

MEETING MINUTES

STATE OF WASHINGTON BOARD OF PILOTAGE COMMISSIONERS

April 18, 2007

Present:

Chairman: Harry Dudley

Commissioners: Ole Mackey, Pat Hannigan, Bill Snyder, Vince Addington, Craig Lee, Norm Davis

Administration: Peggy Larson and Judy Bell

Richard McCurdy, Dave Sanders, Mel Flavel, Walt Tabler: Puget Sound Pilots

Mary Nelson, Stephen Cooke: Port of Grays Harbor

Mike Moore, Jim Papp, Doug Coburn, Matthew Darbous, Jordan Royer: Pacific Merchant Shipping Association

Jeff Shaw: Polar Tankers, Inc.

Bruce Eckfeldt: Clipper Navigation

Stan Loosmore: John Arnold

Katharine Sweeney: pilot applicant

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 9:35 a.m. by Chairman Harry Dudley at 2901 Third Avenue, Seattle, Washington.

Minutes. There being no corrections or additions, the March 21, 2007 Minutes stand approved as written.

OLD BUSINESS

Consideration of Captain Arnold's Report Regarding the *HORIZON PACIFIC*. Captain Arnold and his legal counsel, Mr. Stan Loosmore, met with the TEC on April 17, 2007 to discuss the revised MSO Report regarding the *HORIZON PACIFIC*. On behalf of the TEC, Commissioner Hannigan stated they had reviewed the *Report and Lessons Learned Supplement* and determined it was appropriate to forward to the full Board. It was moved by Commissioner Addington and seconded by Commissioner Lee that the Board take more time to review the Report and that this matter be deferred to the next Board meeting on May 23rd. The motion carried.

Consideration of Tabled Motion Regarding RCW 88.16.190. The motion on the table is: "It is the policy of the Washington State Board of Pilotage Commissioners to recommend to owners or charters of oil tankers under 40,000 DWT as defined in RCW 88.16.190 the use of tug escorts when underway not in ballast in the Puget Sound Pilotage District beyond a point east of a line extending from Davidson Island Light south to New Dungeness Light." Due to the absence of Commissioner Palmer who originated the motion, it remains tabled and the matter was deferred.

2007 Legislative Activity Report ~ Engrossed Substitute House Bill 1094. Peggy Larson reported that the Transportation Budget bill is just days away from passage as the 2007 Legislative Session is scheduled to end on April 22. If the bill passes as it stands today, provisions affecting the Board are: a \$300,000 supplemental appropriation for the current 2005-07 biennium; a \$1,156,000 total budget appropriation for the 2007-09 biennium beginning July 1; authority to set pilot license fees through the rule-making process rather than by statute during the 2007-09 biennium only; and authority to use training stipend revenue for Board operating expenses. If it becomes necessary to use training stipend revenue in the case of a budgetary shortfall, it is the intent of the Board that it will be repaid.

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 Lee and seconded by Commissioner Addington to continue the exemption for the *VICTORIA CLIPPER* for another year

beginning May 1, 2007 through April 30, 2008, and remove Captain Chad Smith as an approved master as referenced in correspondence from Clipper Navigation dated April 16, 2007. The motion carried. All licenses, endorsements and certificates 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 as an approved master.

2007 Annual Tariff Hearings Preparation. PSPD – A 2007-2008 tariff proposal from Puget Sound Pilots has been submitted to the Board in addition to their 2006 audited Financial Statement in accordance with the timetable established for tariff document submission. Walt Tabler fielded several questions from Commissioners Addington, Lee and others concerning the Financial Statement. For purposes of achieving clarity, it was agreed that certain portions of the financial data will be reformatted. The PSP written tariff proposal submitted today contains an amended request for a 10% tariff increase (up from the original request of 8%) and an amended amount of \$194 (down from \$195) for the newly proposed Pension Charge Category. A public hearing has been filed for May 23, 2007 at 9:30 a.m. The same hearing format used last year will be followed again – 90 minutes for each presenter - industry and pilots, followed by rebuttals and final comments. The deadline for public comments and any other written proposals is May 17th. Any member of the public will also have an opportunity to testify at the hearing.

