



## MEETING MINUTES 17 January 2019

### FRONTIER BUILDING, 3601 C ST. ANCHORAGE

By authority of AS 08.01.070(2), AS 08.62.030 and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Marine Pilots was held.

#### **Item 1. Roll call/Call to order**

Acting Chair Rick Harris called the meeting to order at 0900. Board members in attendance were Harris, Capt. David Arzt, Mr. Les Cronk, Ms. Peggy McLaughlin, Mr. Tom Rueter and Capt. Ron Ward. Marine Pilot Coordinator (MPC) Charles Ward, from the Division of Corporations, Business and Professional Licensing (CBPL) was in attendance and recorded minutes.

Also in attendance were Capts. Ed Sinclair, Kathleen Flury, Frank Didier, Barry Olver, Jeff Logan, and Mark Lundamo from Southeast Alaska Pilots' Association (SEAPA), Capt. Andrew Wakefield and Ms. Jenni Zielinski from Southwest Alaska Pilots' Association (SWAPA), Mr. Mike Tibbles from the Alaska Steamship Association, Mr. Luke Hasenbank from Alaska Maritime Agencies, Capt. Keith Austin and Ms. Teresa Martin from Alaska Marine Pilots (AMP), Mr. Preston Carnahan from Royal Caribbean, Mr. Paul Axelson from North Pacific Maritime, Mr. Ron Hildebrandt from Trident Seafoods, Mr. Gary Messer from Pacific Reefer Logistics, Mr. Rick Erickson from Cruise Line Agencies of Alaska and Capt. Alan Wilson, Princess America Cruises. Mr. Bruce Weyhrauch, attorney for SEAPA, attended telephonically.

#### **Item 2. Review Agenda**

Charles Ward said representatives from Royal Caribbean and Norwegian Cruise Lines would join the VLCS discussion, and the Coast Guard would not be represented, due to the federal government shutdown. Said although he was not on the agenda, Lt. Bart Buessler of NOAA was usually in attendance, but would not be today, also because of the shutdown.

**Rueter moved approval of the agenda as amended.** McLaughlin seconded. There was no discussion. The motion passed unanimously.

### Item 3. Declarations/recusals

None.

### Item 4. Selection of board chairman

**Rueter nominated Faulkner to serve as chairman of the board. Ward nominated Harris to serve as chairman of the board.** Cronk said he agreed with Ward's nomination of Harris. Harris said he would serve if elected.

**Ward moved for nominations to be closed.** Arzt seconded. Harris was elected unanimously.

**Deputy Commissioner Jon Faulkner joined the meeting at 0906.** Harris welcomed him to the board. Faulkner said he would support Harris' election as chairman of the board, and would withdraw his nomination.

### Item 5. Approval of minutes

**Ronald Ward moved the minutes of the 11 October 2018 board meeting be approved as presented.** Rueter seconded. There was no discussion. The motion passed unanimously.

### Item 6. Investigative report

Charles Ward presented the investigative report, which is attached to these minutes as Appendix 'A.' Charles Ward said that he was aware the report was lengthier than usual. He said since he prepared the report, two of the matters on it had been closed and two had been presented for closure. He said there was one matter that remained open because there had been a criminal conviction and the division was monitoring it for compliance by the defendant, but there was not an active investigation in that matter.

Arzt asked if Charles Ward noticed if there were any trends or anything that jumped out to him during this year as opposed to previous years.

Charles Ward said he did not. He said incident reports weren't really investigations, but they did need to be looked into to be sure what the pilot reported is actually what happened. He said he was waiting on Coast Guard reports on the open incident reports. He said those reports can sometimes take a while to be produced. He said there were a couple of cases on the list the division was still doing its due diligence on and he did not feel comfortable closing them or sending them to a board member yet.

Harris asked if Charles Ward noticed any slowdown in processing cases due to the change in administration.

Charles Ward said he did not, because either he or the Chief Investigator was working cases and determining if they should be closed, or if they needed to go to a board member for review.

**Item 7. Review of board actions**

**Board actions – 1 October 2018 through 2 January 2019**

<b>Date</b>	<b>Motion</b>	<b>Voting Tabulation</b>	<b>Action</b>
31/10/18	Approve upgrade of deputy marine pilot James Cunningham to 65,000 gross tons	Ward (Y), Cronk (Y), Rueter (Y), Arzt (Y), Harris (Y), Parady (Y).	Approve application, issue upgrade.
31/10/18	Approve upgrade of deputy marine pilot Chris Mitchell to 65,000 gross tons	Cronk (Y), Ward (Y), Rueter (Y), Arzt (Y), McLaughlin (Y), Harris (Y), Parady (Y).	Approve application, issue upgrade.

