

# COMMITTEE REPORT HOUSE

FURTHER:

2/25/83

Date: 3/9/83

Mr. Speaker: (Labor & Commerce waived 2/25)

The Committee on FINANCE has had HB 218

An Act relating to the Board of Marine Pilots.

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 218  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Sam Vestergaard

\_\_\_\_\_

\_\_\_\_\_

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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CHAIRMAN

Original sponsor: Labor and Commerce Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 218 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Board of Marine Pilots; and  
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 08.03.010(c)(12) is amended to read:

10 (12) Board of Marine Pilots (AS 08.62.010) -- June 30, 1987

11 [1983].

12 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
13 10.070(c).

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: House Bill No. 218 Date on Bill: February 21, 1983  
 Title: "An Act relating to the Board of Marine Pilots."  
 Sponsor: Labor and Commerce Committee  
 Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating				
Total	0	0	0	0

b. Revenues:

Revenue				
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions: This bill would continue the existence of the Board of Marine Pilots to June 30, 1987 and would provide no additional impact on the department, or the board, if this legislation is passed.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: *Darrell Miller* Phone: 465-2535  
 Division: Occupational Licensing Date: February 28, 1983  
 Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Department: Commerce and Economic Development

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

BOARD OF MARINE PILOTS

Current Number of Licensees - Marine Pilots - 56  
 Registered Agents - 12

FY '82

Revenues	1.8	
Expenditures	15.1	
**Personal Services		8.3
*Contractual		1.7
*Commodities		0
Board Travel and Per Diem		5.1
	TOTAL	<u>15.1</u>

FY '83 - Allocated (board travel & per diem only) - 7.5

Revenues (7/1/82 to 3/1/83)	18.8	
Expenditures	9.5	
**Personal Services (7/1/82 to 3/1/83)		5.3
*Contractual		.5
*Commodities		-0-
Board Travel and Per Diem		3.7
	TOTAL	<u>9.5</u>

FY '84 - (Board Component - Division Budget) Total 201.5  
 Board of Marine Pilots Allocation 7.9

\*The above items are funded in the Administration component of the division's budget.

\*\*Personal services are 1/3 of 1 licensing examiner position.

# STATE OF ALASKA

WALT FURNACE, CHAIRMAN  
RICK UEHLING, VICE CHAIRMAN  
JOHN COWDERY  
NILLO E. KOPONEN  
HUGH MALONE  
JOHN RINGSTAD  
RON WENDTE



POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3892

## HOUSE LABOR AND COMMERCE COMMITTEE

February 16, 1983

Representative Joe Hayes, Speaker of House  
Alaska House of Representatives  
Pouch V,  
Juneau, Alaska 99811

Re: Alaska State Board of Marine Pilots

Dear Mr. Speaker:

Pursuant to AS 44.66.050(a) the House Labor and Commerce Committee has held hearings regarding the above referred Board. Under AS 44.66.050(e) the Committee recommends adoption of the attached Committee Bill continuing the Board.

Specifically, the findings of the Committee of the public need for the Board as required under AS 44.66.050(c) are as follows:

AS 44.66.050(c) " A determination as to whether a board or commission or agency program has demonstrated a public need for its continued existence shall take into consideration the following factors:"

"(1) the extent to which the board, commission or program has operated in the public interest;"

The Committee finds that the Board of Marine Pilots is operating in the public interest through the regulation and licensing of marine pilots by assuring the protection of shipping, human life and property, and the environment from potential dangers caused by registered vessels sailing in Alaskan waters. and property,

"(2) the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters;"

The Committee would recommend that the Board of Marine Pilots define terms as they are used in the regulations and complete a procedures manual as soon as practicable.

"(3) the extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest;"

The Committee has not found any statutory changes needed within the area regulated by the Board of Marine Pilots.

"(4) the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided;"

The Committee commends the Board of Marine Pilots on the degree of public interest and participation which has occurred.