GHPD – Mary Nelson briefly described 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 tariff proposal reflects a 3% increase in all tariff categories except the *Pension Charge* and *Travel Allowance*. In the *Pension Charge* Category it is proposed that the charge per pilotage assignment, including cancellations, be increased \$3.00. In the *Travel Allowance* Category it is proposed that the transportation fee per assignment remain at \$55.00. It was moved by Commissioner Addington and seconded by Commissioner Mackey that the Board accept for filing, the Port of Grays Harbor's request as described above and as approved by the Grays Harbor Port Commissioners at their monthly meeting on April 10. The motion carried. The proposed rule amendments will be filed with the Code Reviser for a public hearing on June 14, 2007.

Pilot's Report of Marine Safety Occurrence: SHEILA ANN, 3-28-07. While berthing at Georgia Pacific Gypsum Dock, Blair Waterway, Tacoma, a wood spacer fell into the water. It appeared to be debris left hanging from previous dock damage. Pictures and narrative were provided by Commissioner Snyder. The pilot recommended to the agent that a letter of protest about the condition of the dock be filed. Commissioner Addington reported that a letter has been filed but he is not aware of any further discussion or activity concerning this event. It was moved by Commissioner Lee and seconded by Commissioner Snyder that this report of a navigational safety concern be filed as a Marine Safety Occurrence. The motion carried.

Consideration of Proposed Rule-Making Regarding WAC 363-116-070: Collection of Fees. In anticipation of the passage of the Transportation Budget Bill (ESHB 1094) which gives the Board authority to set the annual pilot license fee, it has been determined that the Board shall pursue raising the fee through the rule-making process as soon as possible. A CR-101 has been filed in order to notify the public of the Board's intentions. It was determined that a higher license fee is necessary to fund the operating costs of the Board for the next biennium beginning July 1, 2007. A \$6,000 fee is being considered for emergency adoption on that date, provided the authority remains with the passage and signing of the bill. Further discussion will continue next month and financial data will be provided to guide the Board in the determination of an appropriate fee amount.

Approval of Pilot License Upgrade Program for Captain Jonathan Ward. It was moved by Commissioner Addington and seconded by Commissioner Snyder that the license upgrade letter for Captain Jonathan Ward be approved as drafted by the TEC. The motion carried. The letter includes a provision that if a ship in the prescribed tonnage range is unavailable, a majority of the pilot members of the TEC can authorize adjustments to the upgrade requirements.

Committee Reports: Trainee Evaluation Committee

- The Committee met on April 17th.

- The TEC met with Captain John Arnold and Stan Loosmore to review Captain Arnold's re-submittal of his MSO report regarding the *HORIZON PACIFIC*.
- The TEC reported favorably on the status of all four trainees.
- It was moved by Commissioner Snyder and seconded by Commissioner Lee that the TEC recommends to the Board that Captain Nelson, having completed his initial evaluation, be approved to advance in the training program pursuant to WAC 363-116-078(5)(c). The motion carried.
- It is expected that two opportunities for piloting to/from Olympia will happen this month and all four trainees have been advised to participate.
- Captains Grobschmit and Kalvoy are approaching the end of their 7th month of training (April 30) and each have been directed to repeat a specific trip where the TEC felt it was necessary. At this time these two trainees will continue with their programs through April 30, without an extension of their program and stipend, and be considered for licensure on May 23rd. Because the May Board meeting was rescheduled two weeks later, the TEC asked for feedback from the Board about calling a special meeting in early May for purposes of licensure consideration. A majority of the TEC members do not favor a request for a special meeting. It was determined that the TEC will gather the final training trips and conduct their preliminary review and then decide if a request for a special meeting of the Board is appropriate or not.
- The TEC updated and reviewed the manpower spreadsheet and determined that by July of 2011 there will be approximately 32 5-year pilots compared to 43 currently. In light of that, it was moved by Commissioner Snyder and seconded by Commissioner Lee to escalate the scheduled progression of the training programs by starting two trainees on July 1st (rather than August 1st). The motion carried. The next two applicants who will be invited to begin training are Captain Eric Klapperich and Captain Gordon Wildes. Captain Katharine Sweeney, who is next on the list, requested that she be included in the July group as well. The TEC wishes to retain the established pattern of starting just two trainees at a time, who will join two other trainees already underway, for a maximum of four at any one time. The TEC will continue to review the training program schedule for possible further adjustments.
- There was continued discussion concerning modification of the Trainee Evaluation Forms.
- There was also continued discussion concerning the usage of pilot safety equipment.
- The matter of license upgrade requirements for Grays Harbor Pilot, Captain Stephen Cooke was discussed by the TEC and a recommendation to amend the WAC language was presented to the Board. The motion on the table to assign Captain Cooke equivalent trips in the Puget Sound Pilotage District was withdrawn. Instead, it was moved by Commissioner Hannigan and seconded by Commissioner Snyder to adopt, on an emergency basis, amendments to the upgrade trip requirements set forth in WAC 363-116-082(5)(b) relative to the type and size of vessels currently calling in Grays Harbor – “Prior to the expiration of the second license year, a new pilot must make ~~((three))~~ two license upgrade trips on tank vessels in excess of 10,000 GT (ITC) and one trip on a vessel((s)) in excess of 30,000 GT (ITC). Two of these trips shall involve docking and passage to or from the sea buoy; and one of these trips shall involve turning the vessel in the waterway. Upon satisfactory completion of the two upgrade trips upon tank vessels and completion of the second license year, the pilot will be authorized to pilot tank vessels in accordance with the limitations specified in subsection (4) of this section. Upon satisfactory completion of the one upgrade trip upon a vessel in excess of 30,000 GT (ITC) and completion of the second license year, the pilot will be authorized to pilot vessels in accordance with the limitations specified in subsection (4) of this section.” The motion carried with a vote of five in favor and Commissioner Lee opposed. The nature of the emergency goes to the need for an additional qualified pilot to handle the increased number of small tank vessels beginning to call in Grays Harbor due to the start-up of the new bio-diesel plant. It would create undo risk if vessels had to wait outside the pilotage ground for lack of an authorized pilot.
- Captain McCurdy requested Board consideration of adding an additional pilot member to the TEC which Chairman Dudley directed back to the TEC for further discussion.

