



DRAFT MEETING MINUTES June 13, 2017

TELECONFERENCE ORIGINATING FROM THE STATE OFFICE BUILDING
333 W. WILLOUGHBY AVE., 9TH FLOOR, COMMISSIONER'S CONFERENCE ROOM
JUNEAU

These draft minutes have been prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Alaska Board of Marine Pilots.

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

Marine Pilot Coordinator Charles Ward called the roll at 1000

Board members present: Capt. David Arzt, Mr. Richard Erickson, Ms. Peggy McLaughlin, Mr. Tom Rueter and Capt. Ronald Ward. Commissioner Chris Hladick arrived at 1003.

A quorum was present.

Charles Ward was in attendance and recorded minutes. Deputy Director Sara Chambers from the Division of Corporations, Business and Professional Licensing attended a portion of the meeting.

Jenni Zielinski from Southwest Alaska Pilots' Association (SWAPA), Paul Merrill from Southeast Alaska Pilots' Association (SEAPA), and Destiny Bell and Paul Axelson from Yacht Services of Alaska attended telephonically. Mike Tibbles from the Alaska Steamship Association and Deputy Marine Pilot candidate Mark Lundamo attended in person.

Motion by Rueter to have Arzt lead the meeting until Commissioner Hladick could join the meeting. Seconded by Ronald Ward. Motion passed unanimously.

Item 2. Review Agenda

There were no recusals or declarations.

Item 3. Review and approve minutes

Motion by Rueter to approve the minutes of the 20 April 2017 meeting as drafted. Seconded by Erickson. There was no discussion. **Motion passed unanimously.**

Hladick joined the meeting at 1003. Arzt tendered the gavel to Hladick at that point.

Item 4. Public comment

None.

Item 5. Deputy Marine Pilot application

Ronald Ward moved to enter into executive session in accordance with AS 44.62.310(c)(2) to discuss the application of Capt. Mark Lundamo for a Deputy Marine Pilot's license, with Charles Ward and Mark Lundamo to remain. Arzt seconded. Motion carried unanimously.

Off record at 1006.

Back on record at 1028.

Arzt moved to approve issuance of a Deputy Marine Pilot's license to Capt. Mark Lundamo for Region 1, excluding Klawock Inlet and Tracy Arm. Ronald Ward seconded. Motion carried unanimously.

Hladick and Charles Ward congratulated Lundamo.

Item 6. Correspondence

Charles Ward presented a letter from SEAPA which stated Jon Cornelius had begun his training maneuvers.

Charles Ward presented a letter from Gov. Bill Walker's office appointing Peggy McLaughlin to the board, effective May 26, 2017, with her term expiring March 1, 2018.

Hladick welcomed McLaughlin to the Board.

Item 7. Board actions – 6 April 2017 through 1 June 2017

Date	Motion	Voting Tabulation	Action
4/19/17	Approve exemption application for WILDFLOUR	Hladick (Y), Ward (Y), Rueter (Y), Erickson (Y).	Approved 4-0.
4/26/17	Approve exemption application for LEGEND	Rueter (Y), Arzt (Y), Mack (Y), Ward (Y), Erickson (Y).	Approved 5-0.
4/30/17	Approve exemption application for ASPEN ALTERNATIVE	Hladick (Y), Ward (Y), Arzt (Y), Rueter (Y), Erickson (Y).	Approved 5-0.
5/17/17	Approve exemption application for SIN OR SWIM	Ward (N), Rueter (Y), Arzt (Y), Hladick (Y), Erickson (Y).	Approved 4-1.
5/17/17	Approve training pilot endorsement for Christian Biagi	Hladick (Y), Erickson (Y), Arzt (Y), Ward (Y).	Approved 4-0.
5/23/17	Approve exemption application for M/Y MEA CULPA	Ward (Y), Rueter (Y), Arzt (Y), Erickson (Y), Hladick (Y).	Approved 5-0.
6/1/17	Approve upgrade to 90,000 gross tons for deputy marine pilot Ian Maury	Ward (Y), Arzt (Y), Mack (Y), Erickson (Y), Hladick (Y).	Approved 5-0.

Item 8. Foreign Pleasure Craft exemption memo

Charles Ward said the process he used in assembling the 2017 yacht navigation packet was not in following with past practice. Said the past practice had been for agents to submit draft packets to the Marine Pilot Coordinator for their approval, and then that of the Board. Said he had assembled the packet after consulting with the Board's yacht committee, and then presented it to the Board for approval at its April meeting. Said his memo recommended the 2018 packet be prepared as packets prior to the 2017 packet had been, with agents submitting their materials to the Marine Pilot Coordinator for their approval, and then that of the Board. Said his memo recommended the Marine Pilot Coordinator prepare a backup packet for Board approval, should an agent not prepare a packet for approval. Said Rueter raised further concerns in a subsequent email. Said he believed Rueter's concerns had been addressed in his memo, but was happy to discuss same.

