

Annual Report

Fiscal Year 2016

BOARD OF MARINE PILOTS



**DIVISION OF CORPORATIONS, BUSINESS
AND PROFESSIONAL LICENSING**

This annual performance report is presented in accordance with
Alaska statute AS 08.01.070(10).

Its purpose is to report the accomplishments, activities, and the
past and present needs of the licensing program.

**BOARD OF MARINE PILOTS
FY 2016 Annual Report**

Table of Contents

Identification of the Board **Page 1**

Identification of the Staff **Page 2**

Narrative Statement **Page 3**

Budget Recommendations **Page 5**

Proposed Legislative Recommendations **Page 8**

Regulatory Recommendations **Page 9**

Goals and Objectives **Page 10**

Sunset Audit Recommendations **Page 12**

**BOARD OF MARINE PILOTS
FY 2016 Annual Report**

Identification of the Board

Board Member	Date Appointed	Term Expires
Chris Hladick, Chairman DCCED Commissioner AS 08.62.010	Mar 20, 2015	Indefinite
Hans H. Antonsen Pilot member	Mar 22, 2013	Mar 01, 2017
David Arzt Pilot member	Mar 01, 2011	Mar 01, 2019
Richard A. Erickson Agent member	Mar 01, 2010	Mar 01, 2018
Tom W. Rueter Agent member	Apr 01, 2012	Mar 01, 2019
Shirley R. Marquardt Public member	Mar 01, 2015	Mar 01, 2018
Andrew Mack Public member	Mar 01, 2016	Mar 01, 2019

**BOARD OF MARINE PILOTS
FY 2016 Annual Report**

Identification of Staff

Sara Chambers – Division Operations Manager

Acting Marine Pilot Coordinator (June 01 – June 30, 2016)

Department of Commerce, Community & Economic Development

Division of Corporations, Business and Professional Licensing

Post Office Box 110806

Juneau, Alaska 99811-0806

(907) 465-2144

Crystal Dooley – Marine Pilot Coordinator (July 1, 2015 – May 31, 2016)

Department of Commerce, Community & Economic Development

Division of Corporations, Business and Professional Licensing

Post Office Box 110806

Juneau, Alaska 99811-0806

(907) 465-2548

**BOARD OF MARINE PILOTS
FY 2016 Annual Report**

Narrative Statement

The Board of Marine Pilots met eight times during the fiscal year.

- February 25, 2015, by teleconference
- March 17, 2015, by teleconference
- July 24, 2015, by teleconference
- October 27, 2015, in Anchorage, Alaska
- January 28, 2016, in Anchorage, Alaska
- April 12, 2016, in Juneau, Alaska
- May 17, 2016, by teleconference
- June 17, 2016, by teleconference

Over the course of the year, the Board continued their work to establish, audit and enforce the standard as set in Alaska Statute 08.62 to:

- Ensure that persons entering the practice meet rigorous standards of competency, and maintain such standards during their practice;
- Assist the public in the knowledge of who is licensed;
- Approve the standards by which pilot organizations are operated and trainees are selected;
- Approve or disapprove rates for pilotage services;
- Ensure that drug and alcohol testing is compliant;
- Ensure that sufficient pilots are available to provide service; and
- Vessels subject to pilotage have a licensed pilot while transiting compulsory waters.

Throughout the year, the Board maintained their review of applications for pleasure craft of foreign registry seeking exemption from pilotage.

- For FY2016, 16 applications were received and issued an exemption for their pleasure craft between 65-ft and 175-ft in length.
- The average LOA was 118.
- A pleasure craft of foreign registry of more than 400 gross registered tons must also comply with Department of Environmental Conservation statutes regarding the proof of financial responsibility in the event of an oil spill. For FY2016, 5 pleasure craft were issued exemptions once a Certificate of Financial Responsibility (COFR) was secured.
- \$45,300 in application fees was generated from pilotage exemptions.

FY 2016 Narrative Statement (continued)

Board Membership

The Board is comprised of two public members, two pilot members, two vessel agents and the Commissioner or his designee (AS 08.62.010). During FY16 one new public member seat was appointed by the Governor.

Investigations

In FY16 six investigations were opened. Two remain open.

