

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 13, 2003

1:35 p.m.

MEMBERS PRESENT

Senator Con Bunde, Chair
Senator Ralph Seekins
Senator Bettye Davis
Senator Hollis French

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 20

"An Act extending the termination date of the Board of Marine Pilots; and providing for an effective date."

MOVED SB 20 OUT OF COMMITTEE

PREVIOUS ACTION

SB 20 - See Labor and Commerce minutes dated 2/6/03.

WITNESS REGISTER

Senator Gene Therriault
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of SB 20.

Ms. Pat Davidson
Legislative Auditor
PO Box 113300
Juneau AK 99811-3300

POSITION STATEMENT: Commented on the audit of the Board of Marine Pilots.

Captain Bob Winter
Southeast Alaska Pilots Association
9370 View Dr.
Juneau AK 99801

POSITION STATEMENT: Supported SB 20 and commented on drug testing issues.

Ms. Kate Tesar
Alaska Yacht Services
Juneau AK 99801

POSITION STATEMENT: Commented on SB 20.

Mr. Jeff Bush
320 W 8th St.
Juneau AK 99801

POSITION STATEMENT: Commented on SB 20.

Mr. Don Habeger
Royal Caribbean International
9300 View Dr.
Juneau AK 99801

POSITION STATEMENT: Supported SB 20.

Mr. Joe Geldhof
United States Navy League, Juneau Chapter
229 4th Street
Juneau AK 99801

POSITION STATEMENT: Supported SB 20 and commented on a foreign warships exemption.

Captain Dave Anders
Off Net

POSITION STATEMENT: Supported SB 20 and commented on the small yacht exemption issue.

Ms. Diana Fabozzi
Marsh Products Client Services
Ft. Lauderdale FL

POSITION STATEMENT: Commented on SB 20 and the small yacht exemption issue.

ACTION NARRATIVE

TAPE 03-4, SIDE A

CHAIR CON BUNDE called the Senate Labor and Commerce Standing Committee meeting to order at 1:35 p.m. Present were Senators Ralph Seekins, Bettye Davis, Hollis French and Chair Con Bunde.

SB 20-EXTEND BOARD OF MARINE PILOTS

CHAIR BUNDE announced SB 20 to be up for consideration.

SENATOR GENE THERRIAULT, sponsor of SB 20, said the committee discussion last week was thorough, particularly on the issue of small yacht activity. He continues to be contacted by Southeast Alaska mayors who say they have an interest in seeing that activity fostered. However, because small yacht activity is a more complex issue, he hopes the committee will consider moving this bill forward while other language is developed to address yacht activity. He hopes the committee will talk about the random drug testing program concerns because he wants to make sure the current program is operating correctly.

MS. PAT DAVIDSON, Director of the Division of Legislative Budget and Audit, told members that during the course of the audit nothing indicated there are any problems with the drug-testing program. The board delegated the authority for the drug-testing program to the regional associations. She reviewed the program with the board's assistance and found that the program just needs some "tightening up." She explained that people need to be aware of situations, "...where, for instance, a pilot is currently unavailable to take the test because he is working or if the office is closed."

MS. DAVIDSON pointed out that one of the associations joined with other organizations to create a consortium to do testing. She found the consortium was not meeting the 50 percent minimum requirement, but she said it was just a matter of altering the approach to testing. If a large pool requires 50 percent testing, the [requirement for the] small pool of marine pilots also needs to be 50 percent. The associations or their contractors need to be reporting information regarding who was available to be tested, who was tested and the test results to the marine pilot coordinator. The coordinator needs to know of any bad tests, whether those people were retested to insure test validity and whether something needs to be done if a pilot comes out with a "dirty" test. She noted, "You have to have the board's involvement there."

MS. DAVIDSON said one other recommendation was that the Legislature should decide whether to extend the drug-testing requirement to trainees and apprentices. However, many of those individuals, because of their occupations, are already under some sort of required random testing, though possibly not to the same extent as pilots.

1:40 p.m.

CAPTAIN BOB WINTER, Southeast Alaska Pilots Association, informed the committee that the training program requires all trainees to be enrolled in a random drug-testing program. Regarding the issue of 50 percent of a large group or a small group, the association was complying with federal statute, but he assured the committee that it would come into compliance with the random drug-testing question.

SENATOR FRENCH asked if he was talking about just random drug testing or the random drug and alcohol-testing program.

CAPTAIN WINTER replied that he was referring to the random drug-testing program and that holding a federal license requires participation.

SENATOR FRENCH said that wouldn't stop anyone under the influence of drugs from getting behind the wheel of a ship, since it takes a few days for the test results to come back.

CAPTAIN WINTER replied the only way to know if someone was under the influence is if that person was tested. It routinely takes 2 to 3 days to get test results back. A positive hit might trigger a call from the medical review officer to the pilot's association, to the officer and to the employer. The Coast Guard would be called immediately. In all cases he knew of, the individuals went in and provided another sample. He indicated, "We never had a positive that was a true positive. They were all false positives."

1:44 p.m.

CHAIR BUNDE commented that anyone who was under the influence would have to be confronted by people working in the immediate vicinity.

CAPTAIN WINTER added that the association is required by statute to report any violation of state law and being under the influence is a violation. The group would lose their charter as a pilotage group if they didn't report.

MS. KATE TESAR, Alaska Yacht Services, said she hadn't had a chance to talk with interested parties as she had agreed to do, but support was flowing in about the economic stimulus that yachts and their crews would provide to Southeast communities.