Rueter said he read the statute to state the agents were to prepare a packet for review by the Marine Pilot Coordinator and the Board every spring. Said he did not read the statute to require an agent to prepare a new packet every year. Said the Board could approve the same packet every year. Said if the Marine Pilot Coordinator is willing to work with the yacht committee and the agents to prepare packets for Board approval, that would be sufficient as well.

Charles Ward said he believed the better way to proceed was for the agents to prepare their packet for the spring Board meeting. Recommended the Board create a process to approve what had already been approved, or the creation of a standard packet, in case no new information was forthcoming from the agent.

Rueter said an inquiry from the Marine Pilot Coordinator to agents in the event there was no new information forthcoming, asking if the previous packet was sufficient for Board consideration, would be the best practice. Said a new packet every year wasn't necessary.

Charles Ward said he would do that going forward, and apologized for his lack of awareness of the process for this year.

Item 9. Annual report

Charles Ward said the Board was statutorily required to prepare an annual report and he had drafted one for the Board to review, correct and amend if necessary, and approve.

Arzt said his duty station was incorrect, and should be listed as Dutch Harbor.

Rueter moved approval with the correction noted by Arzt. Ronald Ward seconded.

Ronald Ward asked if the Board meeting dates listed in the annual report could be changed if the need arose.

Charles Ward said the annual report is based on what is known by the Division and the Board at a given point in time. Charles Ward said the Board could move meeting locations and dates if it chose to, but if the cost of the proposed change would significantly increase expected costs, the Board should be prepared to explain the need for the change.

Report approved unanimously.

Item 10. Investigative report

Charles Ward said there was one open investigation that had been referred to the Department of Law. Said there was also an intake that had not been closed at the time he had prepared the report, but was now closed.

Item 11. Regulation status report

Charles Ward said there had been no public comment on the proposed regulations to create a pilot station at Bieli Rocks, to correct the location of the pilot station at Kiska Harbor, and to approve simulator training for ice dockings in Region 3. Said the Board should consider the costs, if any, to private persons and decide if the regulations should be sent to the Lieutenant Governor's Office, through the Division's regulations specialist, for final review and approval.

Ronald Ward moved the regulations be approved as drafted. Rueter seconded.

Rueter said he did not see any cost or change of cost to what is being currently incurred.

Hladick agreed.

Motion approved unanimously.

Item 12. Tonnage level upgrade

Ronald Ward said he would text Merrill to let him know it was time for his presentation.

Rueter asked if the tonnage level upgrade would affect Mark Lundamo's license.

Charles Ward said the Board would need to consider a regulation change, which would allow the Board to capture his and other 25,000-gross-ton deputies, if it chose to do so.

Hladick called for a break.

Off record at 1048.

Back on record at 1059

Merrill said SEAPA had asked the Board at the 13 October 2016 meeting to raise the permitted tonnage levels for newly licensed deputies. Said he and Erickson had been tasked to discuss a change with industry stakeholders. Said those discussions led to this request to the Board to raise the initial tonnage levels to 50,000 gross tons.

Ronald Ward asked Merrill if there was any draft language for the Board to consider.

Erickson said there was not. Said the change should be a simple one, simply changing 25,000 gross tons to 50,000 gross tons.

Hladick said there should also be language to increase the currently licensed deputies with 25,000-gross-ton limits to a 50,000-gross-ton limit.

Merrill agreed, if the Board thought raising all deputies was appropriate.

Erickson said he and Merrill had discussed raising the initial license from 25,000 gross tons to 50,000 gross tons. Said all discussion with industry about the increase was positive.

Charles Ward said he could come up with draft language that could be proposed to the Board through a mail ballot, to begin the process in advance of the Board's October 2017 meeting.

Erickson moved to direct the Marine Pilot Coordinator to create draft language to increase the initial tonnage level for deputy marine pilots from 25,000 gross tons to 50,000 gross tons for the Board to review and approve. Rueter seconded.

Arzt said there may be a need to add a regulation to increase currently existing 25,000-gross-ton license holders to 50,000-gross-ton licenses, should the Board adopt this regulation.

Ronald Ward said he believed Region 2's training program would keep initial licensees at 25,000 gross tons, regardless of the state limits.

