

MEETING MINUTES

STATE OF WASHINGTON ~ BOARD OF PILOTAGE COMMISSIONERS

June 11, 2009

Present:

Chairman: Harry Dudley

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

Administration: Peggy Larson, Judy Bell

Del Mackenzie, Frantz Coe, Walt Tabler (Administration): Puget Sound Pilots

Gary Nelson: Port of Grays Harbor

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

Larry Seymour: Pilot Trainee

Mark Homeyer, Chris Peterson: Crowley Marine

Ron Kinsey, Jon Lane: USCG Sector Seattle

Loren Lee, Bruce Nelson, Jill Seymour: Public

PUBLIC HEARING

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

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District. RCW 88.16.035(4) requires the Board of Pilotage Commissioners to annually fix pilotage tariffs. The filed rule as proposed by the Port of Grays Harbor reflects an effective overall increase to the tariff of 2.8% or \$176 per pilotage job to be charged for pilotage services in the Grays Harbor Pilotage District for the 2009-2010 tariff year, as specified in the following tariff categories:

Draft and Tonnage Charges, Harbor Shifts and Bridge Transits Categories -
proposed 3% increase to all items in these three categories

Pension Charge -

proposed \$29 increase to this charge per pilotage assignment, including cancellations

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

The filing was based on a written proposal dated May 16, 2009 submitted by Gary Nelson, Executive Director of the Port of Grays Harbor which details the request for rule amendments. The GHP 5-year Capital Spending Plan and 2008 year-end audited Financial Statement, previously submitted to the Board, were also considered in today's tariff determination. Oral testimony in support of the proposal was presented by Gary Nelson for the Port of Grays Harbor and Mr. Loren Lee, from the public. Also testifying was Captain Mike Moore on behalf of the Pacific Merchant Shipping Association who stated they did not support the proposal nor did they oppose it.

All written documents submitted in accordance with the timetable established for tariff document submission were considered in today's tariff determination, in addition to all other written and oral testimony from interested parties and members of the public.

The public hearing was closed by Chairman Dudley at 9:45 a.m.

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 9:45 a.m. by Chairman Harry Dudley.

Consideration of Preceding Hearing: WAC 363-116-185. Following the Board's review and consideration of all written and oral testimony, it was moved by Commissioner C. Davis and seconded by Commissioner Hulsizer to provide a new 2009-2010 tariff which reflects all of the proposed amendments

as filed and described above which represent an effective overall increase to the tariff of 2.8% or \$176 per pilotage job. The motion carried with a vote of five in favor and Commissioners Lee and Thompson abstaining.

The effective period of the new tariff will be from 0001 hours on August 1, 2009 through 2400 hours on July 31, 2010. All written materials and more detailed records of testimony, discussion and motions are contained in the rule-making file. (10:00 a.m.)

Minutes. Commissioner Hannigan requested changes to two sections of the May 19, 2009 Minutes. Discussion ensued but without resolution. Chairman Dudley will redraft amended language to put before the Board at the next meeting.

OLD BUSINESS

Discussion of Statements of Policy adopted 5-9-02, 11-14-02, 9-8-05 which apply to old WAC 363-116-075. A review of these three Statements of Policy is of a housekeeping nature to determine their current status. Commissioner Hannigan spoke about the Statement of Policy dated 11-14-02 relative to the *Interpretation of the Term "Gross Tons" under WAC 363-116-075 as Applied to Certain Vessels*, stating that the subject matter is now codified in the new WAC 363-116-0751. It was moved by Commissioner Hannigan and seconded by Commissioner Lee that the Statement of Policy dated 11-14-02 relative to old WAC 363-116-075 be canceled. The motion carried. Discussion of the Statements of Policy adopted on 5-9-02 and 9-8-05 were deferred to the next regular meeting.

NEW BUSINESS

Pilot's Report of Marine Safety Occurrence: SEVILLIA, 5-24-09. The Board received a written report submitted by Puget Sound Pilot, Captain George Thoreson. On final approach to Pier 5 Seattle, the ship's bow thruster stopped working. The pilot ordered the stern tug to the starboard side of the vessel and continued the docking maneuver without further incident. It was moved by Commissioner Lee and seconded by Commissioner Thompson that this report be filed as a Marine Safety Occurrence. The motion carried.

Pilot's Report of Marine Safety Occurrence: METTE MAERSK, 5-29-09. The Board received a written report submitted by Puget Sound Pilot, Captain Don Soriano. While transiting northbound from Seattle to Port Angeles an alarm on a fuel supply unit pressure relief valve caused the main engine to go into an automatic slow down mode decreasing to dead slow ahead. VTS was notified. The ship was anchored and repairs were made. The transit resumed shortly without incident. It was moved by Commissioner Snyder and seconded by Commissioner Lee that this report be filed as a Marine Safety Occurrence. The motion carried.

Consideration of Request for Renewal of Vessel Exemption: Motor Yacht LARA. A petition for renewal of vessel exemption was received regarding the foreign flagged 125', 360 gross ton Motor Yacht *LARA*. Pursuant to RCW 88.16.070 and WAC 363-116-360, this vessel qualifies for an exemption from pilotage requirements. The license held by the captain was questioned as to the suitability to this vessel. It was moved by Commissioner Lee and seconded by Commissioner Hannigan that the Board defer action on this exemption until the matter is reviewed further. The motion carried. It was moved by Commissioner Thompson and seconded by Commissioner C. Davis that Harry be charged with researching this licensing issue. The motion carried.

