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JUL 16 2001		
PUGET SOUND PILOTS		

MEETING MINUTES

STATE OF WASHINGTON BOARD OF PILOTAGE COMMISSIONERS

May 10, 2001

FILE COPY

PUGET SOUND
PILOTS

Present: Chairman Dudley, Commissioners Davis, Simoneaux, Kromann, Addington, Norman and Palmer, Assistant Attorney General, Heidi Irvin; and Administrator, Peggy Larson. Also present: Captains W.A. Bock, D.J. Kelly, M.R. Flavel, D.W. Mayer, D.A. Sanders, G.N. Larson and Mr. Jimm Sweet, Puget Sound Pilots; Jim Papp and Denise Timm, Puget Sound Steamship Operators Association; Jeff Shaw, Polar Tankers, Inc.; Gary Nelson, Port of Grays Harbor; Ron Kinsey and Scott Casad, US Coast Guard; and Captain Tony Ford, Grays Harbor Pilotage Project Committee Coordinator.

PUBLIC HEARING

A public hearing of the Board of Pilotage Commissioners was convened at 9:10 a.m. by the chairperson at 2911 Second Avenue, Seattle, Washington.

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District. RCW 88.16.035(4) requires that the Board of Pilotage Commissioners shall annually fix pilotage tariffs for pilotage services performed aboard vessels. The rule as proposed by the Puget Sound Pilots reflects a 6.65% increase in all categories except transportation to be charged for pilotage services in the Puget Sound Pilotage District. The written presentation dated April 12, 2001, considered by the Board today, is a joint proposal from Puget Sound Pilots, Polar Tankers, Inc. and Puget Sound Steamship Operators Association which reflects a modified request for a 1.32% increase in all categories except transportation. This joint proposal follows the guidelines of a new 5-year tariff agreement established in 2001 between PSP, PTI and PSSOA. The PSP 5-year Capital Spending Plan and 2000 year-end audited Financial Statement, previously submitted to the Board, were also considered in today's tariff determination. Oral comments in support of the joint proposal were presented by Captain Del Kelly - PSP, Jim Papp - PSSOA and Jeff Shaw - PTI. There was no other testimony presented. The public hearing was closed by Chairman Dudley at 9:15 a.m.. This hearing was recorded on audiotape.

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 9:15 a.m. immediately following the public hearing.

Consideration of Preceding Hearing: WAC 363-116-300. Following the Board's review and consideration of all written and oral testimony, it was moved by Commissioner Addington and seconded by Commissioner Kromann that the Board adopt the joint proposal for the 2001-2002 Puget Sound Pilotage District tariff as outlined in the letter dated April 12, 2001 from PTI, PSP and PSSOA; specifically, a 1.32% increase in all tariff categories, except transportation, effective July 1, 2001 through June 30, 2002, based on the following factors:

- Tariff funding of an increase of 20% in retirement benefits for former PSP members and/or their surviving spouses who are currently receiving benefits
- An adjustment in the benefit rate from 1.25% to 1.5% for each year of service in the Amended Retirement Program of Puget Sound Pilots
- Total projected vessel assignments for 2001 = 8,262 (Maximum Safe Assignment Level = 149)
- Number of tariff-funded pilots, including one non-watch-standing president and compensation for accrued Comp Days = 56.78
- Target Net Income per pilot = \$192,237
- Individual Business Expense allowance per pilot = \$22,297

A friendly amendment was accepted from Commissioner Norman who restated the motion in order to specify that the bulleted items listed above are factors upon which the proposed new tariff is based and that the Board intends to adopt only the 1.32% tariff increase, not the individual factors. The amended motion carried unanimously. (9:20 a.m.)

Minutes. Commissioner D'Angelo, by telephone message, requested an amendment to the Grays Harbor Pilots Activity Report to correct his statement that vessel traffic is averaging about four ships per month based on business during the last four months, not eleven months. It was moved by Commissioner Addington and seconded by Commissioner Simoneaux that the April 12, 2001 minutes be approved as amended. The motion carried with Commissioner Kromann abstaining due to his absence in April.

OLD BUSINESS

2001 Legislative Activity Update. Since convening a 30-day Special Session on April 25, 2001, the Legislature has not taken any further action on HB 2174 "Enacting the Northwest Maritime Safety Act of 2001". Senate confirmation hearings for four of the Board's commissioners have not yet been scheduled.

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Consideration of Draft Response to States/BC Oil Spill Task Force Survey. After consideration of Commissioner Norman's written comments regarding his proposed response to the 2001 Survey of Implementation Status of the 1997 Recommendations to Improve the Safety of Pilotage for the States/BC Oil Spill Task Force, it was moved by Commissioner Palmer to adopt Commissioner Norman's letter as the Board's communication to the Task Force. The motion failed for lack of a second. Commissioner Kromann presented his re-draft of Commissioner Norman's letter for consideration by the Board. It was moved by Commissioner Kromann and seconded by Commissioner Addington that the Board adopt the re-drafted version. Friendly editorial amendments offered by Chair Dudley, Commissioner Norman and Heidi Irvin were accepted and the amended motion carried with Commissioner Palmer abstaining. The communication that will be sent to the Task Force is not the completed survey form, but rather, a letter that briefly addresses the status of only four of the fourteen recommendations proposed by the Task Force in 1997.