Motion passed unanimously.

Item 12. Pilot association reports

SEAPA

Merrill said SEAPA had 45 full pilots and now two deputies with Lundamo's licensure. Said SEAPA had 10 pilots in its training program. Said there were eight applicants who had passed the entrance exam and were waiting for an opportunity to open.

SWAPA

Zielenski said SWAPA had 15 full pilots with VLCC endorsements and three deputies – two at 90,000 gross tons and one at 65,000 gross tons. Said SWAPA had two trainees and one apprentice. Said there was a ballot out to choose an applicant to enter the training program.

AMP

Arzt said AMP had eight full pilots and one deputy at 65,000 gross tons. Said there were three apprentices.

Item 13. Review of length overall

Arzt said the ELISA had listed a 126-foot length overall, but that the insurance documentation had listed a LOA of 150 feet. Arzt said that length had been confirmed through the agent, vessel operator and the Marine Pilot Coordinator. Said there needed to be some additional education for agents to ensure LOA is being reported accurately.

Rueter asked even if the application provided an inaccurate LOA, should the Marine Pilot Coordinator have caught the discrepancy.

Charles Ward said the discrepancy should have been found. Said there were three documents he looked at: the application, the registry and the insurance form. Said the application and registry both listed the LOA as 126 feet. Said he did not catch the 150-foot length on the insurance registry.

Ronald Ward said the Board needed to go by what was provided on the application. Said this was another example of a document being used that is not accurate according to the state's definition. Said he did not know why the vessel agents couldn't provide some assurance that the reported LOA's were accurate.

Item 14. Financial report

Chambers provided a breakdown of the Board's Fiscal Year 2017 report through three quarters. Said FY 2017 is a renewal year. Said the Board had taken in \$203,400 in licensing revenue, which was on par with FY 2015 through three quarters. Said personal services were only \$23,983, which was lower than expectations. Said personal services were expenses incurred by the Division in support of the Board, primarily the Marine Pilot Coordinator. Said travel expenses were \$7,713, which was reasonable. Said all travel was in state. Said contractual expenses were \$3,788. Said supplies were \$587 and equipment was at \$0. Said direct expenses were at a total of \$36,000. Said indirect expenditures are a pro-rated estimate based on Fiscal Year 2016. Said actual indirect expenditures would not be known until the end of Fiscal Year 2017. Said total expenses were \$49,688, which was about one-half of what they were in the last fiscal year. Said the Board's annual surplus was at \$153,712. Said the Board's total surplus was at \$255,362. Said a rule of thumb was to keep one year's worth of expenses on the books, to ensure the Board could handle any unexpected expenses. Said the Board's surplus would be considered when setting licensing fees for the coming biennial renewal period.

Rueter asked if the Marine Pilot Coordinator knew the renewal deadline and the number of licenses issued currently versus previous fiscal years.

Charles Ward said renewals were due by 31 December of every even-numbered year. Said licensees could renew late, as long as they did not pilot under a lapsed license. Said he believed the current number of licensed pilots and deputies was about 80, but would need to confirm that number.

Rueter asked if the current number could be compared to Fiscal Year 2015.

Charles Ward and Chambers said that information could be provided.

Item 15. Question about pilotage upon re-entry

Charles Ward said a question had arisen about a foreign pleasure craft which had entered Alaska waters without a valid exemption, and took on a pilot in Alaska waters as required. Said the vessel now has an exemption which will become valid on 15 June, and the agent raised the question of whether it needed to again take on a pilot to provide the required safety briefing. Said the agent had verified the vessel had received a safety briefing from the pilot it took on when first entering Alaska waters. Said his discussion with the Attorney General's office determined the statute was ambiguous.

Erickson asked if the vessel used a pilot when they were leaving Alaska waters.

Charles Ward said the information he had from the agent indicated the vessel had used a pilot while in Alaska waters.

Ronald Ward asked if the question was if the vessel needed to take on a pilot upon re-entry, or receive a safety briefing.

Charles Ward said the vessel was 138 feet long, and statute requires it to take on first entry to receive a safety briefing. Said the question to Board was whether the vessel's safety briefing when it first took on a pilot before its exemption became valid satisfied that requirement.

Ronald Ward asked if the vessel left the state.

Charles Ward said his understanding was the vessel left the state and entered Canadian waters.

Ronald Ward asked when the vessel's exemption would be valid.

Charles Ward said 15 June. Said the reason for the question was the vessel would need to give proper notice to SEAPA.

