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MAY 14 REC'D
PUGET SOUND PILOTS
Seattle, Washington

STATE OF WASHINGTON BOARD OF PILOTAGE COMMISSIONERS

MAY 18, 1995 HEARING & MEETING

801 Alaskan Way - Pier 52

Present were: Chair Vognild, Commissioners Soriano, Gavin, Watson, Williams, Marshall, Badame and Herman; Assistant Attorney General, Chuck Adams; and Peggy Larson. Also present were Captain Bert Holmes - President, Jimm Sweet - General Manager and Captains C.C. Hunziker, J.B. Harris, J.S. Niederhauser, D.J. Kelly, J.L. Cox, L.P. Emerson, W.A. Bundren, G.N. Larson, P.A. Giese, W.A. Anderson, M.D. Wood, C.A. Johannes and M.R. Flavel, Puget Sound Pilots; Jeff Shaw, ARCO Marine; Scott Winn, Erik Nordahl, Art Chittick, David Mehus, Philipp Aldridge, Rich Griffith, Andrew Boaz, Douglas Coburn, Tim Banks, James Moe, Vince Addington, Lea Johnson, Mark Bentzen and Dave Wenger, Puget Sound Steamship Operators Association; John Karakoulakis, SeaRiver Maritime, Inc.; Paul Sorensen, BST Associates for PSSOA; Captain Norm Werner - President, Grays Harbor Pilots Association; Leonard Barnes, Port of Grays Harbor; Neil Orint, Marine Digest; Bill DiBenedetto, Journal of Commerce; Walt Tabler, Attorney for PSP; R.W. Nolting, Attorney for PSSOA; Stan Norman, Office of Marine Safety; and Tim Bellisario, court reporter.

HEARING

WAC 296-116-300: Pilotage Rates for the Puget Sound Pilotage District.

A public hearing of the Board of Pilotage Commissioners was convened at 9:00 a.m. by the chairperson in the Eikum Conference Room. RCW 88.16.035(4) requires that the Board of Pilotage Commissioners shall annually fix tariffs for pilotage services performed aboard vessels. The rule as proposed by the Puget Sound Pilots (PSP) reflects a 5.93% increase in all tariff categories except transportation; and language modifications indicating a reduction in the delinquent charge payment period from 45 to 30 days, doubling of the sailing delay charge after the first three hours, and proposing a new tonnage classification and title under Super Ships. Differing written and oral proposals were offered by the Puget Sound Steamship Operators Association (PSSOA) and ARCO Marine, Inc. (AMI) in terms of target net income, pilot workforce, expenses and the proposed language amendments. The Puget Sound Pilots' Five-Year Capital Spending Plan and 1994 year-end audited Financial Statement, previously submitted to the Board, were also considered in today's tariff determination. Those presenting testimony were sworn in as follows: Captain D.J. Kelly, J.S. Niederhauser, C.C. Hunziker and Jimm Sweet for PSP; Paul Sorensen of BST Associates and Bob Nolting for PSSOA; and Jeff Shaw for AMI. Captain Phil Luther offered public testimony. The public hearing was closed by Chair Vognild at 1:00 p.m.. This hearing was recorded by audio tape and court reporter.

REGULAR MEETING

The regular meeting of the Board of Pilotage Commissioners was convened at 2:00 p.m. by the chairperson in the Eikum Conference Room following a lunch break.

Consideration of Preceding Hearing - WAC 296-116-300. Following the Board's review and consideration of all written and oral testimony, it was determined that the target net income be set at \$148,535 per pilot and the number of funded pilots be set at 53 which includes one non-piloting president. The Board unanimously approved a 5.526% increase in all tariff categories except transportation. The proposed language revisions concerning Delinquent Charge Payment Period, Sailing Delay, and Super Ships were defeated by motion. Model ship training for six pilots at Port Revel in Grenoble, France was approved as a new expense this year as well as the previously established allowances for BRM, ARPA and vessel simulator training. There was approval of each line item expense and its projected cost as detailed by category. The number of projected assignments for 1995 was set at 7752. The effective period for this new tariff will run from 0001 Hours on July 1, 1995 through 2400 Hours on June 30, 1996. Details of this tariff proceeding are on file in the Office of the Pilotage Commission. This portion of the meeting to consider the Puget Sound Pilotage District tariff was recorded by audio tape and court reporter. (5:15 p.m.) Commissioner Watson left the meeting at 5:20 p.m..

Minutes. Approval of the April 13, 1995 minutes was deferred.

OLD BUSINESS

1995 Legislative Activity, Update. Both agency request bills have been signed into law by Governor Lowry. HB 1310 will become effective 7-23-95 and HB 1311 will become effective under emergency provisions on 7-1-95. Annual pilot license fees will increase from \$1500. to \$2500. on 7-1-95.

1995 Tariff Hearings, Document Submission and Scheduling of. The Grays Harbor Pilotage District tariff hearing is scheduled for June 8, 1995 at 9:00 a.m. followed by the regular Board meeting.

Best Achievable Protection (BAP) Standards, Update. Commissioner Herman reported that the Office of Marine Safety (OMS) is working toward resolution of this matter. Commissioner Badame suggested that his Legislative Committee be the liaison between OMS and the Board concerning the Board's recommended amendments.

NEW BUSINESS

Three-Month Review of Puget Sound Pilotage District Pilot Trainee. Having reviewed the training program evaluation reports submitted by senior pilots, Commissioner Gavin reported that pilot trainee Captain W.K. Anderson is progressing very well to date and has completed over 50% of his recommended training trips.

Committee Reports. There were no committees reporting today.

Legal Update. This item was deferred to Executive Session.

Pilots' Activity Reports. There were no activity reports presented today.

Miscellaneous Correspondence Review. In a letter dated 5-12-95 to the Board, the PSP is asking for two additional pilot trainees to be authorized to begin their training programs as soon as possible due to three scheduled retirements in the near future. It was determined that resulting from the increase from 51 to 53 pilots established through the tariff process today that three trainees would be more appropriate. It was moved by Commissioner Soriano and seconded by Commissioner Herman that the next three candidates on the waiting list to become pilots be invited to start training. The motion carried unanimously.

In a letter dated 5-9-95 to the Board, Captain Philip Luther is informing the Board of another violation of the Pilotage Act by a foreign-flagged mega yacht. His letter will be forwarded to the Non-Exempt Vessel Violation Committee for consideration.

Confirmation of Next Regular Meeting Date. The next regular Board meeting will be June 8, 1995 following the Grays Harbor Pilotage District tariff hearing.

An Executive Session was called from 5:35 p.m. to 5:45 p.m. for purposes of receiving legal advice regarding non-exempt vessel violations and reviewing pilot physical examination reports. In attendance were Chair Vognild, Commissioners Soriano, Gavin, Williams, Marshall, Badame and Herman; Chuck Adams and Peggy Larson.

Regular session was reconvened by the chairperson immediately following the executive session.

The physical examination reports for Captains A.B. Carey, F.A. Coe, M.R. Flavel, P.M. Hannigan, B.C. Holmes, C.A. Johannes and R.F. McCurdy were reviewed and ordered filed.

The chairperson adjourned the meeting at 5:45 p.m..

Respectfully submitted,


Peggy Larson


Larry L. Vognild, Chair


Commissioner Amigo Soriano


Commissioner Michael T. Gavin


Commissioner William S. Williams


Commissioner Peter D. Badame

absent

Commissioner Thomas M. Leschine


Commissioner Benjamin L. Watson

Commissioner Dennis C. Marshall


Commissioner Barbara Herman