

MEETING MINUTES

STATE OF WASHINGTON ~ BOARD OF PILOTAGE COMMISSIONERS

October 13, 2011

Present:

Vice Chairman: Norm Davis

Commissioners: Ned Kiley, Pat Hannigan, Dick McCurdy, Doug Coburn, Elsie Hulsizer

Administration: Shawna Erickson, Peggy Larson

Captains Andy Coe, Don Mayer, Steve Moreno, Tom Jacobs and Mr. Walt Tabler: Puget Sound Pilots

Gary Nelson, Mary Nelson, Chuck Caldwell, Art Blauvelt, Captain Steve Cooke: Port of Grays Harbor

Mike Moore, Jordan Royer: Pacific Merchant Shipping Association

Ron Kinsey, Iain Wells: USCG Sector Puget Sound

LT Anthony Hillenbrand, CDR Michael Zamperini: USCG Portland

Captain Len Tumbarello: USCG Astoria

Rodger Freel: Knutson Towboat Co.

Fred Goheen: Jones Stevedoring Co.

Dennis Miniken: CMS

Captain Christian Julien: Pilot aspirant

Loren Lee: Public

PUBLIC HEARING

A public hearing of the Board of Pilotage Commissioners was convened at 9:35 a.m. by Vice Chairman Norm Davis in the Port of Grays Harbor Commission Chambers at 111 South Wooding Street, Aberdeen, Washington.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District. RCW 88.16.035(4) requires the Board of Pilotage Commissioners to annually fix pilotage tariffs. By Board action taken earlier this year it was determined that this GHPD annual tariff hearing would be shifted to a time later in the year in order to set an ensuing calendar year tariff rather than the typical August-to-August tariff. Financial data used in this tariff hearing includes the previous year's audited financial statement in addition to some current-year unaudited data as well as some late-year projected data. The filed rule as proposed by the Port of Grays Harbor reflects an effective overall decrease to the tariff of 3% or \$159 per pilotage job to be charged for pilotage services in the Grays Harbor Pilotage District for the 2012 tariff year. It calls for an across-the-board reduction in all charges by 3.33% except as specified below:

Boarding Charge - a decrease from \$1,030 to \$1,000

Pension Charge - an increase from \$271 to \$280

Travel Allowance – no change

The filing was based on a written proposal dated September 8, 2011 submitted by Gary Nelson, Executive Director of the Port of Grays Harbor, which details the request for rule amendments. The revised pension charge proposed to increase from \$271 to \$280 per assignment is calculated by the Puget Sound Pilots organization who administers the Grays Harbor pension funds for retired GH pilots with service credit prior to October 2001. The GHP 5-year Capital Spending Plan and 2010 year-end audited Financial Statement, previously submitted to the Board, were also considered in today's tariff determination. Oral testimony in support of the proposal was presented by Gary Nelson for the Port of Grays Harbor. Also testifying in support of the proposal was Captain Mike Moore on behalf of the Pacific Merchant Shipping Association and industry pilot tariff committee.

All written documents submitted in accordance with the timetable established for tariff document submission were considered in today's tariff determination, in addition to all other written and oral testimony from interested parties and members of the public.

The public hearing was closed by Vice Chairman Davis at 9:40 a.m.

REGULAR MEETING

The regular meeting of the Board was convened at 9:40 a.m. by Vice Chairman Norm Davis.

Consideration of Preceding Hearing: WAC 363-116-185. All written and oral testimony was reviewed and considered by the Board. Motion: Coburn/Hulsizer – provide a new 2012 tariff as proposed and outlined above which reflects an effective overall decrease to the tariff of 3% – Carried.

The effective period of the new tariff is from 0001 hours on January 1, 2012 through 2400 hours on December 31, 2012. (9:45 a.m.)

Minutes. Motion: Hannigan/McCurdy – in reference to the PSPD submittal of financial data, strike the sentence “Walt Tabler was tasked with re-submitting the data and breaking it into these three categories.” Friendly amendment: Hulsizer – leave the sentence in and change “tasked” to “asked” – Amendment to the amended motion: Hannigan/McCurdy – accept Commissioner Hulsizer’s amendment but add words to read “Walt Tabler was asked to check with the PSP accountant about the possibility of re-submitting the data and breaking it into these three categories.” - carried. The September 8, 2011 Minutes stand approved as amended.

