

MEETING MINUTES

STATE OF WASHINGTON ~ BOARD OF PILOTAGE COMMISSIONERS

April 9, 2009

Present:

Chairman: *Harry Dudley (by telephone)*

Commissioners: Chuck Davis, Pat Hannigan, Bill Snyder, Craig Lee, Norm Davis, Elsie Hulsizer

Assistant Attorney General: Guy Bowman

Administration: Peggy Larson, Judy Bell

Del Mackenzie, Mel Flavel, Walt Tabler (Administration): Puget Sound Pilots

Mike Moore, Jordan Royer, Vince Addington: Pacific Merchant Shipping Association

Gary Nelson: Port of Grays Harbor

Grant Bowker: Clipper Navigation, Inc.

Del Kelly: Retired Puget Sound Pilot

Dan Twohig, Bruce Nelson, Katharine Sweeney, Deborah Senn, Vince O'Halloran: Public

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 9:30 a.m. by Vice Chairman Chuck Davis in the Agate Conference Room at 2901 Third Avenue, Seattle, Washington.

Minutes. There being no corrections or additions, the March 12, 2009 Minutes stand approved as written.

OLD BUSINESS

Consideration of Licensure of Captain Katharine Sweeney. Captain Sweeney and her attorney will address the Board in Closed Session later this morning. Consideration of this matter will follow.

Pilot's Report of Incident: *SITEAM VOYAGER, 12-6-08.* Captain Stephen Cooke was unable to attend today's meeting. It was moved by Commissioner Lee and seconded by Commissioner N. Davis that the matter be deferred to the next Board meeting at which he is available. The motion carried.

NEW BUSINESS

Annual Review of Vessel Exemption: *VICTORIA CLIPPER.* The annual review of the vessel exemption for the *VICTORIA CLIPPER* shows the vessel and the operational status of Clipper Navigation, Inc. to be in compliance with the state statutory and regulatory requirements of RCW 88.16.070 and WAC 363-116-360. It was moved by Commissioner Hannigan and seconded by Commissioner Lee to continue the exemption for the *VICTORIA CLIPPER* for another year beginning May 1, 2009 through April 30, 2010. The motion carried. All licenses, endorsements and certificates for the operators and the vessel that show expiration dates during an exemption period shall be renewed as a matter of course and copies of such must be submitted to the Board's office for verification in order to retain good standing.

Consideration of Request for Vessel Exemption: *Motor Yacht CV-9.* A petition for vessel exemption was received regarding the foreign flagged 131', 322 gross ton Motor Yacht *CV-9*. Pursuant to RCW 88.16.070 and WAC 363-116-360, this vessel qualifies for an exemption from pilotage requirements. It was moved by Commissioner Lee and seconded by Commissioner N. Davis that the Board grant a one year exemption to the *CV-9* as requested, beginning July 25, 2009, so long as it remains in the charge of Captain Ethan Lee. The motion carried.

Consideration of Request for Renewal of Vessel Exemption: *Motor Yacht EVVIVA.* A petition for renewal of vessel exemption was received regarding the foreign flagged 164', 492 gross ton Motor Yacht *EVVIVA*. Pursuant to RCW 88.16.070 and WAC 363-116-360, this vessel qualifies for an exemption

from pilotage requirements. It was moved by Commissioner Lee and seconded by Commissioner Hulsizer that the Board grant a renewal of exemption for the *EVVIVA* for one year beginning April 15, 2009, so long as the vessel remains in the charge of Captain Joseph Trailer or Captain Nicholas Bengé. The motion carried.

Consideration of Request for Vessel Exemption: Motor Yacht *COPASETIC*. A petition for vessel exemption was received regarding the foreign flagged 141', 491 gross ton Motor Yacht *COPASETIC*. Pursuant to RCW 88.16.070 and WAC 363-116-360, this vessel qualifies for an exemption from pilotage requirements. It was moved by Commissioner Lee and seconded by Commissioner Snyder that the Board grant an exemption to the *COPASETIC* as requested, beginning April 20, 2009 through April 1, 2010, so long as it remains in the charge of Captain Zsolt Esztergomy. The motion carried.

Approval of Pilot License Upgrade Programs for Captain John K. Ward and Captain Ed Marmol. It was moved by Commissioner Snyder and seconded by Commissioner Lee that the license upgrade programs for Captains John K. Ward and Ed Marmol be approved as drafted by the TEC. The motion carried. They are nearing completion of their third and second license years respectively. The TEC has determined that pilots attempting to upgrade at the end of their third license year are having difficulty finding loaded tankers available in the prescribed tonnage range on which to make license upgrade trips. In order to remedy this it was moved by Commissioner Snyder and seconded by Commissioner N. Davis that the upgrade programs already assigned to Captains Blake, Bujacich, Carlson, Sliker and Kelly be amended to mirror Captain Ward's program by including the same provision, "If during the first 60 days of your license upgrade period you were unable to find loaded petroleum tankers available in the range of 38,000 to 45,000 GT (ITC), then you may ride with a Board-Approved Training Pilot on a loaded petroleum tanker of a larger tonnage." Also the requirement for a trip through the Saddlebag route was stricken. The motion carried.