She explained that she was looking for a seamless intelligence service that could coordinate between the states and the federal

government and perhaps Canada to figure out how they could look at these issues. She found that Ed Page and his staff at the Marine Exchange of Alaska already have a system in place called the global marine distress signaling system. Under that system, they put transponders on boats in Alaska and can locate the boats as frequently as once every hour to find out their exact position and, "It costs about \$2.50."

MS. TESAR said she talked with folks at the International Maritime Organization, which is the marine arm of the United Nations. They adopted a comprehensive security regime that will go into effect July 2004 and all the yachts the committee has been talking about now have to comply. Her main concern relates to recommendation 4 in the audit, which would give the board statutory authority for discretion regarding waivers for the yachts coming into the state.

MR. JEFF BUSH said he was representing himself. He reported that until a week ago he was a member of the Board of Marine Pilots and for the last six years he was chair of the board. He advised that extending the Marine Pilot Board is the most important thing this committee and Legislature could do.

He pointed out that the yacht issue has been before the board for five years and he recommended that the Legislature consider using a length of vessel waiver. The board had quite a bit of discussion on the drug testing issue, although, he emphasized, there had been no evidence of any drug abuse by the pilots. In general, the board agreed with the auditor's recommendation as a way to come up with a better system of drug testing.

MR. DON HABEGER, Royal Caribbean International, said his company supports SB 20 and has no opinion one way or the other about recommendation 4, but it does on recommendations 1 - 3. He said all of the associations are complying with the recommendations. He indicated that all of their deck officers are under a random drug-testing program and he hopes the pilots are following the same procedures. He asked the Legislature to make sure that is "shorn up."

MR. JOE GELDHOF, Navy League of the United States, Juneau Chapter, said he was disappointed that the interested parties hadn't been able to talk about this issue yet and he hoped this bill could move out of committee. He said:

The only issue the Navy League of the United States is interested in is a minor technical cleanup for what

was an unanticipated problem with foreign warships, specifically AS 08.62.190, which seems to allow for Canadian ships in a casual trade.

He proposed the following technical amendment:

'Warships of foreign nations sailing in Alaska waters at the invitation of the United States and having one or more United States Naval officers aboard the foreign warship to act as a liaison officer.'

He explained the context of that language is if Secretary Rumsfeld said the Canadians, the Chileans or whoever could sail in Alaska and those ships decide not to pick up a pilot; they can sail under their own liability. He said although there were discussions that they always pick up a pilot, that's not always true.

MR. DOUG GREASON, Delta Marine Industries, said several hundred of his company's fishing vessels fish in Alaska. He explained that in the last dozen years his company has become a major builder of large yachts of the type under discussion. He knows a number of large vessel owners changed their plans to cruise Alaska exclusively as a result of their understanding of the pilotage requirements. The main concern they have is privacy. Money is less of an issue than just not wanting a strange person on the boat. He thinks that could be addressed by eliminating pilotage on vessels up to a certain size.

CAPTAIN DAVE ANDERS said he has 20 years experience on yachts and has a 1,600-ton U.S. license and a 3,000-ton British license. Recently, he was on a 151 foot yacht that was traveling around the world that was scheduled to go to Alaska in June of 2001. The Alaska portion of the trip was canceled primarily because of the owner's desire for privacy. He didn't want a stranger on board with his family and friends for the entire time they would have been in Alaska. Of the 35 countries they previously visited none had pilotage requirements that were as stringent as the ones in Alaska.

SENATOR BUNDE asked if pilots are required in other locales, but just not for the same amount of time that Alaska requires.

CAPTAIN ANDERS said that is correct. His yacht would have been required to have a pilot on board the entire time they were in Alaska waters except when they were moored to the land. Even if they were at anchor, they would have been required to have a

pilot on board and the cost would have been approximately \$3,000 per day. While privacy was the primary reason, being required to have a pilot around the clock drove the cost way up.

SENATOR FRENCH asked if he had ever operated within the British Columbia waiver system.

CAPTAIN ANDERS replied that he had, but he was required to have a pilot only while they were under way and that cost \$500 per day.

SENATOR FRENCH said the system he was referring to requires paying a certain fee and filling out a questionnaire about how many English speaking people are on board the vessel and what sort of navigation aids they have, etc.

CAPTAIN ANDERS replied that he complied with that system in Washington State, which had a 10 to 12 page questionnaire.

SENATOR FRENCH said he was mistaken in thinking it was British Columbia.

CAPTAIN ANDERS continued to explain that once he filled out the questionnaire and sent in a copy of his license, he was granted a waiver, which was totally acceptable from his point of view.

MS. DIANA FABOZZI, Marsh Product Client Services, agreed with Captain Anders and said her company services 650 luxury yachts. Her company works with only a handful of insurance companies that write liability policies for luxury vessels. When underwriting a yacht, they determine who the owner is, the experience of the captain and crew, the yacht management and the loss records. The insurance companies do not dictate how the vessel should be run; they rely entirely on the expertise of the captain and the crew.

CHAIR BUNDE thanked Ms. Fabozzi for her testimony. He informed members that he did not want to address short-term amendments and he had a strong indication that the warship amendment would be addressed in another committee of referral after it was run through Legislative Legal and Research Services. In addition, he preferred to take up the yacht issue separately and not slow down the reauthorization of the board.

SENATOR SEEKINS asked if he was speaking to SB 20, Version 23-LS0274\D.

CHAIR BUNDE replied that was correct.

SENATOR SEEKINS made a motion to move SB 20 from committee with individual recommendations.

CHAIR BUNDE asked for the roll to be called.

Senators Davis, French, Seekins, and Bunde voted in favor and SB 20 passed from committee.

CHAIR BUNDE adjourned the meeting at 2:12 p.m.