

MEETING MINUTES

STATE OF WASHINGTON ~ BOARD OF PILOTAGE COMMISSIONERS

September 8, 2011

Present:

Chairman: Harry Dudley

Commissioners: Norm Davis, Chuck Adams, Ned Kiley, Pat Hannigan, Doug Coburn, Elsie Hulsizer

Assistant Attorney General: Guy Bowman

Administration: Shawna Erickson, Peggy Larson

Captains Andy Coe, Pat Kelly, Don Mayer and Mr. Walt Tabler: Puget Sound Pilots

Gary Nelson: Port of Grays Harbor

John McLaurin, Mike Moore, Jordan Royer: Pacific Merchant Shipping Association

Captain Jim Kearns: PSPD Pilot Candidate

Captain Bill Bock: PSP Retiree

Captains Christopher Rounds, Rodney Myers: Pilot aspirants

Ron Kinsey: USCG Sector Puget Sound

Loren Lee: 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. Motion: Hannigan/Adams – add clarifying language to describe the proposed change to the call-in procedures for reporting an incident - carried. Motion: Kiley/Coburn – approve the July 28, 2011 Minutes as amended - Carried.

OLD BUSINESS

Discussion Concerning Setting the Number of Pilots in the Puget Sound Pilotage District. The Board reviewed PSP's latest retirement survey showing an escalation in three of the next five approximated retirement dates. Shawna Erickson furnished a comprehensive spreadsheet for review, showing other pertinent information related to vessel traffic and pilot workload. 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. By authority of the Board the TEC presented its proposed post-training program to Captain Kearns for review and acceptance. Motion: Hannigan/Davis – approve this post-training program for Captain Kearns as written – Carried. Captain Kearns has chosen to continue in a post-training program with provisions to ride ships, earn a stipend and perform part-time work. Motion: Hannigan/Davis – affirm that Captain Kearns is in first position for licensure under the provisions of WAC 363-116-080(6) – Carried.

Discussion Concerning Cross Licensing of Pilots for the Grays Harbor District. In a letter to the Board dated 8-11-11, Gary Nelson addressed the issues related to cross licensing of pilots that Captain Andy Coe presented in PSP's letter to the Board dated 7-14-11, calling them misconceptions and subjective opinions about pilotage on the GHPD. Gary goes on to say the concept of cross licensing does not fit well within the intricacies of the GHPD and he strongly urges the Board to proceed with their intent to develop a single pilot exam from which to draw applicants for each district. The matter of cross licensing will be dropped from future agendas.

NEW BUSINESS

2011 Annual Tariff Hearings Preparation.

GHPD - In accordance with the timetable established for tariff document submission, a 2012 written tariff proposal from the Port of Grays Harbor has been submitted to the Board in addition to the 2010 audited Financial Statement and supplemental financial data through June 2011. A CR-102 has been filed setting a public hearing for October 13, 2011 at 9:30 a.m. Gary Nelson asked the Board to consider holding the hearing and meeting in Aberdeen. Motion: Coburn/Kiley – file an amended CR-102 to move the location of the October 13th public hearing and monthly Board meeting to Aberdeen – Carried.

PSPD – In accordance with the timetable established for tariff document submission, the Puget Sound Pilots' 5-Year Capital Spending Plan was submitted and distributed on 9-1-11. Submitted today was supplemental unaudited financial data through 7-31-11 and a letter dated 9-8-11 detailing PSP's request for rule amendments for the 2012 Puget Sound Pilotage District tariff. Concerns were expressed by Commissioner Coburn and PMSA as to the difference in the 2010 and 2011 display of financial data. A request was made for an easier way to compare apples-to-apples data with perhaps a separation into three expense categories such as Direct Operating Expenses, Association Discretionary Expenses, and Benefits. 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.

PSP's written proposal calls for an across-the-board increase of 6.8% excluding the Transportation and Training Surcharge categories. As an alternative they propose a new tariff category, a Variable Expense Component charge of \$625 - \$700 per assignment, which is intended to generate about \$4 million. This revenue is intended to support a list of six specified association expenses and, if accepted by the Board, the remainder of the tariff would be reduced 5.6%. This new charge (VEC) combined with the general tariff reduction would raise the same \$4 million as a 6.8% increase to the overall tariff. PSP also requested a 2% increase (CPI) to the British Columbia Direct Transit Charge. PSP states that it is not necessary to have both a 6.8% increase in the tariff and the VEC but, so that all options may be considered, they requested both methods be shown in the CR-102 filing.

PMSA spoke about the unstable economic climate evidenced by numerous local salary cuts and freezes on pilotage tariffs across the country. PMSA countered the PSP proposal with a request for an across-the-board decrease of 10% excluding the Transportation and Training Surcharge categories; in addition to no support for any new tariff categories and no increase to the British Columbia Direct Transit Charge.