"(5) the extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions;"

The public has a chance to give input about proposed regulations, since proposed regulations have to be published in the newspaper before they can become effective. In the public notices, the public is invited to make testimony on the proposed regulations.

"(6) the efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved;"

There were no complaints filed with the Office of the Ombudsman, State E.E.O., or the Attorney General's Office. Adoption of a procedures manual would identify necessary steps if complaints are filed.

"(7) the extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public;"

The Committee finds that the Board of Marine Pilots requirements for licensure as a State marine pilot, the applicants be qualified to pilot vessels in the inside waters of Alaska meets the criteria.

"(8) the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest; and"

The Committee finds the the personnel practices of the Board of Marine Pilots to be in compliance with applicable laws and regulations.

"(9) the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to

better serve the interests of the public and to comply with the factors enumerated in this subsection."

See findings 1 and 6.

Pursuant to AS 44.66.050(d) the Committee recommends the following:

"(d) As to each board, commission, or agency program assigned to it for purposes of review, the committee of reference shall, not later than the 60th day of the legislative session, submit a report to the presiding officer of the house. The report shall contain a summary of the findings of the committee as to the compliance of the board, commission or program with the factors enumerated in (c) of this section, together with a summary or recommendations of the committee as to each of the following:"

"(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address;"

The Board of Marine Pilots was created under Alaska Statute 08.62 to carry out the State of Alaska's responsibility of regulating pilotage on registered vessels. The regulation and licensing of marine pilots by a State agency is necessary to assure the protection of shipping, human life and property, and the environment from potential dangers caused by registered vessels sailing in Alaskan waters.

"(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments;"

The objective of the Board of Marine Pilots is to insure the competency of marine pilots responsible for vessels within the jurisdiction of the State.

"(3) an identification of any other programs having similar, conflicting or duplicate objectives;"

Responsibility for the regulation of marine pilotage is shared by the federal and state governments. The federal government, through the U.S. Coast Guard (USCG), regulates pilotage on enrolled vessels, while the individual states are given the right, in the United States Code, to regulate pilotage on registered vessels. Enrolled vessels are vessels registered in the United States and engaged in commerce between American ports; registered vessels are those vessels engaged in foreign trade. The individual states have the right to regulate pilotage on vessels engaged in foreign trade.

"(4) an assessment of alternative methods of achieving the purposes of the program;"

The Committee concluded that there was not a viable alternative method of achieving the purposes of the program.

"(5) an assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level;"

The Committee believes the consequences of eliminating the board or consolidating its activities would expose shipping, the public, and the environment to the potential consequences of a maritime mishap.

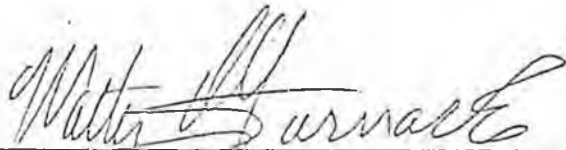
"(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts; and"

The Committee believes that a safety record of over 2,000 dockings without mishap justifies continuing the Board of Marine Pilots.

"(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest."

The Board of Marine Pilots should work with Department of Commerce and Economic Development, Division of Occupational Licensing to ensure that public notices of examinations are sufficiently and timely advertised.

Respectfully submitted:

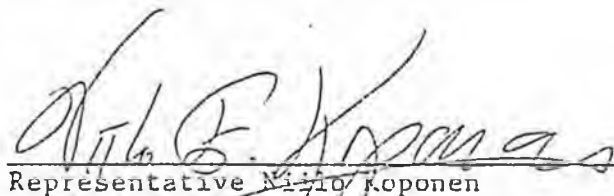


Representative Walt Furnace, Chairman



Representative Rick Uehling, Vice Chairman

Representative John Cowdery



Representative Mijo Koponen

*Hugh Malone*  
Representative Hugh Malone

Representative John Ringstad

Representative Ron Wendte

The following individuals are expected to testify on HB 218:

Harry Traeger, Director, Division of Occupational Licensing,  
Department of Commerce and Economic Development

