

MEETING MINUTES

STATE OF WASHINGTON ~ BOARD OF PILOTAGE COMMISSIONERS

November 9, 2010

Present:

Chairman: Harry Dudley

Commissioners: Chuck Adams, Ned Kiley, Pat Hannigan, Dick McCurdy, Craig Lee,
Doug Coburn and Elsie Hulsizer

Assistant Attorney General: Guy Bowman

Administration: Shawna Erickson, Peggy Larson

Captains Andy Coe, Pat Kelly, Verne Justice, Mr. Walt Tabler: Puget Sound Pilots

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

Jim Caspers, Blair Bouma: PSPD Pilot Trainees

Bill Lowery: PSPD Pilot Applicant

Ron Kinsey: USCG Sector Puget Sound

Rob Kromann: Retired Puget Sound Pilot

Loren Lee, Karen Caspers: Public

REGULAR MEETING

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

Minutes. Noting one editorial change, the September 30, 2010 Minutes stand approved as written.

OLD BUSINESS

Discussion and Resolution Concerning Setting the Number of Pilots in the Puget Sound Pilotage District as provided in WAC 363-116-065. In April 2010, the number of pilots licensed in the Puget Sound Pilotage District was reduced from 57 to 54. In September 2010, the number was further reduced to 52. There are currently 53 licensed pilots in the Puget Sound Pilotage District. This item was retained on the agenda in light of the consideration of licensure of a new pilot even though the set number of pilots often differs from the number currently licensed. There was no discussion of this matter.

Review and Consideration of Licensure of PSPD Trainee: Captain James Caspers. (Deferred to later on the agenda after a Closed Session regarding this item.)

NEW BUSINESS

Review and Consideration of Licensure of PSPD Trainee: Captain Blair Bouma. On behalf of the Trainee Evaluation Committee (TEC) Commissioner Hannigan reported that after a thorough review of all Captain Bouma's *Pilot Trainee Trip Reports* submitted to the Board, his successful completion of all conning quizzes and local knowledge exams, and his compliance with all other training requirements, the TEC unanimously recommends to the Board that Captain Bouma is suitable for licensure.

A CLOSED SESSION was called from 9:45 a.m. to 10:20 a.m. regarding the Board's review of Captain Blair Bouma's pilot training program. In attendance were Chairman Dudley, Commissioners Adams, Kiley, Hannigan, McCurdy, Coburn and Hulsizer; Guy Bowman, Shawna Erickson and Peggy Larson. Regular session was reconvened by the chairman immediately following closed session.

Review and Consideration of Licensure of PSPD Trainee: Captain Blair Bouma (cont'd). Motion: Hannigan/Coburn – the Board deems Captain Bouma qualified for the issuance of a license but delays licensing until there is a need for a pilot in the Puget Sound Pilotage District – Carried. Motion: Hannigan/Kiley – the TEC is granted authority to develop a training program, for approval at the next Board meeting, in order for Captain Bouma to continue training with a stipend, if he chooses – Carried. If no other pilot trainee is deemed qualified for issuance of a license at this meeting, Captain Bouma is in

first position for licensure. Captain Bouma offered his comments and feedback on the training process and today's Board action.

Pilot's Report of Marine Safety Occurrence: *HYUNDAI KINGDOM*, 10-20-10.

Tacoma Blair WW	Bow thruster malfunction.	Navigational Safety Concern	<u>Motion</u> : McCurdy/Hulsizer File as a Marine Safety Occurrence	Carried
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Pilot's Report of Marine Safety Occurrence: *BIOGRAD*, 10-26-10.

Tacoma Hylebos WW	Engine failure.	Navigational Safety Concern	<u>Motion</u> : Hulsizer/Kiley File as a Marine Safety Occurrence	Carried
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Pilot's Report of Incident: *YANG MING ORCHID*, 10-9-10.

Tacoma Pier 7D	While docking, a bridge wing awning came in contact with the boom of a crane on the dock.	Bent awning. No injuries	<u>Motion</u> : McCurdy/Adams Incident with minor damage and no pilot error	Carried
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Pilot's Report of Incident: *SALVATORE CAFIERO*, 10-30-10.

Tacoma Temco Dock	Line handling instructions by pilot were not followed during docking resulting in the vessel making a firm landing.	Damage to bull rail and grating. No injuries	<u>Motion</u> : Hannigan/McCurdy Incident with damage and no pilot error	Carried
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Consideration of Request for Vessel Exemption Modification:

Motor Yacht *SLOJO* – request to authorize an additional vessel operator. Motion: Adams/Kiley – concur with Chair's interim granting of approval to add Captain Philip Walsh – Carried.