Motion: Hannigan/Kiley - file a CR-102 with the Code Reviser for a public hearing to be held November 10, 2011 for a proposed rule which reflects an across-the-board adjustment to the tariff in a range between a decrease of 10% and an increase of 6.8%, excluding the Transportation and Training Surcharge categories; and the creation of a new line item called the Variable Expense Component in the amount of \$0.00 up to \$700 per assignment; and the Transportation Charge portions of the British Columbia Direct Transit Charge be increased by 0 up to 2% - Carried. Chairman Dudley stated that by accepting PSP's 9-8-11 letter containing their tariff proposal, the Board is not endorsing the acceptance of the six items listed on page two that are intended to be supported by the new VEC category. The next submittal deadline is October 6th for PSP to file August and September 2011 financial data.

Consideration of Adoption of Board "Statement of Policy Regarding Age Limitations". In order to clarify the intent of RCW 88.16.090(2)(a)(ii) and RCW 88.16.102, Chairman Dudley has drafted a Statement of Policy to define certain language found in these statutes; "is over the age of twenty-five years and under the age of seventy years" and "reaching the age of seventy". Motion: Coburn/Davis – approve the Statement of Policy as written – Carried. The policy statement can be found on the Board's website at www.pilotage.wa.gov

Consideration of Adoption of Board "Information Bulletin 11-01". Chairman Dudley presented the Board with a draft "Information Bulletin 11-01" for discussion and consideration. This new concept for providing information to the public was born out of the Tariff Policy Committee's hesitation to create a "policy" document to set out the Board's tariff-setting process. A less binding and more "informational" approach is suggested by Chairman Dudley in his draft bulletin. It was the consensus of the Board to keep this matter on the agenda for further discussion and consideration.

Proposed Rule Making. (Commissioner Chuck Adams was excused during discussion of this agenda item.) A CR-101 was filed to announce the Board's intention to amend WAC Chapter 363-11: Practices & Procedures. Rationale for proposed amendatory language was presented in detail by Guy Bowman. Motion: Coburn/Hulsizer – proceed with rule making by filing these proposed rule amendments with a CR-102 after October 7th for a public hearing at the December 8, 2011 monthly Board meeting – Carried.

Amendatory language has been drafted by the Exam Committee regarding WAC sections: WAC 363-116-0751, 076, 077, 078, 080, 083 and 084. Copies will be distributed to the Board for review and discussion at the October 13th Board meeting. Rule making will proceed with the intention to hold a public hearing on December 8th.

Approval of Pilot License Upgrade Programs: Captains Klapperich and Wildes. Captains Eric Klapperich and Gordon Wildes are nearing completion of their fourth license year. Motion: Hannigan/Kiley - approve the license upgrade programs for these two captains as drafted - Carried.

Pilot's Report of Marine Safety Occurrence: VADELA, 7-29-11

Vendovi Island Anchorage	Failure of transmission cable from the bridge to the engine room resulted in manual control of engines. Repairs were made and vessel proceeded to Cherry Point.	Navigational Safety Concern	<u>Motion:</u> Adams/Coburn File as a Marine Safety Occurrence	Carried
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Pilot's Report of Marine Safety Occurrence: WESTWOOD DISCOVERY, 8-3-11

Approach to Port of Everett	Engine failure, vessel anchored while repairs were made, then docked at Pacific Terminal.	Navigational Safety Concern	<u>Motion:</u> Adams/Coburn File as a Marine Safety Occurrence	Carried
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Pilot's Report of Marine Safety Occurrence: OVERSEAS LOS ANGELES, 8-4-11

Rosario Strait	This laden tanker's escort tug had mechanical trouble. Vessel slowed and tug was relieved by another tug.	Navigational Safety Concern	<u>Motion:</u> Adams/Coburn File as a Marine Safety Occurrence	Carried
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Pilot's Report of Marine Safety Occurrence: ORCHID ACE, 8-7-11

	Deferred to the next Board Meeting.			
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Pilot's Report of Marine Safety Occurrence: MEDCOA LOME, 8-22-11

PA Station to Pier 3, Tacoma	Faulty bridge electronics. Daylight, good visibility and portable pilot electronics enabled the vessel to complete the voyage.	Navigational Safety Concern	<u>Motion:</u> Adams/Coburn File as a Marine Safety Occurrence	Carried
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Pilot's Report of Incident: Pilot Bill Sliker & Trainee Scott Anacker - JAG LALIT, 8-26-11

	Deferred to the next Board Meeting for lack of a complete report.			
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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.

Committee Reports.