OLD BUSINESS

Discussion Concerning Setting the Number of Pilots in the Puget Sound Pilotage District. There was no discussion about changing the number of pilots. The set number is currently 52 in the Puget Sound District. This item will remain on future agendas for discussion purposes only until a resolution for change has potential.

Consideration of Licensure of PSPD Pilot Candidate: Captain James Kearns. This item remains on each monthly agenda in order to re-evaluate Captain Kearns’s status relative to his imminent licensure. At this time there is no change in status; licensure approved but delayed.

Consideration of Adoption of Board “Information Bulletin 11-1”. This item is deferred until Chairman Dudley can be in attendance.

Proposed Rule Making: *WAC 363-116-200: Duties of Pilots* - was presented to the Board by the Legislative/WAC Committee as a final draft rather than with tracked changes. Staff will prepare a track-change version for discussion at the next meeting. *WAC Chapter 363-11: Practices & Procedures* - the intended hearing date of December 8, 2011 will be re-addressed at the next meeting. *WACs 363-116-0751, 076, 077, 078, 080, 083 and 084* will be prepared in a track-change version and distributed for review. Rule making will proceed and the intended hearing date of December 8, 2011 will be re-addressed at the next meeting.

Pilot’s Report of Incident: Pilot Bill Sliker & Trainee Scott Anacker - JAG LALIT, 8-26-11

Cherry Point South Dock	A spring wire parted while ship was being docked.	No injuries and no vessel damage.	Commissioner McCurdy gave a full recap of the details of the incident. <u>Motion:</u> McCurdy/Kiley – File as an Incident with Damage and No Pilot Error.	Carried
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NEW BUSINESS

Introduction of US Coast Guard Sector Columbia River personnel. At the suggestion of Gary Nelson, various personnel from the USCG Sector Columbia River were invited to attend today’s meeting to familiarize themselves with the Grays Harbor District, its Port operations and our Board. In attendance were LT Anthony Hillenbrand and CDR Michael Zamperini from USCG Portland, Captain Len Tumbarello from USCG Astoria, as well as Iain Wells and Ron Kinsey from USCG Sector Puget Sound. A good exchange of information took place at this face-to-face meeting with respect to recognizing the need to coordinate activities and share information. (10 minute break)

2011 Annual Tariff Hearings Preparation.

PSPD - In accordance with the timetable established for tariff document submission, a 2012 written tariff proposal from the Puget Sound Pilots has been submitted to the Board as well as supplemental unaudited financial data through September 30, 2011. Projected expenses through 12-31-11 were also

presented. After consultation with its auditors, Walt Tabler reported that it appears that all of the expenses reported by PSP as “Operating Expenses” were properly classified as such. He did not break them into the three categories as discussed at the September 8th Board meeting. Commissioner Coburn however, furnished the Board with a document created by the PMSA rate committee, which shows that breakdown – “Direct Operating Expenses”, Discretionary Association Expenses” and “Individual Expenses/Benefits”. There was no in-depth discussion regarding this display of expenses. A CR-102 has been filed setting a public hearing for November 10, 2011 at 9:30 a.m. in the Alki Conference Room.

Approval of Pilot Training Program for Captain Warren Carley and Captain William Lowery. The TEC met with Captains Carley and Lowery on September 21, 2011 to evaluate their experience for purposes of developing customized pilot training programs. Motion: Hannigan/Coburn – the Board accept the training programs as drafted by the TEC – Carried. Each has fifteen days to respond to the Board concerning the acceptance of his training program.

Approval of Pilot License Upgrade Program: Captain David Brusco. Captain David Brusco is nearing completion of his second license year. Motion: McCurdy/Kiley - approve the license upgrade program for Captain Brusco as drafted - Carried.