Public Information

The Board website makes it possible to provide online access to meeting and exam schedules, agendas, Board minutes, meeting materials, and notices for proposed regulation. Web-based distribution helps the Board reduce costs and ensure accessibility for current and historical information and for ease of public access. The public may sign up to the Board's ListServ to receive timely information from the Marine Pilot Coordinator.

Drug and Alcohol Monitoring

The Board continues to maintain their oversight of mandatory drug and alcohol testing by licensed Marine Pilots, Deputy Marine Pilots, trainees and apprentices. As administered by the pilot associations, results are monitored by the Marine Pilot Coordinator. The Board annually reviews this data to ensure compliance.

Regulations

The Board amended regulation 12 AAC 56.205 (b), 12 AAC 56.029(2), 12 AAC 56.990(a)(34), 12 AAC 56.960(d) and is in the process of amending 12 AAC 56.990(a)(40), 12 AAC 56.115(a)(4), and 12 AAC 56.115 (a)(5). The Board conducted a thirty day public comment period and received both written and oral comment on all proposed regulation changes. The Foreign Yacht Committee was utilized to provide an additional forum for suggestions on the regulations currently in process.

Rate Filings

In FY2016, the Board did not receive any proposals for their approval to change published tariffs for pilotage services.

Working Groups

The Foreign Yacht Committee is a sub-committee that meets at direction for the Board. During this fiscal year, the Yacht Committee met once to discuss a proposed regulation.

Pending Issues:

The next Board of Marine Pilots meeting is tentatively scheduled for October 12, 2016, in Anchorage. The Board recognizes the current fiscal climate and is engaging in the use of teleconferences and using State of Alaska meeting space instead of renting private conference rooms.

The Board of Marine Pilots will be hiring a new Marine Pilot Coordinator in FY2017.

BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report

Budget Recommendations for FY 2017

Board Meeting Date	Location	# Board	# Staff
Oct 12, 2016	Anchorage, AK	7	1
	<input checked="" type="checkbox"/> Airfare:		\$3,000.00
	<input checked="" type="checkbox"/> Hotel:		\$1,600.00
	<input checked="" type="checkbox"/> Ground:		\$300.00
	<input checked="" type="checkbox"/> Other: Meals		\$1,000.00
Total Estimated Cost:			\$5,900.00

Board Meeting Date	Location	# Board	# Staff
Jan 26, 2017	Anchorage, AK	7	1
	<input checked="" type="checkbox"/> Airfare:		\$3,000.00
	<input checked="" type="checkbox"/> Hotel:		\$1,600.00
	<input checked="" type="checkbox"/> Ground:		\$300.00
	<input checked="" type="checkbox"/> Other: Meals		\$1,000.00
Total Estimated Cost:			\$5,900.00

Board Meeting Date	Location	# Board	# Staff
Spring Meeting	Juneau, AK	7	1
	<input checked="" type="checkbox"/> Airfare:		\$2,600.00
	<input checked="" type="checkbox"/> Hotel:		\$1,500.00
	<input checked="" type="checkbox"/> Ground:		\$400.00
	<input checked="" type="checkbox"/> Other: Meals		\$600.00
Total Estimated Cost:			\$5,100.00

**BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report**

Budget Recommendations for FY 2017 (continued)

Travel Required to Perform Examinations

Not applicable

Date	Location	# Board	# Staff

Description of meeting and its role in supporting the mission of the Board:

<input type="checkbox"/> Airfare:	\$0.00
<input type="checkbox"/> Hotel:	\$0.00
<input type="checkbox"/> Ground:	\$0.00
<input type="checkbox"/> Conference:	\$0.00
<input type="checkbox"/> Other:	\$0.00

Total Estimated Cost: **\$0.00**

Out-of-State Meetings and Additional In-State Travel

Not Applicable

Date	Location	# Board	# Staff
TBD	TBD		1

Description of meeting and its role in supporting the mission of the Board:

National Certified Investigator Training (NCIT) Basic and Advanced training for new MPC.

<input type="checkbox"/> Airfare:	\$0.00
<input type="checkbox"/> Hotel:	\$0.00
<input type="checkbox"/> Ground:	\$0.00
<input type="checkbox"/> Conference:	\$0.00
<input type="checkbox"/> Other:	\$0.00
<input type="checkbox"/> Direct Third-Party Offset:	\$0.00
<input type="checkbox"/> Reimbursed Third-Party Offset:	\$0.00

Net Total Estimated Cost: **\$2,000.00**

BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report

Budget Recommendations for FY 2017 (continued)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
Educational resources	Various	\$500.00

Description of item and its role in supporting the mission of the Board:

The unique and specialized role of the MPC may require supplementation of resources to ensure adequate marine knowledge.

