical distribution, etc.

## Damage

The undersigned observed the following:

### **The Vessel-**

The entire vessel rests hard aground, at low tide, parallel to, and up approximately 100 yards from the shoreline, approximately 5 miles East Southeast of the Village of Ekuk, Alaska. At high tide stages the Barge is exposed to sea water storm surge. Barge structural damage is evident where the deck plate is torn away where support weld-on columns ripped loose or compressed into the deck and the machinery below deck upper watertight door enclosure house was ripped away. This exposes the barge to further down flooding in various compartments aside the critical machinery space.

### **Above Deck-**

The upper superstructure with H-beam girder/vertical column support collapsed down onto the factory/freezer plant structure distorting the scantling supports, crushing that plant and shifting this entire above deck housing assemblies heavy over to the Barge starboard side and beyond to partially drag onto the beach.

**Below Deck-**

The entire below deck machinery critical space was down flooded by the storm surge sea water approximately three quarters up the floor to ceiling, covering all the critical factory/freezer support diesel plants, refrigeration components and the AC/DC electrical distribution.

**Beach-**

The upper highwater beach level, up against the rising bluff, off the Barge starboard side, has an extensive and heavy debris field extending approx. 1.5 miles each side of the barge amidships. Debris consist of foam insulation pieces, fenders, wood and siding sections, barrels, lines, and so on with slight diesel odor, closest to the center of the debris field and off the barge starboard side. No oiled beach gravel or materials was observed.

**Repairs**

Based on the undersigned’s observations and experience in these matters, it is the opinion of the undersigned that the extent of damage to this barge is such that the cost to salvage, for the purpose to repair, tow to a repair facility, effect repairs and tow back to this area, post-repair, is just near, at, or over the understood insured value of \$6,900,000.00 and therefore the undersigned recommends that the owners and underwriters do not undertake damage repairs, through the “Hull and Machinery” coverages, but rather, consider this vessel to be a Constructive Total Loss (CTL).

P&I underwriters are advised that this is now considered, by the undersigned, to be a “Wreck Removal” Project.

**“Field” Estimated Cost of Repairs**

The undersigned sets forth estimate costs that would most likely be involved in the Barge damage repair as the basis for CTL recommendations above:

Salvage (Removal off the beach)/Beach Clean-up	\$	750,000.00	-	1,100,000.00
Barge set-up/tow ready (post beach relief)	\$	100,000.00	-	200,000.00
Towage to nearest safe moorage capable harbor (Dutch Harbor/Seward)	\$	250,000.00	-	350,000.00
Barge drydock/lay days	\$	35,000.00	-	45,000.00
Barge component disassembles/removals/internal clean-up/disposals	\$	250,000.00	-	350,000.00
Barge hull structural repair	\$	150,000.00	-	250,000.00
Superstructure steel scantling/accommodation housing replacement	\$	350,000.00	-	500,000.00
On-deck factory unit replacement	\$	1,000,000.00	-	1,500,000.00
Under-deck factory/process machinery/AC & DC distribution replacement	\$	3,000,000.00	-	4,500,000.00
Towage (return to Naknek post-repair)	\$	250,000.00	-	350,000.00
<b>Subtotal</b>	<b>\$</b>	<b>6,135,000.00</b>	<b>-</b>	<b>9,145,000.00</b>
10% Unforeseen	\$	613,500.00	-	914,500.00
<b>Total “Field” Estimated Cost of Repairs</b>	<b>\$</b>	<b>6,748,500.00</b>	<b>-</b>	<b>10,059,500.00</b>
Average:	\$			(8,404,000.00)

### Cause of Damage

No formal statement has been obtained yet from the barge owners. One is requested.

Based on the undersigned’s observations and discussions with the barge owner’s representatives, the barge was moored off on the owner’s two-anchor moorage flotation ball system, as normal, when an unpredicted, heavy and violent high wind storm, of reported 80 mph winds, developed, with heavy sea surge, where the barge broke away from the moorage ball itself, where the steel ball plate ripped away under the connect padeye, resulting in the barge drifting onto the beach and being pushed upon and toward the beach high tide line, violently and abruptly, pounding the barge starboard side hull into the beach causing the above deck super structure assembly to collapse and shift off center to starboard and over the barge side.

### Surveyor’s Comments

1. There were no injuries reported.
2. There was no fish product onboard at the time of the incident.
3. This is, in the opinion of the undersigned, a “Wreck Removal” project and therefore P&I underwriters should be advised. It is likely that P&I efforts can be coordinated with Pollution as there are interests for both Pollution and potential Hazard to Navigation and State of Alaska Trespass issues to mitigate.