NEW BUSINESS

Pilot's Report of Incident: MARUBA TRADER, 4-29-01. A written report has been received from Puget Sound Pilot, Captain M.J. Shuler. The CIC did not submit a written investigative report. According to the pilot's report he was assisted by two tugs due to high winds while approaching Pier 30 South in Seattle's East Waterway. While transiting the channel, the pilot observed the captain frequently operating the bow thruster. During the approach to the dock the vessel's stern quarter landed hard, compressing the dock face as well as denting the vessel in two places about the size and depth of a dinner plate. Commissioner Palmer expressed concern that it wasn't clear from the pilot's report if he was implying that the Captain's operation of the bow thruster may have contributed to the cause of the incident. It was moved by Commissioner Kromann and seconded by Commissioner Addington that this matter be declared an "Incident with damage and without pilot error". A friendly amendment offered by Commissioner Davis was accepted that today's decision would not become final until the next regular Board meeting in order to give any party a chance to offer an item for discussion that would warrant re-opening this matter. The motion carried with Commissioner Palmer abstaining.

2001 Annual Tariff Hearings Preparation: A letter dated May 8, 2001 from the Grays Harbor Bar Pilots Association was received in lieu of a formal 2001-2002 tariff proposal. The letter addresses the business and financial status of the Grays Harbor Pilots and expresses the emergent need for a solution that will sustain efficient pilotage service in the Grays Harbor Pilotage District. In accordance with the established timetable for document submission, the PSSOA was reminded of the May 24 deadline for the submittal of their tariff proposal. A public hearing has been filed for June 14, 2001.

Committee Reports: Grays Harbor Project – Tony Ford, Committee Coordinator, spoke briefly on the committee's status of activities and progress to date. A third meeting will be held today following the regular Board meeting to discuss the draft report that Captain Ford has prepared. The final report of the committee's findings and recommendations is due by June 7, 2001.

Cruise Ship Committee – There was no activity to report.

Pilots' Activity Reports: Captain Bill Bock, President, Puget Sound Pilots, reported that vessel traffic is holding steady for the year; three pilots are out on medical leave; two pilots are attending manned model training class in Grenoble this month; last week four pilots attended training in Dania, Florida; PSP is continuing its participation in the development of the Harbor Safety Plan; work is on schedule for the delivery of the second new pilot boat in September; and the permitting process to modify the Port Angeles facility is progressing favorably.

Captain Bobby D'Angelo, Grays Harbor Pilots, was absent due to two ship moves scheduled for today.

Commissioner Comments. It was suggested by Commissioner Kromann that the Board should consider amending WAC 363-116-080: *Licensing of Pilots*, to include a requirement for all pilot candidates to have an ARPA certificate. It was also suggested by Commissioner Norman that a committee be formed to address additional WAC and RCW amendments. He volunteered to chair the committee come fall. Chair Dudley urged all Board members to review the RCWs and WACs and bring forward any recommended language amendments.

Confirmation of Next Regular Meeting Date. The next regular meeting is scheduled for June 14, 2001, at 2911 2nd Avenue, Seattle. The meeting will follow the annual tariff hearing for the Grays Harbor Pilotage District set for 9:00 a.m..

An EXECUTIVE SESSION was called from 10:05 a.m. to 10:35 a.m. for purposes of reviewing pilot physical examination reports. In attendance were Chairman Dudley, Commissioners Davis, Simoneaux, Kromann, Addington, Norman and Palmer; Heidi Irvin and Peggy Larson. Regular session was reconvened by the chairperson immediately following executive session.

Review of Pilot Physical Examination Reports. The annual physical examination reports for Captains C.C. Hunziker, C.A. Johannes, G.N. Larson and D.A. Sanders were reviewed and accepted

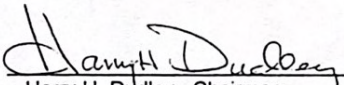
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for license renewal. Captain R.F. McCurdy's report was reviewed and accepted conditioned on Chair Dudley's acceptance of follow-up clarification of his examination report data.

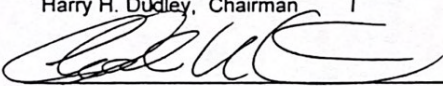
It was reported that due to medical conditions, Captain M.T. Gavin and Captain R. Wiley have not piloted since 1-28-01 and 2-12-01 respectively. The Board reviewed correspondence from Captain Gavin's physician that stated he was not currently fit for duty. It was moved by Commissioner Addington and seconded by Commissioner Palmer that both Puget Sound pilots, Gavin and Wiley, be temporarily relieved of pilotage duties and in order to return to active duty the Board must receive a satisfactory report from their physician indicating his/her findings/recommendations as to their ability to safely perform pilotage duties. Chair Dudley was given authority, upon his review of the physicians' reports, to reinstate their licenses if necessary to return to work before the next Board meeting, subject to review by the full Board at the next regular meeting. The motion carried unanimously.

The chairman adjourned the regular session Board meeting at 10:40 a.m..

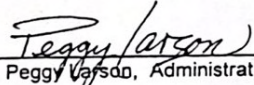
Respectfully submitted,



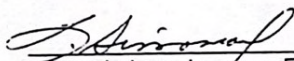
Harry H. Dudley, Chairman



Charles M. Davis, Vice Chairman



Peggy Varso, Administrator



Commissioner Lawrence F. Simoneaux

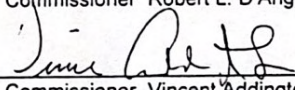
Commissioner Robert N. Kromann

absent

Commissioner Robert L. D'Angelo

absent

Commissioner John Karakoulakis



Commissioner Vincent Addington

Commissioner Stanley J. Norman

Commissioner Andrew C. Palmer