

MEETING MINUTES

STATE OF WASHINGTON BOARD OF PILOTAGE COMMISSIONERS

March 9, 2006

Present:

Vice Chairman: Charles Davis

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

Assistant Attorney General: Susan Cruise

Administrator: Peggy Larson and Administrative Assistant: Judy Bell

Dick McCurdy, Mel Flavel, Andy Coe, Cal Hunziker, Walt Tabler: Puget Sound Pilots

Mike Moore: Pacific Merchant Shipping Association

Jeff Shaw: Polar Tankers

Scott Craig: Crowley Marine

Pat Kelly: pilot trainee

Katharine Sweeney: pilot applicant

Del Kelly: public

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 9:40 a.m. by Vice Chairman Charles Davis at 2901 Third Avenue, Seattle, Washington.

Minutes. There being no corrections or additions, the January 12, 2006 and January 31, 2006 Minutes stand approved as written. Susan Cruise recommended that the February 9, 2006 Minutes be amended to reflect discussion on that day regarding the Board's Statement of Policy on Payment of Stipends. The discussion reflected that she noted that the Statement of Policy indicated the Board's intentions with regard to paying stipends during the period identified in the policy, but it was not certain to her if a policy statement was the correct legal format in which the Board could accomplish its goals. She stated then that she would provide a legal analysis and legal review of the Statement of Policy. It was moved by Commissioner Hannigan and seconded by Commissioner Lee that the February 9, 2006 Minutes be approved as amended. The motion carried.

OLD BUSINESS

2005 Pilot Examination. The final ranking of the sixteen successful applicants has been established and published. The informal exam review period closed on February 7, 2006, the Board completed its final review on February 9, and on February 13 each applicant was sent official notice of his/her standing along with the Board's responses to all exam reviews that were considered.

2006 Legislative Activity Report: ESSB 6870 "An act relating to the Board of Pilotage Commissioners' Training Program". The bill has passed through both houses of the legislature and is on Governor Gregoire's desk for signature. Upon the signing of the bill, stipend payments may be paid retroactively to December 1, 2005, to those trainees who qualify. It was moved by Commissioner Niederhauser and seconded by Commissioner Mackey to extend authority to Vice Chairman C. Davis that, in the case of Chairman Dudley's absence, he be empowered to approve payment of certain stipend amounts established by the Trainee Evaluation Committee and approved by the Board. The motion carried.

NEW BUSINESS

Pilot's Report of Marine Safety Occurrence: 1-29-06. While approaching Pier 5, Seattle, to dock the *MOL CONFIDENCE*, the vessel experienced a total power failure. Using two attending tugs the vessel was safely maneuvered alongside the dock. According to the ship's master, the power failure was due to a failed gasket on a fuel filter system which was repaired in less than one-half hour. Not feeling comfortable that this would not happen again, the pilot informed the COTP of this safety issue. 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. Commissioner N. Davis stated he would invite a USCG official to come to the next Board meeting to discuss safety issues of this sort with regard to the Safety Management System and Standard of Care Improvements.

Pilot's Report of Marine Safety Occurrence: 2-4-06. While anchoring the grain ship *MARINA* in Smith Cove West Anchorage, Seattle, an anchor chain ran out which resulted in a lost anchor. A second anchoring attempt was made without incident. The pilot's choice of report to file was questioned since the matter involved damage, however; it was moved by Commissioner Niederhauser and seconded by Commissioner N. Davis that this report of a navigational safety concern be filed as a Marine Safety Occurrence. The motion carried with Commissioner Palmer opposed and Commissioners Lee and Addington abstaining.

Commissioners Hannigan and Niederhauser will report back to the Board in April concerning statistics involving deep-water-anchoring and lost anchors. This safety concern will be discussed further.

Concern was voiced by Jeff Shaw, Polar Tankers, that the Marine Safety Occurrence Reports are not being sent to the appropriate shipping agent or representative prior to a meeting where an MSO is being considered by the Board. He was asked to submit a formal request asking the Board to revisit its procedures regarding MSO Reports.

Consideration of Petition for Vessel Exemption: Motor Yacht *LUCKY SEVEN*. This request was withdrawn since it concerned the Grays Harbor Pilotage District, for which there are no exemption privileges.

2006 Annual Tariff Hearings Preparation. PSPD – Walt Tabler presented a brief overview of the Puget Sound Pilots' 5-Year Capital Spending Plan and fielded various questions from the Board.

For the past ten years the Puget Sound Pilots (PSP), Pacific Merchant Shipping Association (PMSA) and Polar Tankers (PTI) have been parties to a Memorandum of Understanding wherein tariff adjustment recommendations were unanimously established for presentation to the Board. This MOU has not been successfully re-negotiated at this time. Consequently each party submitted written and oral requests for rule amendments. After lengthy presentations of the new tariff proposals it was moved by Commissioner Hannigan and seconded by Commissioner Addington that the Board file a proposed tariff that reflects a range of increases to be charged for pilotage services in the Puget Sound Pilotage District for the 2006-2007 tariff year that will result in no less than 1.59% and no greater than 28.3% with the exception of certain itemized charges as detailed in the March 2, 2006 letter from PSP to the Board. The motion carried. The low end of the range of increases proposed by PMSA and PTI was applied across-the-board except for the *Transportation* and *Training Surcharge* categories to which no change was applied. The high end of the range of increases proposed by PSP was applied across-the-board except for the following categories: *Boarding Fee*, *Trial Trips*, *Docking Delay-after anchoring*, *Sailing Delay*, *Slowdown*, and *Delayed Arrival-Port Angeles* to which a 100% increase was applied; and *Training Surcharge* to which no change was applied. PSP proposes a modification to the cancellation portion only of the *Transportation* category as well the creation of a new category called *Draft Charges* for purposes of charging each vessel \$10 per foot of draft. PMSA and PTI do not support the addition of *Draft Charges* or the amendment to the *Transportation – Cancellation* category; nor do they support the 100% increase to the categories for which PSP proposes be increased by as much.

It was moved by Commissioner Palmer and seconded by Commissioner N. Davis that the Board accept the proposal as described above and file the proposed rule amendments with the Code Reviser for a public hearing to be held May 11, 2006. The motion carried.

Committee Reports:

Pilot Examination Committee. Peggy Larson reported that all applicants have received his/her certified letter containing the 2005 pilot examination results and responses to all review requests.

The 30-day window in which an applicant may appeal to the Board for a formal review will run until mid-March according to the certified mail receipts and pursuant to WAC 363-116-083(4).

Trainee Evaluation Committee.

- Trainee status report: Approximate trips completed to date ~ Kelly 45, Blake 45, Bujacich 30, Carlson 30, Sliker 40 and Ward 10. Pat Kelly and Bill Sliker have completed their initial evaluation programs. It was moved by Commissioner Niederhauser and seconded by Commissioner Hannigan that the TEC recommends to the Board that Captains Kelly and Sliker be approved to advance in the training program pursuant to WAC 363-116-078(5)(c). The motion carried.
- Captain Carlson has resumed training after being out on a brief medical leave.
- Based upon the Board's Policy Statement adopted at the February 9, 2006 Board meeting, the Training Program agreements for each trainee, and the log sheets submitted by each trainee, the TEC determined the prorated stipend payment amounts for each of the previous training months and for each trainee. In anticipation of the signing of the legislation each trainee will receive a retroactive payment based upon the calculations made by the TEC. There was some confusion regarding the method of calculation as to whether it was based on availability during a training month being defined as 20 days or as 30 days. Susan Cruise will review the Policy Statement as she previously indicated which may result in amending the Policy or implementing clarifying WAC language. It was moved by Commissioner Niederhauser and seconded by Commissioner Lee that the Board approve the calculations for retroactive stipend pay as prepared by the TEC (based on a 30/31-day training month) with the understanding that the stipend amounts may be re-visited next month. The motion carried. It was moved by Commissioner Niederhauser and seconded by Commissioner Hannigan that the TEC determine the like stipend payment for Jack Bujacich upon receipt of additional data subject to approval by the Chair or Vice Chair. The motion carried.

