Department of Commerce, Community and Economic Development

Division of Corporations, Business and Professional Licensing

Board of Marine Pilots Annual Report

Fiscal Year 2022



Department of Commerce, Community and Economic Development Division of Corporations, Business and Professional Licensing P.O. Box 110806 Juneau, Alaska 99811-0806

Email: License@Alaska.Gov

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 9 |
| Regulatory Recommendations | Page 10 |
| Goals and Objectives | Page 11 |
| Sunset Audit Recommendations | Page 14 |
| | |

Identification of the Board

| Board Member | Duty Station | Date Appointed | Term Expires |
|--|--------------|----------------|--------------|
| Curtis Thayer, Chair Statutory per AS 08.62.010 | Anchorage | Apr 11, 2019 | |
| Captain Edward Sinclair 1st term Licensed Marine Pilot | Juneau | Mar 1, 2019 | Mar 1, 2023 |
| Les Cronk 2nd term Licensed Vessel Agent | Ketchikan | Mar 1, 2018 | Mar 1, 2026 |
| Lucas Hasenbank 1st term Licensed Vessel Agent/ Manager | Anchorage | Mar 1, 2020 | Mar 1, 2024 |
| Richard Harris 2nd term Public Member | Juneau | Dec 18, 2014 | Mar 1, 2024 |
| Joseph Tougas 1st term Public Member | Seward | Mar 1, 2022 | Mar 1, 2026 |
| | | | |

Identification of Staff

Renee Hoffard Carabajal - Marine Pilot Coordinator

Department of Commerce, Community & Economic Development Division of Corporations, Business and Professional Licensing P.O. Box 110806 Juneau, Alaska 99811-0806 (907) 465-2550

Michele Hearn - Investigator III

Department of Commerce, Community & Economic Development Division of Corporations, Business and Professional Licensing 550 West 7th Avenue, Suite 1500 Anchorage, Alaska 99501-3567 (907) 269-8124

Jun Maiquis - Regulations Specialist II

Department of Commerce, Community & Economic Development Division of Corporations, Business and Professional Licensing P.O. Box 110806 Juneau, Alaska 99811-0806 (907) 465-2550

Narrative Statement

The Board of Marine Pilots met four times during fiscal year 2022:

- November 24, 2021 via teleconference
- February 1, 2022 via teleconference
- March 8, 2022 in Juneau
- May 4, 2022 via teleconference

Over the course of the year, the Board continued its 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 (https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/BoardofMarinePilots.aspx)
- 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
- Vessels subject to pilotage have a licensed pilot while transiting compulsory waters; and
- Educate the public about the statutes and regulations governing marine pilotage in Alaska.

Throughout the year, the Board maintained its review of applications for pleasure craft of foreign registry seeking exemption from pilotage for vessels between 65 feet and 175 feet. The Board approves pilotage exemptions if the requesting vessel meets the exemption requirements in 12 AAC 56.115. For FY 2022, the board approved 15 applications for exemption from pilotage requirements from foreign pleasure craft (as of May 13, 2022). Foreign pleasure craft exemptions generated \$73,836 in FY 2021 (as of May 13, 2022). As of May 13, 2022, there are 6 exemption applications pending.

Over the course of the fiscal year the board approved licenses for 3 Deputy Marine Pilots. Core and Local Knowledge exams were administered to 8 total candidates.

At the time of this report, a Marine Pilot seat on the board is vacant. The board will work with Boards and Commissions to fill the seat as quickly as possible with a qualified pilot.

Investigations - In FY 2022, no new investigations were opened. There were 2 investigations closed. 3 cases remain open (as of March 2022). The division assigned Investigator III Michelle Hearn to the Board in March 2022.

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.

Narrative Statement (continued)

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 pilot associations oversee the random drug and alcohol testing of licensed marine pilots, deputy marine pilots, trainees and apprentices. The associations are required to provide annual reports on drug testing to the Marine Pilot Coordinator and are subject to requests for information on their drug testing programs upon request of the Board or MPC.

Regulations - In FY 2022 the board proposed regulation amendments to update various regulations relating to equipment requirements and training requirements for foreign pleasure craft exemption applicants, Tokiak pick-up location, and renewal requirements for Marine Pilots and Deputy Marine Pilots.

Pending Issues - The COVID-19 pandemic effects are still being felt by the industry. In light of the lack of traffic during 2021, the board is amending regulations for certain renewal requirements that they anticipate being in effect no later than September 1, 2022.

The board has continued to permit the core examination and local knowledge examination to be administered by the pilot associations with a board member present and have held special meetings to accommodate oral interviews for Deputy Pilot Candidates. The board returned to in-person board meetings and exams at the March 8, 2022 board meeting.