Pilot's Report of Marine Safety Occurrence: *NORTH STAR*, 3-20-09. The Board received a written report submitted by Puget Sound Pilot, Captain Carl Engstrom. While piloting the vessel from Port Angeles to the TOTE berth in Tacoma, a third tug was ordered due to the high gusting winds. The vessel was laid flat against a Yokohama bumper at the dock and maneuvered into the appropriate berth with help from the assist tugs. Paint scrapes were identified on the starboard quarter of the vessel most likely caused by the chain-wrapped bumper. It was moved by Commissioner Snyder and seconded by Commissioner N. Davis that this report be filed as a Marine Safety Occurrence. The motion carried.

Pilot's Report of Incident: *HYUNDAI REPUBLIC*, 3-17-09. The Board received a written report submitted by Puget Sound Pilot, Captain John Arnold. While transiting the Blair Waterway stern first from the Washington United Terminal outbound for Seattle the primary pilot was Captain Larry Mathisen. Captain John Arnold took the con after passing through the waterway approximately where the old Eleventh Street Bridge was located. The bow thruster was reportedly not functioning properly for this transit. Using two tugs, the vessel made a 180 degree rotation in order to proceed to Seattle, Terminal 5N. In the vicinity of Alki Point the captain informed the pilot there had been a hydraulic leak from their vessel in the Blair Waterway related to the bow thruster. The vessel agent was notified as well as the VTS. The vessel was docked in Seattle without incident but with the observance of a small slick of hydraulic oil trailing the vessel and around the vessel at the dock. It was moved by Commissioner Hannigan and seconded by Commissioner N. Davis that this matter be declared an "Incident with environmental damage and without pilot error". The motion carried.

The Board has been verbally notified of an incident in Grays Harbor, consideration of which will be scheduled on the May agenda after the written report has been received.

A CLOSED SESSION was called from 11:20 a.m. to 12:45 p.m. to hear Captain Sweeney and her attorney, Ms. Deborah Senn, present additional information regarding termination of her training program and consideration of her licensure. In attendance were Chairman Dudley (by telephone),

Commissioners C. Davis, Hannigan, Snyder, Lee, N. Davis and Hulsizer; Guy Bowman, Judy Bell and Peggy Larson.

REGULAR SESSION (cont'd)

2009 Annual Tariff Hearings Preparation: PSPD – A 2009-2010 tariff proposal from Puget Sound Pilots has been submitted to the Board in accordance with the timetable established for tariff document submission. The PSP written tariff proposal submitted today contains a revision to their initial request reflecting an increase of 6% (up from the original request of 5%). Two additional revisions now include a 25% increase to the *Transportation to Vessels on Puget Sound* category and a CPI increase of 1.7% to the *British Columbia Direct Transit Charge* category. Walt Tabler fielded several questions concerning PSP's 2008 Audited Financial Statement. A public hearing has been filed for May 19, 2009 at 9:30 a.m. The deadline for public comments and any other written proposals is May 7th. Any member of the public will also have an opportunity to testify at the hearing.

GHPD - Gary Nelson presented the Grays Harbor Pilots' 5-Year Capital Spending Plan and request for proposed rule amendments which were received by the Board in accordance with the timetable established for tariff document submission. The request for tariff adjustments as described in the April 8, 2009 letter from the Port of Grays Harbor reflects an effective overall increase to the tariff of 2.8% or \$176 per pilotage job, as specified in the following tariff categories:

Draft and Tonnage Charges, Harbor Shifts and Bridge Transits: It is proposed that all items in these three categories be increased by 3%.

Boarding Charge and Travel Allowance: It is proposed that these two categories remain the same.

Pension Charge: It is proposed that the charge per pilotage assignment, including cancellations, be increased by \$29.00.

It is proposed that a new category be added to establish charges in a case where two pilots are employed for a single vessel movement.

It was moved by Commissioner Hannigan and seconded by Commissioner N. Davis that the Board accept for filing, the Port of Grays Harbor's request as described above and as submitted in their letter to the Board dated April 8, 2009, and as approved by the Grays Harbor Port Commissioners at their monthly meeting on March 10, 2009. A motion to amend was made by Commissioner Lee that tariff adjustments be filed that reflect a range of plus 3% to minus 3%. The motion failed for lack of a second. The original motion carried with Commissioner Lee opposed. The proposed rule amendments will be filed with the Code Reviser for a public hearing on June 11, 2009.

Consideration of Licensure of Captain Katharine Sweeney. (continued). It was moved by Commissioner Hannigan and seconded by Commissioner Hulsizer to table any decision with regard to the Captain Sweeney matter until the May 19th regular Board meeting. The motion carried.