Consideration of Request for Vessel Exemption:

Motor Yacht MARAMA – 124’, 456 gross tons, Cook Islands registry, Captain Justin Lloyd. Motion: Hulsizer/McCurdy – concur with Chair’s granting of interim one-year exemption – Carried.

Pilot’s Report of Marine Safety Occurrence: ORCHID ACE, 8-7-11

Southbound in TSS NE of Point Wilson	Near miss with two small vessels. Restricted visibility. Ship’s fog signal interfered with radio reception from a USCG vessel working in the area. It and a small yacht passed within 30-40 meters as ship altered course.	Near-miss	<u>Motion:</u> McCurdy/Kiley File as a Marine Safety Occurrence	Carried
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Pilot’s Report of Marine Safety Occurrence: SINE MAERSK, 9-17-11

East Waterway Seattle	Various close aboard vessels on approach to berth caused heavy congestion during transit to pier 18-3.	Navigational Safety Concern	<u>Motion:</u> McCurdy/Kiley File as a Marine Safety Occurrence	Carried
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Pilot’s Report of Marine Safety Occurrence: CSL CABO, 9-25-11

West Waterway Seattle	After docking at CertainTeed Gypsum, an unattended fishing net drifted around the ship’s stern. Tribal Enforcement was called for assistance.	Navigational Safety Concern	<u>Motion:</u> McCurdy/Kiley File as a Marine Safety Occurrence	Carried
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Pilot’s Report of Marine Safety Occurrence: ORTO, 9-25-11

Pacific Terminal Everett	Engine failure, vessel anchored, engine back on line, then proceeded to dock at Pacific Terminal.	Navigational Safety Concern	<u>Motion:</u> Hannigan/McCurdy File as a Marine Safety Occurrence	Carried
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Commissioner Coburn continues to furnish vessel owners/agents with copies of these reports to give them an opportunity to comment or attend a Board meeting.

Lunch Break – Gary Nelson presented a video of the Port of Grays Harbor’s 100th Anniversary Celebration. This was a lead-in for the tour given later in the day. (30 minutes)

Discussion Concerning the Administration of a Train the Trainer Class for all Washington State Pilots. The Trainee Evaluation Committee shared the various objectives it is considering in its approach to the development and administration of a *Train the Trainer Class*. Puget Sound Pilot Captain John Scragg is assisting and advising the TEC.

Committee Reports.

Trainee Evaluation Committee:

- The TEC met on September 21st and October 12th.
- Training status of all trainees was reviewed - Captain Anacker is finishing his federal license requirements for completion of his full PS pilotage endorsement, Captain Anthony is training full time and taking the stipend, Captain Engstrom is just finishing his observation phase and will begin his training phase, and Captain Kearns is continuing with post-training graduate studies.
- Orientation for new pilot trainees Captain Warren Carley and Captain Bill Lowery will be held on November 18th; Board members are welcome to attend.
- Captain D'Angelo and Cooke are assisting in the writing of local knowledge questions relative to the GH training program exams.
- The TEC met collectively with all of the active trainees - Captain Anacker, Anthony and Engstrom for a comprehensive Q and A session.
- Motion: Hannigan/Hulsizer – modify the pilot training Trip Report for the next new trainees in three areas detailed as follows: change the number of trips from 100 to 200 when describing the point at which an intervention is reportable; under section #8 labeled Training Trip Summary insert an asterisk as a reminder to comment if the score is 1, 2 or 7; and combine the two narrative sections on the last page of the form – Carried.

Pilot Exam Committee: Proposed amendatory WAC language has been drafted by the Committee and will be circulated to the Board. Finalization of these rule modifications will be followed by RFP development in preparation for the next pilot exam.

Legislative/WAC Committee: A new CR-101 has been filed with the Code Reviser in connection with the development of amendatory language to WAC 363-116-200: Duties of Pilots.

Tariff Policy Committee: The Information Bulletin drafted by Chairman Dudley is under review.

Activity Reports. Gary Nelson, representing Port of Grays Harbor, - note earlier video presentation.