Joe Merrill, President, Southwest Pilots Association

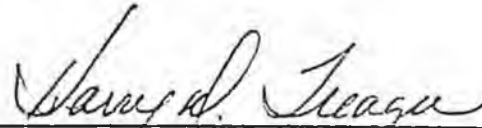
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
POSITION PAPER  
SB 145; HB 218  
BOARD OF MARINE PILOTS

The department has consistently agreed with the Division of Legislative Audit that the Board of Marine Pilots should continue to regulate and license the marine pilot profession. For the protection of human life and property, shipping and the environment, it is imperative that marine pilots be licensed and regulated and that vessels operating in the inside waters be required to have a licensed pilot in command.

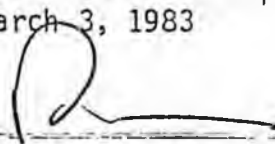
The board has continued to operate in the interest of the public, the licensees and the applicants. It has addressed issues such as the licensing vessel agents and the adoption of regulations to clarify standards and misconduct, held tariff hearings for southeast ports, reviewed and updated examinations and worked toward training for marine pilots through participation in the WICHE program.

There has been no complaint filed against this board.

The Department of Commerce and Economic Development endorses the continuation of the Board of Marine Pilots.



Harry D. Treager, Director  
Division of Occupational Licensing  
Department of Commerce and  
Economic Development  
March 3, 1983



3/9/83

Richard A. Lyon, Commissioner  
Department of Commerce and  
Economic Development

A PERFORMANCE REVIEW OF THE  
ALASKA STATE BOARD  
OF MARINE PILOTS

August 4, 1982

Audit Control Number

08-1078-83-R

Commissioner, Department of  
Commerce and Economic  
Development

Richard A. Lyon

Deputy Commissioners, Department  
of Commerce and Economic  
Development:

Edward Eboch  
Vacant

Members of the  
Board of Marine Pilots

Chairperson  
Member  
Member  
Member  
Member  
Member  
Member

Charles R. Webber  
Captain Donald Oldow  
Captain Jack Maroni  
David V. George  
Marvin Taylor  
William H. Barrington  
Kenneth Peavyhouse

# STATE OF ALASKA

AUDIT DIVISION  
POUCH W  
JUNEAU, ALASKA 99811

THE LEGISLATURE  
BUDGET AND AUDIT COMMITTEE

October 11, 1982

Members of the  
Legislative Budget and Audit Committee:

In accordance with the intent of Title 24 and 44 of the  
Alaska Statutes, the attached report is submitted for your  
review.

A PERFORMANCE REVIEW OF THE  
ALASKA STATE BOARD  
OF MARINE PILOTS

August 4, 1982



Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit

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## PURPOSE AND SCOPE OF THE REVIEW

### Purpose

In accordance with the intent of Alaska Statutes 24.20 .271(1) and 44.66.050 (sunset legislation), an audit of the Board of Marine Pilots was conducted to review Board activities and accomplishments to determine if the Board has operated in an effective, efficient, and economical manner.

As required by legislative intent, this report shall be considered during the legislative oversight function in determining whether the Board of Marine Pilots should be reestablished. The law currently specifies that this Board will terminate on June 30, 1983, but will continue until June 30, 1984, for the purpose of concluding its affairs.

### Scope

The major areas reviewed were the Board's operations and its licensing, administration, complaint and affirmative action functions. Our review consisted of analyzing and evaluating the following:

- (1) Applicable statutes and Board regulations;
- (2) tests of records and documents of the Board and the Division of Occupational Licensing (OL), Department of Commerce and Economic Development;
- (3) interviews with OL employees;
- (4) complaints filed with OL and the Attorney General's Office; and
- (5) interviews with personnel from the U.S. Coast Guard.