Trainee Evaluation Committee:

- The TEC met on September 7th.
- 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 will resume training on October 1st, Captain Engstrom is continuing to work and train while off stipend, and Captain Kearns is continuing with post-training graduate studies.
- Captain Anthony has met all of the requirements necessary to complete the initial evaluation phase of his training program. Motion: Hannigan/Davis – the TEC recommends to the Board that Captain Anthony be approved to advance in the training program pursuant to WAC 363-116-078(5)(c) – Carried.
- The PSP retirement survey and vessel activity levels were reviewed, resulting in the TEC's recommendation to start two additional trainees. Motion: Hannigan/Davis – the Board approve two trainees to begin training on December 1st – Carried.
- Captain D'Angelo and Cooke will be asked to assist in the writing of local knowledge questions relative to the GH training program exams. They will again be invited to the next TEC meeting.

- The TEC will meet collectively with all of the active trainees - Captain Anacker, Anthony and Engstrom for a comprehensive Q and A session at the next TEC meeting on October 12th.

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: Committee Chair Adams stated they will be working on the re-drafting of the amendatory language to WAC 363-116-200: Duties of Pilots. Motion: Adams/Coburn – designate Peggy to write a broader CR-101 and re-file it with the Code Reviser for a new hearing – Carried.

Tariff Policy Committee: The committee is reluctant to move forward pending the outcome of the concept of the Information Bulletin.

Activity Reports. Gary Nelson, representing Port of Grays Harbor, reported there were 6 ship arrivals in August and 8 anticipated in September; the pilot boat *CHEHALIS* is undergoing various work; Captain D'Angelo is on duty in September; and Captain Cooke will soon be attending Emergency Shiphandling class at Pacific Maritime Institute. Captain D'Angelo who reported an MSO involving the *SANTIAGO BASIN* on 11-10-10, took exception to the investigative report issued by the Department of Ecology.

Captain Andy Coe, representing Puget Sound Pilots, reported there were 716 assignments in August; assignments year-to-date for 2011 are 5,180 compared to 5,013 in 2010 which is an increase of 167 jobs or 3%; a review of tanker traffic statistics was reviewed showing a temporary 3-month run up of harbor shifts during the summer months; and 21 comp days were accrued and 64 used during August, decreasing the total by 43 following a 26-day increase in July and resting currently at 3,269 comp days.

Mike Moore, representing Pacific Merchant Shipping Association, reported that y-t-d through August vessel arrivals are up by 32 – cargo up 50, cruise ships down 25, tank vessels (including ATB's) down 21 through June but up 7 now; pilot assignments through July are up by 127 and revenue is up \$1,048,599. Cargo vessel arrivals are projected to increase, tanker activity is starting to pick up and cruise ship calls are reduced.

Correspondence Review. The Governor's office has sent notification of filing deadlines for Agency Request Legislation for the 2012 Legislative Session. Guy Bowman would like the Board to consider an amendment to the Public Records Act he will be drafting. Peggy will work with Guy to obtain an extension of the filing deadline and assemble the submittal package.

Administrative Report. Shawna prepares monthly updates to a spreadsheet containing Puget Sound Pilots statistical data submitted to the Board on a regular basis. It displays extensive data compiled to show monthly and annual comparisons of a wide variety of information. She welcomes feedback and questions. Fill-in forms on the Board's website are gradually replacing various current forms for ease of submittal and record keeping.

Public Comments. Gary Nelson stated he would like to invite investigative personnel from the USCG Sector Columbia River to our October meeting to familiarize themselves with the District, the Port operations and the Board. He and Chairman Dudley will extend the invitation.

Confirmation of Next Regular Meeting Dates. The next regular meeting is scheduled for Thursday, October 13, 2011. The Grays Harbor 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 Port of Grays Harbor Commission Chambers, 111 South Wooding, Aberdeen, WA. Commissioners Dudley, Lee and Adams will be unable to attend. The next two Board meetings are scheduled for November 10th and December 8th. 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/Adams - accept the physicians' reports for Captains J.K. Ward, B.F. Henshaw, P.S. Kelly, E. Marmol and M.I. Johnson for annual pilot license renewal - Carried. Captain M.I. Johnson was declared unfit for duty by Board-designated physician Jon Younger, M.D. on 3-22-11 and was temporarily relieved of duty due to a medical

condition. He was found fit for duty by Dr. Younger on 9-2-11 and by passage of the above motion his license is reinstated and he is authorized to resume pilotage duties today.

There being no further business to come before the Board, Chairman Dudley adjourned the regular session Board meeting at 2:35 p.m.

Respectfully submitted,

Peggy Larson, Executive Director

Harry H. Dudley, Chairman

Commissioner Charles F. Adams

Commissioner Edmund I. Kiley

Commissioner Patrick M. Hannigan

Absent

Commissioner Richard F. McCurdy

Absent

Commissioner Craig W. Lee

Commissioner Douglas S. Coburn

Norman W. Davis, Acting Vice Chairman

Commissioner Elsie J. Hulsizer