

MEETING MINUTES

STATE OF WASHINGTON BOARD OF PILOTAGE COMMISSIONERS

April 13, 2006

Present:

Chairman: Dudley

Commissioners: C. Davis, Mackey, Niederhauser, Hannigan, Addington, Lee, Palmer and N. Davis

Assistant Attorney General: Susan Cruise

Administrator: Peggy Larson

Dick McCurdy, Mel Flavel, Rob Kromann, Walt Tabler: Puget Sound Pilots

Mary Nelson: Port of Grays Harbor

Mike Moore, Luis Kohls: Pacific Merchant Shipping Association

Jeff Shaw: Polar Tankers

Scott Craig: Crowley Marine

Pat Kelly, John Ward: pilot trainees

Katharine Sweeney, Eric Klapperich: pilot applicants

Bruce Eckfeldt: Clipper Navigation

Ron Kinsey, Ken Alger: USCG Sector Seattle

Tom Paul: public

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 9:30 a.m. by Chairman Harry Dudley at 2901 Third Avenue, Seattle, Washington.

Minutes. There being no corrections or additions, the March 9, 2006 Minutes stand approved as written.

OLD BUSINESS

2006 Legislative Activity Report: ESSB 6870 “An act relating to the Board of Pilotage Commissioners’ Training Program”. Governor Gregoire signed the bill into law on March 14, 2006 under emergency provisions, making it effective immediately. The bill provides a funding appropriation to the Board for trainee stipends and other related agency expenses, as well as the authority to pay the stipends retroactively to December 1, 2005, using funds collected through the Puget Sound Pilotage District tariff designated specifically for training stipends.

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, 2006 through April 30, 2007, and remove Captains Michael Heys, Karen Arnold and David Fulton as approved masters as referenced in correspondence from Clipper Navigation dated March 30 and April 12, 2006. The motion carried. All licenses, endorsements and certificates that show an expiration date during this next exemption period shall be renewed as a matter of course and copies of such must be submitted to the Board’s office in order to retain good standing as an approved master.

Consideration of Petition for Vessel Exemption: Motor Yacht VANGO. A petition for vessel exemption was received regarding the foreign flagged 163’, 490 gross ton Motor Yacht *VANGO*. Pursuant to RCW 88.16.070 and WAC 363-116-360, this vessel qualifies for an exemption from pilotage requirements and was issued an interim exemption by Chairman Dudley on April 3, 2006, subject to final Board approval at today’s meeting. It was moved by Commissioner C. Davis and

seconded by Commissioner Addington that the Board concur with his action and issue the exemption for the *VANGO* for one year so long as it remains in the charge of Captain David Hagerman. The motion carried.

Consideration of Petition for Vessel Exemption: *TAMEME MARINO*. A petition for vessel exemption was received regarding the foreign flagged 122', 210 gross ton small passenger vessel (crew boat) *TAMEME MARINO*. Pursuant to RCW 88.16.070 and WAC 363-116-360, this vessel qualifies for an exemption from pilotage requirements and was issued an interim exemption by Chairman Dudley on April 3, 2006, subject to final Board approval at today's meeting. It was moved by Commissioner Hannigan and seconded by Commissioner Addington that the Board concur with his action and issue the exemption for the *TAMEME MARINO* for three months so long as it remains in the charge of Captain Richard Stabbert. The motion carried.

2006 Annual Tariff Hearings Preparation. PSPD – A 2006-2007 tariff proposal from Puget Sound Pilots has been submitted to the Board in addition to their 2005 audited Financial Statement in accordance with the timetable established for tariff document submission. Walt Tabler fielded several questions from Commissioner Addington concerning the Financial Statement. Chair Dudley urged the parties to address any remaining unclear issues prior to the tariff hearing. The written tariff proposal submitted today contains an amended request for a 25.94% tariff increase, which is different from the original request for a 28.3% increase that was filed with the Code Reviser. A public hearing has been filed for May 11, 2006 at 9:30 a.m. It was determined that a second day, May 12, may be required in the case of a continuation of either the public hearing or meeting.

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 approximately a 2.5% increase to the Draft and Tonnage portion of the tariff, a \$9 decrease in the Pension Charge Category, and some language modifications concerning Terminal No. 2 as specified in the written request for adjustment from the Port of Grays Harbor dated April 11, 2006. It was moved by Commissioner Addington and seconded by Commissioner Mackey that the Board accept 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 11. The motion carried. The proposed rule amendments will be filed with the Code Reviser for a public hearing to be held June 8, 2006.