Ronald Ward said he understood the statute to say a vessel more than 125 feet long was required to take on a pilot upon first entry with an exemption. Said he didn't think that step could be skipped. Said he believed the previous entry was separate.

Erickson asked if the vessel would be required to take on a pilot if it were to reenter Alaska in May of 2018, provided the exemption was still valid.

Charles Ward said the exemption would be valid for one year, and he believed the briefing it received in June of 2017 would be valid for the duration of that exemption.

Erickson asked if the Attorney General's Office said it was up to the Board to determine if a pilot was needed for a safety briefing upon reentry, given it had taken a pilot prior to receiving that exemption.

Charles Ward said essentially, yes. Said he had spoken to an assistant attorney general, and she had said the statute had ambiguity, and it was a question to the Board to interpret in the unusual circumstance of a vessel taking on a pilot upon initial entry, then reentering under a valid exemption. Said the ambiguity was whether that initial pilotage prior to receiving the exemption qualified for the initial pilotage required of foreign pleasure craft in excess of 125 feet when first entering Alaska waters under a valid exemption.

Erickson said he understood the dilemma. Said there may be a call to look at a statutory and regulatory change to address the requirement a foreign pleasure craft must apply 30 days prior to receiving an exemption. Said an exemption can usually be processed in a much shorter period of time. Said he found it troubling the vessel in this instance had already come in, taken on a pilot and received a safety briefing and would now be required to take on a pilot again.

Arzt asked if the upcoming entry would be considered the first entry.

Charles Ward said that is the ambiguity. Said the question was whether the initial transit with a pilot prior to receiving an exemption counted as the initial entry under pilotage as required.

Rueter asked if a yacht that received an exemption in one year would need a subsequent briefing in the second year if it reapplied and was granted a second exemption, so that its exempt status did not lapse.

Ronald Ward said the requirement was for an exempt vessel more than 125 feet long to take a pilot upon initial entry under that exemption. Said he didn't believe the initial entry with a pilot and without an exemption applied.

McLaughlin said it would make sense to bring the pilot on board once it enters Alaska waters with an exemption.

Hladick asked for a motion.

Ronald Ward moved the Board advise the agent and vessel captain the vessel would be required to take a pilot upon its first entry into Alaska waters with the exemption. McLaughlin seconded.

Arzt said the requirement was in statute, not regulation.

Arzt moved to amend the motion to refer to AS 08.62.180(b). Ronald Ward seconded.

Amendment approved unanimously.

Motion approved unanimously.

Item 16. Next meeting date

Charles Ward said he believed the dates Ronald Ward had discussed with AVTEC in Seward were 18-19 October.

Ronald Ward said that was correct, and that AVTEC could also accommodate the week prior, but the week of the week of 16-20 October was preferable. Said they could provide lunch and a conference room.

Ronald Ward asked how long the meeting would take, and if there would be a need to spend the night.

Hladick he believed that could be accommodated.

Charles Ward said he believed it could as well. He pointed out that the Board would go more than four months without a meeting, and that might affect the agenda length.

Hladick asked how long the Board would need to see the simulator.

Ronald Ward said the simulations ran at five times real speed. Said each simulation could take 35 minutes to an hour. Said two or three simulations were probably enough. Said an afternoon would probably be sufficient. Said Seward was 2 ½ - three hours from Anchorage.

Hladick asked if he Charles Ward, and Ronald Ward could finish the details and then go back to the Board.

Charles Ward said it would be best to set dates at the meeting.

Hladick said members could drive down the night before, attend the meeting and the simulation the next day, then drive home.

Ronald Ward said it might be better to drive down in the morning, have a meeting and overnight, then attend the simulation the next morning before driving home.

Charles Ward said if the Board had any leftover business from the first day, it could take it up on the second day following the simulator.

Ronald Ward said if the Board started its meeting at 1000, that would eliminate pressure on the next day. The simulator review could then be scheduled for 0800 on the next day, to conclude by 1300 at the latest.

There was unanimous agreement on the schedule.

Rueter said the 18-19 October schedule would work. There was general agreement on the 18-19 October schedule.

Ronald Ward asked Zielenski when the Cook Inlet Harbor Safety Meeting was.

Zielenski said that meeting was 17 October.

Rueter said he would like to tentatively schedule the following meeting for the week of 22 January 2018.

There was general agreement on setting a tentative date for 24 January 2018 in Anchorage.

There being no further business, Hladick adjourned the meeting at 1152.

Respectfully submitted:

Charles Ward
Marine Pilot Coordinator

Date: _____

Chris Hladick
Chair

Date: _____

DRAFT