Pilots' Activity Reports. Captain Richard McCurdy, President, Puget Sound Pilots, reported that there were 680 jobs in March resulting in a three year March average of 660; due to clumping of vessel

movements early in the month, 51 comp days were assigned and only 34 days taken; two pilots remain on the inactive list due to medical conditions ~ Captain Bock who is exhausting his comp days prior to his retirement in July and Captain Fosse who anticipates returning to work in June and retiring early next year; Captains Wiley and Werner anticipate retirement in October of 2007; several pilots have recently attended various requisite training classes; on March 10th the requirement for two pilots on car carriers in the Blair Waterway was removed; on April 23 the first cruise ship arrives and cruise season officially starts on May 5; and the procedure for USCG boardings has been changed.

Mary Nelson, Director of Finance and Administration, Port of Grays Harbor, stated they continue to have an average of 2 vessel arrivals per month; 1 vessel is expected in May; a tank vessel is arriving tomorrow on which, due to Board action today, Captain Cooke will be able to take a license upgrade trip; Captain Cooke is on duty in April; and their audited financial statement will be finalized by early June, in time for the rate hearing.

Legal Update. Susan Cruise was absent but available by telephone if necessary.

Administrator's Report. Peggy Larson reported that the Governor's office has not yet made an appointment to replace Commissioner Andy Palmer. Captain Werner has submitted to the Board, a copy of his letter to PSP stating his intent to retire no later than December 25, 2007, after a 40-year career of piloting.

Commissioner Comments. In addition to consideration of raising the annual pilot license fee, Commissioner Lee suggested the Board review all fees currently being charged, in particular the vessel exemption fee.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for Wednesday May 23, 2007. 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 Fourth Floor Rainier Conference Room, at 2901 Third Avenue, Seattle.

Review of Pilot Physical Examination Reports. After reviewing the physicians' reports it was moved by Commissioner Mackey and seconded by Commissioner Addington that the physical examination reports for Captains C.C. Hunziker, G.D. Hurt, B.S. Knowles, R.N. Kromann, R.F. McCurdy and D.A. Sanders be accepted for annual license renewal. The motion carried. Captains W.A. Bock and A.L. Fosse remain in temporary inactive status due to medical conditions.

The Chairman adjourned the regular session Board meeting at 1:50 p.m.

Respectfully submitted,

Peggy Larson, Administrator

Harry H. Dudley, Chairman

Absent

Charles M. Davis, Vice Chairman

Commissioner Oliver E. Mackey

Commissioner Patrick M. Hannigan

Commissioner William H. Snyder

Commissioner Vincent Addington

Commissioner Craig W. Lee

Absent

Commissioner Andrew C. Palmer

Commissioner Norman W. Davis