## ORGANIZATION AND FUNCTION

Responsibility for the regulation of marine pilotage is shared by the federal and state governments. The federal government, through the U.S. Coast Guard (USCG), regulates pilotage on enrolled vessels, while the individual states are given the right, in the United States Code, to regulate pilotage on registered vessels. Enrolled vessels are vessels registered in the United States and engaged in commerce between American ports; registered vessels are those vessels engaged in foreign trade. The individual states have the right to regulate pilotage on vessels engaged in foreign trade.

The Alaska Board of Marine Pilots was created under Alaska Statute 08.62 to carry out the State of Alaska's responsibility of regulating pilotage on registered vessels. The Statute became effective in 1970.

The Board is made up of seven members - two marine pilots, two agents or managers of vessels, two public members and the Commissioner of the Department of Commerce and Economic Development. Per the Statutes (08.62), the purposes of the Board of Marine Pilots are to license qualified pilots; to take disciplinary action against negligent or incompetent pilots; and to regulate pilotage fees.

Once a marine pilot has received a license from the Board, he is authorized to pilot registered vessels within the established boundaries of inside waters of the State. The inside waters are defined by regulations as all of Southeastern Alaska, Prince William Sound, Cook Inlet and Resurrection Bay. Alaska Statute 08.62 requires registered vessels to carry State licensed pilots when inside these boundaries. It is the pilot's job to direct a vessel safely through the inside waters; dock and undock the vessel.

To obtain an unlimited pilot's license an applicant must first obtain both a pilot's license and a master's license issued by the U.S. Coast Guard. In addition, he must perform ten to twenty dockings and undockings and pass written and oral examinations administered by the Board.

The Board also issues limited pilot's licenses and channel pilot's licenses. The holders of limited pilot's licenses may pilot vessels of 2,000 gross tons or less. Channel pilots may pilot vessels in main ship channels only, and can perform dockings and undockings under the direct supervision of pilots holding unlimited pilot's licenses. Proof of dockings and undockings is required to obtain all classes of licenses. Applicants for any of the three licenses can obtain temporary licenses by meeting all the licensure

requirements and taking a temporary license examination. A second examination is required for permanent licensure.

To obtain license renewal, a pilot must show that he has worked at least two months in each area for which he holds a license. The two months' time must have been worked within two years prior to the renewal date. License renewal is required biennially.

Another function of the Board is regulating fees for pilotage services. Any increases of the fees charged by pilots for their services must be approved by the Board.

The Board is assisted in performing its licensing and other administrative functions by staff support from the Division of Occupational Licensing (OL). OL processes applications, maintains files, answers correspondence dealing with the Board and provides other administrative support as needed by the Board. In addition, OL investigates any complaints or accident reports involving marine pilots.

## REPORT CONCLUSION

In our opinion, the Board of Marine Pilots should continue to regulate and license the marine pilotage profession. The regulation and licensing of marine pilots by a State agency is necessary to assure the protection of shipping, human life and property, and the environment from potential dangers caused by registered vessels sailing in Alaskan waters.

We recommend that the Board of Marine Pilots: (a) define terms as they are used in the regulations and (b) require that a procedures manual be completed as soon as possible.

We recommend that the Department of Commerce and Economic Development, Division of Occupational Licensing: (a) ensure that public notices of examinations are sufficiently and timely advertised and (b) review their applications for licensure and delete any questions which could lead to discrimination against applicants.

## FINDINGS AND RECOMMENDATIONS

### Recommendation No. 1

The Board of Marine Pilots should recommend regulatory changes to make the license renewal requirements less vague.

The regulation which sets down the requirements for the renewal of State pilot's license is vague. Alaska Administrative Code (AAC) 12.56.080 requires applicants for the biennial renewal of State pilot's licenses to submit proof of having worked at least two months in each area for which they are requesting renewal. The two months must have been worked in a licensed deck officer capacity during the two years prior to the date of renewal of the license.

The regulation is vague in that the terms and phrases used are not defined. For example, "two-months" can mean 60 days or 60 days less week-ends or one trip a week for eight weeks. "Licensed deck officer capacity" can mean any position from third mate to pilot. The regulation states the pilot must have worked "in the area for which he was licensed during the last biennial period" (emphasis added). A person licensed for all of Southeastern or Southwestern Alaska could spend two months in only one of many ports in the area and still fulfill the "in the area" requirement.

The Board should define or clarify the following terms or phrases:

- A. Does the term "licensed deck officer capacity" include or exclude time as a pilot?
- B. How does a pilot calculate the two month period required by 12 AAC 56.080(b)?
- C. What exactly is meant by "in the area"?
- D. How does the Board determine what is sufficient knowledge and experience?

### Recommendation No. 2

The Board should establish formal procedures to conduct its business more effectively and promote better communication with supporting personnel.

The Board members and licensing examiner for the Board should develop a procedures manual to be used by the Board members and the examiner. Many misunderstandings between the licensing examiner and the Board members can be cleared

up this way. In addition, a procedures manual would provide continuity between licensing examiners--this would help alleviate the problems caused by the rapid turnover of license examiners.

Recommendation No. 3

The Department of Commerce and Economic Development, Division of Occupational Licensing should ensure that public notices of examinations are sufficiently and timely advertised.

The Department is required by statute to publish notices of examinations, and it is each board's responsibility to notify the Department of upcoming examinations well enough in advance to permit proper advertisement.

During our review of examination advertisements, we found that four out of six notices did not allow adequate time for individuals interested in taking the examination to submit applications within the advertised deadline. Regulations for the Board of Marine Pilots, 12 AAC 56.070(a), say in part, "all applications for examination must be submitted to the board at least 60 days before the date of examination."

Advertisements should be published early enough to allow adequate time for all interested candidates to submit applications before the required deadline.

Recommendation No. 4

The Department of Commerce and Economic Development, Division of Occupational Licensing, should review their application forms for licensure and delete any questions which could lead to discrimination against applicants.

One of the public need criteria for the continued existence of a board is the extent to which State personnel practices, including affirmative action requirements, have been complied with by the board in its area of activity.

In reviewing the applications for licensure of the Board of Marine Pilots, we noted that the applications contain questions which could lead to discrimination by Board members against applicants. The applications request information on sex, age, height, weight, color of eyes and hair. We did not find any evidence of discrimination against an applicant based on the answers to these questions. However, the potentiality for discrimination exists.

We recommend that the Board of Marine Pilots and the Division of Occupational Licensing consult with the State Equal Employment Opportunity Office or the Human Rights Commission on the makeup of the applications for licensure. These two

agencies could help the boards make a determination as to whether or not the questions asked are of a discriminatory nature. Then, any discriminatory-type questions should be analyzed to determine if a real need for the information exists. If not, the questions should be deleted.

This is a problem common to many boards. Basically the same recommendation was made in "A Performance Review of the Division of Occupational Licensing," dated October 30, 1978.

## ANALYSIS OF PUBLIC NEED

### Limited Analysis

The following analysis of Board activities relates to the public need factors defined in the "sunset" law. This analysis is not intended to be all inclusive, but addresses those areas we were able to cover within the scope of our review.

- I. The extent to which the board, commission or program has operated in the public interest.
  1. The Board of Marine Pilots has operated in the public interest by promulgating regulations which help assure that a State-licensed marine pilot has the experience, knowledge and skill required for safe pilotage. The qualifications required for licensure as a State pilot exceed the requirements for a U.S. Coast Guard issued pilot's license as follows:
    - a. Applicant must possess a U.S. Coast Guard issued master's license;
    - b. applicant must document having completed 10 to 20 dockings and undockings under the supervision of a State licensed pilot; and
    - c. applicant must be at least 25 years old.
  2. The Board is protecting the public by providing a mechanism to help assure the protection of shipping, human lives and property and the environment from the dangers posed by vessels in Alaskan waters.
- II. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The following enhanced the performance of the Board of Marine Pilots.

1. The Governor, when making appointments to a board or commission, requests that the appointee attend at least 75% of the meetings.

From 01/30/79 through 12/15/81, three board members had 100% attendance, one had 93%, one had 90% and one had 86% attendance of all scheduled meetings.

2. The Board receives administrative services support from the Division of Occupational Licensing (DOL).
3. The Board receives legal assistance from the Attorney General's Office.
4. The Board has established a working relationship with the U.S. Coast Guard and with industry representatives.

III. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

1. During the 1979 Legislative session, a bill was passed that increased the maximum fine payable by violators of the statute, which required pilots aboard registered vessels, from \$1,000 to \$5,000. This is in the public's best interest because it should have more of a deterrent effect on potential violators than the \$1,000 maximum penalty did.
2. In 1980, AS 08.62.150 was amended by adding paragraph (7) which includes a provision to allow the Board to revoke or suspend a license based on the revocation or suspension of a U.S. Coast Guard pilots license.

IV. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, and availability of service which it has provided.

1. The public is invited, by notices in the four major newspapers throughout the State, to the Board's meetings. However, in many cases, the notices are not published timely enough to allow a person interested in attending a meeting time to prepare for the meeting.
2. At each of the meetings of the Board there have been at least four industry representatives other than the Board members or support staff in attendance at the meetings.

V. The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

1. As stated in Criteria IV, Number 1, the public is invited to the Board of Marine Pilots' meetings to give input about Board business.
2. The public also has a chance to give input about proposed regulations, since proposed regulations have to be published in the newspapers before they can become effective. In the public notices, the public is invited to make testimony on the proposed regulations.

VI. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

1. There were no complaints filed with the Office of the Ombudsman, State E.F. O., Human Rights Commission, or the Attorney Generals' Office.

VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

1. Based on the requirements for licensure as a State marine pilot, the applicants should be qualified to pilot vessels in the inside waters of Alaska.
2. Since 1978, there were 24 licensed pilots who were eligible to have their licenses renewed. All 24 pilots, voluntarily did not apply for license renewal. However, licenses have been issued to 15 newly qualified applicants.

VIII. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity of interest.

1. Applicants for State pilot's licens. must by regulation be at least 25 years old. It is recommended by the State Division of Equal Employment Opportunity (E.E.O.) that on the Application/Renewal Forms, instead of asking

for the "date of birth," the question should be; "are you at least 25 years of age?"

2. The Board of Marine Pilots Application/Renewal Forms require: place of birth, weight, height and sex. According to E.E.O. guidelines, this information is not necessary for licensing and should be deleted from the forms.

IX. The extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

1. See Recommendations No. 1 through No. 4.

APPENDIXES

APPENDIX A

BOARD OF MARINE PILOTS  
REVENUES COMPARED WITH EXPENDITURES  
 Fiscal Year 1982  
 (UNAUDITED)

Revenues (see Schedule 1 and Note 1)	\$ 10,072
Expenditures (see Note 2)	<u>51,138</u>
Excess of Expenditures over Revenues	<u>\$ (41,066)</u>

Schedule 1  
Types of Revenue

<u>Revenues</u>	<u>Amount</u>	<u>Time of Collection</u>
Application and Examination Fee	\$ 10.00	With submittal of application
Temporary License Fee	\$ 50.00	With submittal of application
License Fee	\$300.00	Biennially

Note 1

Most of the revenues collected by this Board are comprised of license renewal fees. These fees (\$300) are collected once every two years, which causes revenues in one year to be much greater than the revenues collected in the next year. Therefore, the revenue figure reported above is an average of the revenues collected in fiscal years 1980 and 1981, in order to obtain an accurate representation of collected revenues.

Note 2

Expenditures includes those made by Board members, such as travel and per diem, and an allocated percentage (estimated) of total administrative expenses of OL. They do not include expenditures for the efforts of other departments, such as the Department of Law, in assisting the Board and OL.

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH D  
JUNEAU, ALASKA 99811  
PHONE: 465-2500

October 28, 1982

RECEIVED  
OCT 30 1982

LEGISLATIVE  
AUDIT

Mr. Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit  
Pouch W  
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Re: Board of Marine Pilot Audit Report

We have reviewed your preliminary audit report on the Performance Review of the Board of Marine Pilots. The Department of Commerce and Economic Development concurs with your findings that the board has operated in the public interest.

Thank you for the opportunity to comment on your findings. We concur with Recommendations 1, 2 and 3 and concur, in part, with recommendation 4. We have addressed each recommendation in our response. The board is tentatively scheduled to meet on December 6, 1982 in Anchorage. If additional comments are developed at that time, we will inform your office.

The following is our immediate response to the recommendations as they appear in your report:

### Recommendation #1

The Board of Marine Pilots should recommend regulatory changes to make the license renewal requirements less vague.

We concur with the recommendation that the terms "two months," and "licensed deck officer" are vague and should be further defined. The term "in the area" is further explained in 12 AAC 56.080(b)(2) by the continuation of the sentence "... for which his license was originally issued." The answer to part D of your recommendation the board determines sufficient knowledge and experience by written examination of the knowledge for the subjects listed in 12 AAC 56.070 and the oral interview administered by no less than three board members on subjects noted in 12 AAC 56.070(c)(1)(2) and (3).

Recommendation #2

The board should establish formal procedures to conduct its business more effectively and promote better communications with supporting personnel.

The department concurs in general with the idea in this recommendation. However, we have no knowledge of problems in communicating with board members. Due to the board members being in private business and unavailable for immediate responses has caused only minimum delay. Board members frequently visit the division office when in Juneau.

In 1981, a manual for the board chairpersons of all the boards and commissions was completed. A portion of the manual is for effective operations between the boards and support staff. The division is in the final drafting stage of desk manuals for the examiner staff in each licensing occupation. The final manuals should be completed by December 1982.

Recommendation #3

The Department of Commerce and Economic Development, Division of Occupational Licensing, should ensure that public notices of examinations are sufficiently and timely advertised.

We concur public notices should be made in a timely manner. The Division of Occupational Licensing has attempted to give notice throughout the State. A list of radio, television and other media outlets has been compiled, and copies of notices are sent to 82 different agencies and media offices. Additional support staff has been hired in the clerical field and this will be an assigned function under the guidance of the examiner staff. This should eliminate this problem and comply with your recommendation. Procedures have been developed for the examiner's desk manual addressing this issue.

Recommendation #4

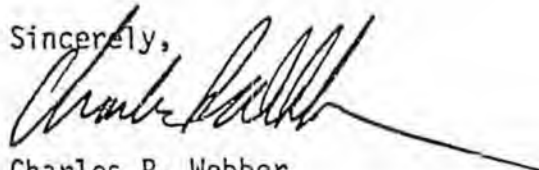
The Department of Commerce and Economic Development, Division of Occupational Licensing, should review their application forms for licensure and delete any questions which could lead to discrimination against applicants.

The department and division would agree with the theory of this recommendation. However, in practice, assurance is a must in licensing those individuals who file documentation are the same individuals who are tested. Personal data insures this. The division has experienced a situation where a son attempted to gain a professional license by use of his father's documentation. The use of personal data assisted in the discovery of this attempt. The division does and will continue to review applications to protect the applicants and delete unnecessary information requirements. As stated in your review, there have been no complaints against the board.

October 28, 1982

In closing, I would like to thank you and your staff for the constructive evaluation contained in your review, and for the opportunity to respond. Your staff should be commended on their professional approach, and the manner they go about their audit task. Their recommendations are well taken.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles R. Webber", with a long horizontal flourish extending to the right.

Charles R. Webber  
Commissioner

CRW/wfs 1/10

Introduced: 2/21/83  
Referred: Labor & Commerce  
and Finance

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE HOUSE

HOUSE BILL NO. 218

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Board of Marine Pilots."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 08.03.010(c)(12) is amended to read:

9 (12) Board of Marine Pilots (AS 08.62.010) -- June 30, 1987

10 [1983].