**Item 8. Public comment**

None.

**Item 9. Travel policy**

Faulkner said the new administration sought to get a grip on expenses. He said the travel policy for the department had been assigned to him, and he sought a balance between fiscal accountability and what had worked in the past. He said any in-state travel requests of less than \$1,000 would be handled administratively. He said he had to approve any travel costing more than \$1,000 or for an Outside destination. He said the administration was trying to encourage a tighter fiscal environment, and that it had found inefficiencies wherever it looked. He said there were no mandates that limit travel beyond what he had described. He said he believed he was as accountable to the public as he was to the subdivisions of government. He said even though the board was self-funded, he did care about costs. He said he was not in his position to change things just for the sake of changing them. He said in-person quarterly meetings that involve travel from all points around the state would probably be discouraged. He said his office was using technology such as Zoom or Skype. He said that technology wasn't preferable in every instance, but it does work.

Arzt asked how far in advance the board would be able to schedule its meetings. He said the board usually holds three in-person meetings a year. He asked what counted against the \$1,000 soft limit.

Faulkner said the \$1,000 limit included per diem, lodging and airfare. He said there would be no delay on his end in reviewing travel requests. He said those requests had been delayed recently as he had adjusted to the new position. He said he anticipated eventually being able to turn travel requests around that same day.

Harris asked if the board's functions, including travel and paying for the MPC, were paid for by fees or if there is a portion not paid by fees.

Charles Ward said the board's income and expenses are accounted for separately, but that there is an overall division budget and department budget process, which includes income and outgo from all sources. He said all CBPL boards, by statute, have to pay for themselves. He said the Board of Marine Pilots does that, in fact it is in great financial shape.

Rueter said the board had a fairly well-established pattern for its meetings and teleconferences. He asked if the board could set a policy that would guide it when determining whether to hold meetings face-to-face, or would there need to be a separate discussion prior to each meeting.

Faulkner said CBPL's combined travel budget for its 21 boards and 43 licensing programs was between \$2.5 million and \$3 million per year. He said each program had to be looked at individually, if that was possible. He said there were a lot of mitigating circumstances, such as some commissions require members from remote, rural areas. He said some boards might have six or seven members in Anchorage, which makes coming to a decision easy. He said that could lead to a scenario where one person may have a \$1,600 travel request which would rise to his level, where another board might have all of its members travel, but their individual costs are all under \$1,000. He said in that case, the aggregate cost might be more, but the requests would not come across his desk. He said every board is different. He said he does look at everything. He said he recently reviewed a request for \$1,300 for a trip from Soldotna to Anchorage. He said that is why everything is looked at with vigilance, because those kinds of things slip through if you don't. He said he felt personally accountable beyond the board. He said he felt accountable to the public as well as the members. He said anyone could call him with questions or concerns. He said some boards need to meet face-to-face four times a year. He said the Medical Board was a good example of that because of the volume of work they have. He said any decision of his could be appealed to the Commissioner.

Ronald Ward said the board's expenses are significantly less than they used to be. He said the board used to meet at the Captain Cook Hotel, and now met in a state office building where there is no cost for the room. He said he was one of the people paying for the board with his license fees. He said he was concerned about expenses, and was glad Faulkner was as well. He said he thought it was essential for the board to meet three times a year to be effective. He said it was significant to note the board had recently reduced its license fees because of the reduced expenses. He said the board was made up of professionals who needed to meet. He said the board had a little more travel expense in 2018 because the board met at AVTEC in Seward so the board and industry members could see what was being done at the simulator to promote the profession and safety of the waters in the state. He said the board planned to go to Ketchikan in April.

Rueter said the board should have the discussion at some point during the meeting to determine the methodology of whether a meeting would be held in person or not. He said the board should find a method so it is not fighting to get approval for every meeting.

McLaughlin asked Faulkner what criteria he is using to determine if a face-to-face meeting is required or not.

Faulkner said one of the criteria is if the meeting is being held at the most economically viable location. He said Anchorage is the hub, but it isn't always the least expensive location. He said Juneau can be a justified location, but remote locations such as Sitka or Dutch Harbor would be harder to justify. He said for some boards, it is vital for the members to move the meetings around so members can interface with the public.