Discussion and Consideration of a New Policy Statement regarding “Documents Submitted to the Board”. Chairman Dudley and Guy Bowman are working on a draft to be presented to the Board for consideration. This item was deferred.

Committee Reports.

Trainee Evaluation Committee:

- The TEC met on October 20th and November 8th.
- The TEC finalized a letter to the Board (dated October 20, 2010) regarding their recommendations concerning the training program of Captain James Caspers. This is a follow-up to their verbal presentation made at the September 30, 2010 Board meeting. Captain Caspers was also in receipt of this letter.
- Training program performance was reviewed for trainees Anacker, Bouma, Kearns and Anthony – all are progressing well. It was determined that the TEC would recommend to the Board at the next Board meeting that Captain Bouma is suitable for licensure.
- Captain Anacker was reminded that he has a deadline of December 1st to complete the initial phase of his training program. He intends to return to work temporarily around December 15th.
- A Statement of Policy was drafted that addresses the potential uses of new training surcharge revenue should the Board adopt the proposed increase to that PSPD tariff category.
- Captain Mike Anthony failed to make two “hard to get trips” in October for which his stipend payment was temporarily suspended. Resolution of this matter will be taken up in closed session.
- *Train the Trainer* instruction continues to be pursued.
- Stipend issues for trainees going in and out of training will be discussed in closed session.
- Chairman Dudley asked the TEC to provide the Board with written summaries of all trainees' training program performances prior to the Board meeting at which he or she is being considered for licensure.

PUBLIC HEARING

A public hearing of the Board of Pilotage Commissioners was convened at 11:45 a.m. by Chairman Harry Dudley at 2901 Third Avenue, Seattle, Washington. (Commissioner Lee arrived at 11:30 a.m.)

WAC 363-116-070: Collection of Fees

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District

WAC 363-116-360: Exempt Vessels

The proposed rule amendments are intended to:

- increase the annual state pilot license fee for an active pilot from \$6,000 to an amount within a range of \$7,500 to \$9,000
- increase the training surcharge category of the Puget Sound Pilotage District tariff by \$10. This \$10 amount is intended to support the Board's costs associated with certain specified training-related expenditures. The initial \$10 charge already established in the tariff category is intended to continue to support trainee stipends paid to pilot trainees engaged in the stipend program.
- increase all passenger and yacht exemption fee categories by 50%, not to exceed \$1,500.

Oral testimony on behalf of the Puget Sound Pilots was presented by Walt Tabler stating it is their belief that license fees should provide support only for Board operating expenses and that an increase is not necessary but that an adequate increase to the training surcharge should be imposed to cover training-related Board expenses over and above trainee stipends. Written and oral testimony on behalf of the Pacific Merchant Shipping Association was presented by Captain Mike Moore stating it is their belief that there is no need to change the fundamental practice of funding the Board through pilot license fees. Also, the training surcharge was initiated to support the trainee stipend program and to expand that surcharge to cover other Board expenses is unnecessary and unprecedented. He urged the Board to assess the "no change option" or a minimal increase to the license fees following a thorough review of the current status of its budget. Financial documents were presented by the Board's staff showing a significant over expenditure in the current biennial budget. If the current level of spending continues, which is caused by significant unforeseen and unbudgeted legal expenditures, this will severely impact the Board's fund balance. The intent of the proposed increases to these three WAC sections being considered today is to generate adequate revenue to cover all Board expenses appropriately, now and into future biennia.

The public hearing was closed by Chairman Dudley at 12:00 noon.

REGULAR MEETING (cont'd.)

The regular meeting of the Board was reconvened immediately following the public hearing by Chairman Harry Dudley.

Consideration of Preceding Hearing: WACs 363-116-070, 363-116-300 and 363-116-360. All written and oral testimony was reviewed and considered by the Board including staff budget documents and presentations over the past several months. Motion: Hannigan/McCurdy – leave the \$6,000 pilot license fee unchanged – Motion Withdrawn. Motion: Hannigan/McCurdy – concerning WAC 363-116-360, increase all vessel exemption fee categories by 50% as proposed, not to exceed \$1,500 – Friendly amendment: Hulsizer – add a new line in the yacht category for vessels "Up to 50 feet LOA" at the current rates in the yacht category for vessels "Up to 100 feet LOA" – amendment accepted – Carried. Motion: Hannigan/McCurdy – concerning WAC 363-116-300 increase training surcharge by \$10 for purposes of paying training-related expenses of the Board – (10 minute break called by Commissioner Lee) - Friendly amendment: Lee/Coburn – increase the training surcharge by \$5 and concerning WAC 363-116-070, increase the pilot license fee by \$500 and adopt the "*Statement of Policy Re: Expenses that can be paid for by the Training Surcharge*" as drafted by the TEC in collaboration with Guy Bowman – amendment accepted – Carried.