Discussion concerning setting the number of pilots in the Puget Sound Pilotage District. A general discussion was had relative to vessel traffic levels, anticipated retirements, pilot workload, start-up of new trainees, number of five-year pilots and other pertinent factors with no ultimate move to alter the current number of pilots (57) in the Puget Sound Pilotage District at this time. The issue of "comp days" was also determined to be a related issue that the Board, as well as stakeholders, feels needs addressing. It was agreed that this matter remain on the agenda from month to month and if action is anticipated at a specific Board meeting, a one month notice will be announced at the previous meeting.

Discussion concerning Puget Sound Pilots remaining onboard cruise ships during Seattle port calls. In a letter dated May 27, 2009 Puget Sound Pilots informed their cruise company customers that they will be dispatching pilots on a round trip basis. The intent is to use pilots more effectively during the cruise season and to help control the overall cost of pilotage services. Pilots dispatched to a cruise ship on an inbound transit will remain on board to take the ship back out to Port Angeles.

Activity Reports. Gary Nelson, Executive Director, Port of Grays Harbor, reported that there have been 18 vessel arrivals year-to-date with 4 projected in July which is a little behind the forecast; Captain D'Angelo is participating in training this month; and Captain Cooke is pursuing his license upgrade.

Captain Del Mackenzie, President, Puget Sound Pilots, reported there are currently 55 licensed pilots including the president; there were 679 jobs in May compared to 785 in May 2008 resulting in a three year May average of 727; vessel traffic was down from last year by 4% in February, 5% in April and 6.7% in May; the difference in traffic between May of 2008 and May of 2009 are as follows: Bulkers down 39, Car Carriers down 5, Container Ships down 28, General down 3, Cruise Ships up 9, Ro-Ro up 2 and Tankers down 33; in May 42 comp days were created and 15 days taken for a net increase of 26; Captain Tom Jacobs remains on medical leave; no pilots are currently attending training classes during this peak traffic season.

Mike Moore, representing Pacific Merchant Shipping Association, reported that industry too is tracking the declining vessel activity which currently is down year-to-date 6.2%; and he shared more handouts from which he spoke of the continuing economic decline in shipping and related industries. Industry will continue to share with the Board related articles of interest regarding current shipping activity.

Committee Reports.

Trainee Evaluation Committee:

- The TEC met on May 27th.
- Training programs for Captains Jones, Seymour, Moreno, Brusco, Caspers and Scragg were reviewed. The administration of conning quizzes is ongoing as well as the development of the local knowledge examinations.
- It was moved by Commissioner Hannigan and seconded by Commissioner Snyder that the Board authorize Captain Scott Anacker and Captain Blair Bouma to begin training on September 1, 2009. The motion carried.

Legislative/WAC Committee: No activity to report at this time.

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

Miscellaneous Correspondence Review. The "USCG Report of Investigation into the Circumstances Surrounding the Incident Involving the MV *GLOBAL WISDOM Allision on 4-8-09*" has been received as requested. The report appears to be incomplete; Chairman Dudley will make inquiry into this matter.

Administrator's Report. Captain Katharine Sweeney has been formally notified of the Board's action taken on May 19, 2009 to deny her a state pilot license. The Board is awaiting the appointment of an Administrative Law Judge(s) to hear the matter concerning the three applicants who are challenging the Board's determination of their Simulator Evaluation scores on the 2008 pilot examination. The Board's 2008 Annual Report is in the final draft stage and will be released shortly.

Public Comments. Walt Tabler asked for ideas to help PSP resolve comp day issues.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for Thursday, July 9, 2009 at 9:30 a.m. in the Agate Conference Room, 2901 Third Avenue, Seattle.

Review of Pilot Physical Examination Reports. After reviewing the physicians' reports it was moved by Commissioner Snyder and seconded by Commissioner N. Davis that the physical examination reports for Captain S.G. Cooke be accepted for annual license renewal and Captain S.M. Jones for trainee license renewal/initial licensure. The motion carried. Captain T.A. Jacobs remains unfit for duty.

A CLOSED SESSION was called from 11:55 a.m. to 12:30 p.m. to discuss matters related to trainee performance of Captain Stephen Jones and Captain Larry Seymour. In attendance were Chairman Dudley, Commissioners C. Davis, Hannigan, Snyder, Lee, N. Davis, Hulsizer and Thompson; Judy Bell and Peggy Larson.

Review and consideration of licensure of PSPD Trainees: Captains Stephen Jones and Larry Seymour. The TEC unanimously recommended to the Board that the expired pilot training program for Captain Stephen Jones not be further extended and that he be denied a license. It was moved by Commissioner Hulsizer and seconded by Commissioner N. Davis that Captain Jones' expired pilot training program not be further extended. The motion carried. It was moved by Commissioner Hulsizer and seconded by Commissioner C. Davis that the Board deny Captain Jones a state pilot license pursuant to WAC 363-116-080(5). The motion carried. In the matter of Captain Larry Seymour, the TEC unanimously recommended to the Board that the pilot training program for Captain Seymour be extended through July 8, 2009. It was moved by Commissioner Snyder and seconded by Commissioner C. Davis that Captain Larry Seymour's pilot training program be extended through July 8th. The motion carried. Comments were heard from Captain and Mrs. Seymour.

There being no further business to come before the Board, the Chairman adjourned the regular session Board meeting at 1:00 p.m.

Respectfully submitted,

Peggy Larson, Administrator

Harry H. Dudley, Chairman

Charles M. Davis, Vice Chairman

VACANT
Public Member

Commissioner Patrick M. Hannigan

Commissioner William H. Snyder

Commissioner Craig W. Lee

Commissioner Jeffrey L. Thompson

Commissioner Norman W. Davis

Commissioner Elsie J. Hulsizer