As/if agreed by barge owners and the Hull and Machinery underwriters, that the Barge is a CTL, the Undersigned will finish gathering various documents from the assured to close out this file, with a final somewhat more detailed report issued, in the nearest future.

In the meantime, as agreed, I will now provide assistance to P&I Underwriters to coordinate with Pollution and develop “No Cure/Not to Exceed -Fixed” Wreck Removal/Beach Clean-up/Disposal and Tow Bid RFP “Drafts,” to provide for comments and finalization so to get out to qualified contractors, as soon as possible, to procure necessary contracts with chosen contractors for owners, and allow the removal to proceed.

4. Barge Salvage Value:  
Based on the undersigned’s inspection and experience the undersigned estimates the barge salvage value at between \$ 150,000.00- \$350,000.00, which value would be reflective of the barge’s residual condition once relieved from the beach and how much above deck structure components may yet be left and whether further damage occurs to the barge hull prior to or during the removal process.
5. The moorage ball padeye/ripped plate section is in the possession of the owners at present, has been marked for evidence by the undersigned, and will be shipped to the undersigned in the near future. In the meantime, the remaining sections of the moorage system is offshore as is the affixed moorage ball and will either be retrieved by the owners or the salvors prior to or during the removal of the barge. Both the owner and the chosen salvor will be advised to preserve the moorage ball itself for further inspection evidence safe keeping.

BARGE SM3 – DV3148 “Hull & Machinery”  
Preliminary “Brief” Damage Report  
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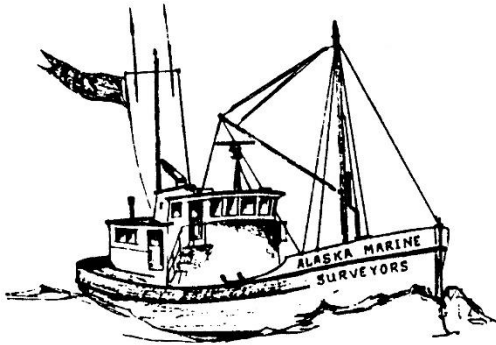
**This Preliminary “Brief” Damage Report DV3148 “Hull & Machinery” was made without prejudice.**

Regards,



Jack L. McFarland  
President/Marine Surveyor

Attached:      Damage Photos with log



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### **BARGE SM3 – DV3148**

#### **Preliminary “Brief” Damage Report Photo Log**

- 1.-11. Views of the Barge SM3 hull and collapsed upper super structure as she lies aground low tide on the Ekuak, Alaska area beach.
- 12.-30. Various views of the Barge SM3 above deck superstructure collapsed onto the barge process house and deck.
- 31.-42. Views of the Barge SM3 below deck seawater down flood areas and damage, especially in the engine/packing room space.
- 43.-47. Views of the Barge SM3 beach debris field above the barge and high tide line, then disbursed approximately 1.5 miles each way off the barge amidships starboard side.
- 48.-49. Sample views of the beach upper bluff erosion collapse due to the recent storm involved in this incident.
- 50.-54. Views of the Barge SM3 moorage ball steel top plate section that ripped off the ball with the barge connect padeye yet attached to that plate section.
- 55.-57. Views of the Barge SM3 to moorage ball hook up chain and shackle that were connected to the moorage ball when the ball failure occurred. Those components did not fail.