McLaughlin asked if Faulkner would weigh the benefits to commerce in his analyses?

Faulkner said that, without drilling down on McLaughlin's question, he would say no. He said such analysis was too much of a rabbit hole.

Arzt said the board has always taken into account the number of travelers it will send to a given meeting location. He said sometimes members of the public attend but, on the whole, most of the attendance is from industry members. He said those attendees have incurred their own costs to attend board meetings because that interaction is important. He said the board often deals with statutory questions or regulation changes, and that makes it important for them to incur costs and to travel from great distances. He said he would like Faulkner to consider those things when reviewing the travel requests, because the board meetings are well attended.

Faulkner said those constituents would be present where ever the meeting is held. He said if a meeting was held telephonically, the opportunity would still be there for those industry members to provide input telephonically or electronically.

Harris said the meetings generate good discussion, and trying to do that telephonically is difficult. He said that doesn't mean the board shouldn't be using those systems. He said the best process is probably by the end of the meeting to pick the day and place for the next meeting. He said it would be best for the MPC's benefit to state a purpose as to why the meeting needs to be at that date and place. He said there are things the board needs to see, because of the board's responsibility to ensure adequate pilotage and training.

Harris said being able to see the training facilities benefits him because he is a public member. He said that is the kind of information the board can provide the MPC when he puts in the justification for an in-person meeting. He said that information should be put into the minutes so Faulkner can have plenty of notice. He said the board members can see how the policy will unfold. He said he thought the board is being well served by the Department of Commerce, Community and Economic Development. He said he had reviewed previous audits and those revealed problems with the board's functions because it didn't have proper administrative support. He said the board had a good audit this time that stated the board is performing its duties. He said the support the MPC provides the board is important, and the board is paying the MPC's salary.

Charles Ward said the board does pay his salary and benefits when he is working for the board. He said that he does engage in non-board related projects at the Department of Commerce, Community and Economic Development. He said he was currently wearing another hat and so those other projects have picked up quite a bit.

Rueter said the MPC position is specifically identified for the Board of Marine Pilots. He said there are other meetings that cluster around the Board of Marine Pilots meetings. He said it might be possible to schedule those meetings telephonically, but those meetings would lose the benefit of face-to-face interaction.

McLaughlin said the discussion generated by the presentations at face-to-face meetings would be difficult to create at telephonic meetings.

Ronald Ward said the in-person board meetings were traditionally in January, April and October, with a teleconference in July. He said the meetings were traditionally in Anchorage and Juneau. He said the desire to have meetings in other places is motivated by a specific objective, such as viewing the simulators in Seward or going to Ketchikan to coincide with the American Pilots' Association's (APA) West Coast Conference. He said the board really doesn't incur a lot of expense for travel.

Harris said he appreciated Faulkner having the discussion and for the opportunity for the board to make him aware of what it does.

#### **Item 10. VLCS discussion – Part 1**

Charles Ward said he and Arzt had gone to the simulator in Seward. He said it had been very helpful for him to see what was being done in the simulator. He said there was a debrief and discussion that goes on after each simulation to review any potential sticking points between Holland America and SEAPA. He said from what he could see, everyone was working towards a solution. He said he didn't see any reluctance to discuss issues and concerns. He said he didn't know if everything was resolved, but there was a spirit among all sides that the issues should be worked out.

Arzt said SEAPA and Holland America were at the simulator for two weeks. He said the study of the ultra-large cruise ships was with the goal of making sure commerce does move forward.

Harris asked Arzt to provide a brief overview of what the simulator is and what its goals are.

He said that commerce needs to move forward with the highest standards, including additional training if necessary. He said one of the tools in insuring that happened was the bridge mission simulator, which puts the user on the bridge of any vessel they can model and simulates weather and environmental conditions. He said the goal was to create parameters and limits of operation for ultra-large cruise ships. He said another tool is a 1/25 scale manned model. He said the manned models are good tools, but can be expensive because there are few locations in the world that have them, which makes them expensive. He said the simulator at AVTEC is a phenomenal tool for all three pilot associations.

Faulkner asked how many manned model locations there were in the world.

Ronald Ward said there were probably seven or eight.

Arzt said there were about four or five that were of practical use for Alaska pilots. He said they were expensive to get to and utilize.

Harris asked if the computer simulations would eventually replace manned models.

Ronald Ward said he did not foresee computer models replacing manned models. He said they were both valuable, but he didn't believe the computer models were as representative of actual conditions as a manned model was.