Trainee Stipend & Training Program Review. Following the last meeting when the Board approved the retroactive stipend payments, it was understood that this matter would be re-visited if requested. In a memo to the Board some trainees raised questions concerning the calculation of the stipend amounts, the criteria used to determine the stipend eligibility, and the definition of "full-time availability". Discussion followed regarding the need to clearly define the Board's intent regarding the February 9, 2006 Policy Statement, the Training Program Agreement and WAC 363-116-078(10), all of which address the trainee stipend requirements; and whether the trainees have a clear understanding of the Board's intent. It was determined that a more reasonable application of the requirements for receiving a stipend must be reached. It was moved by Commissioner Hannigan and seconded by Commissioner C. Davis that the memo referenced above be referred to the TEC for resolution. The motion carried. It was moved by Commissioner Hannigan and seconded by Commissioner Mackey that the TEC's recommended stipend payment amounts that were approved by the Chair and paid to the trainees stand. The motion carried with Commissioner Addington opposed. Chair Dudley added that this motion does not preclude a trainee from asking the Board (not the TEC) for reconsideration of their retro stipend payment amount.

Going forward, the TEC will determine the eligibility of trainees to receive a stipend based on their detailed training reports submitted each month. The stipends will no longer be pro-rated as they were for the first three months but instead will be either \$6000 or \$0. The criteria will be formally described by the TEC and shared with the trainees.

Pilot's Report of Marine Safety Occurrence: HYUNDAI ADMIRAL, 4-9-06. While departing Pier 5 South in the West Waterway, Seattle, the bow thruster failed causing a near allision with a crane. A tug was used to bring the ship back alongside the dock while the thruster was shut off and restarted. A second attempt to depart was successfully made and the vessel proceeded without incident. The Port was notified and requested to inspect the crane nonetheless. It was moved by Commissioner Lee and seconded by Commissioner Addington that this report of a navigational safety concern be filed as a Marine Safety Occurrence. The motion carried. Chairman Dudley asked Captain McCurdy to track the frequency of these types of bow thruster failures and inform the Board if it becomes an increasing problem.

A letter was received today from Jeff Shaw of Polar Tankers, Inc. requesting that the Board send copies of all near miss and safety occurrence reports to the pertinent vessel master and vessel owner. Since it is not required that the pilot inform the master of his filing of a report, Jeff feels that in the interest of bridge team management and teamwork it is imperative that the reports be shared. Chair Dudley suggested deferring this discussion to a time when a bigger scope of review can be considered, perhaps by a committee, to look into the entire process of reporting such events.

Pilot's Report of Incident: ALASKAN FRONTIER, 4-6-06. Commissioner Hannigan gave a slide presentation and a very detailed narration concerning this report. Commissioner Lee reported on the information he gathered from Alaska Tanker Company with respect to a survey and a damage estimate of \$34,000. This vessel is one of the largest to call in Puget Sound with an LOA of 943', a beam of 164' and a gross tonnage of 110,693. The pilot reported that the docking at the Port Angeles Port Dock appeared to be uneventful with no damage observed or reported to him. He later received a phone call from a dock official advising him of some dock damage. The pilot's report included pictures of the damage allegedly caused by this incident. Based upon the crunching noise reported by the line handlers that was reported by Commissioner Hannigan to be the asphalt breaking up, it was moved by Commissioner C. Davis and seconded by Commissioner Palmer that this matter be declared an "Incident with damage and without pilot error". The motion carried.

Follow-up Regarding:

Deep-Water Anchoring ~ Commissioner Niederhauser has a draft Safety Bulletin almost ready for the Board to review but asked for direction on whether the Board wants to consider it as an agency bulletin or let the Harbor Safety Committee incorporate it into the Harbor Safety Plan. He will discuss it further with Captain Mike Moore and present the draft at the next Board meeting.

Vessel Safety re Standard of Care ~ Commissioner Norm Davis recently met with two Coast Guard officials to discuss our common concern for reducing propulsion losses. Due to their unavailability they were unable to attend today's meeting.

Vessel Exemptions ~ Commissioner Palmer presented and briefed the Board on a matrix of various pilotage authorities' regulations regarding vessel exemptions that he and Captain Hannigan had researched and prepared. Chair Dudley asked all Board members to study it during the next couple of months and prepare to discuss potential amendments to our particular state laws.

Committee Reports:

Pilot Examination Committee. Six applicants have made requests for a formal review of their pilot examinations. A letter has been sent from Chairman Dudley to the Chief Administrative Law Judge asking that he appoint an ALJ to hear the cases.

Trainee Evaluation Committee.