Budget Recommendations for FY 2023

Budget Recommendations section anticipates the board's fiscal priorities for the upcoming year. Please complete all parts of this section with details about anticipated meetings, conferences, memberships, supplies, equipment, to other board requests. Meeting expenses that are being funded through third-party reimbursement or direct booking must be identified separately from expenses paid through license fees (receipt-supported services or RSS). Be sure to explain any items listed as "other" so they may be tracked appropriately.

| Board Meeting Date | Location | # Board | # Staff |
|--------------------|-----------------|-----------------------|----------|
| July 7, 2022 | Videoconference | 6 | 1 |
| ☐ Airfare | | , | |
| ☐ Hotel | | | |
| ☐ Ground | | | |
| ⊠ Other: | | | \$300.00 |
| | | Total Estimated Cost: | \$300.00 |

| Board Meeting Date | Location | # Board | # Staff |
|--------------------|----------|-----------------------|------------|
| October, 2022 | Seward | 7 | 1 |
| ⊠ Airfare | | | \$4,800.00 |
| ⊠ Hotel | | | \$2,000.00 |
| ⊠ Ground | | | \$600.00 |
| ⊠ Other: | | | \$1,000.00 |
| | | Total Estimated Cost: | \$8,400.00 |

| Board Meeting Date | Location | # Board | # Staff |
|--------------------|----------|------------------------------|------------|
| April, 2023 | TBD | 7 | 1 |
| | | | \$4,800.00 |
| ⊠ Hotel | | | \$2,000.00 |
| ⊠ Ground | | | \$600.00 |
| ⊠ Other: | | | \$1,000.00 |
| | | Total Estimated Cost: | \$8,400.00 |

Budget Recommendations for FY 2023 (continued)

| Travel Required to Perform ⊠ Not Applicable | n Examinations | | |
|--|--------------------------------|-----------------------|---------|
| Date | Location | # Board | # Staff |
| | | | |
| Description of meeting and | d its role in supporting the i | mission of the Board: | |
| | | | |
| ☐ Airfare: | | | |
| ☐ Hotel: | | | |
| \square Ground: | | | |
| ☐ Conference: | | | |
| ☐ Other: | | | |
| Total Estimated Cos | st: | | \$ 0.00 |

Budget Recommendations for FY 2023 (continued)

| Out-of-State Meetings #1 Rank in Importan | | al In-State Travel Applicable | (Rank in order o | of importance) |
|---|---------------------|---|------------------------------|----------------|
| Date | | Location | # Board | # Staff |
| | | | | |
| Description of meeting an | d its role in supp | orting the mission of | the Board: | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Expenditure | cense Fees (RSS) | Third-Party Reimbursement | Third-Party Direct Booked | Total |
| ☐ Airfare: | | | | |
| ☐ Hotel: | | | | |
| ☐ Ground:☐ Conference: | | | | |
| ☐ Other: | | | | |
| Describe "Other" (break | out all sections): | | | |
| Net Total: | 50.00 | \$0.00 | \$0.00 | \$0.00 |

Budget Recommendations for FY 2023 (continued)

| Non-Travel Budget Requests | | | |
|---|-----------------------------|-----------------|----------------|
| ☑ Not Applicable ☐ | Resources | ☐ Examination | ns |
| □Membership | ☐ Training | \square Other | |
| Product or Service | Provider | | Cost Per Event |
| | | | |
| Description of item and its role in supportin | g the mission of the Board: | | |
| | | | |
| | | | |
| | | | |
| Other Items with a Fiscal Impact | | | |
| ☑ Not Applicable | | Cost Per Event: | |
| ες Νοι Αρβιιεαδίε | | Number of Event | c· |
| | | Number of Event | 5. |
| Product or Service | Provider | | Cost Per Event |
| | | | |
| Description of item and its role in supportin | g the mission of the Board: | · | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| Summary of FY 2023 Fiscal Requests | |
|--|-------------|
| Board Meetings and Teleconferences: | \$17,100.00 |
| Travel for Exams: | \$0.00 |
| Out-of-State and Additional In-State Travel: | \$0.00 |
| Dues, Memberships, Resources, Training: | \$0.00 |
| Total Potential Third-Party Offsets: | - \$0.00 |
| Other: | \$0.00 |
| Total Requested: | \$17,100.00 |

Legislative Recommendations - Proposed Legislation for FY 2023

| ⊠ | No Recommendations The Board has no recommendations for proposed legislation at this time. |
|---|--|
| | Recommendations The Board has the following recommendations for proposed legislation: |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Regulation Recommendations - Proposed Regulations for FY 2023

| | Regulation Recommendations - 1 Toposed Regulations for 1 1 2025 |
|-------------------------------|---|
| | No Recommendations The Board has no recommendations for proposed regulations at this time. |
| ⊠ | Recommendations The Board has the following recommendations for proposed regulations: |
| subsection (in prohibiting li | as a current proposal to amend 12 AAC 56.080 Biennial License Renewal by adding a new During a public health emergency, natural disaster, or other regional or statewide crisis censees in one or more regions from completing the requirements of 12 AAC 56.082(c), the dopt alternative standards for compliance with this section. |
| | |
| | |
| | |
| | |
| | |
| | |

Goals and Objectives

Part I

FY 2022's goals and objectives and how they were met:

The board will advocate for a return to in-person meetings as the State of Alaska reopens; they anticipate meeting in Juneau, Anchorage and perhaps Seward or Homer in the coming fiscal year. Meeting in alternative locations will enable the board to meet its public education requirement, allow the board to meet concerned citizens in their home cities and for the board to visit pilot training centers in those locations.