2009 Legislative Activity Report. House Bill 2120 calls for the Utilities and Transportation Commission to assist our Board in setting pilotage rates. There has been no activity on this bill since it was introduced on February 10th. SSB 5352 which is the transportation budget bill, extends the Board's authority to increase pilot license fees two more years through June 30, 2011. SSB 6095 which allows the Board to consider pilot retirement expenses incurred in both the Puget Sound and Grays Harbor Pilotage Districts when setting the Puget Sound Pilotage District tariff, was heard in the House Transportation Committee on March 17th and as of yesterday was placed on the House floor calendar for a seconding reading. A Senate Confirmation Hearing for Commissioners Chuck Davis, Elsie Hulsizer, Craig Lee, Bill Snyder, Pat Hannigan and Jeff Thompson was held on February 26th. All six confirmations passed out of Rules Committee and were placed on the confirmation calendar. There is no recent activity to report.

Activity Reports. Gary Nelson, Executive Director, Port of Grays Harbor, reported that year-to-date there have been 10 vessel arrivals with the expectation of approximately 4 arrivals each month; the log

business is very slow, however a new log customer is starting up; the tank farm is under construction with the first vessel expected by the end of the year; and Captain Cooke is on duty this month.

Captain Del Mackenzie, President, Puget Sound Pilots, reported there are currently 55 licensed pilots including the president; there were 660 jobs in March compared to 648 in March 2008 resulting in a three year March average of 663; in March 43 comp days were created and 18 days taken for a net increase of 25; Captains Marin Johnson, Gary Hurt, Tom Jacobs and Vic Engstrom were on medical leave in March; 12 pilots attended E-Navigation classes in March; and 53 pilots attended six 8-hour PPU classes ~ Commissioner Craig Lee also participated for a partial day.

Mike Moore, representing Pacific Merchant Shipping Association, reported that at the PMSA annual meeting recently held in California that the primary focus was on "cost cutting"; and he shared a handout from which he spoke of the continuing economic decline in shipping and related industries.

Committee Reports.

Trainee Evaluation Committee:

- The TEC met on April 1st.
- Training programs for Captains Jones and Seymour were reviewed.
- The Training Evaluation Report Form was reviewed and modified with respect to "coaching". It was moved by Commissioner Snyder and seconded by Commissioner Lee that the Board accept the modifications as presented by the TEC which moves coaching from a check box to a numeric performance option. The motion carried.
- Testing of software for the development and administration of the Conning Quiz is complete and a selection has been made for purchase for purposes of creating the specific quiz necessary for a trainee progressing through a training program.
- The Conning Quiz format was presented to the Board for consideration. It was moved by Commissioner Hannigan and seconded by Commissioner Lee that pursuant to the Board's Policy Statement regarding the Conning Quiz that the quiz format be approved. The motion carried.

Legislative/WAC Committee: Members Chuck Davis, Pat Hannigan and Vince Addington are working on some amendatory WAC language to present to the Board at the May meeting.

Work Group Report: Extension of Route and Contract Pilotage. No activity to report at this time.

Legal Update. Guy Bowman stated that a request for an administrative law judge has been made on behalf of Captain Bruce Nelson. Also, three applicants have requested an adjudicative hearing regarding their simulator evaluation performance in the recent pilot examination. Three additional applicants have until mid April to notify the Board of their intentions regarding the same.

Administrator's Report. Board members were reminded of their Public Disclosure Commission filings due on April 15th. Captain Vic Engstrom upon returning to work will need to be issued a revised schedule of license limitations as a result of his having been unable to pilot over forty-five days in this current license year. State issued ID cards will be produced for the two newest pilots and four newest trainees.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for Tuesday, May 19, 2009. 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 First Floor Agate Conference Room, at 2901 Third Avenue, Seattle. Reminder: on June 11, 2009, there will be a public hearing on the Grays Harbor Pilotage District Tariff followed by the regular monthly Board meeting.

Review of Pilot Physical Examination Reports. After reviewing the physicians' reports it was moved by Commissioner Hannigan and seconded by Commissioner Lee that the physical examination reports for Captains D.W. Grobschmit, J.E. Kalvoy and F.A. Coe be accepted for annual license renewal. The motion carried. Captains G.D. Hurt, T.A. Jacobs and V.O. Engstrom remain unfit for duty. Captain Marin Johnson was found fit for duty and returned to work on March 31, 2009. The Board affirmed Chairman Dudley's action to reinstate his license to active status. It was moved by Commissioner Hannigan and seconded by Commissioner Lee that Chairman Dudley be empowered to review physical examination reports for Captains Hurt and Engstrom should they request to return to work before the next Board meeting. The motion carried.

There being no further business to come before the Board, the Vice Chairman adjourned the regular session Board meeting at 2:25 p.m.

Respectfully submitted,

Peggy Larson, Administrator

Harry H. Dudley, Chairman

Charles M. Davis, Vice Chairman

Commissioner Patrick M. Hannigan

Commissioner Craig W. Lee

Commissioner Norman W. Davis

VACANT

Public Member

Commissioner William H. Snyder

Absent

Commissioner Jeffrey L. Thompson

Commissioner Elsie J. Hulsizer