# BARGE SM3 – DV3148

## Photo Layout

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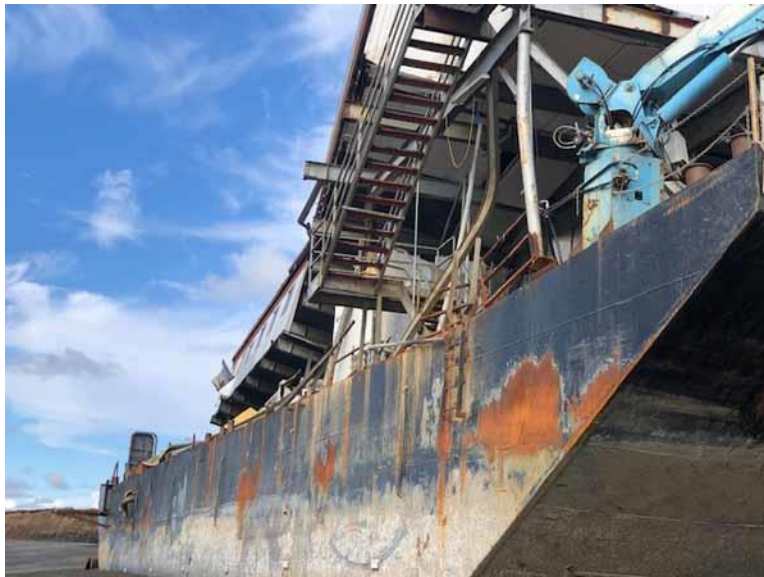
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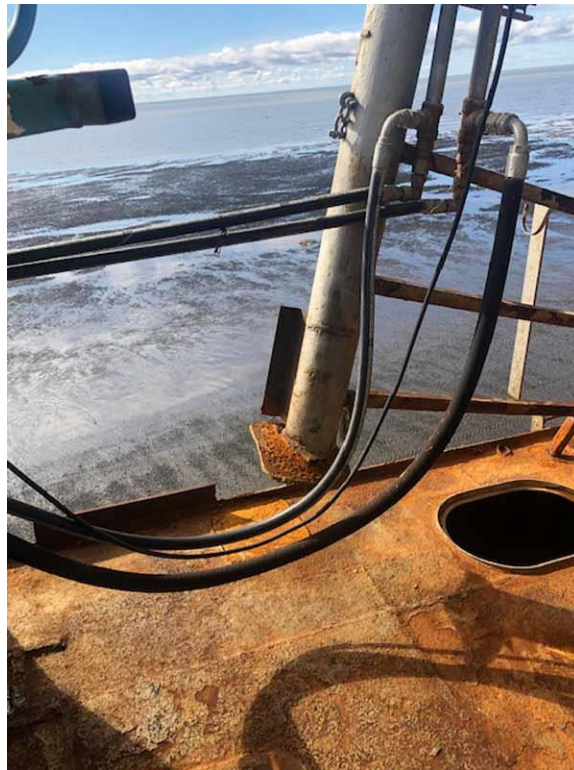
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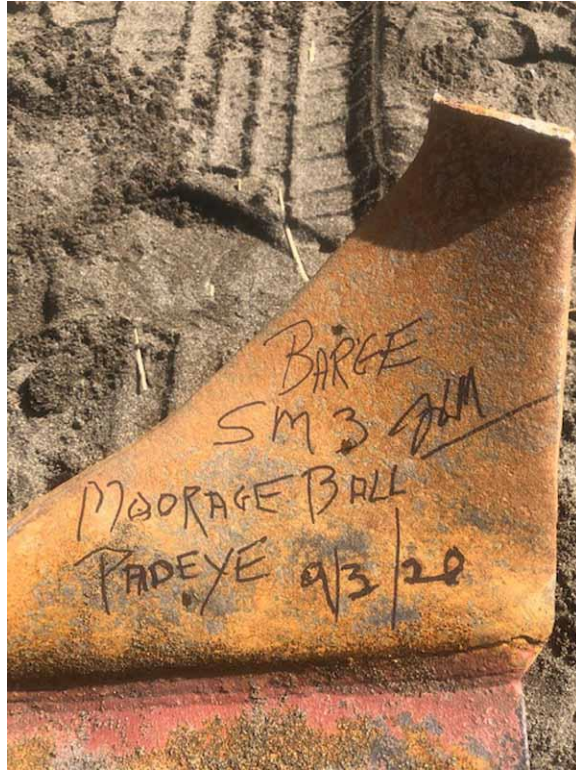


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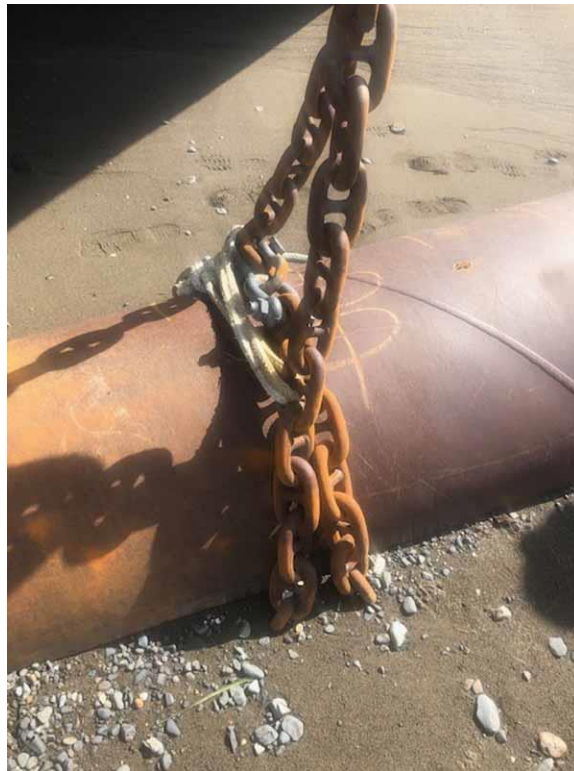




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