Harris said the reason the VLCS matter was back on the agenda was to ensure Royal Princess representatives had an opportunity to have a voice in the discussions. He said there were different entities here to discuss the VLCS matter, including Princess Cruise Lines, Royal Caribbean Cruise Lines, SEAPA and SWAPA.

**Off record at 1004**

## **Item 11. Renewals**

**On record at 1013**

Charles Ward said that as of the end of calendar year 2018, 14 pilots and vessel agents had renewed with paper applications and 39 pilots and vessel agents had renewed through the online system. He said the division was seeing quite a bit of success through the online renewals. He said vessel agents can leave the computer with their renewals, while it takes a little longer for pilots. He said renewals are done every other year. He said the board does get some revenue in non-renewal years because of foreign pleasure craft applications and because of new applicants. He said it was not uncommon for all pilots not to have renewed by 1 January because not all of them are working in the winter. He said that's not an issue, so long as a pilot isn't working without a license.

Harris asked about the medical form.

Charles Ward said there is a medical form. He said that can now be submitted online, but it is one of the elements of the renewal he has to review on his own. He said he evaluates the renewals against a checklist. He said there are five ways a pilot can demonstrate competency in the preceding licensing period, and the most common is completing at least 120 days of sea time during the preceding

licensing period. He said he also ensures the pilot's Coast Guard license is current, that continuing education is verified as complete and there's a current medical examination on file. He said in March he will audit a certain percentage of licensees to ensure they have met the continuing education requirement. He said he will ensure the pilot's association has listed the pilot as compliant with the drug testing policy. He said a lot of programs, including registered vessel agents, will go online and have a renewed license by the time they leave, but pilots are not in that category. He said he can usually go in in the morning and check my inbox and see the applications that have come in. He said he can usually get pilot renewals processed in a day.

Faulkner said the only element of competency he noted on the renewal was the 120 days at sea.

Charles Ward said there was also a continuing education requirement, that required a certain number of hours of completion.

Arzt said the medical examination was a measure of competency. He did not view the sea day requirement as a measure of competency, but only as a requirement.

Ronald Ward said 120 days at sea over two years without an incident was a measure of competency.

## **Item 12. VLCS discussion – part 2**

Wilson, Carnahan, Didier, Olver, Flury and Wakefield introduced themselves.

Wakefield said VLCSes are slowly moving into SWAPA's area.

Olver began the VLCS presentation. The slides from that presentation are attached to these minutes as Appendix 'B.'

Olver said the presentation was made by SEAPA and did not represent the views of all parties, as there were still some areas of disagreement. He said it was unfortunate the Captain of the Port of Juneau could not be at this meeting, but he had come to AVTEC to see the simulations and studies.

Olver explained the initials "VLCS" as standing for Very Large Cruise Ship. He said another term used was "megaship." He said the purpose of the study was to carry on from the study of the *Norwegian Bliss*, the VLCS that came to Alaska in 2018 and move into studying the *Ovation of the Seas* and *Royal Princess*. He said the hope was to come up with a set of guidelines the operators, pilots and masters could start the cruise ship season with. He said one set of parameters was determining what wind and other conditions were appropriate for the VLCSes. He said SEAPA pilots had taken rides aboard the *Anthem of the Seas* and gathered extensive data. He said this allowed SEAPA and SWAPA to construct a vessel simulation model for *Royal Princess* and vet RCI's *Ovation of the Seas* model. He said the simulation wasn't an exact replica of the vessel, but that it was a very good approximation. He said you can also do things in a simulator you wouldn't try with an actual ship. He said the goal of the study was to bring the pilots together with the shipmasters to help achieve the common goal of safe vessel operations. He said the differences between working with Princess Cruise Lines and Royal Caribbean was that Royal Caribbean had provided a computer model of its ship, the *Ovation of the Seas*, and SEAPA and SWAPA had constructed a model of the PCL's *Royal Princess*. He said he thought the model of the *Royal Princess* was a very good model and there was agreement the model was very close to the actual ship's feel.

Olver said the VLCSes were maximizing the limits of ports. He said because of that, it was important for pilots and ships' crews to be very closely aligned when it comes to operating VLCSes. He said there were several techniques that would need to be used to keep the VLCSes operating safely, including the use of escort tugs. He said Southeast would have six VLCSes in 2019, and there would

likely be more in the seasons to come. He compared the ratio of thruster horsepower of the *Royal Princess* and *Ovation of the Seas*. He said that ratio is about 7 percent on the *Royal Princess* and about 11 percent on the *Ovation of the Seas*.

He described a scenario of navigating between California and Idaho rocks in Tongass Narrows East Channel at 7 knots with a 10-degree drift angle. He said he didn't remember the wind conditions, but estimated the wind at 20 knots. He said the ship's beam width increased from 41 meters to 98 meters, reducing the clearance on either side of the ship from 55 meters to 26 meters.

He said of the ships currently coming to Alaska, the *Norwegian Bliss* had the largest sail area, 3.7 acres. He said the *Ovation of the Seas'* sail area was about 3.5 acres and the *Royal* class ships had about 3.2 acres of sail area.

He showed a picture of the *Norwegian Bliss* and the *Golden Princess*. He said the *Golden Princess* is not a small ship at 109,000 gross tons and 290 meters long. He said the *Bliss* is 168,000 gross tons and 333 meters long. He said the *Ovation of the Seas* was 347 meters long.

He played a video of the *Bliss* leaving the A-J Dock in Juneau. He said the *Bliss* and the *Norwegian Joy* will likely be in Juneau at the same time, and the *Joy* is the same size as the *Bliss*. He said the logistics of the *Bliss* and the *Norwegian Joy* in a port docking with the starboard side towards land will need to be figured out. He said this was necessary because the passenger gangways meet up with the starboard side of both ships.

Harris asked if the pilot was in command of the ship when leaving the dock.

Olver said that by state regulation, yes. He said in practice, that responsibility is usually shared with the ship's captain.

Arzt said that shared responsibility was for ships leaving the dock.

Wilson said there was teamwork between the pilot and captain while the ship was underway as well.

Olver said he wanted to set limits for operation based on the simulator and other factors, and then go back at the end of the season and compare those with the ship's actual performance. He said the simulator models are designed to be a little more conservative than actual performance.

Olver said there was concern about port infrastructure with the VLCSes. He said he didn't know how the berth would handle the ships beyond a certain wind level. He said if the weather report showed possible winds of 40 to 45 knots, the pilot and captain of the *Norwegian Bliss* would discuss cancelling a port call. He said he thought the captains and pilots would come to a ready agreement. He said if a VLCS was tied up at the A-J Dock in Juneau, and it was hit by a 45-knot wind from the southeast, it would probably tear the dock away from shore.

Olver said if there was a forecast for a port to have winds of 40-45 knots at any time during the visit, the suggestion would be to cancel the port call.

Wilson said the proposed positioning of the ship at dock would make a huge difference as to whether a cancellation due to wind would be needed.

Ronald Ward asked if the parameters had been set based on an engineering study and its ability to withstand dynamic loading.



Olver said there would need to be some science behind the numbers. He said things like the dock structure and the number of lines attached could lead to a decision to avoid the port under predicted severe wind conditions.

Wilson said there was a tool the ship could use to determine the maximum safe wind speed at a given port or dock. He said there were many factors, including the dock infrastructure and the number of lines used to secure the ship. He said the science may show the safe wind speed to be below 40-45 knots.

Olver said SEAPA welcomed using any tools the cruise ship companies could provide in helping make those determinations.

Didier said the point of the discussion with the cruise lines was to make a decision beforehand.

Ronald Ward said he thought it was a responsibility of the dock to provide some engineering data to help make those determinations.

Wilson said SWAPA had raised that concern, and Princess Cruises had obtained the engineering drawings and would provide them.

Harris asked what the Captain of the Port would be saying if he were at the meeting.

Olver said the Captain of the Port wants a win-win for all parties. He said the Captain of the Port believes the only way bringing VLCs into Alaska works is if all parties benefit. He said the Captain of the Port believes infrastructure needs to be advanced.

Olver said the azipods on both the *Bliss* and *Ovation* were very far aft.

Capt. Henry Lloyd of Royal Caribbean International expressed concern the mooring lines could be sucked into the ship's propellers. Lloyd said those vessels would need tug assistance when docking and undocking with an offshore wind.

Olver said the *Royal Princess* was conventionally powered, and had inboard-turning propellers with bow and stern thrusters. He said the *Norwegian Bliss* had azipod propulsion to pull it through the water.

Olver said the *Royal Princess* was sluggish in its steering at low speeds, but had good steering when running at speed

Arzt asked if SEAPA had accurate local environmental data for the approach at Twin Island.