Captain Andy Coe, representing Puget Sound Pilots, reported there were 624 assignments in September; assignments year-to-date for 2011 are 5,804 compared to 5,624 in 2010 which is an increase of 3%; 19 comp days were accrued and 49 used during September, decreasing the total by 30 to 3,239; the Harbor Safety Committee has distributed its DRAFT Standard of Care for Tanker Escorts; and an article from the Journal of Commerce was shared which indicates that BNSF Railway is of the opinion that the widening of the Panama Canal will not affect our west coast market share in the Asian trade. Captain Tom Jacobs gave an extensive power-point presentation pertaining to the effects of wind and vessel size in Seattle's East Waterway.

Mike Moore, representing Pacific Merchant Shipping Association, reported that y-t-d through September vessel arrivals are up by 31 – cargo up 58, cruise ships down 28, tank vessels (including ATB's) down 21 through June but up 1 now; pilot assignments through August are up by 175 and revenue is up \$1,270,370 over last year. Revenue per assignment in August was \$4,386. Various news headlines were distributed mostly concerning ship calls and competitiveness.

Correspondence Review. On October 4, 2011, Chairman Dudley on behalf of the Board, sent a letter to the Seattle DOT regarding a Marine Safety Occurrence report that was reviewed relating to the failure of the Southwest Spokane Street Swing Bridge to open in a timely manner to permit passage of an outbound ship.

Legislative Update. The Governor's office has extended our filing deadline for Agency Request Legislation for the 2012 Legislative Session. Guy Bowman drafted language amending the Public Records Act which was put before the Board today. Legislative sponsors will be sought to assist in the passage of this bill.

BPC Staff Report. Two Commissioners' terms are expiring in late December – Captain Craig Lee and Captain Dick McCurdy. The November public hearing and meeting will be held in a different room than

our regular meeting room – the Alki Conference Room on 5th floor rather than the Agate Conference Room on 1st floor. Shawna prepared and distributed monthly spreadsheets containing PSP statistical data – September data has not yet been received. She encourages and welcomes feedback.

Commissioner Comments. At the direction of Chairman Dudley, Commissioner McCurdy is conducting an investigation of the incident involving the *LILY OLDENDORFF* in the Hylebos Waterway.

Public Comments. Several comments of appreciation were passed on to Gary Nelson, Mary Nelson, Port Commissioner Chuck Caldwell, and Captain Steve Cooke for hosting the meeting today at their port facility. Everyone is eager to take the tour and learn more about the many expanding PGH operations.

Mike Moore expressed his concern with the lack of opportunity to have the typical pre-tariff Q and A session among the stakeholders and the Board regarding the PSP financials in light of the new accounting changes implemented by PSP on January 1st of this year.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for Thursday, November 10, 2011. The Puget Sound Pilotage District tariff hearing will begin at 9:30 a.m. followed by the regular Board meeting. The hearing and meeting will be held in the Alki Conference Room, 5th floor, 2901 3rd Avenue, Seattle. On December 8th there could be a quorum issue due to the probable absence of both pilot members.

Review of Pilot/Trainee Physical Examination Reports. Motion: Kiley/Hannigan - accept the physicians' reports for Captains J.E. Ward, C.N. Larson, J.R. Semler, P.A. Giese, J.S. Shaffer and D.B. Soriano for annual pilot license renewal - Carried. Captain E. Marmol was declared unfit for duty on September 24, 2011 and was temporarily relieved of duty due to a medical condition. Motion: Hulsizer/Coburn – empower Chairman Dudley to review and accept, if satisfactory, the physical exam report for Captain Marmol for purposes of reinstating his license to active status, if necessary in order to return to work; action to be affirmed by the Board at the next regular meeting – Carried.

There being no further business to come before the Board, Vice Chairman Davis adjourned the regular session Board meeting at 1:55 p.m.

Respectfully submitted,

Peggy Larson, Executive Director

Absent

Harry H. Dudley, Chairman

Absent

Commissioner Charles F. Adams

Commissioner Edmund I. Kiley

Commissioner Patrick M. Hannigan

Commissioner Richard F. McCurdy

Absent

Commissioner Craig W. Lee

Commissioner Douglas S. Coburn

Norman W. Davis, Acting Vice Chairman

Commissioner Elsie J. Hulsizer