The board met in Juneau, March 8, 2022. The meeting was well attend both in person and via Zoom.

The board will continue to monitor challenges facing trainees as the industry re-opens opportunity for observers and at-the-conn training. At the time of this report the projected 2022 cruise season shows a schedule 20% busier than 2019 which was a very busy year.

The board received an industry update from CLIA at each board meeting and also received reports from each association. Two training extensions were granted at the March 8 meeting to trainees of the SEAPA training program for the required cruise ship maneuvers still needed to complete the training program with the understanding that the trainees would report back to the board if the training is not complete by the October 2022 meeting.

The board will move forward with regulations to clarify and streamline the application for Foreign Pleasure Craft Exemption applications. They will continue to review and vote on the exemption applications using electronic voting to expedite the process.

The board adopted regulations clarifying the requirements for equipment and training for exemption applicants. An on-line application is now available for applicants to apply and expedite the process; required documentation can be imported directly into the licensing application. Board members have reviewed and voted on applications electronically.

The board will receive reports from the pilot associations at the October 2021 meeting outlining the impact the reduced shipping (cruise and non-cruise traffic) due to the pandemic had on training and licensing requirements (new and renewal) in order for the board to address any possible regulation changes or special consideration that may be warranted.

The board is addressing the concerns of the associations and division regarding license renewal requirements with a proposed amendment to 12 AAC 56.080.

Goals and Objectives (continued)

Part II

FY 2023's goals and objectives, and proposed methods to achieve them.

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

Petition the USCG to increase manning in their licensing departments at the NMC as well as the local REC offices in the State of Alaska in order to reduce processing times for licensing and testing. The processing times have increased over the years beginning prior to COVID.

Request that the Alaskan Marine Highway reduce pilot observer fees in addition to streamlining the acceptance process that allows training pilots to ride aboard the vessels in order to obtain required observer trips in their geographic areas. In some areas the ferries are the only options for apprentice pilots to obtain the required observer trips. In the past the pilots were given a reduced fare to ride these vessels. Restricting the access to this great tool for the training process is not in the state's best interest.

Review across regions pilot training reports with a goal of standardizing report to facilitate Board approval of pilot licensing and tonnage promotions.

Increase Board attention on improving public awareness of how the ship passage through Alaska waters is regulated and that well trained pilots are guiding ship navigation and ensuring that Alaska's interests are protected.

Strengths, Weaknesses, Opportunities, Threats, and Required Resources

Strengths:

- Active and engaged Board of Marine Pilots
- Strong support for the Board from the Administration enabling the Board to meets its obligations.
- Well vetted laws and regulations that guide the Board and the Administration in performing the duties of the Board and protecting Alaska's interests.
- Strong, well-managed pilot associations designated under 12 AAC 56.300 212 AAC 56.320 who have a good working relationship with the Board and the Administration and actively maintain their bylaws and rigorous training requirements for new and existing pilots.
- Cooperative vessel owners and operators with strong compliance who have an appreciation of the role of the Board and the licensed pilots.

Weakness:

- The Covid pandemic and changing marine cargo vessel demand has reduced the amount of vessel traffic affecting the attractiveness of becoming a pilot and creating economic strain on pilots.
- The reduced Alaska Ferry System movement and onboard training into rural to very rural communities has reduced the opportunities for pilots to gain skills in more infrequent ports.
- It is very expensive and time consuming for pilots to complete training to become licensed pilots.

Goals and Objectives (continued)

Part II (continued)

FY 2023's goals and objectives, and proposed methods to achieve them.

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

Opportunities:

- The surge in vessel traffic, primarily cruise ship vessel movement in Alaska, is once again creating new opportunities for new pilots and ensuring that the employment opportunities are attractive for people to make the commitment to become a ship pilot.
- Explore new ways to create paid apprenticeship programs to ease the financial strain that it takes to become a ship pilot.
- Support and promote existing training programs and facilities in Alaska.

Threats:

• The new very large vessels bring new challenges for safely navigating and regulating vessel movement through Alaska. A cadre of well trained, professional pilots materially reduces those risks.

Required Resources:

• Open for discussion.

Sunset Audit Recommendations

Date of Last Legislative Audit: 04/30/2018

Board Sunset Date: 06/30/2027

| Audit Recommendation: The board should ensure applicable documents are aboard foreign pleasure crafts in accordance with regulatory requirements. |
|---|
| Action Taken: |
| n/a |
| Next Steps: n/a |
| Complete: ☐ No ☐ Yes If yes, date completed: |
| |
| Audit Recommendation: The board should ensure the Southeast Alaska Pilots' Association (SEAPA) improves its procedures for tracking drug test notifications. |
| Action Taken: |
| |
| n/a |
| Next Steps: The board and Marine Pilot Coordinator will continue to monitor compliance. |