Olver said there was good local environmental data to use. He said there needed to be, because the captain would need to decide one day out whether or not to make that approach.

Wilson said ships were now built to always have enough power and reserve fuel to go 1,000 miles at 6 knots. He said new ships were designed to be very stable, even when maneuvering at top speed.

Olver said tugs should be used when docking and undocking the VLCs, as a safety measure. He said there were other regions and ports worldwide that required the use of tugs for larger vessels.

Ronald Ward said cruise ship companies would need to contract and arrange for tugs ahead of time, as Alaska ports do not have them on call.

Wilson said Princess Cruise Lines operates ships around the world, sometimes in places with challenging approaches, and has to make decisions regarding calling for tugs or aborting a call on a port on a regular basis. He said Stockholm, Sweden and St. Petersburg, Russia were examples of this.

Faulkner asked what the rough cost to build a 65-ton tractor tug would cost.

Ronald Ward estimated the cost would be \$30 million.

Didier said one goal of the project was to determine the number and size of tugs needed.

Arzt said these discussions were important, because it was important to balance the need for commerce in Alaska with an appropriate standard of care for vessel navigation.

Wilson said when building the *Royal Princess*, one of its destinations would be the Baltic Sea, which requires port stops in St. Petersburg. He said St. Petersburg limited ships entering the port to 300 meters or less, and the *Royal Princess* was 330 meters. He said Princess Cruise Lines worked with the port and pilots in the Baltic Sea to develop safe operating parameters for the *Royal Princess*. He said discussions with SEAPA began in 2017, when Princess Cruise Lines knew it planned to bring the *Royal Princess* to Alaska. He said there had been discussions with SEAPA and opportunities to observe the *Royal Princess*, and SEAPA had used the Royal Princess simulator at PMI in Seattle. He said Princess Cruise Lines had entered into a non-disclosure agreement with the Pacific Pilotage Authority (PPA) to allow PPA to use PCL's data to build a model, but had not been able to reach such an agreement with SEAPA. He said SEAPA had built its own model based on publicly available data.

Harris asked if there was comfort with the level of cooperation between the involved parties.

Wilson said cooperation had happened all along. He said there was only a disagreement over the non-disclosure agreement between PCL and SEAPA. He said SEAPA's model was not 100 percent accurate, but it was "fairly close."

Didier said the parties had worked together and had discovered the information needed to get the *Royal Princess* into Alaska. He said many SEAPA pilots had been involved with the process.

Carnahan said cruise companies spent 3-4 years planning to bring a ship into a new area. He said the time at Seward was productive. He said Royal Caribbean used the experiences of other similar ships in the same ports. He said RCI used the *Bliss*' experiences as a model. He said ships would continue to get bigger. He said RCI would have more than 10 VLCSes worldwide in the next 10 years. He said the information RCI had gathered included the studies of the *Royal Princess*, and led RCI to decide the *Ovation of the Seas* would not have Ketchikan on its itinerary, for now.

Faulkner asked how RCI was interfacing with municipalities and other dock owners when studying infrastructure.

Carnahan said it depended on the dock and the ship.

Faulkner asked if the ships were instantly able to assess the forces exerted on a dock.

Carnahan said not instantly.

Faulkner asked how the forces exerted by wind velocity on a moored ship was assessed.

Carnahan said there was no mathematical calculation, and historical information would be used.

Faulkner asked how many Alaskan docks the companies had quality engineering information on.

Wilson said the companies had information on newer docks, but not older docks. He estimated that to be 50 percent of all Alaskan docks.

Arzt asked if there were any port studies planned based on the VLCSes coming in.

Wilson said PCL did 20 port studies a year, worldwide. He said PCL's studies were generally done before government studies were completed.

Wakefield said SWAPA was planning on VLCSes coming to Region 2, and this was good information for it to know. He said the ports in Region 2 had different concerns than those in Region 1.

Olver said the experiences for masters and pilots at AVTEC was important, as they could express opinions under no commercial pressure. He said having a wide variety of people at AVTEC was important, and was an experience that could not be replicated at a simulator owned by a cruise ship company. Olver said each individual pilot had contributed personally for the costs of VLCS studies.

Ronald Ward asked if there was a willingness to spend money on tugs, and if that was an expense elsewhere.

Wilson said PCL's ships did not normally use tugs. He said that depended on conditions. He said PCL was part of a financial agreement for tugs to be available in Southeast Alaska.