- Trainee status report: Approximate trips completed to date ~ Kelly 70, Blake 85, Bujacich 50, Carlson 45, Sliker 58 and Ward 22. Jack Bujacich has completed his initial evaluation program. It was moved by Commissioner Hannigan and seconded by Commissioner C.

Davis that the TEC recommends to the Board that Captain Bujacich be approved to advance in the training program pursuant to WAC 363-116-078(5)(c). The motion carried.

- Commissioner Niederhauser stated that the TEC has resolved certain issues regarding the “sharing of hard-to-get-trips”.
- The TEC will meet later today.

Miscellaneous Correspondence Review. In a letter dated April 11, 2006 from Captain Stephen Cooke, Grays Harbor Pilot, he is requesting the Board to grant him permission to complete his first-year mandatory simulator training course one week after his first license year anniversary date. It was moved by Commissioner Mackey and seconded by Commissioner Addington to approve the request made in Captain Cooke’s letter to extend the dates to allow him to take the specified training course while meeting the requirements for his license upgrade. The motion carried.

The Board was copied on a letter from PSP to the Port of Olympia supporting the US Corps of Engineers Olympia Harbor Navigation Project. Commissioner Mackey volunteered to draft a letter for Board consideration that voices the Board’s support of the project as well. It was suggested that perhaps a letter of support regarding the navigation channel dredging project in Grays Harbor also be drafted for Board consideration.

On March 17, 2006 several letters were sent to vessel operators, owners and agents from the Puget Sound Pilots announcing its decision to suspend direct pilotage service between Puget Sound ports and lower British Columbia. Discussion covered jurisdictional issues involving pilot operations and earnings related to Canadian assignments as well as safety issues that could result from requiring more Canadian bound vessels to now depart through Port Angeles.

Casey McConville has contacted the Board once again for consideration of his extension of sea time related to sitting for the next pilot exam. A response at this time is premature until the Board has determined whether the next exam will fall before or after July 1, 2008, when qualification criteria to take the exam will change.

Administrator’s Report. It was brought to the attention of the Board that Captain D’Angelo’s upgrade reports submitted on behalf of Captain Cooke for a license upgrade are incomplete. The TEC was assigned to work out a resolution.

Pilots’ Activity Reports. Captain Richard McCurdy, President, Puget Sound Pilots, reported that there were 664 jobs in March compared to a 629 average for the past 3 Marches; a work spike is expected beginning May 11 due to the summer cruise ship traffic; the dispatching system is being revamped with respect to re-pos and compressing rest periods; Captain Fosse remains on medical leave and should return to work in June; Captains Carl Engstrom and John Harris were recently sent to Port ASH (Australia Ship Handling) for purposes of exploring the possibility of using the facility in the winter months for manned model training; four cranes arrived at Pier 18 recently ~ three will stay in Puget Sound and one will be moved to Portland; three pilots (Johannes, Lichty and Robichaux) have submitted their requisite letters of intent to retire; and during the month of April there were 33 hours of delays with only a few related to inbound ships through Port Angeles.

Mary Nelson, Director of Finance and Administration of the Port of Grays Harbor, reported that vessel arrivals are running slightly under projections (90%) ~ Bay City is slightly up and the bulk facility is a little down; both pilots are currently in the district working; the one-millionth ton going through the bulk facility in just two years was recently celebrated; and a navigational channel deepening project that was approved in the 1980’s is currently being resumed ~ approval for 38’ was granted but deepening only went to 36’ back then ~ funding to complete the remaining two feet is being sought.

Public Comments. Katharine Sweeney, pilot applicant, questioned the Board regarding insurance coverage for pilot trainees who are receiving a stipend. It was made clear that trainees receiving stipends are similar to pilots in that they are independent contractors, not employees, and that the stipends are not wages. All types of insurance coverage are the responsibility of the trainee.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for May 11 and could get continued to May 12, 2006, if necessary. 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 C. Davis and seconded by Commissioner Addington that the annual physical examination reports for Captains W.A. Bock, R.L. D'Angelo, C.C. Hunziker, B.S. Knowles, R.N. Kromann, E.C. Lichty, M.G. Mendenhall, D.A. Sanders and M.J. Shuler be accepted for license renewal. The motion carried. Captain Fosse remains on medical leave.

The Chairman adjourned the regular session Board meeting at 3:15 p.m.

Respectfully submitted,

Peggy Larson, Administrator

Harry H. Dudley, Chairman

Charles M. Davis, Vice Chairman

Commissioner Oliver E. Mackey

Commissioner John S. Niederhauser

Commissioner Patrick M. Hannigan

Commissioner Vincent Addington

Commissioner Craig W. Lee

Commissioner Andrew C. Palmer

Commissioner Norman W. Davis