At the February 9, 2006 Board meeting, the TEC was tasked with making recommendations to the Board relating to the issues listed below. Commissioner Niederhauser presented an overview of each issue as well as various spreadsheet statistics. The following were intended for discussion purposes only at this time but will be taken up in the future for Board consideration:

- **Future trainees should be selected based on the need to maintain a licensed pilot roster of 55 pilots until such time as the Board has established the number of pilots in the Puget Sound District as required in WAC 363-116-065;**
- **Future trainees should be selected so that ideally there will be no more than 6 trainees per 10 month period in the training program (per this recommendation, the "Projection of Future Trainees and Pilots – 2006 to 2012" indicates that trainees #7, #8, and #9 would start in October 2006);**
- **The Board should consider methods of adjusting the number of training trips, simulator, manned model or other training experiences, and the tonnage thresholds in the first three years of license restrictions to achieve a relatively balanced number of assignments for each year;**
- **RCW 88.16.090 and relevant WACs may need to be amended to remove the requirement for a federal pilotage endorsement at the time of application, and accommodate an examination as early as the fall of 2007; and**
- **It is not practical to make a recommendation relative to the need for the Board to establish a federal ridership program until such time as the Board determines the time schedule and conditions for the next examination.**

Legal Update. Susan called for an Executive Session to discuss potential litigation. (This will be at the end of today's meeting.)

Administrator's Report. Dennis McLennan, CEO and Chairman of the Board of the Pacific Pilotage Authority in Vancouver, British Columbia, Canada will be retiring at the end of this month. Well wishes will be conveyed on behalf of the Board.

Pilots' Activity Reports. Captain Richard McCurdy, President, Puget Sound Pilots, reported that there were 661 jobs in February compared to a 604 average for the past 3 Februarys; B-Watch pilots are attending a BRM class at PMI for 2 days; there were 35 hours of ship-delays recently; a request for state-issued ID Cards was made; the long-standing By-Law requiring a 2/3 majority vote to become a Puget Sound Pilot was recently rescinded; and Capt. Fosse remains on medical leave.

A Port of Grays Harbor representative was not present. However, Ole Mackey reported that the maintenance dredging is now complete in Grays Harbor; and a grain ship measuring 44,000 tons (probably the largest load on record) recently left the Harbor.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for April 13, 2006, at 9:30 a.m. 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 Addington and seconded by Commissioner Lee that the annual physical examination reports for Captains V.K. Justice, S.A. Robichaux, J.T. Scoggins and M.D. Wood be accepted for license renewal. The motion carried. Captain Fosse remains on medical leave.

It was moved by Commissioner Addington and seconded by Commissioner Lee that the Board concur with Chairman Dudley's previous interim acceptance of the pilot trainee physical examination report for Captain John Ward on February 17, 2006, and the fit-for-duty physical examination report for pilot trainee Ivan Carlson on February 13, 2006. The motion carried.

An EXECUTIVE SESSION was called from 5:00 p.m. to 5:20 p.m. for purposes of discussing potential litigation. In attendance were Vice Chairman C. Davis, Commissioners Mackey, Niederhauser, Hannigan, Addington, Lee, Palmer and N. Davis; Susan Cruise, Judy Bell and Peggy Larson. Regular session was reconvened by the chairperson immediately following executive session.

The Vice Chairman adjourned the regular session Board meeting at 5:20 p.m.

Respectfully submitted,

Peggy Larson, Administrator

Absent

Harry H. Dudley, Chairman

Charles M. Davis, Vice Chairman

Commissioner John S. Niederhauser

Commissioner Vincent Addington

Commissioner Andrew C. Palmer

Commissioner Oliver E. Mackey

Commissioner Patrick M. Hannigan

Commissioner Craig W. Lee

Commissioner Norman W. Davis