Harris said the issue seemed to be one of private enterprise if more and more port calls were missed that could have been made by the use of tugs.

Wilson said tugs were usually used by non-passenger vessels, and in areas where there is year-round commercial traffic. He said PCL did not buy the tugs.

Olver said use of tugs on cruise ships was uncommon, but that more pressing issue in Southeast was not missed port calls, but knowledge of how to have tugs and vessels interact when there are narrow safety limits.

Arzt asked when the SEAPA tug study would be completed.

Didier said the project was close to completion.

**Off record at 1214**

### **Item 13. Recognition of service**

**Back on record at 1330**

Faulkner was not present when meeting resumed.

Harris presented Arzt with a certificate of appreciation for his eight years of service on the board.

#### **Item 14. Legislative audit**

Harris said this item had been put on the agenda at the request of Deputy Commissioner Parady, who was no longer on the board. He asked if anyone else wanted to comment on it. There was no board member who wanted to comment.

#### **Item 15. Rate filing objection**

Harris said the board was close to setting a date for a hearing for ASA's objection to SEAPA's bulk and liquid cargo rate filings. He said that since the rate had been properly filed and timely objected to, there would be a hearing unless the parties reached an agreement ahead of time. He said the board needed to prepare as if there would be a hearing.

Charles Ward said the board might want to hire a hearing officer or other legal counsel to help with any legal issues. He said ultimately the board makes the decision as to whether the rate is proper, based on certain statutory factors. He said he thought it would be a half-day to all-day affair.

Ronald Ward said the parties would have to produce witness lists and conduct discovery prior to the hearing. He said the board could hire a hearing officer, but he was a strong advocate that the board needed to be the party that hears the case. He said he agreed the hearing would last half a day at minimum. He said they sometimes have been done in conjunction with board meetings to save costs.

Cronk said he was a strong advocate for the board to hear the case. He said the board in the past has had a hearing officer write an opinion, which is voted up or down. He says there have been other times when the board conducted the hearing, and the hearing officer helped with procedure.

Ronald Ward said it was likely that if the board brought in a hearing officer, that officer would want to run the hearing.

McLaughlin asked what would happen if the board hired a hearing officer, but did not agree with the decision.

Charles Ward said the hearing officer would be available to help guide the board if objections are made and with legal procedures. He said it's not clear as to whether he could be asked to write the decision. He said the rate hearing process is excluded from the Administrative Procedures Act.

Arzt said his concern with hiring a hearing officer would be the division then saying the board didn't need to meet, and the hearing officer could decide the matter.

Wehrauch said the statute said the board "shall hold a hearing to determine if the proposed rate is reasonable."

Charles Ward said the board needed to hold the hearing and be at it. He said the hearing officer could provide legal guidance, but the board needed to make the final decision.

Harris said he thought the sense of the board was to conduct the hearing itself. He said the board should pick a date and start the process with the schedule maker.

There was a general discussion about potential dates.

Ronald Ward said the hearing would need to be conducted in person. He said that was how it was done in the past.

There was general agreement to hold the meeting at 0900 on 7 March in Anchorage.

### **Item 15. Other business items**

Charles Ward said Sen. Bert Stedman (R-Sitka) was carrying the Senate version of the bill to renew the board. He said it had not been written yet, but he would let the board know when it had been, and when it was scheduled for hearings.

Charles Ward said he had included the fiscal reports for FY 2018 and the first quarter of FY 2019 in the board packets. He said he could answer questions either at the meeting or afterwards about them.

### **Item 16. Pilot association reports**

#### **SWAPA**

Wakefield said SWAPA had 14 full pilots. He said SWAPA had four deputy pilots: two at 90,000 gross tons and two at 65,000 gross tons. He said he anticipated the pilots at 90,000 gross tons to be full pilots by the end of summer. He said SWAPA currently had three trainees and one observer. He said the observer had recently passed his core exam. He said SWAPA had a ballot out for one more observer. He said SWAPA had recently taken delivery of an all-weather pilot boat to service Valdez.

Wakefield said SWAPA was in the process of changing its training program. He said traffic in Anchorage had changed significantly in the past two to four years. He said there had been quite a few tankers in and out. He said SWAPA wanted to change its program to require 12 round trips in Anchorage, instead of seven.

Rueter asked what the basis for the change in the training program was.

Wakefield said it was because of an increase in traffic and because the dynamics of a tanker were different than the dynamics of a container ship or car carrier.

Ronald Ward said tankers had been going into Anchorage forever.

Wakefield said yes, but the winter traffic had increased. He said there should not be any problem with increasing the number, and there would be plenty of trips available to the trainees. He said one of the round trips had to involve a cow turn.

**Ronald Ward moved to approve the changes to SWAPA's training program.** Rueter seconded. The motion passed unanimously.

#### **AMP**

Austin said AMP had nine full pilots and two apprentices. He said one apprentice had passed his core exam in December, and another had passed it yesterday. He said they still needed to draw some charts for their federal pilotage, but with the shutdown, that was on hold. He said they still had enough federal pilotage to begin hands-on maneuvers.

Rueter asked if the lack of traffic in certain areas would lead to having new pilots with significant restrictions on their licenses because of areas that they cannot get training in.

Austin said Port Moller was the area that presented the greatest challenge. He said they had hoped for some traffic in that area, but that traffic did not pan out.

Austin said eight of the nine pilots in Region 3 were training pilots.

Ronald Ward asked how many AMP pilots did not have Port Moller.

Austin said Capt. Bill Gillespie and he did not have it.

## **SEAPA**

Flury said SEAPA had 44 pilots, but at the end of the day hoped to have 45. She said SEAPA had three deputy pilots. She said one deputy was set to become a full pilot in the spring, another was at 90,000 gross tons and the third would be at 50,000 gross tons. She said SEAPA hoped to have one more trainee licensed by the spring and three more by the end of summer. She said in the summer SEAPA will have 10 trainees at the conn and five observers.

She said SEAPA would continue to follow up with its drug testing contractor to ensure the tracking issues raised in the legislative audit were addressed.

She said SEAPA would have a new selection from 4-8 March for two training positions, which would increase its total to 10 at the conn and seven observers. She said SEAPA had concerns about the shutdown, because that was limiting the trainees' ability to draw charts. She said Todd Carleton was a trainee who simply needed to draw his charts in able to gain the federal pilotage he needs. She said SEAPA may need to ask the board for exemptions to federal pilotage requirements. She said SEAPA would have a better idea at the April meeting if exemption requests would be forthcoming.

Flury expressed her appreciation for Royal Caribbean's and Princess Cruise Lines' efforts with SEAPA and SWAPA at the AVTEC simulator to help the development of the VLCS simulations there.

## **Item 17. Next meeting**

Charles Ward said the board had set the next meeting for 0900 on 10 April in Ketchikan, to coincide with the APA's West Coast Conference. He said he would push forward to help get that meeting approved. He said the board needed to make a very clear case as to why that was the ideal location.

Ronald Ward said the location and timing would provide much greater opportunity for industry participation.

Olver said it was important for the maritime community to have awareness of the board and its activities. He said he thought that was part of the board's service to the public.

Arzt said Ketchikan is a port city.

Rueter said the opportunities to interface with industry and pilots was much higher than sitting on a telephone call.

Charles Ward said if there are things unique to the APA conference that make Ketchikan an ideal spot for the April meeting, let him know. He said that, for example, travelling to Seward provided an opportunity to observe simulator work, which can't be done in Anchorage or Juneau.

Rueter asked if the board should set a tentative date for the board's summer teleconference.

There was general discussion about potential dates.

There was a general consensus to tentatively hold the summer teleconference on 11 July.

**Item 18. Executive session**

**Ronald Ward moved the board enter executive session in accordance with AS 44.62.310(c)(2-4) for the purpose of discussing an application for a deputy marine pilot license.** Rueter seconded. There was no discussion. The motion passed unanimously.  
**Off record at 1424**

**Back on record at 1448**

**Ronald Ward moved the board end its executive session.** McLaughlin seconded. There was no discussion. The motion passed unanimously.

**Ronald Ward moved the board approve the issuance of a deputy marine pilot license to Capt. Jill Russell, effective on 17 May 2019.** McLaughlin seconded. There was no discussion. The motion passed unanimously.

**Item 19. Other business items**

**Cronk moved to adjourn.** Ronald Ward seconded. There was no discussion. The motion passed unanimously.

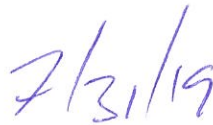
The meeting adjourned at 1451.

Respectfully submitted:



Charles Ward  
Marine Pilot Coordinator

Date: \_\_\_\_\_



Curtis Thayer  
Chairperson

Date: \_\_\_\_\_