The effective date of the new rules is 31 days after filing unless specified otherwise. (2:00 p.m.)

Legislative/WAC Committee: Committee Chairman Adams shared with the Board Gary Nelson's 9-29-10 response to PSP's 9-17-10 letter regarding cross-licensing of Puget Sound Pilots for the Grays Harbor District. Gary Nelson also submitted a letter dated 10-29-10 to Chairman Adams and the Board regarding the Grays Harbor Pilotage District Redundancy and Continuity Plans.

Tariff Policy Committee: The committee is continuing its work.

Activity Reports. Gary Nelson, representing Port of Grays Harbor, reported they are on schedule for 69 arrivals in 2010 which represents about a 50% increase in activity over 2009 and 2010 budget; Captain Cooke is on duty in October and Captain D'Angelo in November; construction continues on AGP grain silos and Port marine rail system; and a \$2 million loan from the State and a \$2 million appropriation from the Federal government will go toward the \$15 million upgrade to the marine rail system which is still on target for completion by the end of 2011.

Captain Andy Coe, representing Puget Sound Pilots, reported there were 589 assignments in October which is a decline of 4.8% year-to-date; several pilots went to manned model as well as Escort Team Training last month; 7 comp days were accrued and 14 used – bringing the total comp days to 3,251.

Captain Mike Moore, representing Pacific Merchant Shipping Association, reported that container arrivals are down, tankers including ATBs are down and bulker traffic is up which equates to a decline in deep draft vessel arrivals of 103 year-to-date.

Confirmation of Next Regular Meeting Date. The next regular meeting scheduled for Tuesday, December 14, 2010 was canceled. The following meeting is scheduled for January 13, 2011 in the Agate Conference Room, 2901 Third Avenue, Seattle.

A CLOSED SESSION was called from 2:25 p.m. to 3:45 p.m. for purposes of hearing Captain Jim Caspers address the Board about his training program; to consider his licensure; and to discuss training stipend issues relating to Captains Anthony and Anacker. In attendance were Chairman Dudley, Commissioners Adams, Kiley, Hannigan, McCurdy, Lee, Coburn and Hulsizer; Guy Bowman, Shawna Erickson and Peggy Larson. Regular session was reconvened by the chairman immediately following closed session.

(OLD BUSINESS) Review and Consideration of Licensure of PSPD Trainee: Captain James Caspers. Motion: Hannigan/Lee – deny Captain James Caspers a pilot license – Carried. The Board will formally communicate their decision to Captain Caspers in a letter.

Additional TEC Matters:

Motion: Hannigan/ (no second) – Captain Mike Anthony be denied his monthly stipend payment of \$6,000 for the month of October because he missed two hard-to-get Bellingham trips – Failed. Motion: Lee/Hulsizer – pay Captain Mike Anthony a \$4,000 stipend for the month of October because he missed two hard-to-get Bellingham trips – Carried with Commissioner Hannigan abstaining. Motion: Hannigan/Coburn – allow Captain Scott Anacker to go off stipend in mid-December and pay him \$333 per trip in December up to a maximum of \$3,000 for a half of a month or up to a maximum of \$6,000 for a full month should he opt to remain on stipend for the full month – Carried.

Review of Pilot/Trainee Physical Examination Reports. Motion: Kiley/Adams - accept the physicians' reports for Captains C.N. Larson, J.R. Semler, P.A. Giese, W.A. Bundren, D.B. Soriano, M.I. Johnson, G.P. Thoreson and D.G. Mackenzie for annual pilot license renewal and B.W. Bouma for initial licensure - Carried.

There being no further business to come before the Board, Chairman Dudley adjourned the regular session Board meeting at 4:00 p.m.

Respectfully submitted,

Peggy Larson, Administrator

Harry H. Dudley, Chairman

Commissioner Charles F. Adams

Commissioner Edmund I. Kiley

Commissioner Patrick M. Hannigan

Commissioner Richard F. McCurdy

Commissioner Craig W. Lee

Commissioner Douglas S. Coburn

Absent

Norman W. Davis, Acting Vice Chairman

Commissioner Elsie J. Hulsizer