Other Items with a Fiscal Impact

- Not Applicable

Product or Service	Provider	Cost Per Event
		\$0.00

Description of item and its role in supporting the mission of the Board:

Summary of FY 2017 Fiscal Requests

Board Meetings	\$8,500.00
Travel for Exams	\$0.00
Out-of-State and Additional In-State Travel	\$2,000.00
Dues, Memberships, Resources, Training, Teleconferences	\$500.00
Total Potential Third-Party Offsets	\$0.00
Other:	\$0.00
Total Requested:	\$11,000.00

BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report

Recommendations for Proposed Legislation for FY 2017

No Recommendations

The Board has no recommendations for proposed legislation at this time.

Recommendations

The Board has the following recommendations for proposed legislation:

BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report

Regulation Recommendations for FY 2017

No Recommendations

The Board has no recommendations for proposed regulations at this time.

Recommendations

The Board has the following recommendations for proposed regulations:

- Applicants for pilotage exemption have met with significant confusion over the definition of Length Overall. This is defined for the express purpose of charging a fee but is not able to be used for other purposes. The board has proposed regulation changes, solicited considerable public comment, and will be adopting changes in FY2017.
- Attention was raised to a typographical error in the latitude/longitude stated in 12 AAC 56.120(a)(50). The board plans to update this regulation with a correction.
- The Board is considering a proposal to bring uniformity to the way “year” is defined. It would delete the adjective “calendar” in 12 AAC 56.029(2)’s requirement that an applicant for a marine pilot license show that the applicant has had a deputy marine pilot license for a minimum of three years.

**BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report**

Goals and Objectives

Part I

FY 2016's goals and objectives, and how they were met:

The mission of the Alaska State Board of Marine Pilots is to provide efficient and competent pilotage service for the protection of shipping, the safety of human life and property, and the protection of the marine environment. The Board specifically focused on fair and equal access to experience necessary to obtain or upgrade a pilot's license, equitable dispatch of pilots, and competency of marine pilots. The Board meets their goals through scheduled board meetings, teleconferences, and work groups. All board meetings are open to the public. Input from the public, licensees, pilot associations, registered agents, and industry on matters under the Board's jurisdiction as defined by AS 08.62 is routine. The Board's unique makeup allows for thorough issue deliberations and judicious decisions on Board matters and to meet their goals and objectives. The Marine Pilot Coordinator assists the Board in completing goals, objectives, and daily program administration as per AS 08.62.050.

**BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report**

Goals and Objectives

Part II

FY 2017's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

The Board continues to fine-tune regulations, especially in support of the foreign pleasure-craft exemption program. The Board of Marine Pilot's greatest strength is the balance between pilots, agents, and public members in that multiple vantage points and experience is brought to the Board table. The Board requests continued discussion about the allocation of resources from the Legislative level for travel budgets in that the Board strongly urges that face-to-face meetings are more effective than teleconferences.

The Board's staff member position (Marine Pilot Coordinator) is currently vacant and is expected to be filled in early FY2017. The Board recommends the new Marine Pilot Coordinator attend CLEAR NCIT Basic Investigative training within their first six months of employment.

BOARD OF MARINE PILOTS
Fiscal Year 2016 Annual Report

Sunset Audit Recommendations

Date of Last Legislative Audit: 11/5/2012
Board Sunset Date: 6/30/2019

Audit Recommendation: The Marine Pilot Coordinator should improve administration of BMP operational activities, specifically administrative deficiencies regarding public meeting notifications, licensing documentation, and oversight of the pilot associations' drug and alcohol programs.

Action Taken: The Marine Pilot Coordinator (MPC) has improved licensing administration through program and statute/regulation familiarity, development and use of checklists, and persistence in obtaining licensing information. The Division has published clear standards for public meeting notifications and provided education on consistently attaining these. After the 2012 audit, the Board made changes to the oversight of the drug and alcohol programs, and the MPC has been monitoring any activity.

Next Steps: Next Steps: Continual process and procedure review and making improvements when necessary.

Date Completed: