

Marine

Pilots

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Rm 104

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



WHILE IN JUNEAU
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JUNEAU, ALASKA 99811
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SENATE LABOR AND COMMERCE COMMITTEE

December 13, 1991

Gene Burden, Vice President
Tesoro Alaska Petroleum Company
P.O. Box 190272
Anchorage, AK 99519

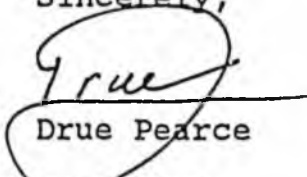
Dear Mr. Burden:

Following up on the conversation you had with Rod Mourant of my staff concerning the Board of Marine Pilots, here is a copy of the proposed regulations regarding regionalization, transition and tariffs. The schedule for adoption of these proposed regulations allows for written comments to be submitted through January 13, 1992. Limited testimony will be taken at the board meeting on January 22 - 23, 1992.

I encourage you to look over these regulations and the legislation which prompted their drafting, House Bill 194, and advise the Department of Commerce and Economic Development and the Board of Marine Pilots of any concerns that Tesoro may have. I would appreciate being copied on any written communication so that I will be aware of your specific concerns.

Gene, as we have discussed, the intent of the legislation was to minimally regulate the industry to the degree necessary to assure safe pilotage in Alaska. It was not the legislature's intent to limit free trade and open competition or to foster excessive tariffs on the industry. I am available to assist you in seeing that fair and appropriate regulations are adopted by the department. Let me know if I can help.

Sincerely,


Drue Pearce

Enclosure
DP:rrm

December 2, 1991

P

Drue -

RE: Marine Pilots/Gene Burden

I spoke with Gene today & his major area of concern is that excessively high maximum tariffs will be authorized and that a lack of competition will result in their utilization. He is especially concerned about Nikiski, of course.

I told him that I would attempt to get a copy of the proposed max tariffs for South Central and provide him with a copy. A close friend of his is Bill Lorch(sp?). Laech

He seems satisfied that continued monitoring to assure open competition will yield desired result.

T. Lorch

W. Gene Burden
Vice President
Administration & Government Relations

November 11, 1991

Capt. William C. Lorch
Alaska Maritime Agencies, Inc. Sent via fax: 272-8795
1600 A Street Suite 220
Anchorage, Alaska 99501

Subject: Comments to the Alaska Board of Marine Pilots

Dear Mr. Lorch:

I am submitting the following comments to you as a member of the Alaska Board of Marine Pilots and request that you convey them to the Board for consideration.

Tesoro Alaska Petroleum Company charters the Overseas Washington which provides our feedstock deliveries of Alaska North Slope crude oil (ANS) from Valdez to Nikiski. In so doing, we regularly utilize the services of marine pilots and, as a result, incur substantial annual expenses for these services.

The Alaska Board of Marine Pilots is presently considering a number of issues with considerable implication, and interest, to Tesoro Alaska. Our general concerns are based on our understanding that the enabling legislation (H.B. 194) was not intended to do any of the following:

1. Interfere with a user's ability to employ any pilot it may prefer to select;
2. Create an anti-competitive situation;
3. Limit the number or size of pilot associations;
4. Interfere with a pilot's ability to become certified to work in more than one region; or
5. Create a situation where the "maximum reasonable tariff" becomes the prevailing tariff.

We are also concerned that the Board, in adopting a "maximum tariff", have access to sufficient information and conduct the necessary inquiries to assure that the requirements of AS 08.62.045 are met. For example, under AS 08.62.045 (a)(1) the Board must consider "what is reasonable compensation based on actual time piloting and time spent preparing to provide services..."

Capt. William C. Lorch

November 11, 1991

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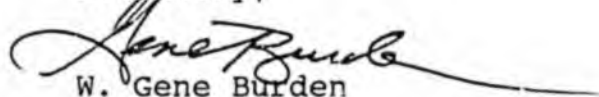
"Reasonable compensation" can be determined for a particular job after selection of other jobs which require generally equal skill, effort, and responsibility performed under similar working conditions and establishing a range of compensation that is comparable to the rates of the other positions. Salary survey information is commercially available for comparisons with current marine pilot earnings. Salary comparisons are common in industry to assure that compensation practices for differing jobs within an organization are consistent with the parameters required under the Equal Pay Act amendments to the Fair Labor Standards Act. The Board should 1) develop a wage comparison procedure that will be able to demonstrate how it arrives at the statutorily required "reasonable compensation"; and 2) determine the current compensation of the marine pilots to enable accurate evaluation and comparisons as anticipated by the statute.

The Board must also examine each of the other 4 items contained in AS 08.62.045 (a) and must conclude the information collection and evaluations before any conclusions can be presented as to what an appropriate maximum reasonable tariff might be. An effort to present a tariff without adequately meeting the statutory obligations of this section will likely generate more disagreement and probable delay than will a systematic analysis as required by the statute.

In conclusion, it appears that the Legislature anticipated the possible expansion of pilot associations in the state. It would appear there is no limitation on the size of a pilot organization under AS 08.62.175. As a result, the Board must anticipate the effect of its actions on the free development of associations and avoid any actions which would have the effect of being anti-competitive.

Thank you for the opportunity to comment on these issues. If there are any question please do not hesitate to contact me.

Sincerely,



W. Gene Burden

cc: Sen. Drue Pearce
Phil Garrett - Tesoro
Jim Meitner - Tesoro

20 cl

Captain Michael C. Spence
12535 Auke Nu Dr.
Juneau,
Alaska 99801

Senator Drue Pearce
Senate Labor and Commerce Committee
Alaska State Legislature
3111 "C" St., Ste 150
Anchorage, Alaska 99504

November 27, 1991

Dear Senator Pearce,

It was encouraging to see that you, Representative Cheri Davis and your respective staff have attended some of the the meetings of the Board of Marine Pilots during this implementation period of the Marine Pilotage Act. This is a crucial juncture in the State's role of regulation in our profession, and one which deserves the close attention of responsible legislators to make sure that this work is done properly.

During the introductory phase of the Act in the legislature last Spring, I attended the Senate Transportation Committee hearing and followed other hearings closely. I have been very concerned from the outset that the lobby efforts of SEAPA and SWAPA were not particularly well-intended. I also read the June memos of Captain Murphy and Mr. Yoshida, referred to in your letter of October 15, 1991 to Mr. Watt, chair of the Board of Marine Pilots. The "analysis" of Mr. Yoshida is also happens to be exactly the analysis of the entire SWAPA presentation made to the Board of Marine Pilots in October and November, ie: that only one organization of pilots should be recognized in any one region, that all pilots in any region must be members of that organization, and that all members of that organization should charge the same tariff.

Interestingly, while SWAPA pilots were the first to declare that regionalization was necessary to limit pilots to the finite areas over which they could reasonably be capable of piloting, in the SWAPA presentation of October 1 their region extends from close Westward of Yakutat all the way around the Arctic coast to the Canadian border. (later amended to cede part of that territory to AMP). Equally noteworthy, while the SWAPA documents stress the exclusivity of their "core" region of Prince William Sound and Cook Inlet, they also claimed access rights for "training" and for business which they have historically served in Dutch Harbor and Kodiak, which otherwise are would belong to the Western region. In other words, exclusivity with *exceptions*. SWAPA's definition of "region" clearly includes *regional exclusivity*, and it appears that they have co-opted SEAPA and possibly AMP to this concept, by entering into turf agreements with those organizations. What is disturbing about this is that it draws the Board of Marine Pilots into

precisely the problem which the State was supposed to avoid: Regulations which prevent competition.

Such regulations already proposed and supported by pilot members on the Board include the following:

- a) Requirements that pilots must be members of two or more organizations in order to work in more than one region.
- b) Requirements that pilots must be licensed and practice in all parts of a region, even if the portion of commerce that they serve and their numbers dictate that they cannot cover the entire region.
- c) Training requirements for a region that require a pilot from one organization to serve an apprenticeship under a competitor pilot organization.
- d) Recognition requirements that require all members of pilot organizations to have a licenses (State or Federal) over the entire region in which the organization will be recognized, rather than just part(s) of a region.

The effect of these regulations is that while they may not explicitly forbid competition, they make it a practical impossibility .

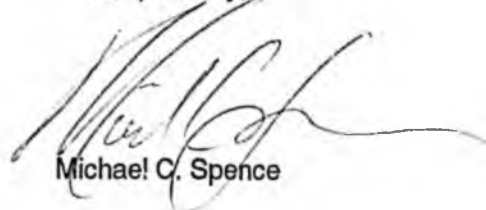
If indeed the intent of regionalization was to provide, as you describe, a fair if arbitrary limitation of territory over which marine pilots may become and remain qualified, then the new "lines" proposed by the Board in November clearly violate that premise, because they create one region which is three times the size of either of the other two regions. On October 1, the Board originally drew lines which should have provided four more or less equally-sized areas. This, it appears, would have placed SWAPA in the uncomfortable position of working in three regions of Alaska, while arguing for exclusivity to be imposed against other organizations seeking to work in the SouthCentral region. Thus, when the Board met again in November, SWAPA had worked out a deal with AMP to get the Board to revert back to three regions. The point is: while it may be impossible to prevent pilotage organizations from making such deals when the economics are favorable for themselves, the State must not allow such agreements to be perpetuated through regulation.

I am heartened that you have taken the time to set straight some of the misconceptions in Mr. Yoshida's memo. The concerns of Captain Bennett stemming from those and other communications of SWAPA are well-founded and not simply conjectural. From the moment the Alaska Coastwise Pilots' Association came into existence it has been the focus of one attack after another by SEAPA and SWAPA. For example, while still a sitting member of the Board of Marine Pilots last Summer, Captain H. K. Elsensohn of SEAPA orchestrated an action of the union of Masters, Mates and Pilots, in which his brother Robert is an official, the result of which was the threat of cancellation of health and retirement benefits to ACPA pilots. The union actually cut off pension payments temporarily to one pilot alleged by Captain Elsensohn to be working with ACPA. SEAPA pilots have refused to answer radio traffic calls by ACPA pilots, later claiming that such is another example of how competition creates an unsafe condition on our waters. More recently, ACPA members have received a steady stream of "merger" proposals and invitations to fix tariffs from SEAPA members.

The efforts of SEAPA and SWAPA to reinstate their monopolies should now be common knowledge in the maritime and legislative communities. There is still ample cause for concern for those of us working outside of SEAPA and SWAPA. We desire neither to be run out of business by denial of "recognition" nor to be forced into a merger with those organizations. The pilots who have worked for ACPA are experienced, accident-free pilots who have legitimate reasons for separating themselves from the other groups.

I hope that you will continue to observe the actions of the Board of Marine Pilots in the implementation of this Marine Pilotage Act. The Board of Marine Pilots is scheduled to meet again to discuss these issues on January 22 and 23 in Anchorage. It would help greatly if you and other legislators could perhaps clarify some of the the specific matters mentioned above, especially the intent of the legislature on regional exclusivity of pilot organizations. With some oversight from the legislature, hopefully the Marine Pilotage Act will reflect the good intentions of its sponsors.

Respectfully,



Michael C. Spence

enclosures

11/27/91

FIG. 1: SWAPA PROPOSED PILOTAGE REGIONS OCT 1, 1991

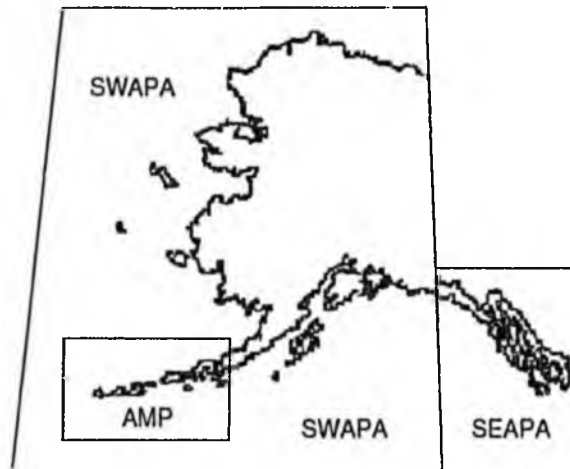


FIG. 2: BOARD OF MARINE PILOTS PROPOSED PILOTAGE REGIONS OCT. 1, 1991:

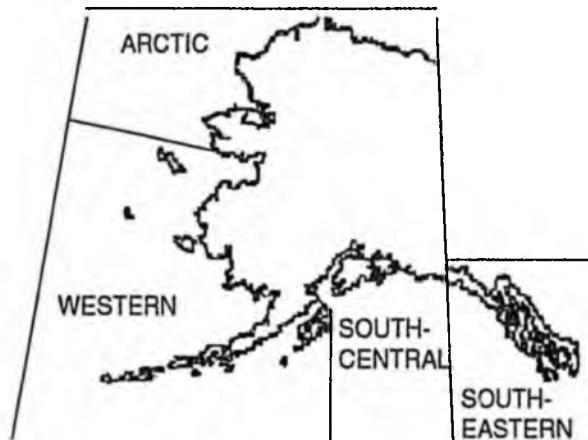
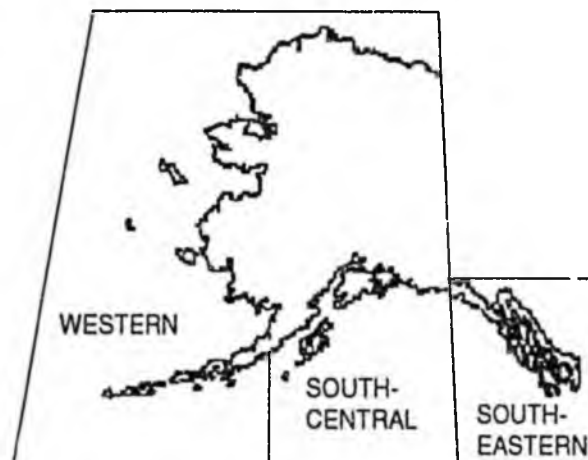


FIG. 3: BOARD OF MARINE PILOTS PROPOSED PILOTAGE REGIONS NOV. 14, 1991:



Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



SENATE LABOR AND COMMERCE COMMITTEE

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October 15, 1991

Honorable Glenn A. Olds, Commissioner
State of Alaska
Department of Commerce and Economic Development
P.O. Box D
Juneau, AK 99811-0900

Dear Commissioner Olds:

During the legislative committee hearing process on House Bill 194, An Act relating to the Board of Marine Pilots, the anticipated duties of a marine pilot coordinator were defined through both testimony and amendments to the legislation. The fiscal note submitted by the Department of Commerce and Economic Development, Division of Occupational Licensing, provided for a Marine Pilot Coordinator at a range 22 with funding provided through program receipts. The pilots are quite willing to pay fees in order to have an experienced person in the position.

When the Governor took action on House Bill 75, the operating budget appropriation bill, which included fiscal note appropriations, he reduced the fiscal note appropriation for HB 194 from \$103,000 to \$70,300, apparently with the approval of your department.

Section 7 of the adopted legislation calls on the board to hire a coordinator "who is qualified to assist the board in administering and enforcing the provisions of this chapter." Additionally, Sec. 31 of the act calls on the coordinator to develop an accident investigation procedure and recommend any necessary legislative changes and to participate, through cooperation, with the appropriate agencies in actual marine accident investigations. These responsibilities would appear to require expertise and capabilities beyond those typical of a position classified at a salary level range 12.

In adopting the fiscal note that your agency submitted, it was clearly the intent of the Legislature to provide the Board of Marine Pilots with an administrator whose professional expertise

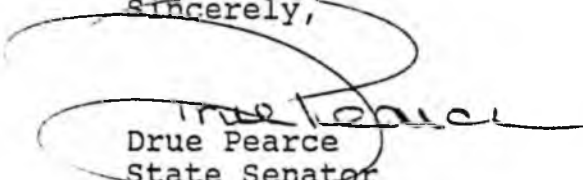
and capabilities were sufficient to handle the complex workings of the position and to assist the board in the performance of its tasks. We wanted a person with marine experience.


We suggest that the agency take immediate steps to have the position reclassified based upon the responsibilities detailed in the legislation and other responsibilities that the board and the department determine are appropriate. In this manner the agency can get a clearer idea of the level of funding required by the position and could commence recruitment. The classification and recruitment processes are time consuming and should be started as soon as possible. There is an immediate need to have the marine coordinator on the job. Regulations are currently being written and the coordinator would be of great assistance and should be actively involved in this process.

Any reoccurrence similar to the two accidents which occurred this past summer would be handled much more expeditiously with the marine coordinator involved. In one of this summer's accidents, an individual lost his life. Despite the seriousness of the incident, the board still has not been provided an investigative report. In our opinion, this is not only improper, but calls into question the exact safety issues the Oil Spill Commission was pointing out with their original report on the state system. The state must act before more lives are lost or property destroyed.

Commissioner, the legislation is a positive step forward in providing protection to the passengers and cargo of marine vessels. We now want to work with your department to insure that legislative intent is carried out in a timely manner so that we have good regulations and the best system possible. Only then will we have met the challenge of the Oil Spill Commission report.

sincerely,


Drue Pearce
State Senator


Cheri Davis
State Representative

cc: Josef Holbert, Deputy Chief of Staff
Bruce Geraghty, Legislative Liaison

DP:rrm

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



SENATE LABOR AND COMMERCE COMMITTEE

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October 15, 1991

Bob Watt, Chair
Alaska Board of Marine Pilots
6227 S. Tongass
Ketchikan, AK 99901

Dear Mr. Watt:

Let me first take a moment to congratulate you on your recent appointment to the board and also on your election to serve as chair of the board.

Bob, hundreds of hours of work and deliberation went into House Bill 194 before it was adopted by the legislature. The legislation completely revamps the state's marine pilotage act. There were various points of view expressed and varying agendas came into play during the refinement of the act. The Senate Labor & Commerce Committee, which I chair, devoted more time to this legislation than to any other this past session.

It was with great concern that I recently read copies of letters interpreting the Marine Pilotage Act. The first was a letter from Steve K. Yoshida to Captain Jeff Pierce dated June 10, 1991. Mr. Yoshida could not have read the legislation closely and certainly could not have reviewed transcripts of the various committees that held hearings on this legislation or he would not have arrived at the conclusions in regard to pilot organizations that he states in his letter to Captain Pierce.

Marine pilot organizations are free to operate in all of the regions in which they meet the qualifications. It was the intent of this legislation to foster a competitive business environment for marine pilotage as stated in AS 08.62.040(d) "the board may not adopt a regulation or take other action resulting in anti-competitive activities...".

The legislation goes so far as to allow a single individual to become an association. Mr. Yoshida's statement that a marine pilot organization is "in many ways" an agency of the state is simply without merit. In terms of the logic applied to reach

simply without merit. In terms of the logic applied to reach that conclusion, Mr. Yoshida would have to conclude that all utilities and licensed professions are also agencies of the state. Further, his comments regarding tariffs in which he states "no price cutting can take place after that date (1 January 1993) unless more than one pilot organization is recognized for the entire region" amounts to crystal ball gazing. The board has yet to define which expenses should be taken into account when establishing maximum tariffs.

And, since pilot organization criteria has yet to be defined and no organizations are yet licensed under the new act, it is impossible to predict what the marketplace will look like and what competitive elements will affect the establishment of maximum tariffs.

Another example of inaccurate information is a letter dated July 24, 1991 from Captain Terry K. Bennett, President of Alaska Coastwise Pilots Association, to Senator Jim Duncan. In that letter Captain Bennett claims that he has evidence "of how the political process completely circumvented the House Judiciary Committee's concerns regarding the Bill." No concerns were circumvented; rather the Judiciary Committee decided to have someone else do the work. The hearing process in the legislature is, by its nature, a political one. This includes the actions and intents of the House Judiciary Committee as well as those of any other committee in the legislature. Politics, however, is never the only concern and, in most cases, not the overriding one.

The actions of one committee are more important or appropriate than the actions of any other committee. Captain Bennett's premature accusations of biased investigations which would find fault based on allegiance rather than merit demonstrate bad faith on his part, in my estimation. At the close of the last legislative session, the Alaska Coastwise Pilots Association expressed their appreciation for the legislature's hard work. They also stated that it was the Association's desire to make the new Marine Pilots Act what it was intended to be, a fair law that allows open competition and promotes safety for vessels, crew and cargo. That attitude is not apparent in Captain Bennett's correspondence.

As the Chair of the Senate Labor & Commerce Committee, let me take this opportunity to comment on the purposes and intent of the specific provisions in the Act which address pilotage regions, pilot organizations and maximum tariffs. It was clearly the intent of the legislature to encourage regional pilotage districts. These provisions were not intended to restrict competition or to protect the "turf" or economics of existing organizations. To the contrary, provisions of this act state just the opposite. Regionalization was adopted solely from a marine safety perspective. The legislature was convinced and remains convinced that a single pilot cannot possess sufficient

knowledge of Alaska's entire coastline to pilot a vessel for unlimited distances in the state.

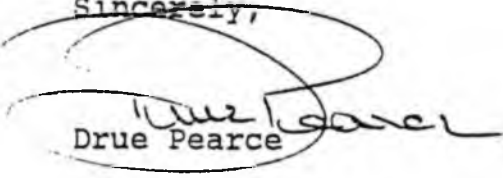
In order to promote fair and open competition in the industry, accommodations were made through out the act to eliminate any language that would mandate a minimum size of an organization. For instance, AS 08.62.175(d)(3)(B) states, in part, "...to the extent that is reasonably possible given the size of the membership of the pilot organization."

Provisions for maximum tariffs were adopted to prevent an Alaskan occurrence like the Chesapeake Bay Christmas Eve story related so many times during hearings on this legislation. Maximum tariff provisions are intended to protect shippers and shipping companies from price gouging on the part of marine pilots and their organizations.

In all three cases, the legislation provides clear direction to the board. AS 08.62.040(a)(4)(A) provides that the board shall adopt regulations establishing pilotage regions in the state. Likewise, AS 08.62.045 provides extensive direction to the board in discharging its responsibility in adopting maximum tariffs. And, AS 08.62.175 makes provision for pilot organizations that have as few as a single member.

I hope that this information will be helpful to the board and, should you have further questions, I encourage you to contact me at 561-2038.

Sincerely,



Drue Pearce

DP:rrm

ALASKA

DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING

Division of Occupational Licensing
 Division of Insurance
P.O. Box D (9th Floor State Office Building)
Juneau, AK 99811

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TELECOPIER TRANSMITTAL SHEET

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FROM: JoAnne
Marine Pilot Board

Number of pages INCLUDING transmittal sheet: ~~1~~ 2

DATE: 10/14/91

TIME: _____

OPERATOR: JC

IF TELECOPY DOES NOT TRANSMIT PROPERLY, PLEASE CALL (907) 465-2535 IMMEDIATELY.

Here's the agenda. It will likely be revised at the start of the meeting to include a discussion of proposed relations for piloting regions and criteria for recognizing pilot organizations.

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

WALTER J. HICKEL, GOVERNOR

P.O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2534

BOARD OF MARINE PILOTS
WEDNESDAY, OCTOBER 16, 1991
AHFC BUILDING
ANCHORAGE, ALASKA

Tentative Agenda

<u>TIME</u>	<u>TOPIC</u>
✓ 1. 8:00 a.m.	Call to Order/Roll Call
✓ 2. 8:10 a.m.	Review/Revise Agenda
✓ 3. 8:20 a.m.	Approve Minutes October 1-2, 1991 Meeting
✓ 4. 8:30 a.m.	<u>Public Comment</u>
✓ 5. 8:45 a.m.	Draft Regulations - Maximum Tariffs Southwest Region - <i>NO COMMENTS</i>
✓ 6. 10:45 a.m.	<u>Public Comment</u>
✓ 7. 11:00 a.m.	Draft Regulations - Maximum Tariffs Western Region
✓ 8. 1:00 p.m.	Lunch Break
9. 2:00 p.m.	<u>Public Comment</u>
10. 2:15 p.m.	Draft Regulations - Maximum Tariffs Southeast Region
11. 4:00 p.m.	Break
12. 4:30 p.m.	<u>Public Comment</u>
13. 4:45 p.m.	Draft Regulations - Maximum Tariffs Arctic Region
14. 6:30 p.m.	Adjourn

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

WALTER J. HICKEL, GOVERNOR

P.O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2534

PUBLIC NOTICE BOARD OF MARINE PILOTS NOTICE OF FORTHCOMING MEETING

The Division of Occupational Licensing, Department of Commerce and Economic Development announces a meeting of the Alaska Board of Marine Pilots. The meeting is scheduled for Wednesday, October 16, 1991 at the Alaska Housing Finance Corporation Building, 520 East 34th, Suite 104, Anchorage, Alaska. The meeting will begin at 8:00 a.m.

The purpose of this meeting is to draft regulations required by the new Marine Pilotage Act, including the establishment of maximum tariffs, and to conduct the regular business of the Board.

For more information please contact the Division of Occupational Licensing at P.O. Box 110806, Juneau, AK 99811 or call (907) 465-3035.

Ann Boudreaux
Ann Boudreaux, Director
Division of Occupational Licensing

Alaska Coastwise Pilots Association



**Recommendations to the
Alaska Board of Marine Pilots
October 16, 1991:**

Maximum Tariffs

Southwest Region:

The Board must take into consideration:

(1) what is reasonable compensation based on actual time piloting and time spent preparing to provide services;

A) Reasonable compensation should reflect known increases in costs of living in Alaska since the last tariff adjustment. The Board should study the Consumer Price Indices for the region and determine an appropriate increase.

B) Time spent preparing to provide services has increased in the form of additional administration of training programs and increased time requirements for license renewals.

The Board must also take into consideration:

(2) whether additional compensation is justified under certain conditions, e.g., extreme weather or piloting in the winter;

There is little doubt among most practicing pilots that this is the area where the "old tariff" was sorely lacking. There is indeed justification for additional compensation during the period October 1 to April 30. Our recommendation is a flat across-the-board percentage surcharge over the rate that is applicable in Summer.

The Board must also take into consideration:

(3) dispatch and transportation expenses and other direct costs of providing services;

This section seems pretty self-explanatory. The Board may want to adopt the U.S. government per diem allowance as used under the "old tariff", which provides for automatic adjustment to changes in the Consumer Price Index. Transportation costs allowance should reflect actual costs.

Alaska Coastwise Pilots Association



**Recommendations to the
Alaska Board of Marine Pilots
October 16, 1991:**

Maximum Tariffs

**Recommendations
of the
Alaska Coastwise Pilots Association
to the
Alaska Board of Marine Pilots
October 16, 1991**

Maximum Tariffs

Under AS 08.62.045, the Board of Marine Pilots is required to adopt maximum tariffs for the provision of specific pilotage services. Sec. 7, ch. 89 SLA 1991. The Board must identify those items of expense to be included in the tariff and must otherwise take into consideration certain factors specified in the Marine Pilotage Act.

Generally, the Alaska Coastwise Pilots' Association is in favor of incremental changes to the "old tariff" structure, rather than major alterations to that structure. The reason behind this is to facilitate the establishment of the new maximum tariff with as few major economic adjustments or misunderstandings as possible, to either pilots or vessel operators. In keeping with this section of the Pilotage Act:

"The Board may not adopt a regulation or take other action resulting in anticompetitive activities..."

The Board should be mindful of and avoid any structural changes to the tariff that might be intended to give a competitive advantage to any particular pilot organization. In this context, an across-the-board percentage increase on current tariff structure would be more appropriate than adjustments to any particular class of ships or specialty of a particular organization. The Alaska Coastwise Pilots' Association respectfully makes the following recommendations to the Board in the establishment of the Maximum Tariffs.

Southwest Region:

The Board must take into consideration:

(1) what is reasonable compensation based on actual time piloting and time spent preparing to provide services;

A) Reasonable compensation should reflect known increases in costs of living in Alaska since the last tariff adjustment. The Board should study the Consumer Price Indices for the region and determine an appropriate increase.

B) Time spent preparing to provide services has increased in the form of additional administration of training programs and increased time requirements for license renewals.

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This section seems pretty self-explanatory. The Board may want to adopt the U.S. government per diem allowance as used under the "old tariff", which provides for automatic adjustment to changes in the Consumer Price Index. Transportation costs allowance should reflect actual costs.

The Board must also take into consideration:

(4) reasonable overhead expenses;

The Board should consider the following:

- A) office expenses of pilot organizations, including staff costs.
- B) individual pilot insurance, including liability, errors and omissions, and disability.

The Board must also take into consideration:

(5) other identified expenses.

The following expenses are either new or are markedly increased since 1980:

A) Training program costs, including:

- 1) Simulator school costs (for initial license and every three years thereafter)
- 2) Observation trip costs
- 3) Administrative cost of such programs.

B) License renewal costs, including:

- 1) license fees to State of Alaska and, the U.S. Coast Guard.
- 2) tuition and travel to radar, CPR, and firefighting schools for the U.S. Coast Guard.

C) Funding of the Marine Pilot Coordinator position provided in the Act will be an expense item. The Board should consider a *percentage surcharge* on gross receipts of pilot organizations, for funding of the Marine Pilot Coordinator position, as opposed to a flat fee on individual pilots. The alternative flat fee poses an inequitable expense to individual pilots who may earn only a fraction of what other pilots earn. Alternatively, if a flat licensing fee is imposed, the tariff should be adjusted to reflect that additional cost to pilots.

Southeast Region

The Board must consider:

(1) what is reasonable compensation based on actual time piloting and time spent preparing to provide services;

Reasonable compensation should reflect:

A) Known increases in costs of living in Alaska since the last tariff adjustment. The Board should study the Consumer Price Indices for the region and determine an appropriate increase.

B) A mileage surcharge should be added to the "old tariff" formula for vessels other than passenger vessels, to reflect actual pilotage time required.

C) "Restricted Passage Pilotage" from the "old tariff" for Wrangell Narrows, Sergius Narrows, and Whitestone Narrows should be revised to reflect actual time and risk. These should be brought up to a level reasonably on par with a Port Entry charge.

D) Some port fees not previously listed in the tariff booklet should be added. They include:

Dora Bay

Hobart Bay

Hawk Inlet

Kake

Kelly Cove, Noyes Island sites

Long Island

E) Time spent preparing to provide services has increased in the form of additional administration of training programs and increased time requirements for license renewals.

The Board must also take into consideration:

(2) whether additional compensation is justified under certain conditions, e.g., extreme weather or piloting in the winter;

Comment and Recommendations of ACPA: There is indeed justification for additional compensation during the period October 1 to April 30. Our recommendation is a flat across-the-board percentage *Winter surcharge* over the rate that is applicable in Summer.

The Board must also take into consideration:

(3) dispatch and transportation expenses and other direct costs of providing services;

This section seems pretty self-explanatory. The Board may want to adopt the U.S. government per diem allowance as used under the "old tariff", which provides for automatic adjustment to changes in the Consumer Price Index. Transportation costs allowance should reflect actual costs.

The Board must also take into consideration:

(4) reasonable overhead expenses;

The Board should consider the following:

A) office expenses of pilot organizations, including staff costs.

B) individual pilot insurance, including liability, errors and omissions, and disability.

All of these costs have risen considerably over the prevalent inflation rate in recent years.

The Board must also take into consideration:

- (5) other identified expenses.

The following expenses are either new or are markedly increased since 1980:

A) Training program costs, including:

- 1) Simulator school costs (for initial license and every three years thereafter)
- 2) Observation trip costs
- 3) Administrative cost of such programs.

B) License renewal costs include:

- 1) license fee to State, Coast Guard.
- 2) tuition and travel to radar, CPR, and firefighting schools for the U.S. Coast Guard.

C) Funding of the Marine Pilot Coordinator position provided in the Act will be an expense item. The Board should consider a *percentage surcharge* on gross receipts of pilot organizations, for funding of the Marine Pilot Coordinator position, as opposed to a flat fee on individual pilots. The alternative flat fee poses an inequitable expense to individual pilots who may earn only a fraction of what other pilots earn. Alternatively, if a flat licensing fee is imposed, the tariff should be adjusted to reflect that additional cost to pilots.

Western Region:

(1) what is reasonable compensation based on actual time piloting and time spent preparing to provide services;

A) Reasonable compensation should reflect known increases in costs of living in Alaska since the last tariff adjustment. The Board should study the Consumer Price Indices for the region and determine an appropriate increase.

B) Time spent preparing to provide services has increased in the form of additional administration of training programs and increased requirements for license renewals.

The Board must also take into consideration:

(2) whether additional compensation is justified under certain conditions, e.g., extreme weather or piloting in the winter;

There is indeed justification for additional compensation during the period October 1 to April 30. Our recommendation is a flat across-the-board percentage surcharge over the rate that is applicable in Summer.

The Board must also take into consideration:

(3) dispatch and transportation expenses and other direct costs of providing services;

This section seems pretty self-explanatory. The Board may want to adopt the U.S. government per diem allowance as used under the "old tariff", which provides for automatic adjustment to changes in the Consumer Price Index. Transportation costs allowance should reflect actual costs.

The Board must also take into consideration:

- (4) reasonable overhead expenses;

The Board should consider the following:

- A) office expenses of pilot organizations, including staff costs.
- B) individual pilot insurance, including liability, errors and omissions, and disability.

The Board must also take into consideration:

- (5) other identified expenses.

The following expenses are either new or are markedly increased since 1980:

A) Training program costs, including:

- 1) Simulator school costs (for initial license and every three years thereafter)
- 2) Observation trip costs
- 3) Administrative cost of such programs.

B) License renewal costs include:

- 1) license fees to State of Alaska, U.S. Coast Guard.
- 2) tuition and travel to radar, CPR, and firefighting schools for the U.S. Coast Guard.

C) Funding of the Marine Pilot Coordinator position provided in the Act will be an expense item. The Board should consider a *percentage surcharge* on gross receipts of pilot organizations, for funding of the Marine Pilot Coordinator position, as opposed to a flat fee on individual pilots. The alternative flat fee poses an inequitable expense to individual pilots who may earn only a fraction of what other pilots earn. Alternatively, if a flat licensing fee is imposed, the tariff should be adjusted to reflect that additional cost to pilots.

Arctic Region:

The Board must consider:

(1) what is reasonable compensation based on actual time piloting and time spent preparing to provide services;

A) Reasonable compensation should reflect known increases in costs of living in Alaska since the last tariff adjustment. The Board should study the Consumer Price Indices for the region and determine an appropriate increase.

B) Time spent preparing to provide services has increased in the form of additional administration of training programs and increased requirements for license renewals.

The Board must also take into consideration:

(2) whether additional compensation is justified under certain conditions, e.g., extreme weather or piloting in the winter;

Recognizing that in this region there is limited Winter activity, there is justification for additional compensation during the period October 1 to June 15. Our recommendation is a flat across-the-board percentage surcharge over the rate that is applicable in Summer.

The Board must also take into consideration:

(3) dispatch and transportation expenses
and other direct costs of providing
services;

This section seems pretty self-explanatory. The Board may want to adopt the U.S. government per diem allowance as used under the "old tariff", which provides for automatic adjustment to changes in the Consumer Price Index. Transportation costs allowance should reflect actual costs.

The Board must also take into consideration:

(4) reasonable overhead expenses;

The Board should consider the following:

- A) office expenses of pilot organizations, including staff costs.
- B) individual pilot insurance, including liability, errors and omissions, and disability.

The Board must also take into consideration:

(5) other identified expenses.

The following expenses are either new or are markedly increased since 1980:

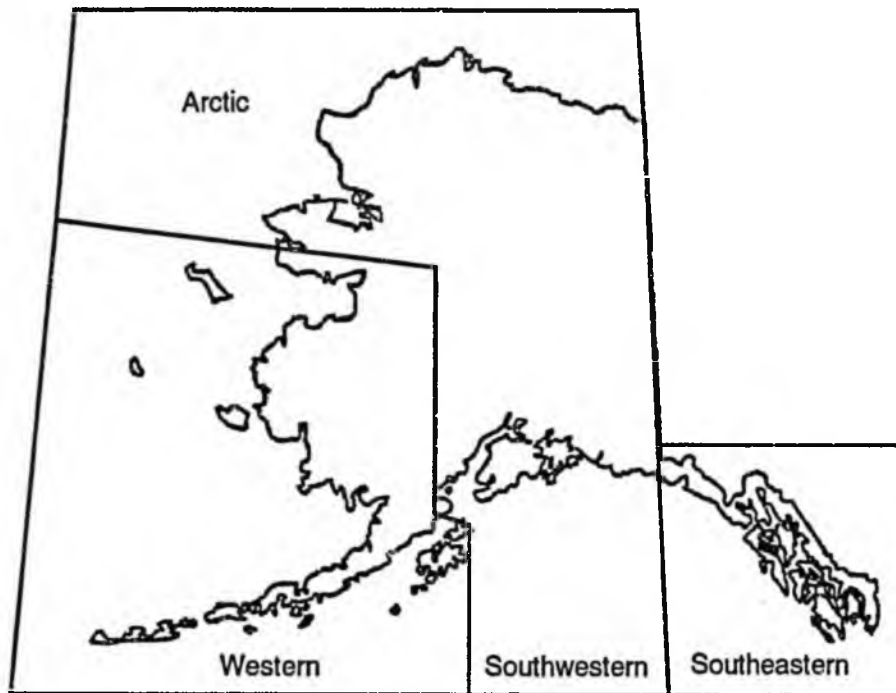
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- 1) Simulator school costs (for initial license and every three years thereafter)
- 2) Observation trip costs
- 3) Administrative cost of such programs.

B) License renewal costs include:

- 1) license fee to State of Alaska, U.S. Coast Guard.
- 2) tuition and travel to radar, CPR, and firefighting schools for the U.S. Coast Guard.

C) Funding of the Marine Pilot Coordinator position provided in the Act will be an expense item. The Board should consider a *percentage surcharge* on gross receipts of pilot organizations, for funding of the Marine Pilot Coordinator position, as opposed to a flat fee on individual pilots. The alternative flat fee poses an inequitable expense to individual pilots who may earn only a fraction of what other pilots earn. Alternatively, if a flat licensing fee is imposed, the tariff should be adjusted to reflect that additional cost to pilots.



Marine Pilotage Regions of Alaska



ALASKA MARINE PILOTS
& DISPATCHING SERVICE

P O BOX 730 • DUTCH HARBOR ALASKA 99692 • 907/581-1240

October 14, 1991

VIA EXPRESS MAIL

Alaska Board of Marine Pilots
PO Box D
Juneau, Alaska 99811-0800

Re: Boundary Line Between Regions 2 and 3

To the Members of the Board of Marine Pilots:

Alaska Marine Pilots (AMP) affirms the importance and correctness of the action taken by the Board in its vote of October 2, 1991, establishing the dividing line between Region 2 and Region 3 on the east side of Kodiak Island. The two primary interests of concern to the Board and the people of Alaska -- increasing vessel safety and promoting an efficient pilotage service -- will be most completely served by maintaining the line in that location.

First, safety is enhanced because vessel traffic entering Kodiak waters is composed primarily of Asian freezer ships that have previously transitted the westward areas of Region 3. This means that not only are the pilots familiar with the various ships and their crews and how they work together, but the vessel masters are equally familiar with the pilots and are thus able to work together better as a team. This situation is in direct contrast to the present situation, in which a pilot flies into Kodiak from tanker duty in Prince William Sound and undertakes to maneuver a radically different kind of vessel with a crew he has never seen before.

Second, because Kodiak is geographically situated in close proximity to the rest of Region 3, it will be possible to have a resident pilot in Kodiak. This means that, because the pilot will be living and working in the area, he will not be flying in from a distinctly different part of the state, trying to re-familiarize himself with current conditions in Kodiak.

The interests of the industry and the people of Alaska are best served by placing Kodiak in Region 3. By the nature of the trade, Kodiak naturally belongs in Region 3. Kodiak is a commercial fishing center, and its primary cargo is fish, as is most of the cargo in the rest of Region 3. The U.S. Customs and

Alaska Board of Marine Pilots
October 14, 1991
Page Two

Immigration Service recognizes the geographical affinity between Kodiak and westward Alaska by requiring vessels bound for Kodiak to enter and clear through Dutch Harbor.

The weather and logistics in the westward region often make pilot availability a problem. Under AMP's practices, riding pilots are common in Region 3; industry has often requested pilots to stay with a ship throughout its transit. Ships often proceed from westward Region 3 ports to Kodiak and back; it will be very inefficient if Region 3 pilots are forced to disembark a ship before it reaches Kodiak, then re-board after the ship leaves Kodiak en route to another westward port.

It has been suggested that by drawing the boundary line east of Kodiak, training opportunities for training pilots in Region 2 will be forfeited. The statutes provide for this, allowing a pilot to train in any region once he has met all the requirements.

AMP strongly recommends that, as the Board continues to consider the issue of placing the boundary between Region 2 and Region 3, it will follow its preliminary decision to place the boundary east of Kodiak.

Respectfully submitted,

ALASKA MARINE PILOTS

By _____
Stuart Mork



ALASKA MARINE PILOTS
& DISPATCHING SERVICE

P O BOX 730 • DUTCH HARBOR ALASKA 99692 • 907/581-1240

October 14, 1991

DELIVERED BY EXPRESS MAIL

Alaska Board of Marine Pilots
PO Box D
Juneau, Alaska 99811-0800

Re: Tariff Proposal of Alaska Marine Pilots

To the Members of the Board:

Enclosed with this letter is the proposal of Alaska Marine Pilots (AMP) for maximum tariffs for the Western Alaska Region, which the Board has proposed to designate Region 3. This region would include Kodiak and Western Alaska ports.

The first section of AMP's proposal sets forth AMP's comments respecting the statutory criteria to be considered by the Board under AS 08.62.045 in structuring a tariff and setting maximum tariffs. This commentary provides AMP's rationale for the maximum tariff schedule it proposes to the Board.

The second section of this proposal sets forth AMP's suggested structure and maximum tariff amounts for the Western Alaska Region (Region 3). It is important for the Board to note that this is AMP's proposal for the tariff schedule to be adopted by the Board by regulation. AMP is preparing a separate presentation to the Board outlining its proposed regional marine pilot organization for Region 3. AMP understands that this marine pilot organization and any other marine pilot organization that might be recognized by the Board in Region 3) will prepare its own tariff that will be subject to the maximum amounts established by the Board by regulation.

AMP's proposed maximum tariff reflects and anticipates developments over the next four years until this statute is subject to sunset review. This proposal also takes into consideration the possibility that AMP will be sharing Region 3 revenues with other marine pilot organizations, and that AMP itself is still in the process of expanding its service to the shipping industry in an effort to provide more efficient pilotage service.

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AMP believes that, under the former tariff schedule, too much of the revenue in the region was generated in the port of Dutch Harbor and not enough in the other ports of the region. As a full-time, year-round pilot group, AMP can service all the traffic in Dutch Harbor, Captains Bay, and Akutan with three pilots on dispatch. However, four additional pilots are required to service the rest of the region. Under the current tariff, the region outside Dutch Harbor is not able to generate the amount of revenue justified by the cost of the pilot effort required. In point of fact, Dutch Harbor subsidizes the other ports in the region. In AMP's opinion, a tariff increase is justified in the outports to more accurately reflect the current level of service required by the industry.

Finally, AMP believes it is imperative the Board establish by regulation a requirement that pilots belong to an association in the region in which they work as required by statute, and that the pilots only share in the revenue generated by that association in that region. In other words, a pilot association should not be able to subsidize pilots working in other regions, except when issued licenses on a very limited basis as authorized by AS 08.62.080(b) "in the best interests of the state."

Respectfully submitted,

ALASKA MARINE PILOTS

By _____
Stuart Mork

COMMENTS OF ALASKA MARINE PILOTS REGARDING INTERPRETATION AND APPLICATION OF A.S. 08.62.045

Under the Alaska Marine Pilotage Act as amended during the last legislature, the Board is charged with the responsibility for establishing maximum tariffs for marine pilot services in the various marine pilotage regions (as established by the Board pursuant to the Act). Although the Act speaks in terms of maximum amounts, there is also implicit in the Act a requirement that the Board establish the structure of the maximum tariffs.

The Act lists several criteria to be considered by the Board in establishing the structure and maximum amount of pilotage tariffs in the various regions. In this section of its presentation, AMP comments on those criteria.

(1) reasonable compensation for actual time aboard a vessel as a pilot and for time engaged in preparing to provide pilotage services

COMMENT: This criterion should be broadly interpreted to include reasonable compensation for the cost of obtaining state-required pilot licenses, in addition to compensation for the time spent, experience and skills required, and responsibilities assumed by pilots in the course of rendering pilotage services. In determining what constitutes reasonable compensation, the Board should also consider compensation packages of other professionals in the maritime industry with comparable experience, skills, and responsibilities.

On average, most pilots have a minimum of ten years of sea-going experience before becoming pilots, some of which is service as master at sea. Many pilots have at least some post-secondary education specifically related to the maritime industry, including study at maritime academies and technical schools. Formal education can easily amount to four additional years of preparation for a career as a marine pilot.

In addition to actual sea experience and formal education, all pilot candidates undergo a period of observation aboard unlimited tonnage vessels upon the waters to be worked, in order to obtain local knowledge above and beyond their general seagoing knowledge. This observation period is required by the Coast Guard before the pilot candidate can take the Coast Guard examinations for each port and route for which the candidate wishes to qualify.

In Region 3, this amounts to 21 areas for which the candidate must prepare. During this observation period, the pilot candidate must actually be present on the bridge of the vessel and observing a licensed pilot navigate and maneuver the vessel. Currently, the Coast Guard requires 14 round trips for each route. In Region 3, the time required to complete this aspect of a pilot candidate's training can be anywhere from six months to one year, depending on seasonal fluctuations in the volume of marine traffic.

After making these observation trips, the pilot candidate is ready to begin a series of Coast Guard examinations for the various ports. For 21 examinations, it is not unusual for a pilot candidate to spend another three months studying and testing. Upon successfully completing the Coast Guard examination cycle, the candidate will hold a federal license endorsed for pilotage in the region upon vessels of any gross tons.

At this point, the pilot candidate is ready to take the examinations required by the State of Alaska. There is an examination for each area and route, corresponding to the areas for which the Coast Guard tests. Preparing for these examinations can easily require another month of study.

Upon successfully completing the route examinations and the core examination -- which covers a variety of topics such as seamanship, rules of the road, master-pilot relationship, shiphandling, and related topics -- the candidate is allowed to begin training as a deputy pilot under the auspices of one of the marine pilot organizations in the region. AMP anticipates that a deputy pilot trainee will normally be able to complete the required deputy pilot training in six to twelve months.

To summarize, by the time a pilot has finished deputy pilot training, he has ten to fourteen years of seagoing experience and formal schooling, followed by two years of observing, training, and testing in shiphandling and local knowledge. During the final two years, the candidate forgoes any income from his profession in order to complete his training.

In addition to the considerable investment of time necessary to become a marine pilot, the candidate incurs substantial out-of-pocket expenses. These include air fare to reach the dispatch point, air fare to reach the ports and routes away from the primary AMP office, food and lodging expenses, and all of the miscellaneous costs normally associated with traveling. Often, a candidate must travel away from home to take the Coast Guard and State of Alaska examinations, resulting in additional costs.

As the Board is aware, travel in Alaska is not inexpensive. Round trip air fare between Anchorage and Dutch Harbor, for instance, exceeds \$1,000, and a night's lodging in Dutch Harbor can easily average \$80.

Another significant expense for each pilot may be the cost of attending a manned ship model course such as may be required under new regulations currently being considered by the Board for either the deputy or unlimited pilot's license, or both. The program at Port Ravel in France now costs about \$12,000, depending on the exchange rate. Air fare is additional.

A safe estimate for the a pilot trainee's out-of-pocket expenses would be \$15,000 for the entire training period. A manned model course at Port Ravel would add \$12,000 plus air fare.

In order to arrive at reasonable compensation for pilots in Region 3, the Board must also consider some of the factors that make pilotage in the region unique. Most marine pilots in the United States are able to live at their homes during their dispatch period, or if they must travel to a job, it is at most for a period of one night.

However, in the westward region of Alaska, because of the great distances involved and the time and expense of traveling, AMP pilots work on a two-month-on, two-month-off rotation. At times, a pilot in this region can go for weeks moving from ship to ship without going ashore. Not only are AMP pilots away from home for two months at a time; they are also subject to physical and psychological stresses induced by constant travel, broken sleep patterns, change of diet while living on foreign-flag vessels, and the isolation of living on vessels where English is not spoken.

An important factor to consider in arriving at reasonable compensation for Region 3 pilots is the salary and compensation package typically enjoyed by ship masters on vessels operating in the region. For example, a master on a container ship calling at Dutch Harbor or Kodiak typically earns about \$155,000 annually, plus benefits such as a retirement plan and a medical/dental insurance package, for a six-month work year (or about \$861 per day for a

180-day period). A tanker captain can expect to earn about \$120,000 annually, plus similar benefits, again for a six-month work year. A fishmaster/captain on a factory trawler working out of Dutch Harbor can expect to earn from \$160,000 to \$200,000, without benefits, for six months' work.

By virtue of his experience, training, and local knowledge, a marine pilot is a highly-qualified professional entrusted with responsibilities commensurate with those of vessel masters. By law, he is held to a very high standard comparable to that of vessel masters. Accordingly, the pilot's compensation should also be commensurate with that of vessel masters.

AMP respectfully requests the Board to take these considerations into account when promulgating the maximum tariff regulations under the Act.

(2) differential compensation for seasonal and weather conditions, risks involved in providing pilotage services, and overtime

COMMENT: Seasonal and weather considerations in Region 3 are particularly important in determining a maximum pilotage tariff for the region. Even in summer, when weather in the region is at its best, the westward region is subject to a variety of weather problems. These include low pressure systems and their high winds passing through the Aleutian Islands and into Bristol Bay or the Gulf of Alaska, and poor visibility due to fog throughout the region. In the early summer, in Norton Sound, ice is a problem for those trampers servicing the herring fishing fleet.

In winter, as noted by the Coast Pilot, "The weather of the Aleutians is characterized by persistently overcast skies, strong winds, and violent storms. It is often variable and quite local." These conditions make any ship maneuver much more difficult in this region than the same maneuver undertaken in the more moderate conditions experienced in other regions of Alaska or elsewhere in the U.S.

Compounding the problems of weather is the problem of limited daylight during winter. Daylight hours during the winter are short, and during that season of the year many vessel movements must inevitably be made in darkness. Docks are not lighted with the requirements of pilots in mind, but for the benefit of dock workers. Much of the work during winter involves bringing vessels alongside anchored vessels in outports where there is no artificial lighting. Anyone who has observed a vessel being brought alongside a ship horsing on its anchor in high

winds at night can appreciate the difficulties that winter brings, and the high level of skill and training demanded of the pilot. Making the maneuver more risky is the fact that linehandlers on processors are often factory workers, not seamen.

Although it is not a major problem, ice is often a factor in maneuvering vessels in Iliuliuk Harbor. Ice forms at the south end of Captains Bay and drifts north into the main channel and through South Channel into Iliuliuk Harbor.

There are other factors unique to Region 3 that make piloting there more risky than in other regions. Most of the docks are at the heads of bays at the terminus of the channel, orienting the dock so as to be perpendicular to the axis of the channel. This means that, as a vessel approaches the dock, there is shallow water on both sides of the vessel and a dock in front.

The only ports in the region that have tugs available for assist work are Dutch Harbor and St. Paul Harbor in Kodiak. All the other ports require pilots to maneuver ships alongside without the aid of assist tugs.

Other risks in the region include the nature of the waters themselves. Throughout Bristol Bay, large rivers create strong currents that pilots must negotiate during the approach to the anchorages and during maneuvering alongside anchored vessels. To compound this problem, these areas are often very shoal, having underkeel clearances that are less than ideal. Naknek, for example, has water depths in the anchorage area that vary from 25 to 40 feet; tramper vessels, when loaded, draw up to 19 feet.

The narrowness of channels in this region also make piloting difficult. Port Moller and Herendeen Bay, as well as Clarks Point (Nushagak Bay) are two examples of narrow channels amid hidden sandbars and mud flats.

Charts of the region are sometimes less than perfect. The National Oceanic and Atmospheric Administration has been surveying the Togiak area for the past several summers, but has yet to publish a final chart depicting current conditions that conforms to modern standards for accuracy and completeness.

Even charted areas must be investigated by the pilot. Areas such as Ugashik Bay and the anchorage at Clarks Point must be surveyed by the pilot at the beginning of each season. Notes on the charts of some Bristol Bay ports state that channels may change due to strong

currents. The pilot must be aware of any changes that may not be shown on the chart. Chart surveys in this region are infrequent. Charts in some areas have not been resurveyed for more than ten years, making it imperative that pilots have the local knowledge to work safely in the area.

Congestion is a significant risk factor in the region. Fishing boats in Bristol Bay number in the hundreds and pass constantly through the anchorage areas. A ship going to anchor must also navigate through the interlocking network of drift nets set out to catch salmon.

Dutch Harbor has particular problems with congestion. Anchored trampers, anchored factory trawlers, and fishing boats passing from dock to dock all must share a limited space, and still provide maneuvering room for the container ships that call at the port.

Compounding the congestion problem is the variety of vessels in the region. Trampers, fishing vessels of a variety of types, tugs with tows, container ships, and the occasional tanker all operate in the region under different levels of regulation.

On a personal level, pilots in the region are exposed to high levels of risk due to the number of different pilot boats of various types (tugboats, fishing boats, tenders, skiffs) and their crews. There is often no consistently trained crew upon which a pilot can rely to help if things go wrong. Almost by definition, the pilot stations are in open water where boarding the ship is the most dangerous, especially during the rough conditions of winter.

Overtime is a consideration in the region. Many times, there is only one pilot in an area, particularly the outports. Consequently, one pilot is responsible for all ship movements in that area. Because of the need for travel within the area, a day can easily extend over 18 hours even though there may have been only two vessel movements that together totalled less than 12 hours.

Typically, in the tramper trade in the westward region, a fishing season opens on a certain date. Prior to that time, tramper vessels arrive en masse to position themselves for the opening. This requires the pilot to work long hours for a period of time, then stand by to move ships within the anchorage as needed. These periods of intense activity followed by sporadic activity is very stressful on the pilot, allowing only short periods of rest.

(3) dispatch expenses, transportation expenses, and other associated costs directly related to the provision of pilotage services

COMMENT: In the westward region, in response to the needs of industry, AMP has instituted a resident pilot program. Under this program, pilots are stationed in various ports in the region strategically chosen to service the traffic in that port as well as nearby ports as necessary. This system results in overlapping areas around each resident port, in which pilots from one area can help relieve pressure in adjacent areas without sacrificing pilot availability in the original area. Resident ports include Dutch Harbor (where AMP has its primary office and dispatch center), Cold Bay, Sand Point, Anchorage, and Kodiak. According to seasonal needs, Chignik also has a resident pilot. For particular fishing seasons, pilots are also stationed at the fishing grounds at Togiak, Naknek, Clarks Point, and Norton Sound on board the pilot boat.

While AMP's resident pilot program has been very successful in filling the needs of the industry, providing a high level of service and pilot availability, it is expensive for AMP to maintain, both in terms of dollar cost and the number of pilots required to fulfill its commitments.

The high manpower requirement needed to maintain this level of service can be illustrated by the situation at Chignik. There are two primary seasons when this situation occurs: the summer salmon season (two to three months) and the winter cod season (two months). The storage capacity at the shoreside processing plant is limited; as the cold storage facility fills, the plant manager requests a tramper upon which to offload cargo. The pilot brings the vessel alongside the dock and loading proceeds for about 12 hours, after which the vessel goes back to anchor. This process is repeated every day and a half to two days. Because of Chignik's remote location and the vagaries of weather, it is impractical for the pilot to leave the area and return in time for the next vessel movement. Therefore, serving this one port requires one pilot to work full time for five months.

The revenue generated by the pilot during this four-day cycle is \$1,350 under the old tariff, or \$333 per day (\$250 harbor shift, \$250 harbor shift, \$600 standby day, \$250 harbor shift).

This is not an atypical situation. King Cove and Sand Point can have similar traffic patterns.

AMP's riding pilot program is another example of the increased level of service AMP has provided to industry in the region. This program is particularly important when weather conditions make it difficult or impossible for a pilot to fly to meet a ship. Under the program, the pilot rides the ship to its destination. This service not only makes it possible for a ship to maintain its schedule, but also saves the ship a considerable amount of money.

For instance, suppose a vessel wants to leave Dutch Harbor to pick up cargo in Sand Point on short notice. Assuming there has been no shipping in the area, there will not be a pilot stationed in Sand Point. Rather than have a pilot fly to Sand Point and risk being stranded on the way due to weather (thereby collecting a standby/travel day), the pilot rides the ship from Dutch Harbor to Sand Point, saving the shipowner the cost of flying the pilot to Sand Point. Upon the vessel's arrival in Sand Point, there is no pilot boat fee, because the pilot is already on board. If the ship returns to Dutch Harbor, the pilot rides the ship back to Dutch Harbor (again, no pilot boat fee) and upon entry to Dutch Harbor, pilots the ship in, saving another air fare. Throughout the process, the presence of the pilot on the ship ensures that the vessel will not incur the costs of delay because weather has prevented a pilot from flying to join the vessel.

Under the present tariff, the pilot was not able to collect a standby or travel day for providing this service. AMP's tariff proposal changes that.

AMP's pilots pay their own transportation expenses from Anchorage to Dutch Harbor. This amounts to \$1,020 per round trip from Anchorage. If a pilot works a two-month-on, two-month-off rotation, that is more than \$6,000 annually if he is dispatched out of Dutch Harbor each time.

A major tariff consideration, in AMP's view, is the fact that Dutch Harbor is evolving into a container port, displacing some of the tramper traffic that has been the primary source of revenue for AMP pilots. One result of this evolution is that there will be increasingly fewer vessel movements involving increasingly larger vessels. For this reason, the maximum tariff adopted by this Board must include a tonnage factor and length-overall factor that will enable AMP to continue to provide a high level of service. Even with container ships taking more cargo volume, thereby reducing the number of ship calls, the manpower requirement for AMP will not decrease due to the number of ports spread throughout Region 3.

(4) reasonable overhead expenses that are necessary to provide year-round pilotage services for the region

COMMENT: The following are the operating costs for AMP during the year 1990:

Reimbursable expenses	\$43,310
Office space and rentals for Resident Pilot ports	44,007
Telephone	20,330
Office equipment/supplies	24,731
Repairs	1,846
Automobiles	4,192
Office wages, taxes	25,343
Legal and accounting	41,640
Computer services	57,938
Depreciation	25,577
Administrative travel and training expense	39,721
Promotion	9,503
Interest	9,363
Other	1,363
Taxes and insurance	<u>6,203</u>
TOTAL	\$335,067

Expenses to date for 1991 are up 146% from 1990 due to expansion of AMP's pilotage service resulting in projected expense for the year to be \$519,785. This does NOT include liability insurance AMP members expect to procure to cover potential liability imposed by the Act, subject to the limitation of AS 08.62.165.

(5) other expenses identified by the Board

COMMENT: AMP candidly states that it is not certain what the legislature intended to include in this criterion. It may refer to other expenses incurred by pilots or pilot organizations that are not included in the foregoing category. It may also refer to expenses experienced by other segments of the industry, particularly the vessel owners.

In the first category, AMP anticipates the legislature may have intended such expenses as the fees that are to be imposed by the Board under the new Act, such as licensing fees, examination fees, audit fees, and so on. This category might also include the costs of drug and alcohol testing mandated by the Act, and perhaps the costs of the marine pilot coordinator contemplated by the Act.

In addition, individual pilots have expenses that are not included in the operation costs of their pilot organization. These include insurance premiums, union dues, business licenses, and so on. Some of these items are covered in item 4(a) of AMP's proposed maximum regional tariff.

As to the second category, AMP notes that pilot fees are not the largest portion of the total cost incurred by vessel operators for pilot services. To use Dutch Harbor for an example, a ship entering the port for the first time and proceeding to a dock under the existing tariff will incur the following costs:

Pilot boat and tug assist	\$1,080 (59.8%)
Pilot fee	625 (34.6%)
Customs and Immigration	<u>100</u> (5.6%)
TOTAL	\$1,805 (100%)

This does not include agency fees, as to which information is not available to AMP. As this illustrates, the pilot fee itself is about one-third of the total expense under the existing tariff. If pilot fees are raised in accordance to AMP's proposed tariff, the new total would be \$2,597, making the pilot fee portion 54.6% rather than 34.6%. The total pilotage cost (excluding agency fees) would be increased only 44%. AMP believes this is more than reasonable in light of the other factors discussed in these comments.

**AMP'S PROPOSED PILOTAGE TARIFF AND CHARGES
FOR WESTERN ALASKA (U.S. FUNDS)**

The following rates are one-way only:

Kodiak -- City Harbor	\$1,400.00
Kodiak -- Women's Bay	1,400.00
Cold Bay	1,765.00
King Cove	1,565.00
Dutch Harbor, Unalaska Bay, Iliuliuk Harbor, Captains Bay	1,400.00
Adak	1,765.00
Charges for unlisted ports	1,090.00

6. If one pilot exceeds eight hours continuous running time without a six-hour rest period or presence of a relief pilot (i.e., a second pilot) while transiting compulsory pilotage waters, overtime shall be charged for at the rate of \$112.00 per hour or portion thereof.

7. Shifting of ship from dock to harbor or harbor anchorage, from harbor or harbor anchorage to dock, from anchorage within a harbor to another anchorage within the same harbor, will be charged at \$565.00 per each movement. A dock to dock shift comprises two movements and will be charged for accordingly. Anchorage or laying to for loading cargo or discharging cargo shall be considered as a regular port charge and all fees and tariffs shall be assessed the same as if the vessel moored.

8. On each occasion of hauling ship alongside a dock or mooring to position tanks, cargo holds, manifolds, loading arms, towers, or hoses comprises a single movement and will be charged for accordingly at \$565.00 per movement.

9. Movement of a ship in the absence of availability of the ship's own propulsion system even though assisted by tugboats will be charged for at twice the prevailing rate for each evolution engaged.

10. Docking/undocking vessels over 2,000 gross tons without the use of a tugboat if a tugboat is available at the ports of Dutch Harbor, Captains Bay, Kodiak, or Womens Bay will be charged for at the rate of \$680.00 per movement. It will remain the pilot's option whether or not to proceed without use of a tug.

11. Carried to sea detention on board; off-duty detention on board, intentional or otherwise; or off-duty standing by on board at the request of the master will be charged for at the rate of \$75.00 per hour, up to a maximum of \$900.00 per day. If disembarked at a position other than the base station from which dispatched, first class return passage and subsistence will be charged.

12. Bridge watch time rendered while ship is anchored or moored will be charged for at the rate of \$75.00 per hour or portion thereof. In cases where one pilot has exceeded eight (8) hours' continuous working time without a six (6) hour rest period or presence of a relief pilot (i.e., a second pilot), \$112.00 per hour will be charged.

Charges additional to Port Tariff:

1. A tonnage surcharge of \$0.036 per gross ton is made for all tonnage in excess of 14,000 gross tons. In all the preceding cases, any gross tonnage in excess of 50,000 gross tons will be charged for at \$0.018 per gross ton.

2. All rates remain the same whether piloting is (a) to or from sea or (b) to or from a pilot boarding or disembarking point.

3. Standby/travel fee: When standing by to pilot, or traveling to or from distant pilot ports and not actually piloting, such time shall be charged for at a rate of \$75.00 per hour. Travel time shall commence when the pilot leaves for dispatch, or after piloting, when the pilot begins travel to return to the dispatch point. Standby/travel time accumulates up to a maximum of 12 hours per day.

4. Transportation and subsistence:

(a) Vessels, owners, agents, and charterers shall pay pilotage fees, pilots' travel expenses such as plane and ferry fares, per diem allowances, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.

(b) Per diem rates for pilots shall correspond to those published by the Internal Revenue Service of the U.S. Treasury Department. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch, and 10% to breakfast, rounded to the nearest dollar, but in no instance will the distribution exceed the total daily allowance.

(c) When adequate meals and lodging are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. Accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.

5. In the event that charges under this tariff per day for ship movements total less than \$900.00 while a pilot is on dispatch outside the primary dispatch point of Dutch Harbor/Captains Bay, the pilot may charge standby time at the rate of \$75.00 per hour or portion thereof. In no case will combined charges for ship movements and standby time be less than \$900.00 per day.

13. Bridge watch time rendered underway at the master's request not otherwise provided for under this tariff shall be charged for at the rate of \$75.00 per hour or portion thereof. In cases where one pilot has exceeded eight (8) hours' continuous working time without a six (6) hour rest period or presence of a relief pilot (i.e., a second pilot), \$112.00 per hour will be charged.

14. The pilotage fee for a second pilot, when used, will be charged for at the rate of fifty percent (50%) of the fee for the first pilot. All applicable charges will apply, and the expenses of the second pilot shall be paid in full to the same extent as the expenses of the first pilot.

15. Mooringmaster: Services and rates are negotiable upon application.

16. Agents, owners, or masters shall inform pilots of vessel movements at least 24 hours prior to such movements in order to provide sufficient time for the pilot to arrive at the vessel via available means of transportation. A pilot will be considered unavailable for services only if the 24-hour notice required by this paragraph is given and a pilot does not show up at the vessel to render services. If an agent, owner, or master fails to provide at least 24 hours' notice of the need for pilot services and the pilot under such circumstances is unable to reach the vessel to render pilot services, the vessel and the owner thereof shall be liable for the transportation costs incurred by the pilot in attempting to reach the vessel and for the pilotage fee and other costs that would have been incurred by the vessel under this tariff had the pilot been able to reach the vessel to render such services.

17. When the time of movement is set by the agent, owner, or master of a vessel, any delay over two hours shall be charged for at the rate of \$75 per hour or portion thereof, not to exceed \$900.00 per day. If the pilot is detained for two hours or less, no detention shall be charged. If the pilot is detained for more than two hours, the detention charge will include charges for the initial two hours.

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18. In addition to any other fee or expense provided for in this tariff for a vessel movement, a surcharge shall be added on the basis of vessel length according to the following schedule:

<u>Length Overall</u>	<u>Surcharge over base tariff</u>
450 — Up to 500 feet UNDER 450'	Ø 5.0 %
501-550 feet	15.0 %
551-600 feet	25.0 %
Over 600 feet	40.0 %

19. "Movement" is defined as an evolution by a vessel that requires the employment of a licensed pilot as required by AS 08.62.160.

Respectfully submitted,

ALASKA MARINE PILOTS

OCT 1 1991

Oct. 10, 1991

Senator Drue Pearce
Suite 535
3111 'C' Street
Anchorage, Alaska 99503

Dear Senator Pearce;

Thank you for your efforts in cosponsoring the new Pilotage Act with Representative Cheri Davis. The new law was needed to enable the Board of Marine Pilots function. Last spring I completed four years as a member of the board. Because of the way the old law and regulations were written, those were four very frustrating years. In the new law the board's authority is clearly defined, this will be a great help to the board in the future.

Last spring, while the Legislature was in session, I had the opportunity to call on a good many of the legislators, including yourself. I am 67 years old, and have never known what you people had to go through in the Capital. Everyone in the state should go there and see what kind of pressure you work under. Because there are so many people after the legislators' time every day, we were usually only able to spend about fifteen minutes with each one. We were apparently able to explain to some the need to change for the pilot board, but we were unable to explain the history of state piloting and the fact that competition among pilots is not good for the state.

You will find enclosed copies of three letters I wrote to the Governor this summer. As you can see from those letters, I believe in state pilotage, and that a state pilot is obligated to protect the state by seeing that a foreign ship does no damage to the people, property, or the ecology of the state. The pilot cannot have two masters, it must be either the state or the foreign ship operator. The new law, by clearly encouraging competition between pilot groups basically tells the ship owner that he must hire a pilot, but if the pilot does not do his bidding he can find one that will. This is not what piloting is all about. There is no reason to have state pilots if they are not there as representatives of the state aboard the ships.

One pilot group must be responsible to the state for a pilotage district. History has proven that to be the only way to have efficient state pilotage. There is no place in the United States, or foreign country, that I know of that has competitive pilotage on purpose. Occasionally a pilot group will split in two, but they have always gone back together in time. San Francisco Bay pilots used to be independent of one another, and bid for jobs. When I was sailing into San Francisco I was often busy writing damage

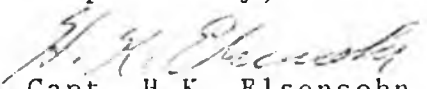
reports covering hull damage or dock damage. The company didn't care because they had insurance, and the pilot's rate was low. The pilot was servicing the steamship company, not the state. The pilot was always in a hurry to get to another job. In 1985 California put a stop to that. Now all of the San Francisco pilots belong to one association, and rotate the work between themselves.

If one association is responsible for each pilotage district it can then promote safer pilot stations because it would consider the pilot boats it's responsibility. At the present time, because we have to ride in boats that are commercially available, pilot stations in Southeastern Alaska are economic rather than geographically safe.

With the competitive situation that prevails here in Southeastern we will not be able to attract the highly qualified applicants we need in the future. During the year of 1991 we have lost two young, highly qualified pilots to San Francisco Pilots, and one to Puget Sound Pilots. The good young men are going to go where there is a brighter future.

Thank you for your time and consideration.

Respectfully,


Capt. H.K. Elsensohn
Alaska Pilot Lic. #050
119 Austin, Apt. 506
Ketchikan, Alaska 99901

Oct. 9, 1991

Senator Curt Menard, Chairman
Senate Transportation Committee
The Capitol, Room 9
P.O. Box V
Juneau, Alaska 99811

First I would like to say that the new Pilotage Act has clearly given the Board of Marine Pilots the authority that was missing in the old law. I spent four years on the board, and it was a very frustrating experience. When the board would try to make regulations about requirements, the Attorney General's office would usually say they did not have authority to do so. Their authority is clearly spelled out now.

One very important aspect of piloting we were not able to convince the legislators of is the fact that State Pilotage cannot function long where there is competition among pilot groups. One group has to assume the responsibility of servicing an area. I know of no place in the United States, or other nation, where there is competition encouraged between State Pilot groups. In southeastern Alaska we are already losing some of our younger pilots to Puget Sound and San Francisco because the future is better there. I am sure we will not be able to compete with other states for well qualified applicants in the future.

Enclosed is a copy of the letter of August 2, 1991 that I sent to Governor Hickel on this subject. I have learned that in order to get a bill passed there must be a lot of compromise. In this case I think our opposition was much more convincing than we were, and the legislators probably did not have enough time to study all of the documentation presented on piloting. It is very difficult for anyone in the United States to think that a monopoly could be better than a competitive situation, however in State Pilotage it is the only way that pilots can truly function as agents of the state aboard foreign ships.

One reason there was not more accomplished at the Pilot Board meeting here in Ketchikan last week is that the foreign ship operators, and agents, and competing pilot groups were all trying to make their points. As long as competition is encouraged, this is the way it will be. The main function of State Pilots as described in the Act is to prevent the loss of lives and property, and to protect the marine environment of the state. Would not the best way to accomplish this be to make pilotage in each district a quasi-utility? Then it would be clear to all that pilots are completely under the control of the state. State pilots must

be able to serve only one master, the state, and they can not do that in a competitive atmosphere.

Thank you for your consideration,

Respectfully,

Capt. H.K. Elsensohn
Alaska Pilot Lic. #050
119 Austin, Apt. 506
Ketchikan, Alaska 99901

June 26, 1991

Walter J. Hickel, Governor
State of Alaska
P.O. Box A
Juneau, Alaska 99811-0101

Dear Governor Hickel:

During the last session of the Alaska State Legislature the Senate and House of Representatives passed a bill entitled "AN ACT RELATING TO THE BOARD OF MARINE PILOTS, MARINE PILOTS, INVESTIGATIONS OF MARINE ACCIDENTS, AND TRAINING FEES; EXTENDING THE TERMINATION DATE OF THE BOARD OF MARINE PILOTS; AND PROVIDING AN EFFECTIVE DATE". I have just completed my four year appointment as a member of the Board of Marine Pilots, and can state that the Board needed some new legislation. Because of legal loopholes and exceptions written into the old regulations and Pilotage Act, the Pilot Board has, in the last few years, lost its ability to enforce the intent of the regulations. Some pilots are being licensed for levels of work for which they have not demonstrated proficiency. The Attorney Generals office has even decided that the Board had no legal right to set tariffs for pilotage. That means that the state has told all foreign ships that they must take a pilot, and the pilot can charge anything he wishes. I believe the legislators who passed the original Pilotage Act over twenty years ago were smarter than that.

The reason for having state pilots is for the protection of life, property, and the ecology of the state. The state pilot must be a representative, or an officer of the state while aboard a foreign ship in order to have the authority to carry out his responsibility to the state. No one can serve two masters. The state pilot must be always responsible to, and under the control of the state. Pilots must only be concerned about the safety aspects of the job they are doing at the time, they must not spend their time worrying about whether or not some one of authority aboard the ship or ashore will like the decisions he must make. The state must have complete control over pilots, not some foreign steamship company, or ship's agent. If pilots have to compete with each other for jobs, they cannot function properly.

There are two locations in which there is a need to establish new pilot stations - lower Chatham Strait, and Cape Spencer. Both of these stations will require sturdy boats, and neither will be economically profitable for the operator. This is the type of thing that a single pilot association in an area could do, if the state requested it.

Several of the Legislators felt there should be more than one group of pilots in each region in order to be sure that everyone who is a licensed pilot has an

opportunity to work. In reality the best way to guaranty this is to have one association per district, and have the state require that all licensed pilots in that district are members of that group. If anyone has a complaint about a pilot, or a pilot organization, he or she should be able to take the complaint to the Board of Marine Pilots where the problem would be resolved. This would give industry their avenue to solving any problems that might arise. This would allow the state to have state pilotage system that it, and it alone controls.

You will find enclosed a copy of "STATE PILOTAGE IN AMERICA". It gives a short history of piloting that I hope you will find interesting.

I have been piloting in southeastern Alaska since 1973, will be 67 years old this summer, and have been connected with ships most of my adult life. At this stage of life I am not worrying about feathering my own nest, or turf protection, as some people will contend. There is so much about pilotage that I would like to discuss with you, but I am afraid the letter would be too long. I would be honored to have an audience with you, at your convenience, to discuss the pilotage needs of the State of Alaska and how they may be attained.

Respectfully,

Captain H.K. Elsensohn
119 Austin, Apt. 506
Ketchikan, Alaska 99901

Walter J. Hickel, Governor
State of Alaska
P.O. Box A
Juneau, Alaska 99811-0101

July 5, 1991

Dear Sir:

The bill that you recently signed into law pertaining to the Board of Marine Pilots was very much needed in order for the Board to be able to function once again. Thank you for your efforts in this matter.

While the bill will be a great assistance to the Board of Marine Pilots, it will have quite the opposite effect on marine pilots. I can only speak directly of what is happening in Southeastern Alaska because that is where I work.

Until the summer of 1990 all the pilotage needs of Southeastern Alaska were fulfilled by the Southeastern Alaska Pilots' Association. The association felt it had the responsibility to see to it that there were always enough qualified state licensed pilots available to cover any request for pilots that may arise. Almost everyone with a Southeastern Alaska license that wanted to work did so through our office. I must admit that there have been in the past a few licensed people that were not welcome in our office, for one reason or another.

During the summer of 1990, after the Southeastern Alaska Pilots had spent many months helping a new cruise ship plan an itinerary for Southeastern, the cruise ship company decided to employ two independent pilots as company pilots. The cruise company told us that this was done because those pilots were going to save them twenty five percent over the state tariff. We have abided by the published tariff since the original Pilotage Act was passed. Both the pilots and industry have always believed the tariff was law. Early in 1991 the attorney general decided that the tariff was not enforceable, after vacillating on the subject for months.

Now, in the summer of 1991 these same two pilots have a contract with Holland American Company to pilot all of their ships. Again the company told us that it was just business, they were saving money. Those four ships represent some of the largest tariff ships that come to the area. They were only able to fill the manpower need by having some pilots from the Alaska Marine Highway come to work with them. They are probably making more money there, for the time worked, than we are here because we are servicing all ships, not just the high tariff ones. We also have an obligation to the new and part-time pilots that have worked with us.

While the Legislature was in session almost every one of the members we spoke to was so busy that we could not

really take their time explaining to them the history, past legal decision, and customs of pilotage. It is important that these things be understood. In order to promote your understanding of the profession of piloting I am including copies twenty pages from "THE LAW OF TUG, TOW, and PILOTAGE" by Alex L. Parks; copywrite 1989 by Cornell Maritime Press, Inc. that I sent in the past to the Board of Marine Pilots members. You will also find enclosed is a copy of information given to us by our attorney about the Olsen case, and the Kotch case. I hope that you will have time to study these enclosures, as they will give you an insight into the field of piloting. I also hope that you have had an opportunity to read the copy of "STATE PILOTAGE IN AMERICA" that I sent to you last week.

In order for State Pilots to fulfill their responsibility to the state, they must be independent of the shipping companies. History has proven this. That is the main reason that California gave up trying to have company pilots in San Francisco Bay. Pilots cannot do proper work if they must worry that a decision they make may loose their job. The only way to have dependable pilotage is to have one association in each pilotage district that will be responsible for maintaining pilots and an office to serve all ships in that district that requiring a pilot. In order for such a system to work, the association would have to accept any licensed pilot the state sent to them. This approach would eliminate any kind of discrimination by associations.

The future of state pilotage in Alaska may be in the balance.

Thank you for your consideration.

Respectfully,

Captain H.F. Elsensohn
Alaska Pilot Lic. #050
119 Austin, Apt. 506
Ketchikan, Alaska
99901

Aug. 2, 1991

Walter J. Hickel, Governor
State of Alaska
P.O. Box A
Juneau, Alaska 99811-0101

Dear Governor Hickel:

My letters to you dated June 26 and July 5, 1991, have not been answered, so I must assume that they were not understood. I will write this letter as directly and clearly as I can.

State Pilotage in the state of Alaska is heading for the rocks. The state, and only the state, is supposed to control state pilots. The state pilot is theoretically on the ship to protect the state. During testimony before the various committees of the legislature some operators of foreign ships convinced the legislators that they needed protection from the pilots. They used half truths and innuendos to accomplish this goal. They made the legislators believe that they were afraid of the pilots.

Because of the above, the legislature wrote a bill including clauses that the shipping industry wanted. They completely side-stepped their responsibility when they gave in to the shipping interests and wrote the bill to create a competitive situation in piloting. No state in the union, or nation in the world that I know of, has competition in state piloting. The reason for this is very simple - IT DOES NOT WORK. State pilots are supposed to only be concerned about safety of the ship and it's surroundings. If they have to worry about pleasing the steamship company they are no longer representatives of the state, but company employees. It does not seem reasonable to me that the state would pass a Compulsory Pilotage Act just so the foreign ships would have to give me a job. I believe the intent was as stated in the act, to prevent the loss of lives and property, and to protect the marine environment of the state.

Another thing that the ship operators convinced the legislature to do, was to write the bill so the competing pilots would have to get business by the method of low bid. It is turning into a situation where some cruise ship companies don't care about a pilots experience and safety record, just how cheap he will work. The state must have the authority to set the tariff, just as other maritime states do. If the state sets the tariff it accomplishes two things, it protects the shipping companies from price gouging, and allows the pilots to have a comparable income to pilots of other areas. If the state wishes to have good prospects of qualified pilots in the future, it must consider the income that pilots make in other states.

If piloting is to be a purely financial venture, why should any of us service the small ships that do not pay very much? Maybe we should just work the large ships the way our competition is doing. We would make a lot more money that way. Because our competition only services large ships, they make much more money each day than we do. They are offering pilots of our group more money than they make with us, in order to have the manpower to get other large ships from us. It will all end with the cruise ship operators laughing all the way to the bank, as state pilotage goes down the drain.

In order to recap, there are three things the state must do to avoid disaster on the water -

- 1 - Take control of state pilots.
- 2 - Allow only one association per district.
- 3 - Set tariffs that must be adhered to.

If the state does these things it will tell everyone that state pilots are for the advantage of the state, as they are supposed to be. It will also allow the State Board of Marine Pilots and the pilot associations the ability to work together in order to promote safer pilotage, and better service to the ships.

One item that should be mentioned, piloting has historically been the culmination of a shipmaster's career, and is therefore a high paying profession. A very important thing to remember about a state pilot's income is that every cent of it is new money to the state and the community because it is paid by the foreign shipping company, not the local people. Another thing to remember is that Southeastern Alaska Pilot's Association has been in existence since the original pilotage act was passed, and has given both the state and industry good service all that time. The only thing we ever did that upset some people was to try to be sure the pilots we sent out were qualified.

There is much more to be said on the above subjects but I hope that what I have stated will enhance the items covered in my previous two letters.

Respectfully,

Captain H.K. Elsensohn
Alaska Pilot Lic. #050
119 Austin, Apt. 5067
Ketchikan, Alaska 99901

Capt. W.E. Murphy, Inc.

P.O. BOX 597
HOMER, ALASKA 99603

(907) 335-1271

4 October 1991

Alaska Board of Marine Pilots
Pouch D-LIC
Juneau, Alaska 99800

Dear Board Members,

I have just learned that at its recent work session the Board of Marine Pilots voted to include Kodiak Island in the "Western Alaska" region. I believe the Board must have taken this action only because it did not have sufficient factual information with which to make a determination based on the tests of safety, historic trade patterns, trained pilots, and service to industry. Placing Kodiak Island in the "Western Alaska" region makes no sense, may well lead to serious safety problems, and cannot be justified. Kodiak Island should be a part of the "Southcentral" region for the following reasons:

-Kodiak has always been served by pilots of Southwest Alaska Pilots Association (SWAPA) based in Homer. It has not been traditionally served by the Alaska Marine Pilots (AMP). Indeed, SWAPA pilots have probably done several hundred jobs on Kodiak Island within the past few years. I doubt that AMP pilots have done more than 20. This could easily be confirmed by checking the pilots' quarterly reports or requiring the respective pilot groups to produce this information.

-21 SWAPA pilots are licensed by both the U. S. Coast Guard and the State of Alaska for the ports of Kodiak Island; as a matter of fact it is a condition of membership in SWAPA that one be licensed for the entire Kodiak Island Group. AMP has very few members, 3 or 4 at most, licensed by either of the above agencies for the ports of Kodiak Island. Again this can be confirmed by reference to state licensing records or by the pilot groups in question.

-Loaded tankers are regular callers to Womens Bay on Kodiak Island. SWAPA pilots are arguably the most experienced tanker pilots in the United States. On the other hand very few AMP pilots have ever handled a tanker. The one or two AMP members who have handled tankers probably do not possess pilotage for Womens Bay.

-As the pilots who have provided 99% or more of the state pilotage on Kodiak Island for years, SWAPA members are of necessity well qualified in that area by virtue of their long experience there, their training in the area, and their vast experience handling large tonnage ships both on Kodiak and other areas. AMP pilots, on the other hand, do not share this experience either in terms of local knowledge or experience handling large ships.

Alaska Board of Marine Pilots
page 2
4 October 1991

-SWAPA has had a base in the town of Kodiak for a number of years. This is an office/residence equipped with telephone, vhf radio and an automobile.

-SWAPA's headquarters and dispatch base at Homer is close to Kodiak, 115 air miles away. The headquarters and dispatch base of AMP is located in Dutch Harbor, some 847 air miles distant.

-SWAPA members have long depended upon the revenue from piloting jobs on Kodiak Island for part of their income. AMP members do not. Again please refer to the number of vessels piloted on Kodiak by the respective pilot organizations to judge the truth of this statement.

-Finally, if the regional boundary putting Kodiak Island into the Western Alaska region were enforced today, Kodiak Island would be without pilots. That is the simple truth. The organization you have said will pilot on Kodiak cannot provide the service. It is difficult to see how such a situation contributes to safety.

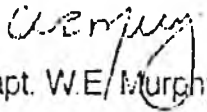
I have been informed that the vote putting Kodiak in the Western Alaska district was irregular in that a sitting Board member gave up his chair to a member of the audience, a pilot, who then made the motion and voted in favor of it. I question how a person not appointed by the governor or confirmed by the legislature can take a Board member's seat, make motions and vote on them. In addition to the other reasons I have listed, I request you reconsider your vote for this reason.

To conclude, I submit the Board of Marine Pilots, though well intended, has acted inappropriately and counter to the interests of safety by voting to place Kodiak Island in the Western Alaska region where its ports cannot be served by a geographically distant pilot organization whose members are neither licensed nor experienced in the area. It has, with the stroke of a pen, eliminated from Kodiak the pilot group which has served the area for many years, has a base there, and provides a large pool of experienced and appropriately licensed pilots to serve the Island. It has removed from Kodiak the only group of pilots who can provide the Island with pilot service. I therefore respectfully request that the Board obtain factual data concerning the piloting situation on Kodiak Island and then reconsider its action. I believe if the Board looks at the facts its only choice will be to rescind its earlier decision and vote to place Kodiak Island where it belongs- in the SouthCentral region.

Alaska Board of Marine Pilots
4 October 1991
page 3

As a former member and chairman of the Board I understand and sympathize with the pressures you are experiencing from industry members and pilots alike who are trying to influence you in your task of translating the new state piloting act into regulation. I believe your job will be much easier and less open to criticism if you decide issues before you with two things in mind: insist on facts and not opinions or emotional arguments from those making their case to you and, always decide on the basis of which course will best promote safety.

Respectfully yours,


Capt. W.E. Murphy

OCT 07 1991

MEMORANDUM

State of Alaska

TO: All Interested Parties

DATE: October 4, 1991

FILE NO:

TELEPHONE NO: 465-3035

FROM: JoAnne Cummings
Licensing Examiner

SUBJECT: Upcoming Meeting of the
Board of Marine Pilots

Enclosed is a tentative agenda for the October 16, 1991 meeting of the Alaska Board of Marine Pilots. If you have any material to submit for Board review prior to the meeting, please send it to me for distribution as soon as possible.

Also, I've been advised that parking will not be allowed at the AHFC Building where the meeting will be held, but meeting participants may park in the Department of Labor parking lot across the street.

Please call the above number if you have any questions.

~~Are their~~

MEMORANDUM (Brief Communications)

State of Alaska

TO:	Name All Interested Parties	Dept./Div./Sect.	Mail Stop
FROM:	Name JoAnne Cummings <i>JA</i>	Dept./Div./Sect. Alaska Board of Marine Pilots	Phone 465-3035 Mail Stop
SUBJ:	Agenda for the October meeting of the Marine Pilot Board		Date 9/23/91

Attached is a revised copy of the agenda which was sent to you earlier this month. No new topics have been added; only the order of discussion has been changed. This is still a tentative agenda and may be revised again by the board at the beginning of the meeting.

MEMORANDUM (Brief Communications)

State of Alaska

TO:	Name Interested Parties	Dept./Div./Sect.	Mail Stop
FROM:	Name JoAnne Cummings <i>J</i>	Dept./Div./Sect. Occupational Licensing	Phone 465-3035
SUBJ:	Marine Pilot Board Meeting - Tentative Agenda		Date 9/5/91

Attached is a tentative agenda for the meeting of the Board of Marine Pilots to be held October 1-2, 1991 in Ketchikan.

Please be aware that the agenda is subject to change. If you have any questions you may contact me at the number listed above.

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F 50/Hr*

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STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

WALTER J. HICKEL, GOVERNOR

P.O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2534

BOARD OF MARINE PILOTS
OCTOBER 1-2, 1991
KETCHIKAN, ALASKA

TENTATIVE AGENDA

TUESDAY, OCTOBER 1, 1991

<u>TIME</u>	<u>TOPIC</u>	<u>LEAD PERSON</u>
1. 9:00 a.m.	Call to Order/Roll Call	Division Staff
2. 9:05 a.m.	Election of Chairperson	Division Staff
3. 9:15 a.m.	Review Agenda	Chair
4. 9:25 a.m.	Approve Minutes	Chair
	a. April 3-4, 1991 Meeting	
	b. June 27, 1991 Teleconference	
	c. July 9, 1991 Teleconference	
	d. July 30, 1991 Teleconference	
5. 9:40 a.m.	Kurt Petrich Application	
	a. Proposed Decision on Appeal	Division Staff
	b. Score Oral Exam	Captain Collins
6. 10:15 a.m.	Investigative Report (Executive Session)	Division Staff
7. 10:45 a.m.	Enforcement Authority-Mandatory Employment of Pilots	Ann Boudreaux
8. 11:45 a.m.	Public Comment	Chair
9. 12:00 noon	Lunch	
10. 1:00	Marine Pilot Coordinator Position	Ann Boudreaux

Bob WATTS

11. 2:00 p.m.

Work Session - Drafting Regulations Chair
Regarding:

Bob White

- a. Maximum Tariffs
- b. Criteria for Recognizing Pilot Organizations
- c. Deputy Pilot Application Requirements
- d. Restrictions on Deputy Pilot Licenses
- e. Standards for Deputy Pilot Training Programs
- f. Procedure for Upgrading Existing Channel/Limited Licenses

FIRST PUBLICATION WILL BE SAME DAY.

12. 4:30 p.m.

Recess

WEDNESDAY, OCTOBER 2, 1991

<u>TIME</u>	<u>TOPIC</u>	<u>LEAD PERSON</u>
13. 9:00 a.m.	Roll Call	Chair
14. 9:05 a.m.	Public Comment	Chair
15. 9:35 a.m.	Continuation of Work Session Drafting Regulations	Chair
16. 12:00 Noon	Lunch	
17. 1:00 p.m.	Continuation of Work Session Drafting Regulations	Chair
18. 4:30 p.m.	Adjourn	Chair

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AUG 23 1991

MEMORANDUM

State of Alaska

TO: All Interested Parties

DATE: August 20, 1991

FILE NO:

2534

TELEPHONE NO: 465-3035

FROM: JoAnne Cummings
Division of Occupational
Licensing

SUBJECT: Notice of Meeting
Board of Marine Pilots

The Alaska Board of Marine Pilots will hold a meeting October 1-2, 1991 in Ketchikan, Alaska. The purpose of the meeting is to draft regulations in accordance with the new Marine Pilotage Act. The meeting will be held at the University of Alaska campus, Paul Building, Forum Room A, 7th and Madison Streets, Ketchikan. The meeting is scheduled to begin at 9:00 a.m. on Tuesday, October 1.

An agenda will be mailed to you when available. Please call the above number if you have any questions.

Rod
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ALASKA STATE LEGISLATURE

ELECTIVE DISTRICT 1

HYDER
KETCHIKAN
KUPREANOF
MEYERS CHUCK
PETERSBURG
SAXMAN
WRANGELL



HOME

P.O. BOX 5723
KETCHIKAN, AK 99901
PHONE 225-6304

DURING SESSION

P.O. BOX V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE 465-3424

Representative Cheri L. Davis

MEMORANDUM

TO: All Legislators

FROM: Representative Cheri Davis *CD*

DATE: September 19, 1991

RE: Marine Pilotage Act of 1991

Can we get copies? →

Last session I sponsored House Bill 194, "An Act Relating To the Board of Marine Pilots, Marine Pilots, Investigations of Marine Accidents, and Training Fees; extending the termination date of the Board of Marine Pilots." This bill had over 12 committee and sub-committee hearings and went through over 20 versions. HB 194 did end up as a compromise, which was passed overwhelmingly by both Houses. I am proud to have sponsored this legislation and am pleased with the final "compromise" version. Recently, some of you have received correspondence pertaining to "impending complications" with the adoption of this law.

The Marine Pilot Board is meeting in Ketchikan on October 1st and 2nd to begin drafting regulations, including:

- maximum tariffs
- criteria for recognizing pilot organizations
- licensing criteria

The Board needs time to discuss and implement these regulations, and to carry out the wishes of the Legislature.

If you have any questions about Marine Pilotage, I urge you to contact my office, Senator Pearce's office, or Brad Pierce and Mary Lou Madden from the Office of Management and Budget.

Thank you.



Alaska Coastwise Pilots Association
PO Box 22694
Juneau, Alaska 99802
Telephone: (907) 586-2272
Fax: (907) 463-3773

FILE

Marine Pilotage
Dispatch Service

Ketchikan Office
(907) 225-7245
Fax (907) 247-4568

Red

Senator Jim Duncan
Alaska Legislature
Juneau, Alaska 99811

July 24, 1991

Dear Senator Duncan,

The enclosed material merits your attention regarding the recently passed Marine Pilotage Act (SB 218/HB 194).

Some of our concerns recently expressed to other members of the Legislature and the Governor about this Bill are renewed by my reading of these memos by Captain Ed Murphy (president of the Southwest Alaska Pilots' Association, or SWAPA), and counsel Yoshida of SWAPA.

I) Particularly noteworthy are the following:

a) Captain Murphy's own account of how the political process completely circumvented the House Judiciary Committee's concerns regarding the Bill.

b) The absence of any remarks concerning any higher safety standards which may have been achieved by the Bill, and instead complete emphasis on the tariff and regional definition (turf) issues.

c) Counsel Yoshida's predictions of how the interpretation process (by SWAPA and SEAPA members of the Board of Marine Pilots) will seek to deny recognition to the Alaska Coastwise Pilots Association, or any other group(s) which might want to operate in "their" (SWAPA and SEAPA's) regions.

d) Counsel Yoshida's account of how the "maximum tariff" feature imposed by the Legislature will be circumvented, by virtue of only one pilot organization being allowed (by the BMP) to operate in a given region, and every member of that organization being required by the law to charge the same tariff. Captain Murphy's comment on Section 35 of the Bill (p7, his memo) reveals his hope that the above will only be a stopgap measure until June 30, 1994, when a "sane tariff" (eg: fixed tariff) will be introduced.

e) Captain Murphy's comments about the Alaska Coastwise Pilots Association (ACP) on page 7, ¶ 2 are inaccurate and misleading. ACP has always sought and continues to seek access to pilotage work 24 hours a day, 365 days a year.

II.) Aside from the obvious ramifications of the slanted "interpretation" of the new law that the newly empowered SWAPA and SEAPA members of the Board of Marine Pilots will likely adopt, some other questions must be raised, including:

a) Given the protectionist and self serving approach that the SEAPA and SWAPA organizations

PHONE MEMO

TO Rod

DATE 9/12

TIME 1:45 PM

FROM June

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OF Ketchikan

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MESSAGE

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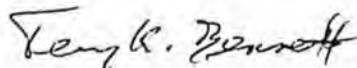
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have taken, how objective are their representatives on the Board likely to be in investigations of marine accidents of their association brothers? Currently at least three, and possibly four SEAPA members are in various stages of investigation by the State.

b) How objective or fair are the SEAPA and SWAPA members of the Board going to be in administration and grading of examinations of ACP pilots?

Thank you for your continued attention to these matters concerning the implementation of the new pilotage law.

Respectfully,



Captain Terry K. Bennett
President
Alaska Coastwise Pilots Association

STEVE K. YOSHIDA, P.C.

MEMORANDUM

TO: *Captain Jeff Pierce*
FROM: *Steve K. Yoshida*
DATE: *June 10, 1991*
RE: *Interpretation of new Pilotage Act*

I thought this analysis might be helpful for our discussion.

I. WHAT ARE PILOTAGE REGIONS AND WHAT ROLE DO RECOGNIZED MARINE PILOT ORGANIZATIONS PLAY IN THE REGION?

The Board of Marine Pilots are required to establish pilotage regions in the state. AS 08.62.040(4)(A). These regions will most likely be the Southeast, Southwest and Aleutian regions with boundaries determined by what is efficient for the dispatch of Southeast Alaska Pilot's Association (SEAPA), SWAPA, and Alaska Maritime Pilots (AMP) members. This follows because all marine pilots must be a member of a pilot organization recognized by the Board (AS 08.62.080) and all pilot organizations recognized by the board must promote a safe and reliable system of marine pilotage for the region in which the organization is

Page 2 of 6

organized. AS 08.62.175(c)(1). I interpret the requirement the recognized organization promote a pilotage system for the region to mean that the organization must service the entire region, and not just a portion of the region. I base this interpretation on the language in AS 08.62.175(d)(3)(A) and (B), which state that the pilot organization must show effectiveness in "promoting an efficient, reliable, and professional pilotage system in the region", and must maintain a "sufficient number of qualified pilots available for dispatch to serve the needs of vessels visiting the region."

The concepts of a regions and the pilot organization serving the region are closely tied. The regional boundaries will be determined by that area where a recognized marine pilot organization can provide a safe and reliable system of marine pilotage. A recognized marine pilot organization will be able to operate in only one such region. It is not likely that any organizations other than those mentioned above in the areas in which they now operate can be recognized under this interpretation.

II. IS A RECOGNIZED MARINE PILOT ORGANIZATION AN AGENCY OF THE STATE?

In many ways, yes. A marine pilot organization to be recognized must: promote a safe and reliable system of marine pilotage for the region, be

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open for membership to all persons licensed in the region, operate or participate in a training program for pilots and deputy pilots that is approved by the board, cooperate with the board in implementing the act, maintain a sufficient number of qualified pilots available for dispatch to serve the needs of vessels visiting the regions on the full time basis, and have uniform and nondiscriminatory bylaws, articles and rules. AS 08.62.175. The board has the power to audit a pilot or a pilot organization to enforce the act. A violation of the above requirements may lead to a civil fine not in excess of \$5,000.

In addition, all licensed pilots of the region must be a member of a recognized pilot organization by 1 January 1993.

III. WILL REGIONS AND THE CRITERIA FOR RECOGNIZED MARINE PILOT ORGANIZATIONS BE BETTER DEFINED?

Yes. The board is required to adopt minimum standards for recognition of marine pilot organizations by 1 January 1992. There is no deadline in the act for establishing the regions.

IV. WHAT IS THE BOARD LOOKING FOR IN AUDITING A PILOT OR PILOT ORGANIZATION?

The board is interested in seeing that dispatch assignments, pilot payments, office cost deductions, pilot benefits and expenses, which are handled by the pilot organization are applied in a uniform and nondiscriminatory fashion.

V. CAN ONLY RECOGNIZED PILOT ORGANIZATIONS TRAIN PILOTS AND DEPUTY PILOTS IN THE REGION?

Yes. A pilot organization must operate or participate in a board approved training programs for pilots and deputy pilots (AS 08.62.175(c)(5), a person supervising the training of a deputy pilot must hold a license issued under the act (AS 08.62.097(b)(1)), and a person licensed under the act must be a member of a pilot organization in the region (AS 08.62.080).

VI. WILL THE NEW TARIFF PROVISIONS OF THE ACT MEAN PRICE CUTTING?

The act requires the board to establish maximum tariffs, taking a number of factors into consideration. A pilot organization, acting on behalf of its members may adopt new or revised tariffs by notifying the board and publishing its intent, so long as the new tariff does not exceed the maximum tariff established by the board, AS 08.62.045. Since all licensed pilots must be members of pilot organizations as of 1 January 1993, no price cutting can take place after that date unless more than one pilot organization is recognized for the entire region.

VII. WHAT PROTECTION FROM LIABILITY DO PILOTS AND THEIR ORGANIZATIONS HAVE UNDER THE ACT?

The liability of a pilot for damages may not exceed \$250,000 per incident, except where the pilot is grossly negligent, guilty of wilful misconduct, or is disciplined by the board. You should be able to get affordable insurance up to \$250,000 with the above exclusions, but you will not avoid being sued. AS 08.62.165.

Marine pilot organizations are exempt from state and federal anti-trust laws in dispatching, training, establishing tariffs for its members, and providing other services for its members as described in its articles or bylaws as approved by the board.

SWAPA or its members are not liable for damages arising from the operation or participation in its training programs for pilots and deputy pilots, as required and approved by the board.

VIII. WHEN DOES THE ACT TAKE EFFECT?

1 January 1992 - minimum standards for marine pilot organizations must be established by the board. After this date, SWAPA after meeting these minimum standards can be recognized. Since the region and pilot organization concepts are so closely related, I assume that the board will try to establish both by this date.

The maximum tariffs must be established by the board by this date.

1 July 1992 - SWAPA must have its articles and bylaws approved by the board by this date.

1 January 1993 - All licensed pilots must be a member of a recognized pilot organization by this date.

30 June 1994 - the tariff section of the act is automatically repealed.

All other provisions of the act take effect the day after the signing of the act by the governor, scheduled for 26 June 1991.

28 May 1991

To: All Pilots

From: Ed Murphy

Subject: New Alaska State Pilotage Act, House Bill 194

As most of you know by now, we will have a new state pilotage act when the Governor signs House Bill 194 into law. I'd like to report to you, from my perspective, on important elements of the new law and how it might affect SWAPA and each of us individually.

First, a brief synopsis of how the new law came into being: Last year then Governor Steve Cowper directed his staff to study Alaska's state piloting system and report back to him. The administration's Division of Management and Budget completed a nine month study of Alaska's pilotage system in the context of the pilotage systems of the other maritime states which resulted in the booklet Improving Alaska's State Pilotage System. During this same time period, the Southeastern Alaska Pilots began talking with politicians from Southeastern about sponsoring new pilot legislation based on recommendations in the Governor's study. Representative Cheri Davis of Ketchikan agreed to sponsor new pilot legislation based on input from the SEAPA and SWAPA. Dale Collins of SeaPilots and their attorney Chuck Cloudy, George Quick of the MM&P, our attorney Steve Yoshida and I drafted a "pilots bill". We made a conscious choice to go for everything we could --- to include franchising, districting, limited liability, and antitrust legislation. Privately, I thought we would have little chance to gain these objectives but agreed we should go for them. During the drafting process we tried to meet or teleconference with the association membership to gain their input and keep all members as fully informed as we possibly could. Both Collins and I worked on bill language with Joe Merrill, representing A.M.P. We felt this was a political necessity in order to present a united pilot front to the legislators. Finally, the drafters came up with a draft bill which was acceptable to most of the members of both associations. Our draft was then submitted to Rep. Davis and her staff for introduction.

The political process began. Our proposed bill was rewritten by legislative drafters (as all bills are) who changed it considerably. Rep. Davis then introduced the legislation as House Bill 194 and the House speaker assigned it to various committees. H.B. 194 was assigned to 4 house committees which raised a few eyebrows because this was seen as a sign of disfavor by the speaker; most bills being assigned to only 3 committees. We were successful in getting the bill through the first committee, House Transportation, on the first hearing. This seemed to wake up the opposition who had apparently thought it was dead on arrival. Holland America soon revealed itself as our chief opponent, followed by a new industry group who call themselves the Alaska Steamship Operators Assn. (ASSO).

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These industry forces were assisted by a new group of pilots in Southeastern who have landed a piloting contract with Holland America. Called the Alaska Coastwise Pilots, this group is led by Joe Homer and Terry Bennett

At the second committee, Labor and Commerce-- Holland America, ASSO, and ACP actively opposed the new legislation and began lobbying individual legislators heavily. They employed a lobbyist and adopted a tactic which seemed to work for them: they gave lip service to the need for a new pilot act and said they supported this bill but had just a few problems with it. Then at committee hearings they submitted long lists of changes. We saw this as clearly a tactic to delay and kill the bill, while at the same time saying they supported it. The biggest hurdle was probably the House Judiciary Committee. The word was out that the bill would die there and, indeed, that seemed the case. The committee chairman and his chief staffer were clearly opposed to us and it looked like we'd had it. Cheri Davis was able to apply political pressure through the house speaker who owed her political chips because she, a Republican, had joined the Democratic coalition in the house. House Judiciary finally passed out an extremely bare bones version of the legislation. House Finance, chaired by our friend Mike Navarra of Kenai, passed the bill out quickly and it went to floor vote where the House passed it 39-0. But we still had only gutted and unacceptable legislation.

The action then shifted to the Senate where Senator Drue Pearce had sponsored companion legislation, Senate Bill 218. The respective House and Senate versions of a new pilot act were melded in the Senate and we were able to put back in much of what we lost in House Judiciary. But the maneuvering wasn't over. We were attacked by Senate majority leader Rick Halford on tariffs. He wanted a "free market" and thought marine piloting should have no tariff at all or only a maximum tariff. Here, there was a clear choice: stick to our guns on tariff and lose the bill; or, concede to Halford on tariffs and get a bill plus regain most of our losses in the House. We chose the latter course.

Finally, we had our bill through most committees in acceptable form when the last bomb was dropped----the House minority tried to pull off a coup to gain leadership of the House. Cheri Davis wouldn't go along with this scheme and so her punishment was to lose any legislation she had sponsored. This was an unbelievable blow, delivered on the last day of the session and which had nothing to do with the merits of the legislation! How the matter was finally resolved is still something of a mystery. We think there was pressure applied from the Governor's office to lay off and, also, a deal made between the Speaker of the House and the President of the Senate to trade votes on priority legislation. At any rate, at the eleventh hour, the Senate voted for the bill 19-0 and the House, who had to concur with the Senate changes, approved it 37-2.

page 3

Our political friends in Juneau who deserve great credit are the sponsors Rep. Cheryl Davis (and her chief staffer, Geoff Bullock) and Sen. Drue Pearce. Cheryl Davis was far more than a sponsor, she was a champion for this legislation. She fought hard and stuck with it in the face of incredible political heat. She deserves our gratitude. We also got help from Reps. Mike Navarre, Bill Hudson, Richard Foster, Betty Bruckman and Sam Cotton and Senator Virginia Collins. Opponents were Reps. Donley, Zawacki and Martin and Senators Halford and Ellason. Clem Tillon's advice and counsel was invaluable during the entire process. Our lobbyist, Wes Coyner, is the greatest in my opinion and we would have had no chance without him. He's been in Juneau 20 years and says this is the toughest, most down to the wire bill he has ever been a part of. Finally, Jeff Pierce, Mike O'hara and I put a lot of time and effort into this project.

IMPORTANT ELEMENTS OF NEW ALASKA PILOTAGE ACT

SECTION 1-POLICY , FINDINGS AND INTENT--This section mentions the independent contractor nature of state piloting and recognizes the essential function of pilot organizations (we were forced to drop the word "association").

SECTION 4-MEETINGS--Stipulates that the pilot board will meet at least 3 times per year from now on, as opposed to the 2 annual meetings previously.

SECTION 5-POWERS AND DUTIES--This section greatly increases the power of the pilot board in specific areas as well as generally. I believe this is real progress since the attorney general who now represents the board says he is comfortable with the language and can defend board action in court. This additional and more specific power of the board should eliminate individual lawsuits by disgruntled persons who believe the state owes them a license whatever their experience, training and place of dockings.

-directs the board to adopt regulations establishing pilotage regions in the state.

-directs the board to review and approve the articles, bylaws and training programs of pilot organizations. We should pay close attention to this new power of the board as we craft our new articles and bylaws. We should also adopt the attitude that all internal documents and memoranda may now be open to state audit.

-Includes new language requiring pilotage on "inland and coastal water of and adjacent to the state." Industry didn't like this language at all; probably because it would appear to give the state broad authority to require pilotage over a much greater area than before.

-directs the board to adopt standards "under which a pilot may receive a license or an endorsement.....in more than one pilotage region." We fought this one all the way because it would seem to permit and even encourage competition among pilot groups from out of area and force SWAPA pilots to obtain pilotage for Southeastern in order to compete; but at the expense of good currency in our already vast piloting area. However, it's not a total loss. Later in the legislation, you'll find that it must be proven to be in the "state's interest" in order to be licensed for more than one region. It seems to me that will be a difficult burden of proof. Regionalization was about the toughest battle we had----many legislators were opposed to it and, frankly, I'm surprised that it survived, even in this imperfect form.

SECTION 7-PILOTAGE TARIFFS-- This is where we lost badly. Industry fought hard for either no tariff at all or a maximum tariff. We thought we had them beat and it was a dead issue until Senator Halford launched off at us. Only a maximum tariff will be set by the board. What we were able to salvage was the establishment of certain criteria that must be considered when setting the maximum. Our list of 15 such items got whittled down to 5. Note that members of pilot organizations must charge the tariff set by their organization.

Note also that this section is repealed June 30, 1994, so we will have another shot at it in the next legislature. In my opinion, this change will have no immediate effect on us and, as a practical matter, little will change in the way of tariffs. This may also be the opportunity to raise the Cook Inlet tariff without a costly and time consuming tariff proceeding.

-A "Marine Pilot Coordinator" is authorized and will probably be hired. This will most likely be someone who will be a sort of executive secretary to the pilot board and will do most of its work in terms of running the new system, accident investigation and so forth. This could be a good thing if the right person is appointed. Anyone interested? Our license fees will go up to fund this new position and other increased costs of the board.

SECTION 8-LICENSE REQUIREMENT--Requires a pilot to belong to a pilot organization recognized by the board. This section exceeded our hopes and is more than we asked for.

SECTION 9--Is language that does not permit a pilot to pilot within more than one pilotage region, "unless the board determines that it is in the best interests of the state to license pilots for parts of more than one pilotage region." Again, this would appear to put the burden of proof on the applicant to establish the state's best interest.

SECTION 11-QUALIFICATIONS FOR DEPUTY MARINE PILOT LICENSE-- This is the most important section of the bill, in my opinion. It vastly increases the qualifications and entry standards of applicants. Note that applicants must have all federal pilotage for their region before applying, have to complete a training program before gaining a license, and are limited to 20,000 gross tons for 3 years. This section goes on to set standards for training programs; also requires prior board authorization for pilots to supervise training.

QUALIFICATIONS FOR A MARINE PILOT LICENSE--3 years of experience as a deputy marine pilot required before qualifying for a full license plus additional requirements the board may impose.

It appears to me that these increased license qualification and training standards will require that SWAPA do some long range planning of manpower needs in order to get deputy pilot trainees into the pipeline and trained with plenty of lead time. It will be 3 years after a person gets full federal endorsements and then a deputy license before he will be available to pilot all tonnages. We're going to have to plan about 4 years in advance for attrition, etc.

It would also appear to me that 4(b) of this section, (page 8), will take care of the concerns of those members who are concerned about losing license endorsements. This section seems to suggest that current license holders can renew with a license of the same type and subject to the same limitations.

page 6

SECTION 13-- RENEWAL OF LICENSES-- Note part 3 which requires applicants for renewal to have piloted for 60 days of each calendar year of the licensing period in order to renew--or---completed familiarization trips required by the board.

SECTION 15-FEES--Says the board shall set fees for investigations, audits and training. Hard to tell what this will mean to us. Training fees could be good if we can charge these costs to shippers; investigation and audit fees don't sound like something that will be good for us.

SECTION 16--Notable in this section is a new provision requiring the board to impose disciplinary sanctions against a pilot who has his Coast Guard license "conditioned, suspended, or revoked"
Sanctions against a pilot will also be imposed if he charges a tariff different from that of the pilot organization of which he is a member.

SECTION 17 --DISCIPLINARY SANCTIONS--Allows the board to fine a pilot organization up to \$5000 if the organization violates a provision of the new act or regulations enacted under it. This, as well as other sections, suggest to me that we be careful in crafting our new articles, bylaws, and working rules so as to fully comply with the new requirements.

SECTION 18--DUTIES OF LICENSED PILOTS--Read this section carefully--note the phrase "direction and control." We worked hard for this language and industry strongly opposed it. Note this is similar language to the federal pilot statutes.

SECTION 20--PILOTS AS INDEPENDENT CONTRACTORS--Note carefully this new section. It is now illegal for a state pilot to be an employee of the owner or operator of a vessel subject to state pilotage. This is tremendously important both for us and state pilotage nationally as it clearly mandates the essential independence of state pilots from the shipowners interest and control. Unfortunately, the section on tariffs undermines this important new provision of the law. Still, we are clear winners on this section; the cruise industry was practically vehement in their opposition to it.

LIMITATION OF LIABILITY--We started out asking for a personal liability limit of \$5000. I personally doubted we could achieve any limitation of liability for pilots and felt that liability protection for the associations in their training functions was more important and the only thing we could get. As it turned out, we ended up with protection for the association spelled out in the law and personal limitation at \$250,000. That's a lot of money but it sure beats no limitation and should allow us to get good insurance. Note that the pilots limitation does not apply if his error, omission, or fault was cause for disciplinary action against him for: incompetence, chemical impairment, possession or use of drugs, violation of the pilot act or its regulations, guilty of misconduct, or had Coast Guard license suspended, etc.

SECTION 21-- REGIONAL MARINE PILOT ORGANIZATIONS--Very important new section which will require us to do several things in order to be recognized by the board. I believe we should have good legal advice every step of the way in this process.

Section C(4) appears to be a loser for us because it requires recognized pilot organizations to be open to membership by "all persons licensed under this chapter to pilot vessels in the pilotage region in which the organization is recognized." This is not good news but, as a practical matter, I feel it will have little effect on SWAPA in terms of being forced to take as members persons we feel are not properly qualified. With the new qualification and training standards the problem may well be too few applicants rather than too many.

Section 3(b) could have been meaningful but ACP managed to water down the requirement that recognized organizations dispatch pilots all year, 24 hours per day. Now it is essentially meaningless.

SECTION 22-- EXEMPTIONS--The winner here for us is the new requirement that Canadian flag vessels, in order to be exempt from pilotage, must be built in Canada and manned by Canadian citizens. This is good protection from the rumored move by cruise ship interests to register their vessels in Canada to escape Alaska state pilotage requirements.

SECTION 23--Very important new section which requires all oil tankers, whether enrolled or registered, of over 50,000 tons deadweight, to use a state pilot. The immediate effect of this new provision will be on the *Sansinena II*.

SECTION 24--PENALTIES--Penalties for violation have been increased substantially.

SECTION 29-ANTITRUST--The new law now includes marine pilot organizations in the statute of organizations which are exempt from antitrust claims. We need legal advice on the full implications of this but it would seem to be a tremendous boon in terms of preventing frivolous and expensive lawsuits by disgruntled persons.

SECTION 34--The board is allowed to assess all licensees one time to fund the new act.

SECTION 35--All tariff provisions of the new act are repealed on June 30, 1994. At that time, hopefully, we can regain a sane tariff law.

SECTION 36--Section 8, which requires licensees to be a member of a pilot organization, takes effect on January 1, 1993.

MEMORANDUM

State of Alaska
Department of Law

TO Board of Marine Pilots
Department of Commerce and
Economic Development


DATE September 24, 1991

FILE NO 663-91-0174

TEL NO 465-3600

SUBJECT October 1-2, 1991 meeting

FROM:


Gary I. Amendola
Assistant Attorney General
Commercial Section - Juneau

During the October 1-2, 1991 meeting of the Board of Marine Pilots (the Board), it is my understanding that the Board intends to consider regulations dealing with a variety of topics relating to marine pilotage. */ This memorandum deals with the two regulations projects on which the legislature placed an adoption deadline of January 1, 1992, i.e., recognition of pilot organizations and tariffs.

Recognition of pilot organizations

AS 08.62.040(a)(4)(C) requires the Board to adopt regulations establishing criteria for recognizing pilot organizations under AS 08.62.175. Sec. 5, ch. 89 SLA 1991. The regulations dealing with minimum standards of recognition must be adopted by January 1, 1992. Sec. 32, ch. 89 SLA 1991. Under AS 08.62.175, those minimum standards include recognizing a pilot organization only if it

- (1) promotes a safe and reliable pilotage system in its region;
- (2) provides dispatch services for its members;
- (3) adopts and revises tariffs in accordance with AS 08.62.045;
- (4) has its membership open to all pilots licensed in its region;
- (5) operates or participates in an approved training program;
- (6) otherwise cooperates with and assists the Board;

*/ I will be in Anchorage on October 1 for an administrative hearing. I plan to be back in Juneau on October 2. Thus, I can be available to participate by telephone if the Board so wishes.

(7) properly adopts and applies uniform and nondiscriminatory articles, bylaws and organizational rules for its members and applicants for membership;

(8) otherwise insures that its articles, bylaws, and organizational rules comply with applicable law;

(9) adopts and applies its articles, bylaws, and organizational rules in a manner such that they are effective in promoting (a) safe and reliable pilotage system ((1) above) and operation of or participation in a training program ((5) above); and

(10) adopts and applies its articles, bylaws, and organizational rules in a manner that will maintain the ability to dispatch and provide services commensurate with the size of its organization.

Tariffs

AS 08.62.045 requires the Board to adopt maximum tariffs for the provision of specific pilotage services. Sec. 7, ch. 89 SLA 1991. In the process of adopting maximum tariffs the Board must identify those items of expense to be included in the tariff and must otherwise take into consideration

(1) what is reasonable compensation based on actual time piloting and time spent preparing to provide services;

(2) whether addition compensation is justified under certain conditions, e.g., extreme weather or piloting in the winter;

(3) dispatch and transportation expenses and other direct costs of providing services;

(4) reasonable overhead expenses; and

(5) other identified expenses.

The legislature has clearly given the Board broad authority and a fair amount of discretion to (1) implement the Alaska Marine Pilotage Act (the Pilotage Act) and (2) maintain a safe and efficient marine pilotage system. However, in addition to its statutory authority under the Pilotage Act, the Board should keep in mind other laws guiding the process of adopting regulations. AS 44.62.020 requires that "each regulation adopted must be within the scope of authority" of the Pilotage Act. Each regulation must also be "consistent with the statute [in this case

Board of Marine Pilots
Department of Commerce
663-91-0174

September 24, 1991
Page 3

the Pilotage Act] and reasonable necessary to carry out the purpose[s]" of the Pilotage Act. AS 44.62.030. Finally, the Board "may not adopt a regulation or take other action resulting in anticompetitive activities." AS 08.62.040(d).

The Board should also be mindful of the fact that the process of adopting these regulations will take a fair amount of time to complete. The Alaska Administrative Procedure Act relating to the adoption process and the agency processes developed to implement it require that a number of steps be taken from initial consideration to final adoption, including initial drafting, a time for public review and comment, agency review and consideration of public comments, department of law review, and filing with the lieutenant governor. Thus, it will take a significant and coordinated effort to meet the deadlines established by the legislature. To the extent possible, we are prepared to assist the Board in any way to help it meet that deadline.

If you have any questions, please call me at any time.

GIA/jf

cc: B.J. Jordan
Legislative/Regulations Section
Department of Law

Kevin Henderson
Department of Commerce and Economic Development

Ms DELIVER TO SEPT 7 1991
Alaska Coastwise Pilots Association
PO Box 22594
Juneau, Alaska 99802
Telephone: (907) 586-2272
Fax: (907) 463-3775

Marine Pilotage
Dispatch Service

Ketchikan Office
(907) 225-7245
Fax (907) 247-4568



To:
ROD
"BOUDREAU"
MORAN

September 7, 1991

[Redacted]
The enclosed material merits your attention regarding the recently passed Marine Pilotage Act (SB 218/HB 194). *Can we get?*

Some of our concerns recently expressed to other members of the Legislature and the Governor about this Bill are renewed by my reading of these memos by Captain Ed Murphy (president of the Southwest Alaska Pilots' Association, or SWAPA), and counsel Yoshida of SWAPA.

1) Particularly noteworthy are the following: *???*

a) Captain Murphy's own account of how the political process completely circumvented the House Judiciary Committee's concerns regarding the Bill *god grief!*

b) The absence of any remarks concerning any higher safety standards which may have been achieved by the Bill, and instead complete emphasis on the tariff and regional definition (tariff) issues.

c) Counsel Yoshida's predictions of how the interpretation process (by SWAPA and SEAPA members of the Board of Marine Pilots) will seek to deny recognition to the Alaska Coastwise Pilots Association, or any other group(s) which might want to operate in "their" (SWAPA and SEAPA's) regions.

d) Counsel Yoshida's account of how the "maximum tariff" feature imposed by the Legislature will be circumvented, by virtue of only one pilot organization being allowed (by the BMP) to operate in a given region, and every member of that organization being required by the law to charge the same tariff. Captain Murphy's comment on Section 35 of the Bill (p7, his memo) reveals his hope that the above will only be a stopgap measure until June 30, 1994, when a "same tariff" (eg: fixed tariff) will be introduced.

e) Captain Murphy's comments about the Alaska Coastwise Pilots Association (ACP) on page 7, ¶ 2 are inaccurate and misleading. ACP has always sought and continues to seek access to pilotage work 24 hours a day, 365 days a year.

II) Aside from the obvious ramifications of the slanted "Interpretation" of the new law that the newly empowered SWAPA and SEAPA members of the Board of Marine Pilots will likely adopt, some other questions must be raised, including:

a) Given the protectionist and self serving approach that the SEAPA and SWAPA organizations have taken, how objective are their representatives on the Board likely to be in investigations of marine accidents or substance abuse of their association brothers? Currently at least four SEAPA members are in various stages of investigation by the State.

b) In 1991 there have been at least two additional disastrous accidents involving SEAPA pilots. How high a priority are the SEAPA/SWAPA members of the Board of Marine Pilots going to put on investigation and prevention of future such accidents, as opposed to tariff issues?

b) How objective or fair are the SEAPA and SWAPA members of the Board going to be in administration and grading of licensing examinations of pilots from organizations other than their own?

Consistent with the analysis of Mr. Yoshida, Captain Michael O'Hara, the Southwest Alaska member of the Board of Marine Pilots recently announced that he believes only one marine pilot organization will be recognized in each "region" of Alaska. By such a scheme, it is easy to see how the price-fixing monopoly will be restored to Alaska pilotage. We do not believe that this is what the Alaska legislature intended with the passage of the Marine Pilotage Act.

Thank you for your continued attention to these matters concerning the implementation of the new pilotage law.

Respectfully,

Terry K. Bennett

Captain Terry K. Bennett
President
Alaska Coastwise Pilots Association

Board or Commission	Appointed	Term
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BOARD OF MARINE PILOTS

AS 08.62 - 7 members, 6 appointed by the Governor and 1 designated by the Commissioner of Commerce and Economic Development from his staff to serve a four year term; serves until new member is appointed.

Ann Boudreaux
 Department of Commerce
 and Economic Development
 P.O. Box D
 Juneau, AK 99811-0800
 (work) 465-2538

Captain Dale Collins
 P.O. Box 6100
 Ketchikan, AK 99901
 (work) 225-9696 or 225-9697

June 1, 1995

Fax 247-9696

Keith Greba (Public)
 504 Monastery Street
 Sitka, AK 99835
 (747-8309)

June 1, 1995

William Lorch (Agent)
 1600 A Street, Suite 220
 Anchorage, AK 99501
 (work) 272-0714

June 1, 1992

Fax 272-8795

Michael O'Hara (Pilot)
 P.O. Box 1443
 Palmer, AK 99645
 (work and home) 745-3518

June 1, 1993

Russell Sell (Public)
 1727 W. 11th Street
 Anchorage, AK 99501
 (work) 276-1492
 (home) 276-1492

June 1, 1992

Bob Watt, Agent
 6227 S. Tongass
 Ketchikan, AK 99901
 (home) 225-2795
 (work) 225-2675

June 1, 1994

Fax 225-7521

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To: Rod	From: JoAnne
Co.	Co. Occ Lic
Dept.	Phone # 465-3035
Fax # 561-4194	Fax # 465-2974

Revised 9-19-91

Davis Sections 6. No mention of licensing a pilot for only one region.

Section 9: Pilot must file application for exam 60 days before exam date.
Davis Sections 7 & 8. Pilot must apply for exam 15 working days before exam date.

Section 10: Qualifications.
(a) in Davis Section 10 (1 and 2)
(b) in Davis Section 10 (4b)
(1 - 5e) in Davis Section 10 1 - 5e)

NOTE: *Davis Bill sets up a Deputy Pilot which the requirements in Senator Pearce's Section 10 are. Furthermore, Davis' bill contains a whole new section on training.*

Section 11: Renewal.
(a) Davis Section 6, (b)
(1) Davis Section 11, (1)
(2) Davis Section 11, (2)
(3) Davis Section 11, (3)
(4b) Davis Section 11, (4a,b)

Section 12: Lapsed License.
Meets requirements in AS 08.01.10-120 and passes a written and oral exam if the license has lapsed one year or more.
Same Section, plus fam trips.

Section 13: Disciplinary Actions.
No significant differences.

Section 14: Allows board to take disciplinary sanctions.
No reference.

Section 15: Lists water adjacent to the state for pilotage. Ship in state waters must have a pilot during movement of the ship.
Davis Section 14, leaves language for pilotage as "inside costal waters of Alaska."

Section 16: Liability:
(a) \$5,000.00 per incident except if pilot is either grossly negligent or guilty of wilful misconduct.
Technically the same as in Davis' Section 14, except potential for a higher liability then \$5,000.00.

Section 17: Pilots may organize themselves into organizations as permitted under state and federal law.

Davis Section 17. Technically the same. However, Davis Bill has more guidelines as to the organizations goals, training, etc.

Section 18: Penalties for not employing a pilot.
Same as in Davis Section 20.

Section 19: Short title.
Same as in Davis Section 21.

Section 20: Technical add to statute.
Same as in Davis Section 22.

Section 21: Anti-trust.
Same as in Davis Section 23, except word "licensed."

Section 22: Transition.
Davis Section 24 spells out information more clearly.

Section 23: Effective Date immediately.
Davis Sections 25, 26, 27; breaks down effective date to specific sections.

ADDITIONAL SECTIONS IN DAVIS BILL:

Section 10: Qualifications for Deputy Marine Pilot License -- Includes section "Training."

Section 16: Pilot's Lien for Compensation.

Section 18: Exemptions.

We'll use this as
a C.S. to the
Gov's bill -
no need to
introduce anything.
I will copy it
from the bill report
to take the air.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

March 8, 1991

SUBJECT: Draft bill relating to marine pilots (W.O. 7LS0923)

TO: Senator Drue Pearce

FROM: George Utermohle *GU*
Legislative Counsel

Enclosed is the draft bill relating to the Board of Marine Pilots that was requested for the Senate Labor and Commerce Committee.

The enclosed bill closely follows the draft material supplied with the bill request, except in three regards. First, the draft material repealed the existing provision for licensing of marine pilots and replaced it with a provision setting out the qualifications for a deputy marine pilot license. However, the draft material did not provide for continued licensing of marine pilots. The enclosed draft bill overcomes this problem by eliminating the mention of deputy marine pilots and by making the qualifications apply to licenses for marine pilots.

Second, the supplied material apparently intended to amend the definition section of AS 08.62 by adding a definition of "chemically impaired". However the definition of the term was not included in the material. The enclosed draft bill does not attempt to define "chemically impaired".

Third, the requirement that a pilot complete two familiarization trips for each year that the pilot's license has been lapsed in order to obtain reinstatement of the license has been deleted from Sec. 12 (Sec. 08.62.130) of the bill because the requirement duplicates a similar requirement for renewal of a license. Under the requirements for renewal of a license in Sec. 11 (Sec. 08.62.120) of the bill, a pilot, who has not piloted vessels on at least 60 days during the preceding two years, must complete the number of familiarization trips set by the board before the pilot's license may be renewed. By requiring a pilot to satisfy the requirements for renewal of a license in order to reinstate a lapsed license, the board will be able to set the number of

Senator Drue Pearce

March 8, 1991

Page 2

familiarization trips that must be completed before the license will be reinstated, without adding a new requirement for more familiarization trips under Sec. 12.

If I may be of further assistance, please advise.

GU:pl

91-136.plm

Enclosure

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Board of Marine Pilots, marine pilots, and marine pilot
2 organizations; extending the termination date of the Board of Marine Pilots; and providing
3 for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1. POLICY, FINDINGS, AND INTENT.** (a) It is the policy of the state to prevent the
6 loss of lives and property, and to protect the marine environment of the state by requiring compulsory
7 pilotage in certain water of and adjacent to the state.

8 (b) The legislature finds that

9 (1) in order to assure the protection of lives and property and the marine environment
10 of the state, licensed marine pilots having extensive local knowledge are required to pilot certain vessels
11 in certain water of and adjacent to the state;

12 (2) it is necessary to give the Board of Marine Pilots broad statutory authority, including
13 the authority to establish pilotage regions and tariffs and the authority to establish criteria for the training
14 and licensing of marine pilots;

1 (3) marine pilots operating independently of the shipping industry have provided and will
2 continue to provide essential services to the people of the state;

3 (4) marine pilots further the public interest by providing safe pilotage in the water of the
4 state;

5 (5) in the past, pilot organizations have provided, and in the future will continue to
6 provide, important services on behalf of marine pilots; these pilot organizations have furthered the policy
7 of protecting lives and property and the marine environment in the water of the state.

8 (c) It is the intent of the legislature that the Board of Marine Pilots work with

9 (1) marine pilots to ensure that safe pilotage is maintained in the state;

10 (2) pilot organizations in a cooperative effort to enhance the policy of protecting lives
11 and property and the marine environment in the water of the state.

12 * Sec. 2. AS 08.03.010(c)(12) is amended to read:

13 (12) Board of Marine Pilots (AS 08.62.010) -- June 30, 1995 [1991];

14 * Sec. 3. AS 08.62.020 is repealed and reenacted to read:

15 Sec. 08.62.020. APPOINTMENT AND TERM OF OFFICE. The governor shall appoint
16 the members of the board under AS 08.01.020.

17 * Sec. 4. AS 08.62.030 is amended to read:

18 Sec. 08.62.030. MEETINGS. The board shall hold at least three regularly scheduled
19 meetings each year [A REGULAR ANNUAL MEETING]. The board may hold special
20 meetings at the call of the chair or at the request of a majority of the members of the board
21 [CHAIRMAN WITH PRIOR APPROVAL OF THE GOVERNOR].

22 * Sec. 5. AS 08.62.040 is amended to read:

23 Sec. 08.62.040. POWERS [AND DUTIES]. (a) The board may [SHALL]

24 (1) provide for the maintenance of efficient and competent: pilotage [PILOT]
25 service on all water [WATERS] covered by this chapter to assure the protection of shipping,
26 [AND] the safety of human life and property, and the protection of the marine environment;

27 (2) consistent with the law, adopt regulations, subject to the Administrative
28 Procedure Act (AS 44.62), establishing the qualifications of and required training for pilots and
29 providing for the examination of pilots and the issuance of original or renewal pilot licenses to
30 qualified persons;

31 (3) keep a register of licensed pilots [,] and agents;

1 (4) adopt regulations establishing
2 (A) pilotage regions in the state;
3 (B) the criteria by which pilotage tariffs are established;
4 (C) the criteria related to a training and investigation fee to be
5 remitted to the board; and
6 (D) pilotage tariffs for each pilotage region [UNDER THE
7 ADMINISTRATIVE PROCEDURE ACT (AS 44.62) ESTABLISHING STANDARDS
8 BY WHICH PILOTAGE FEES MAY BE ESTABLISHED, AND PAY FOR AUDITS
9 WHENEVER AN AUDIT IS NECESSARY TO COLLECT INFORMATION NEEDED
10 TO APPLY THE STANDARDS IN THE REGULATIONS];

11 (5) make available, upon request, copies of this chapter and the regulations
12 adopted under this chapter;

13 (6) review and approve the bylaws and the operating rules of pilot
14 organizations;

15 (7) audit a pilot organization or an individual pilot as considered necessary
16 by the board; and

17 (8) review and approve training programs conducted by pilot organizations
18 [IT].

19 (b) The board may, by regulation, make any other provision for proper and safe pilotage
20 upon the water [WATERS] covered by this chapter and for the efficient administration of this
21 chapter, including establishing

22 (1) different licensing criteria in pilotage regions if justified by regional
23 differences in piloting;

24 (2) a mandatory random drug and alcohol testing program for pilots licensed
25 under this chapter; and

26 (3) criteria for trainee selection and for training programs conducted by pilot
27 organizations.

28 * Sec. 6. AS 08.62.040 is amended by adding a new subsection to read:

29 (c) For good cause, the board may require a pilot licensed under this chapter to submit
30 to a physical or mental examination to determine the pilot's fitness to perform the duties of a
31 pilot.

1 * **Sec. 7.** AS 08.62 is amended by adding a new section to article 1 to read:

2 **Sec. 08.62.050. MARINE PILOT COORDINATOR.** The department, with the approval
3 of the board, is authorized to hire a marine pilot coordinator who is qualified to administer and
4 enforce the provisions of this chapter. The coordinator may not be an active member of a pilot
5 organization in the state and may not work as a pilot while employed as the coordinator, except
6 to the extent required by official duties. The coordinator is in the partially exempt service under
7 AS 39.25.120.

8 * **Sec. 8.** AS 08.62.080 is amended by adding new subsections to read:

9 (b) A pilot may not be licensed in more than one pilotage region at one time.

10 (c) The board shall establish dates for license examinations and shall provide public
11 notice of the dates for license examinations.

12 * **Sec. 9.** AS 08.62.090 is amended by adding a new subsection to read:

13 (c) In order to be eligible to take the next scheduled examination, a person shall file the
14 application with the board at least 60 days before the date of the examination.

15 * **Sec. 10.** AS 08.62.100 is repealed and reenacted to read:

16 **Sec. 08.62.100. QUALIFICATIONS FOR LICENSE.** (a) The board shall issue a pilot
17 license to a person if the person is a citizen of the United States, passes the examinations given
18 by the board, qualifies under regulations adopted by the board, and meets the qualifications in
19 (b) - (d) of this section.

20 (b) In addition to the qualifications in (a) of this section, an applicant may not receive
21 a license under this section unless the applicant provides documentation to the board of the
22 following service:

23 (1) one year of service as a master of ocean or coastwise vessels while holding
24 a license as the master of ocean steam or motor vessels of any gross tons;

25 (2) two years of service as a master of freight on a towing vessel while holding
26 a license as the master of freight and towing vessels of not less than 1,600 gross tons;

27 (3) two years of service as a chief officer on ocean or coastwise vessels of not
28 less than 1,600 gross tons while holding a license as the master of ocean steam or motor vessels
29 of any gross tons;

30 (4) two years of service as commanding officer of United States government
31 vessels of not less than 1,600 gross tons while holding a license as the master of ocean steam

1 or motor vessels of any gross tons; or

2 (5) three years of experience as a member of an organized professional pilots
3 association during which the candidate was actively engaged in piloting while holding a
4 minimum license as a master of freight or towing vessels of not more than 1,600 gross tons.

5 (c) An applicant for a license under this section shall possess an endorsement of first
6 class pilotage on the applicant's United States Coast Guard license with no tonnage restrictions
7 for the pilotage region for which the applicant seeks to be licensed.

8 (d) The board may impose other entry level qualifications for a license for a particular
9 pilotage region.

10 (e) In this section, "years of service" is determined in a manner consistent with the
11 regulatory standards of the United States Coast Guard relating to years of service.

12 * **Sec. 11.** AS 08.62.120 is repealed and reenacted to read:

13 Sec. 08.62.120. RENEWAL. (a) Licenses issued under this chapter expire on
14 December 31 of each even-numbered year. In addition to complying with the requirements of
15 AS 08.01.100, in order to renew a license a pilot shall

16 (1) submit a renewal application on a form provided by the board;

17 (2) meet the minimum qualifications set out in AS 08.62.100 and the regulations
18 adopted by the board under AS 08.62.100;

19 (3) on a form approved by the board, provide evidence of a satisfactory physical
20 examination by a licensed physician within 60 days before the date of renewal; and

21 (4) comply with (b) of this section.

22 (b) A licensed pilot who has not piloted in the region for which the pilot is licensed for
23 at least 60 days during the two years before applying for renewal may not have the license
24 renewed until the pilot completes the number of familiarization trips required by the board in the
25 pilotage region for which the license will be renewed.

26 * **Sec. 12.** AS 08.62.130 is repealed and reenacted to read:

27 Sec. 08.62.130. LAPSED LICENSE. The board shall reinstate a lapsed license if, in
28 addition to complying with the requirements of AS 08.01.100(a) - (c) and AS 08.62.120, the pilot
29 takes and passes a written and oral examination if the license has been lapsed one year or more.

30 * **Sec. 13.** AS 08.62.150(a) is amended to read:

31 (a) The board may impose a disciplinary sanction on a person licensed under this chapter

- 1 when the board finds that the person
- 2 (1) is incompetent in the performance of pilotage duties;
- 3 (2) is chemically impaired [HABITUALLY INTOXICATED];
- 4 (3) illegally uses or sells narcotic or hallucinogenic drugs;
- 5 (4) makes a false statement to obtain a license;
- 6 (5) violates a provision of this chapter or a regulation adopted under it;
- 7 (6) is guilty of misconduct during the course of employment; [OR]
- 8 (7) has had the person's United States Coast Guard pilot license conditioned,
- 9 suspended, or revoked; or
- 10 (8) charges, collects, or receives an amount for pilotage services that is
- 11 different from the pilotage tariff established by the board [SUFFERED REVOCATION OF
- 12 FEDERAL LICENSURE AS A PILOT].

13 * Sec. 14. AS 08.62.155 is repealed and reenacted to read:

14 Sec. 08.62.155. DISCIPLINARY SANCTIONS. The board may take disciplinary action
15 under AS 08.01.075.

16 * Sec. 15. AS 08.62.160 is amended to read:

17 Sec. 08.62.160. MANDATORY EMPLOYMENT OF LICENSED PILOTS. A vessel
18 subject to this chapter navigating certain water of or adjacent to the state [THE INSIDE
19 COASTAL WATERS OF ALASKA] as determined by the board in regulation shall employ a
20 pilot holding a valid license under this chapter. A vessel in the mandatory pilotage water of
21 the state shall be under the direction and control of a pilot licensed under this chapter
22 during movement of the vessel, unless the pilot is removed by the master for cause.

23 * Sec. 16. AS 08.62 is amended by adding a new section to read:

24 Sec. 08.62.165. LIMITATION OF LIABILITY. (a) A pilot licensed under this chapter
25 is not liable for damages in excess of \$5,000 per incident for damages or loss occurring as a
26 result of the error, omission, fault, or neglect of the pilot in performing pilotage services, except
27 that the limitation does not apply in a case where the pilot is either grossly negligent or guilty
28 of wilful misconduct.

29 (b) Nothing in this section exempts a vessel, a vessel's cargo, or the owner or operator
30 of a vessel or cargo from liability for damage or loss caused by the vessel, the vessel's cargo,
31 or the owner or operator of the vessel or cargo to the vessel, the vessel's cargo, another person,

1 or other property on the ground that

2 (1) the vessel was piloted by a pilot licensed under this chapter; or

3 (2) the damage or loss occurred as a result of the error, omission, fault, or neglect
4 of a pilot licensed under this chapter.

5 (c) An organization of pilots is not liable for claims arising from acts or omissions of a
6 pilot or organization of pilots that relate, directly or indirectly, to pilotage of a vessel. A pilot
7 is not liable, directly or as a member of an organization of pilots, for claims arising from acts
8 or omissions of another pilot or organization of pilots that relate, directly or indirectly, to pilotage
9 of a vessel. This subsection does not apply to acts or omissions relating to the ownership or
10 operation of pilot boats or the transportation of pilots to and from a vessel to be piloted.

11 * Sec. 17. AS 08.62 is amended by adding a new section to read:

12 Sec. 08.62.175. PILOT ORGANIZATIONS. Marine pilots may organize themselves into
13 organizations, to the extent that the organizations are permitted under state and federal law.

14 * Sec. 18. AS 08.62.190 is amended to read:

15 Sec. 08.62.190. PENALTIES [PENALTY]. (a) A master or owner of a vessel required
16 by this chapter to employ a licensed pilot who fails to do so when a licensed pilot is available,
17 unless the perils or hazards of the sea prevent the employment of a pilot, is guilty of a
18 misdemeanor and, upon conviction, is punishable by a fine of not less than \$5,000 [\$1,000] nor
19 more than \$15,000 for the first offense and not less than \$10,000 nor more than \$30,000 for
20 the second offense [\$5,000].

21 (b) A person who violates any other provision of this chapter or a regulation adopted
22 under this chapter [IT] is guilty of a misdemeanor and, upon conviction, is punishable by a fine
23 of not less than \$1,000 [\$500] nor more than \$5,000 [\$1,000].

24 * Sec. 19. AS 08.62 is amended by adding a new section to read:

25 Sec. 08.62.990. SHORT TITLE. This chapter may be cited as the Alaska Marine
26 Pilotage Act.

27 * Sec. 20. AS 39.25.120(c) is amended by adding a new paragraph to read:

28 (21) marine pilot coordinator of the Board of Marine Pilots.

29 * Sec. 21. AS 45.50.572(a) is amended to read:

30 (a) AS 45.50.562 - 45.50.596 do not forbid the existence or operation of labor,
31 agricultural, [OR] horticultural, or marine pilot organizations created for the purpose of mutual

1 help, and not conducted for profit, or forbid or restrain members of those organizations from
2 lawfully carrying out the legitimate objectives of them; nor are these organizations or members
3 illegal combinations or conspiracies in restraint of trade under the provisions of AS 45.50.562 -
4 45.50.596.

5 * **Sec. 22. TRANSITION; MARINE PILOT LICENSE.** (a) A marine pilot license issued under
6 AS 08.62.100 before the effective date of this Act shall be valid for the period for which the license was
7 issued and may be renewed until December 31, 1994, without examination upon payment of the marine
8 pilot license fee.

9 (b) A person may not hold a marine pilot license after December 31, 1994, without satisfying
10 the requirements of AS 08.62.100, as amended by sec. 10 of this Act.

11 (c) Notwithstanding AS 08.62.080(b), added by sec. 8 of this Act, a marine pilot license issued
12 under AS 08.62.100 before the effective date of this Act, and for subsequent renewals of the license,
13 entitles the licensee to pilot vessels in any marine pilotage region in the state until December 31, 1994.

14 (d) Notwithstanding (a) - (c) of this section, a person licensed under this chapter who applies
15 for a change, amendment, or an endorsement for the person's license must qualify for the change,
16 amendment, or endorsement under AS 08.62 as amended by this Act and implementing regulations
17 adopted by the Board of Marine Pilots.

18 * **Sec. 23.** This Act takes effect immediately under AS 01.10.070(c).

HOUSE BILL NO. 194

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES C.DAVIS, G.Phillips, Hudson, Koponen, B.Davis, Taylor, Choquette

Introduced: 3/6/91

Referred: Transportation, Labor & Commerce, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Board of Marine Pilots, marine pilots, and marine pilot
2 organizations; and providing for an effective date."

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

4 * Section 1. FINDINGS. The legislature finds that

5 (1) the first and paramount duty of marine pilots licensed by the state is to provide for
6 the public safety and the protection of the marine environment;

7 (2) marine pilots operating independently of the shipping industry have provided and will
8 continue to provide essential service to the state;

9 (3) licensing and regulation of marine pilots have protected and will continue to protect
10 the public from the consequences of marine accidents;

11 (4) the compulsory use of licensed marine pilots to pilot certain vessels in certain waters
12 of and adjacent to the state is necessary in order to prevent the loss of life and property and to protect
13 the marine environment;

14 (5) marine pilots must be highly trained and regulated to assure that only qualified

1 persons are responsible for navigating vessels in and adjacent to water of the state;

2 (6) the Board of Marine Pilots must have broad authority to regulate marine pilots,
3 including authority to establish marine pilotage regions, tariffs, and training and licensing criteria for
4 marine pilots;

5 (7) marine pilot organizations have provided, and will continue to provide, important
6 service to the public and to protect lives and property and the marine environment;

7 (8) marine pilot organizations should share in the responsibility for maintaining safe and
8 reliable marine pilotage systems established by the Board of Marine Pilots.

9 * Sec. 2. AS 08.62.020 is amended to read:

10 Sec. 08.62.020. APPOINTMENT AND TERM OF OFFICE. The governor shall appoint
11 the pilot, [AND] agent or manager, and public members of the board, subject to confirmation
12 by a majority of the members of the legislature in joint session, for terms of four years [,] or
13 until their successors are appointed. A person, with the exception of the commissioner or the
14 commissioner's designee, may not be appointed to the board for more than two consecutive
15 terms.

16 * Sec. 3. AS 08.62.030 is amended to read:

17 Sec. 08.62.030. MEETINGS. The board shall hold ^{up to 4} at least four [A] regular meetings
18 each year [ANNUAL MEETING]. The board may hold special meetings at the call of the chair
19 or at the request of a majority of the members of the board [CHAIRMAN WITH PRIOR
20 APPROVAL OF THE GOVERNOR].

21 * Sec. 4. AS 08.62.040 is repealed and reenacted to read:

22 Sec. 08.62.040. POWERS AND DUTIES. (a) The board shall

23 (1) provide for

24 (A) the examination of applicants for marine pilot and deputy marine pilot
25 licenses; and

26 (B) issuance and renewal of marine pilot and deputy marine pilot licenses
27 for each pilotage region;

28 (2) place qualifications or limitations on marine pilot and deputy marine pilot
29 licenses based on the characteristics of a marine pilotage region in which the licensee will operate
30 and the experience and training of the licensee;

31 (3) recognize regional marine pilot organizations to promote, administer, and

1 manage an efficient, reliable, and safe pilotage system within each marine pilotage region;

2 (4) keep a register of licensed marine pilots, licensed deputy marine pilots, and
3 agents;

4 (5) establish pilotage tariffs for each marine pilotage region, and charges for
5 training and other purposes;

6 (6) establish a mandatory random drug and alcohol testing program for persons
7 licensed under this chapter;

8 (7) establish standards for training of marine pilots and deputy marine pilots and
9 review training programs conducted by regional marine pilot organizations and approve the
10 training program if the board finds that the program is consistent with standards established by
11 the board;

12 (8) make available, upon request, copies of this chapter and the regulations
13 adopted under this chapter;

14 (9) review the articles, bylaws, and operating rules of regional marine pilot
15 organizations recognized by the board and approve the articles, bylaws, and rules, if the board
16 finds that they are consistent with this chapter, regulations adopted under this chapter, and other
17 applicable law;

18 (10) audit regional marine pilot organizations recognized by the board for
19 compliance with applicable law; and

20 (11) impose disciplinary sanctions under AS 08.01.075 on persons licensed under
21 this chapter;

22 (12) establish by regulation marine pilotage regions.

23 (b) The board may, by regulation, make other provisions for proper and safe pilotage
24 upon the waters covered by this chapter and for the efficient administration of this chapter.

25 (c) The board may, for good cause, require a person licensed under this chapter or an
26 applicant for a license issued under this chapter to submit to a physical or mental examination
27 to determine the person's fitness to perform the duties of a marine pilot.

28 * Sec. 5. AS 08.62 is amended by adding a new section to article 1 to read:

29 Sec. 08.62.050. MARINE PILOT COORDINATOR. The department may, after
30 consultation with the board, employ a marine pilot coordinator approved by the board to
31 administer and enforce this chapter. The coordinator may not be an active member of a regional

1 marine pilot organization in the state and may not serve as a marine pilot except as necessary to
2 perform the duties of marine pilot coordinator.

3 * Sec. 6. AS 08.62.080 is repealed and reenacted to read:

4 Sec. 08.62.080. LICENSE REQUIREMENT. (a) A person may not pilot a vessel
5 subject to this chapter unless the person is licensed under this chapter to pilot a vessel of that
6 type or size within that marine pilotage region.

7 (b) Notwithstanding AS 08.01.100(a), marine pilot and deputy marine pilot licenses
8 expire on December 31 of each even-numbered year.

9 * Sec. 7. AS 08.62.090(a) is amended to read:

10 (a) A person who desires to be licensed under this chapter shall apply in writing to the
11 department. A person must apply to take an examination at least 60 days before the
12 scheduled date of an examination; in order to take the examination on that date.

13 * Sec. 8. AS 08.62.090 is amended by adding a new subsection to read:

14 (c) The board shall establish and publish dates for future examinations.

15 * Sec. 9. AS 08.62.100 is repealed and reenacted to read:

16 Sec. 08.62.100. QUALIFICATIONS FOR A MARINE PILOT LICENSE. The board
17 shall issue a marine pilot license for a marine pilotage region to a person who

- 18 (1) is a citizen of the United States;
19 (2) passes written and oral examinations that may be required by the board;
20 (3) successfully completes a training program that has been approved by the
21 board.

22 * Sec. 10. AS 08.62 is amended by adding new sections to read:

23 Sec. 08.62.113. QUALIFICATIONS FOR DEPUTY MARINE PILOT LICENSE. (a)

24 The board shall issue a deputy marine pilot license for a marine pilotage region to a person who

- 25 (1) is a citizen of the United States;
26 (2) passes the written and oral examinations that may be required by the board;
27 (3) has completed training requirements established by the board; and
28 (4) satisfies (b) and (c) of this section.

29 (b) A person who applies for a deputy marine pilot license under this chapter shall
30 provide proof satisfactory to the board of the following experience:

- 31 (1) one year of sea service as a master on ocean or coastwise vessels while holding

1 a license as master of ocean steam or motor vessels of any gross tons;

2 (2) two years of sea service as a master on vessels or tug and tow of not less than
3 1,600 combined gross tons while holding a license as master of vessels of not less than 1,600
4 gross tons;

5 (3) two years of sea service as a chief officer on ocean or coastwise vessels of not
6 less than 1,600 gross tons while holding a license as master of ocean steam or motor vessels of
7 any gross tons;

8 (4) two years of sea service as commanding officer of United States commissioned
9 vessels of not less than 1,600 gross tons while holding a license as master of ocean steam or
10 motor vessels of any gross tons; or

11 (5) three years of experience as a member of a professional pilot's organization,
12 during which the person actively engaged in piloting while holding at least a license as a master
13 of freight or towing vessel of not more than 1,600 gross tons.

14 (c) A person who applies for a deputy marine pilot license under this section shall
15 possess an endorsement of first class pilotage on the person's United States Coast Guard license
16 without tonnage restrictions for the pilotage region for which the person seeks the deputy marine
17 pilot license.

18 (d) A person licensed as a deputy marine pilot under this section may, except as
19 otherwise provided by the board, pilot vessels of 20,000 gross tons or less in a marine pilotage
20 region for which the license is issued.

21 (e) In this section, "sea service" has the meaning given to the term by the United States
22 Coast Guard under 46 C.F.R. 10.

23 Sec. 08.62.117. TRAINING PROGRAMS. (a) The board shall establish standards for
24 training programs for a marine pilot license. The standards may include requirements for

25 (1) supervised familiarization and training trips on vessels subject to this chapter;

26 (2) supervised dockings, undockings, and tug assisted maneuvers;

27 (3) special training or experience necessary to qualify for a marine pilot license
28 for a particular marine pilotage region;

29 (4) completion of the training program within a specified period;

30 (5) other training or experience that the board considers appropriate.

31 (b) The board shall establish standards for training programs for a deputy marine pilot

1 license, as the board may consider appropriate.

2 (c) A person who supervises the training of persons who are seeking a license under this
3 chapter shall

4 (1) hold a marine pilot license issued under AS 08.62.100;

5 (2) receive prior authorization from the board to supervise the training of those
6 persons;

7 (3) maintain a written log and evaluation on a form provided by the board of the
8 training and progress of the person being supervised.

9 * Sec. 11. AS 08.62.120 is repealed and reenacted to read:

10 Sec. 08.62.120. RENEWAL OF LICENSES. (a) In order to renew a marine pilot license,
11 a person who is licensed under AS 08.62.100 shall

12 (1) submit an application for renewal of the license on a form provided by the
13 board;

14 (2) submit proof of continued qualification under AS 08.62.100 to receive a
15 marine pilot license;

16 (3) provide evidence of satisfactory completion of a physical examination by a
17 licensed physician within 60 days before the date of renewal of the license;

18 (4) submit proof satisfactory to the board that the person

19 (A) has engaged in piloting vessels subject to this chapter during at least
20 60 days in the licensing period immediately preceding the licensing period for which
21 renewal is sought; or

22 (B) completed the minimum number of familiarization trips required by the
23 board for renewal of a marine pilot license for a marine pilotage region for which the
24 license is to be renewed.

25 (b) The board shall establish criteria for the renewal of deputy marine pilot licenses.

26 * Sec. 12. AS 08.62.130 is repealed and reenacted to read:

27 Sec. 08.62.130. LAPSED LICENSES. (a) The board shall reinstate a lapsed marine
28 pilot license if the former licensee satisfies the requirements of AS 08.62.100 and completes two
29 familiarization trips under the supervision of a licensed marine pilot approved by the board for
30 each year that the license has been lapsed to each major port and waterway, defined by the board,
31 in the pilotage region for which the license is to be reissued and, if the license has been lapsed

1 for a year or more, passes an examination administered by the board.

2 (b) The board shall establish criteria for reinstatement of a lapsed deputy marine pilot
3 license.

4 * Sec. 13. AS 08.62.150(a) is amended to read:

5 (a) The board may impose a disciplinary sanction on a person licensed under this chapter
6 when the board finds that the person

7 (1) is incompetent in the performance of pilotage duties;

8 (2) is [HABITUALLY] intoxicated during the performance of pilotage duties
9 due to alcohol;

10 (3) illegally uses or sells narcotic or hallucinogenic drugs;

11 (4) makes a false statement to obtain a license;

12 (5) violates a provision of this chapter or a regulation adopted under this chapter
13 [IT];

14 (6) is guilty of misconduct during the course of employment; [OR]

15 (7) charges, collects, or receives an amount for marine pilot services that is
16 different from the tariff established by the board; or

17 (8) has suffered revocation of federal licensure as a pilot.

18 * Sec. 14. AS 08.62.160 is amended to read:

19 Sec. 08.62.160. MANDATORY EMPLOYMENT OF LICENSED PILOTS. A vessel
20 subject to this chapter navigating the INSIDE COASTAL WATERS OF AK
water of or adjacent to, to the extent permitted by
21 federal law, the state [INSIDE COASTAL WATERS OF ALASKA] as determined by
22 regulation shall employ a marine pilot holding a valid license under this chapter.

23 * Sec. 15. AS 08.62 is amended by adding a new section to read:

24 Sec. 08.62.165. LIABILITY. (a) A person who is licensed under this chapter is not
25 liable in excess of ^{\$500,000.00} \$5,000 for damage or loss occurring as a consequence of the person's error,
26 fault, omission, or neglect in performing services for which a license is required under this
27 chapter. The limitation of liability under this subsection does not apply if the person's error,
28 fault, omission, or neglect is wilful. will add gross negligence

29 (b) This section does not limit the liability of a vessel, its cargo, the owner of the vessel,
30 or the operator of the vessel for damage or loss caused by the vessel because the vessel was
31 piloted by a person licensed under this chapter or the damage or loss was a consequence of the

1 error, fault, omission, or neglect of a person licensed under this chapter while the person was
2 piloting the vessel.

3 (c) A regional organization of marine pilots recognized by the board under this chapter
4 is not liable for damage or loss arising from the error, fault, omission, or neglect of the
5 organization or a member of the organization who is licensed under this chapter that is, directly
6 or indirectly, related to the pilotage of a vessel.

7 (d) A person licensed under this chapter is not liable, directly or indirectly or as a
8 member of a regional organization of marine pilots recognized by the board under this chapter,
9 for loss or damage arising from the error, fault, omission, or neglect of another marine pilot or
10 the regional organization of marine pilots relating to pilotage of a vessel.

11 (e) This section does not limit the liability of the owner or operator of a pilot boat for
12 loss or damage arising from the ownership or operation of a pilot boat or the transportation of
13 marine pilots to and from vessels.

14 * Sec. 16. AS 08.62.170 is repealed and reenacted to read:

15 Sec. 08.62.170. PILOT'S LIEN FOR COMPENSATION. Each vessel, the owner of the
16 vessel, and the master of the vessel are jointly and severally liable for the compensation of a
17 person licensed under this chapter who is employed as a marine pilot on the vessel. A person
18 licensed under this chapter has a lien on the vessel and the vessel's tackle, apparel, and furniture
19 for compensation for marine pilot services.

20 * Sec. 17. AS 08.62 is amended by adding a new section to read:

21 Sec. 08.62.175. REGIONAL ORGANIZATIONS OF MARINE PILOTS. (a) To the
22 extent permitted under federal and state law, persons licensed under this chapter may form an
23 organization of marine pilots for each marine pilotage region.

24 ~~DELETED~~ (b) The board may recognize one organization of marine pilots within each marine
25 pilotage region.

26 (c) An organization of marine pilots recognized by the board shall promote a safe and
27 reliable system of marine pilotage for the region in which the organization is established,
28 including dispatching and training of marine pilots and deputy marine pilots and other functions
29 that the organization may assume. The articles, bylaws, and rules of each organization of marine
30 pilots recognized by the board are subject to approval by the board on the basis of

31 (1) uniform and nondiscriminatory application of the articles, bylaws, and rules

1 to marine pilots and deputy marine pilots licensed under this chapter;

2 (2) compliance with applicable laws; and

3 (3) effectiveness in

4 (A) promoting an efficient, reliable, and professional marine pilotage
5 system in the region;

6 (B) maintaining a sufficient number of qualified pilots to serve the needs
7 of vessels visiting the region;

8 (C) maintaining a training program for marine pilots and deputy marine
9 pilots that is approved by the board.

10 * Sec. 18. AS 08.62.180 is amended to read:

11 Sec. 08.62.180. EXEMPTIONS. This chapter does not apply to

12 (1) coastwise vessels exempt from state pilot laws by federal law [VESSELS
13 UNDER ENROLLMENT, EXCEPT AS PROVIDED IN AS 08.62.185];

14 (2) fishing vessels registered in the United States or in British Columbia, Canada;

15 (3) vessels propelled by machinery and not more than 65 feet in length over deck,
16 except tugboats and towboats propelled by steam;

17 (4) vessels of United States registry of less than 300 gross tons and tow boats of
18 United States registry and vessels owned by the State of Alaska, engaged exclusively

19 (A) on the rivers of Alaska, or

20 (B) in the coastwise trade on the west coast of the United States including
21 Alaska, Hawaii, and British Columbia, Canada;

22 (5) vessels of Canada, built in Canada and manned by Canadian citizens
23 including Canadian cruise ships, engaged in frequent trade between British Columbia and Alaska,
24 if reciprocal exemptions are granted by Canada to vessels owned by the State of Alaska and
25 those of United States registry; and

26 (6) pleasure craft.

27 * Sec. 19. AS 08.62.187 is amended to read:

28 Sec. 08.62.187. REGISTRATION OF AGENTS REQUIRED. A person may not act as
29 an agent of a vessel subject to this chapter unless the person's name appears on the register of
30 agents kept by the board under AS 08.62.040(a) [AS 08.62.040(a)(3)].

31 * Sec. 20. AS 08.62.190 is amended to read:

1 Sec. 08.62.190. PENALTY. (a) A master or owner of a vessel required by this chapter
2 to employ a licensed pilot who fails to do so when a licensed pilot is available, unless the perils
3 or hazards of the sea prevent the employment of a pilot, is guilty of a misdemeanor and, upon
4 conviction, is punishable by a fine of not less than \$5,000 [\$1,000] nor more than \$15,000 for
5 the first offense and not less than \$10,000 nor more than \$30,000 for each subsequent
6 offense [\$5,000].

7 (b) A person who violates any other provision of this chapter or a regulation adopted
8 under this chapter [IT] is guilty of a misdemeanor and, upon conviction, is punishable by a fine
9 of not less than \$1,000 [\$500] nor more than \$5,000 [\$1,000].

10 * Sec. 21. AS 08.62 is amended by adding a new section to read:

11 Sec. 08.62.201. SHORT TITLE. This chapter may be cited as the Alaska Marine Pilotage
12 Act.

13 * Sec. 22. AS 39.25.120(c) is amended by adding a new paragraph to read:

14 (21) marine pilot coordinator of the Board of Marine Pilots.

15 * Sec. 23. AS 45.50.572(a) is amended to read:

16 (a) AS 45.50.562 - 45.50.596 do not forbid the existence or operation of labor,
17 agricultural, [OR] horticultural, or licensed marine pilot organizations created for the purpose
18 of mutual help, and not conducted for profit, or forbid or restrain members of those organizations
19 from lawfully carrying out the legitimate objectives of them; nor are these organizations or
20 members illegal combinations or conspiracies in restraint of trade under the provisions of
21 AS 45.50.562 - 45.50.596.

22 * Sec. 24. TRANSITION; MARINE PILOT LICENSE. (a) Marine pilot licenses issued under
23 AS 08.62.100 before the effective date of sec. 9 of this Act shall be valid for the period for which the
24 licenses were issued and may be renewed until December 31, 1994, without examination upon payment
25 of the marine pilot license fee.

26 (b) A person who has applied for or made a substantial effort toward qualifying for, as
27 determined by the Board of Marine Pilots, a marine pilot license under AS 08.62.100 before the effective
28 date of sec. 9 of this Act, may receive a marine pilot license under the requirements for licensure as they
29 existed before the effective date of sec. 9 of this Act and may renew the license until December 31,
30 1994, without examination upon payment of the marine pilot license fee.

31 (c) A person may not hold a marine pilot license after December 31, 1994, without satisfying

1 the requirements of AS 08.62.100, as amended by sec. 9 of this Act.

2 (d) Notwithstanding AS 08.62.080(a), as amended by sec. 6 of this Act, a marine pilot license
3 issued under AS 08.62.100 before the effective date of sec. 9 of this Act or under (b) of this section, and
4 for subsequent renewals of the license, entitles the licensee to pilot vessels in any marine pilotage region
5 in the state until December 31, 1994.

6 * Sec. 25. AS 08.62.155 is repealed.

7 * Sec. 26. Sections 1 - 5, 13 - 23, and 25 of this Act take effect July 1, 1991.

8 * Sec. 27. Sections 6 - 12 and 24 of this Act take effect January 1, 1992.

**SECTIONAL ANALYSIS
WITH COMMENTS FROM
VARIOUS ORGANIZATIONS**

Section 1, page 1: No problem except with Alaska Maritime, which argues semantics.

Section 2, page 2 Line 9 AS 08.62.010. CREATION AND MEMBERSHIP OF BOARD.

Will replace the commissioner of Commerce, or his designate, with the pilot coordinator.

Should now be "ok" with all parties.

Section 3, page 2, Line 18 AS 08.62.020. APPOINTMENT AND TERM OF OFFICE.

No changes.

Ok with all parties.

Section 4, page 2, Line 25 AS 08.62.030. MEETINGS.

Increases number of regular meetings from one to four.

Merrill: "The number of Board meetings is not as important as the quality of the meetings. Alternatives as to the way the Board operates should be studied as an alternative to merely increasing the number of meetings.

No problem with all other parties.

Section 5, page 2, Line 30 AS 08.62.040. POWERS AND DUTIES.

Left basically as is with one big exception. The regions were taken out of statute and left up to the board to determine. The other area of concern to others was (5) establish pilotage tariffs for each marine pilotage region, and charges for training and other purposes. However, by giving the board broader powers and the addition of the pilot coordinator, there is going to have to be some sort of income, besides the raising of pilot license fees, to cover their costs.

Merrill: Doesn't agree with training tariff.

Ak. Maritime: Doesn't totally agree with training tariff.

Holland America: Doesn't disagree totally.

Section 6, page 4, Line 14 AS 08.62.050 MARINE PILOT COORDINATOR.

Will be hired by the Department, after approval by the board.

No problems.

Section 7, page 4, Line 20 AS 08.62.080 LICENSE REQUIREMENT.

Does not allow for a pilot to be licensed in more than one region. 

Merrill: Not until regions are defined adequately and the issues of the monopolistic organizations and other barriers to entry are resolved.

N. Star Maritime: As long as their ability, expertise and currency as required by regulation can be demonstrated, pilots should be able to be licensed in more than one region.

Ak.. Maritime: Individuals that are qualified under the State training and trip-frequency guidelines should be forced to abandon one cartel for another.

Section 8 and 9, page 4 Lines 27 and 31 AS 08.62.090 and .090(a), NEW SECTION.

Apply for an exam 60 days before the actual exam.

No problem.

Section 10, page 5, Line 2 AS 08.62.100 QUALIFICATIONS FOR DEPUTY MARINE PILOT LICENSE.

Gives requirements for Deputy Marine Pilot (typo in title, excluded DEPUTY).

No problems, except for clarifications because of typos in Bill Draft.

Section 11, page 5, Line 30 AS 08.62.115 QUALIFICATIONS FOR MARINE PILOT LICENSE.

Lines 6 through 23 will be deleted and left up to the Board to specify. A new section, "TRAINING," will be added to direct the board to set training standards.

No problems.

Section 12, page 6, Line 24, AS 08.62.120 RENEWAL OF LICENSES.

Sets up guidelines for renewal of pilot licenses.

No problem.

Section 13, page 7, Line 10 AS 08.62.130 LAPSED LICENSES.

Establishes guidelines for activating a lapsed license.

No problems.


Section 14, page 7, Line 18 AS 08.62.150(a) Disciplinary sanctions.

Gives reasons for the board to take disciplinary actions against a pilot.

No problems.

Section 15, page 7, Line 31 AS 08.62.160 MANDATORY EMPLOYMENT OF LICENSED PILOTS.

Mandatory pilotage in the water of or adjacent to, to the extent permitted by federal law. It used to say INSIDE COASTAL WATERS OF ALASKA.

Holland America: This would expand mandatory pilotage in the State. 

AK Maritime: Needs more info.

N. Star Maritime: Leave as in current statute.

Section 16, page 8, Line 5 AS 08.62.165 LIABILITY.

Addresses pilot liability, et all.

Holland America: Way too limited.

Section 17, page 8, Line 27 AS 08.62.170 PILOT'S LIEN FOR COMPENSATION.

Vessel owners and masters are jointly and severally liable for the compensation of a pilot.

Alaska Maritime: Objects because it makes the agent liable for pilot compensation....but it doesn't.

Section 18, page 9, Line 2 AS 08.62.175 REGIONAL ORGANIZATIONS OF MARINE PILOTS.

Franchising.

Merrill: No.

Ak.. Maritime: No

Holland America: No

N. Star Maritime: No

ISS (Elwood): No 

Section 19, page 9, Line 23 AS 08.62.180 EXEMPTIONS.

Self Explanatory.

Section 20, page 10, Line 8 AS 08.62.187 REGISTRATION OF AGENTS REQUIRED

Self Explanatory.

Section 21, page 10, Line 12 AS 08.62.190 PENALTY

Penalty for not employing a licensed pilot.

Alaska Maritime: Language change.

Section 22, page 10, Line 22 AS 08.62.201 SHORT TITLE.

Section 23, page 10, Line 25 AS 39.25.120(c)

Adds Marine Pilot Coordinator to a new section.

Section 24, page 10, Line 27 AS 45.50.572(a) DEALS WITH ANTI-TRUST.

Section 25, page 11, Line 3 TRANSITION; APPOINTMENTS TO THE BOARD OF MARINE PILOTS.

Section 26, page 11, Line 13 TRANSITION; MARINE PILOT LICENSE.

Section 27, page 11, Line 27 Repealing some statutes (book keeping)

Section 28, page 11, Line 28 Effective dates.*

Section 29, page 11, Line 29 Effective dates.*

* Effective dates are delayed to allow for the pilots to choose which region they wish to be licensed in.

FAX COVER SHEET

REGIONAL CITIZENS' ADVISORY COUNCIL
601 WEST FIFTH AVENUE SUITE 500
ANCHORAGE, AK 99501
(907) 277-7222 FAX (907) 277-4523

DELIVER TO: Alaska Board of Marine Pilots

FROM: Regional Citizens' Advisory Council

REGARDING: Alaska Marine Pilotage Study

DESCRIPTION

Letter from Council and two letters from committee members

DATE: 12/10/90 TIME: 2:25PM # OF PAGES: 8

THESE ITEMS ARE BEING SENT:

FOR YOUR IMMEDIATE ACTION, KEEP US ADVISED OF ACTION.

FOR YOU TO PROCESS.

FOR YOUR REVIEW AND APPROVAL

FOR YOUR GENERAL INFORMATION

FOR YOUR APPROVAL AND CORRECTION.

FOR YOUR SIGNATURE.

REMARKS:

DEC-10-90 MON 14:36

RCAC

FAX NO. 9072774523

P. 02

Regional Citizens' Advisory Council
601 West Fifth Avenue, Suite 500
Anchorage, AK 99501
277-7222 (FAX) 277-4523

December 10, 1990

Alaska Board of Marine Pilots
c/o Department of Commerce and Economic Development
P.O. Box D
Juneau, AK 99811-0200

Dear Sir:

The Regional Citizens' Advisory Council has reviewed the Alaska Marine Pilotage Study (Review Draft) dated October, 1990, which was prepared by the Division of Policy in the Office of the Governor. Pilotage issues have a direct impact on our efforts to insure the safety of marine transportation in Prince William Sound, and are of great concern to us.

It is apparent that there are serious flaws in the existing pilotage statutes which need to be corrected. Due to the short timeframe for the submission of comments on this study, there was insufficient time to do an indepth analysis of the issues raised therein. Some general concerns were noted in our brief review, however, and the following comments are submitted for your consideration:

We feel that Prince William Sound tank vessel traffic should be considered separately in the Pilotage Study.

We suggest that the Governor's Office consider the possibility that the pilots in Prince William Sound will become the employees of a local port authority if such an organization is established in the future.

Also included are comments submitted by members of our Port Operations and Vessel Traffic Systems Committee. We have encouraged our members to submit their views to you as concerned private citizens, and the comments from Mr. Bill Conley and from Mr. Matt Kinney are included for that purpose.

RCU BY: XEROX TELECOPIER 7010 ; 12-10-90 3:36PM ;
DEC-10-90 MON 14:37 RCAC

9072774523-
FAX NO. 9072774523

9074633641;H 3
P. 03

We appreciate the opportunity to comment on the Pilotage Study and would like to receive further information on the proposed revisions to the pilotage statute as they are developed.

Sincerely,

Christopher H. Gates
CHRISTOPHER H. GATES *SS*

Vice President for
Port Operations & Vessel Traffic Systems

CC: RCAC Members
PO/VTS Members
Alyeska Pipeline Service Company
USCG MSO Valdez

DEC-10-90 MON 14:37

RCAC

FAX NO. 9072774523

P. 04

5 December 1990

NOTES FROM BILL CONLEY
DRAFT LEGISLATION MARINE PILOT ACT

Specific Sections

Sec. 08.62.020

Does not define length of term. Is the term for the full four years, or different from the Governor's term?

Sec. 08.62.040

Item 4 adopts regulations establishing pilot regions in the state and establishes criteria by which pilotage tariffs are set. It provides for different tariffs within a region but does not establish how to establish these differences. What would be the basis for different tariffs? Tonnage? Distances? Weather? Deep pockets? I believe some guide lines should be established to insure uniformity in each region.

Sec. 08.62.045

Marine Pilot Coordinator. I would like to see this section include that the Coordinator should hold a Masters license and would be responsible to perform periodic "check rides." I do not think this should be a "bureaucrat" as the interaction with the pilots can best be performed by another mariner.

Sec. 08.62.080

This section should include provisions for levels of proficiency. The section only addresses entrance level pilots. There should be some criteria for advancement and for pilots to progress from entrance level for smaller vessels to advanced level for larger vessels.

Sec. 08.62.100

Entry level qualifications should include Alaska residency.

DEC-10-90 MON 14:38 RCAC

FAX NO. 9072774523

P. 05

Sec. 08.62.150

This section should include the penalty for a pilot who does not submit to or fails his/her physical exam.

Sec. 08.62.180

Item 3 should delete reference to steam as archaic.

General Comments

This shows a very definite improvement, but still leaves some gaps in its pilotage rules before Alaska raises its standards to the rest of the world marine industry.

I do believe this should address pilotage areas. Alaska needs probably four areas and a minimum of three. I think for the sheer magnitude of our Alaska coastline we need to define four distinct areas: Southeast, Southcentral, Western, and Northern. The Western area to include all of the Aleutian Chain and the northern area to extend into the Chukchi and the Beaufort Seas. Even these areas are vast, but I am not sure the volume of traffic would support smaller areas.

DATE 12/5/90

TO: ALL MEMBERS, PO & VTC SUBCOMMITTEE
FROM: MATT KIRKNEY, PO & VTC SUBCOMMITTEE MEMBER
SUBJECT: PILOTAGE

SINCE OUR LAST MEETING IVE SPENT CONSIDERABLE TIME REVIEWING THE FOLLOWING DOCUMENTS CONCERNING ALASKA PILOTAGE:

1. ALASKA MARINE PILOTAGE STUDY (MADSEN & PIERCE)
2. REPORT ON EXXON VALDEZ (NTSB 3/90)
MARINE ACCIDENT REPORT
3. DRAFT LEGISLATION AMENDING THE MARINE PILOTS ACT (AS, 08.62) 10/8/90 STATE OF ALASKA, DEPARTMENT OF LAW.

IVE SUPPLEMENTED THIS READING WITH CONVERSATION WITH VARIOUS INDIVIDUAL INCLUDING A VALDEZ PILOT, A LOCAL SHIP AGENT, AND A FLEET MANAGER OF ONE OF TAPS OWNERS.

FROM THESE VARIOUS SOURCE IVE COME TO THE FOLLOWING CONCLUSIONS OR POSSIBLE FUTURE RECOMMENDATIONS.

1. RCAC, ESPECIALLY OUR SUBCOMMITTEE SHOULD DIRECT THEIR ATTENTION ON THOSE VESSEL ENGAGED IN CARRYING ANSCO OR COOK INLET CRUDE. BASICALLY ANY VLCC OR TANK VESSELS GREATER THAN 20,000 DWT.

I DO NOT FEEL THAT WE SHOULD FOR INSTANCE MAKE RECOMMENDATIONS THAT EFFECT OTHER SHIPPING SUCH AS COMMON FREIGHT, PASSENGER OR COMMERCIAL FISHING.

DEC-10-90 MON 14:39

RCAC

FAX NO. 9072774523

P. 07

DEC-05-1990 23:33 FROM MATT-WALDEE

TO

P. 34

2. THE NTSB MADE ONE RECOMMENDATION TO THE USCA CONCERNING PILOTAGE:

"SEEK LEGISLATION TO REQUIRE ALL PILOTS OF COMMERCIAL VESSELS ON THE NAVIGABLE WATERS OF THE U.S. TO HAVE A FEDERAL PILOT'S LICENSE WHICH WOULD BE LEGALLY SUPERIOR TO ALL STATE-ISSUED DOCUMENTS, LICENSES OR COMMISSIONS THAT A STATE MAY CONTINUE TO EMPLOY. TO ACCREDIT THAT IT DESIRES TO PILOT VESSELS ENGAGED IN FOREIGN TRADE (NTSB/EV 3/90 pg 177)

I SUPPORT THIS CONCEPT.

3. THE "REPORT" TO THE GOVERNOR, THOUGH INFORMATIVE WOULD MAKE SHAMBLES OF A PWS PILOTAGE SYSTEM THAT IS THE BEST AROUND. UNFORTUNATELY S.E. AND S.W. AREAS ARE EXPERIENCING A MULTITUDE OF INTERNAL BICKERING. SWAPA WAS EXONERATED BY THE NTSB, AND CONTINUES TO OPERATE FIRST RATE OPERATION FROM ALL I SPOKE WITH.

4. I DO FAVOR A REVIEW OF QUALIFICATION AND MORE TRAINING REQUIREMENTS. SOME POSSIBILITIES ARE:

1. PILOTS MUST BE USCG LICENSED FOR MASTER, UNLIMITED TONNAGE ALL WATERS.
2. YEARLY PHYSICALS
3. PILOTS BE ALASKA RESIDENT
4. DRUG AND ALCOHOL SCREENING PRIOR TO DEPARTURE.

THE STATE BOARD OF PILOTS RECENTLY CONVENED TO DISCUSS QUALIFICATION OF PWS TAPS PILOTS. THE RECOMMENDATIONS WERE GOOD, BUT I'VE NOT SEEN THE RESULTS OF THE MEETING.

DEC-10-90 MON 14:40

RCAC

FAX NO. 9072774523

P. 08

DEC 10 1990 22:34 FROM MATT-JALDEZ

TO

P. 05

5. PILOTS AS STATE EMPLOYEES IS AN OLD IDEA. BUT IF WE LOOK AT PWS TAPS PILOTS THERE RECORD IS GOOD. SHOULD WE ALSO REQUIRE AIRLINE PILOTS (TALK ABOUT PREVIOUS CARGO) TO BE STATE EMPLOYEES? PRIVATE INTERPRETATION IS WORKING FINE. CERTAINLY, THE STATE AND FEDERAL AGENCIES CHARGED WITH PILOT OVERSIGHT, ARE KEEPING AN EYE ON THE SITUATION. (IE JOSLEW'S USCG)

I WOULD RATHER WE AGGRESSIVELY PERSUE AGGRESSIVE MANDATORY OVERSIGHT BY FEDERAL AND STATE AGENCIES.

6. WE'VE TOUCHED BRIEFLY ON A PORT AUTHORITY FOR VALDEZ. VALDEZ HAS TO LITTLE TRAFFIC TO WARRANT SUCH AN ACTION. ALASKA AND THE USCG CONTROL AND HAVE TECHNICAL "AUTHORITY" OVER TANKERS, THAT LEAVES VALDEZ WITH A HANDFUL OF CRUISE SHIPS AND AN OCCASIONAL FREIGHT BARGE. EASILY HANDLED BY THE PORT DIRECTOR AND HARBOURMASTER. IF IN THE FUTURE, THE ADDITION OF A MAJOR PETROCHEMICAL FACILITY SUCH AS TAGS COMES ON LINE, THEN A PORT AUTHORITY MIGHT BE NECESSARY.

ONE LAST WORD ON PILOTS. I THINK IT IS IMPORTANT TO HAVE PILOTS WHO DO NOTHING BUT SPECIALIZE IN TANKERS IN OR OF ALASKAN WATERS. THE EXISTING FLEET OF TAPS TANKERS IS STABLE AND MOST PILOTS HAVE DONE ALL THE FLEET TANKERS NUMEROUS TIMES. THIS CONSISTENCY BREEDS EXPERIENCED TANKER PILOTS.

Sincerely
MATT KINNEY



Holland America Line
Westours Inc.

March 6, 1991

VIA TELECOPIER - 907 463 5352

Mr. Rod R. Mourant
Office of Senator Drue Pearce
P.O. Box V
Juneau, Alaska 99811

Re: Pilotage Legislation

Dear Mr. Mourant:

Tony Thein has suggested that I provide you with the latest draft of pilotage legislation which we have put together. As Tony has probably already mentioned to you, the only reason we have prepared draft legislation is to provide an alternative to the legislation now being advanced by various pilotage groups in Alaska. For reasons explained more fully below, we believe that the legislation being promoted by these pilots will have unwarranted adverse impacts upon the shipping industry in Alaska.

We have no problem whatsoever supporting the idea that pilots should have adequate training for their jobs. In fact, we believe this is essential and have long felt that the requirements of Alaska law were inadequate in this regard. Consequently, we fully support legislation that will increase the quality of pilots operating in Alaska.

Where we take issue with certain pilots is their apparent desire to use the shield of government in order to gain what is essentially monopoly power. The efforts to achieve a monopoly are in three separate areas:

1. Pilot Independence: The pilots that have been advancing the legislation which we oppose are seeking to prohibit shipping companies from employing pilots directly. They claim that an employee cannot have the necessary independence. We find it very hard to understand why pilots are different from any other profession in this regard. For example, there is no requirement that businesses use only independent doctors, engineers, architects or any other licensed professional. Utilizing the rationale of the pilots, one could argue that businesses should never be allowed to employ anyone who is required to exercise independent judgment. The absurdity of that proposition is obvious. The fact of the matter is that businesses routinely employ people who need and are expected to exercise independent judgment and who, in fact, do so.

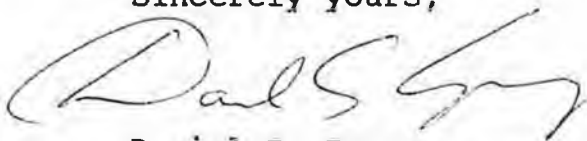
Mr. Rod R. Mourant
March 6, 1991
Page 2
VIA TELECOPIER

2. Established Rates: For reasons which we cannot explain, the pilots somehow seem to feel that they are unable to negotiate rates directly with the shipping companies. Instead, they need to have the State negotiate on their behalf. We fail to understand why pilots are such a special group of people that the market place and the laws of supply and demand cannot be allowed to operate in the normal course. The State of Alaska regulates many professions. The primary reason for regulation is to protect the general public from unqualified professionals. In this case, it seems that the pilots are seeking to protect themselves from the general public.
3. Pilot Organizations: Although the legislation being pushed by the pilots purports to be a safety bill, one of the real purposes underlying it is an attempt to legitimize and immunize marine pilot organizations. The legislation that we are opposing essentially allows these marine pilot organizations to act as a quasi-governmental entity. Effectively, it will require shippers to deal exclusively with these organizations.

Having controlled prices and created a monopoly, the pilots proposing the legislation also seek to limit their liability as well as the liability of the marine pilot organizations. We find it very hard to understand why, on the one hand, safety is a primary concern while, on the other hand, the concern is one that only the shipping companies are being required to pay for.

This cover letter obviously only summarizes some of the major issues. There are many other differences between the legislation being advanced by the pilots and the draft that we have prepared. I would be more than willing to discuss this further with you at your convenience. My direct telephone is (206) 286-3490.

Sincerely yours,



Daniel S. Grausz
Vice President and
General Counsel

DSG/scl
Enclosure

cc: Arie van Noort (by fax)
Tony Thein
Bob Berto (by fax)

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

"For an Act entitled: "An Act relating to Marine Pilots and providing for an effective date."

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

* Section 1. AS 08.32.010(c)(12) is amended to read:

(12) Board of Marine Pilots (AS 08.62.010) -- June 30, 1995 [1991];

* Sec. 2. AS 08.62 is amended by adding a new section to read:

Sec. 08.62.005. INTENT. The legislature declares that it is the policy of the State of Alaska to prevent the loss of lives and property, and to protect the marine environment of the state by requiring compulsory pilotage in certain waters in, around, and adjacent to the State of Alaska. The legislature finds that in order to assure the protection of lives and property and the marine environment of the state, licensed

marine pilots having extensive local knowledge are required to pilot certain vessels in certain waters in, around, and adjacent to the State of Alaska. The legislature also finds that to carry out this policy, it is necessary to give the Board of Marine Pilots broad statutory authority, including the authority to establish criteria for the training and licensing of marine pilots.

* Sec. 3. AS 08.62.030 is amended to read:

Sec. 08.62.030. MEETINGS. The board shall hold at least four regularly scheduled meetings each year [A REGULAR ANNUAL MEETING]. The board may hold special meetings at the call of the chair or at the request of a majority of the members of the board [CHAIRMAN WITH PRIOR APPROVAL OF THE GOVERNOR].

* Sec. 4. AS 08.62.040 is repealed and reenacted to read:

Sec. 08.62.040. POWERS AND DUTIES. (a) The board shall have the authority to

(1) provide for

(A) the examination of applicants for marine pilot and deputy marine pilot licenses; and

(B) the issuance and renewal of marine pilot and deputy marine pilot licenses for each pilotage region;

(2) consistent with the law, adopt regulations, subject to the Administrative Procedure Act (AS 44.62), placing qualifications or limitations on marine pilot and deputy marine pilot licenses based on the characteristics of a marine pilotage region in which the licensee will operate and experience and the

training of the licensee;

(3) keep a register of licensed pilots and licensed deputy marine pilots;

(4) adopt regulations subject to the Administrative Procedure Act (AS 44.62) establishing training, investigation and licensing fees to be remitted to the board;

(5) adopt regulations, subject to the Administrative Procedure Act (AS 44.62), establishing marine pilotage regions;

(6) establish a mandatory random drug and alcohol testing program for persons licensed under this chapter;

(7) establish standards for training of marine pilots and deputy marine pilots and review training programs;

(8) impose disciplinary sanctions under AS 08.01.075 on persons licensed under this chapter; and

(9) make available, upon request, copies of this chapter and the regulations adopted under it.

(b) The board may, by regulation adopted under the Administrative Procedure Act (AS 44.62), make any other provision for proper and safe pilotage upon the waters covered by this chapter and for the efficient administration of this chapter.

(c) For good cause, the board may require a person licensed under this chapter or an applicant for a license issued under this chapter to submit to a physical or mental examination to determine the person's fitness to perform the duties of a marine pilot or deputy marine pilot.

* Sec. 5. AS 08.62 is amended by adding a new section to read:

Sec. 08.62.045. MARINE PILOT COORDINATOR. The department, with the approval of the board, is authorized to hire a marine pilot coordinator who is qualified to make recommendations to the board so as to assist the board in the administration and enforcement of the provisions of this chapter. The coordinator may not work as a pilot while employed as the coordinator, except to the extent required by official duties. While employed as the coordinator, the coordinator may not, directly or indirectly, receive, become entitled to or share pilotage fees earned by others working as pilots.

* Sec. 6. AS 08.62.090 is repealed and reenacted to read:

AS 08.62.090. LICENSING PROCEDURES. (a) An application for an original, renewal or reinstated license under this chapter must be made in writing to the board on a form prescribed by the board, must include all information specified by the board of the form and must be accompanied by the licensing fee.

(b) The board shall establish dates for license examinations and shall provide public notice of such dates. The board shall require license examinations for applicants for original licenses and for applicants seeking to reinstate a license that has been lapsed for in excess of one year. The board may require license examinations for applicants for renewal licenses. License examinations may be written and/or oral. In order to be eligible to take the next scheduled examination, a person must file the license application with the board at least 60 days before the date of the examination.

* Sec. 7. AS 08.62.100 is repealed and reenacted to read:

Sec. 08.62.100. QUALIFICATIONS. (a) The board shall issue an original pilot's license to a person for one or more pilotage regions if he or she

(1) is a citizen of the United States;

(2) passes the examination given by the board;

(3) qualifies in accordance with the regulations adopted by the board including those regulations that are specific to the pilotage region or regions for which the applicant seeks to be licensed;

(4) successfully completes a training program that has been approved by the board; and

(5) on a form approved by the board, provides evidence of a satisfactory physical examination by a licensed medical doctor conducted within 60 days before the date of application; and

(6) possesses an endorsement of first class pilotage on the person's United States Coast Guard license without tonnage restrictions for the pilotage region for which the person seeks the license.

(b) The board shall issue an original deputy marine pilot license to a person for one or more pilotage regions if he or she

(1) is a citizen of the United States;

(2) passes the examination given by the board;

(3) qualifies in accordance with the regulations adopted by the board including those regulations that are

specific to the pilotage region or regions for which the applicant seeks to be licensed;

(4) successfully completes a training program that has been approved by the board;

(5) on a form approved by the board, provides evidence of a satisfactory physical examination by a licensed medical doctor conducted within 60 days before the date of application;

(6) possesses an endorsement of first class pilotage on the person's United States Coast Guard license without tonnage restrictions for the pilotage region for which the person seeks the license; and

(7) provides proof satisfactory to the board of the following experience

(A) one year of sea service as a master on ocean or coastwise vessels while holding a license as the master of ocean steam or motor vessels of any gross tons; or

(B) two years of sea service as a master of freight on a towing vessel while holding a license as the master of freight and towing vessels of not less than 1,600 gross tons; or

(C) two years of sea service as a chief officer on ocean or coastwise vessels of not less than 1,600 gross tons while holding a license as a master of ocean steam or motor vessels of any gross tons; or

(D) two years of sea service as a commanding officer of United States government vessels of not less than

1,600 gross tons and holding a license as the master of ocean steam or motor vessels of any gross tons; or

(E) three years of experience during which the candidate was actively engaged in piloting while holding a minimum license as a master of freight or towing vessel of not more than 1,600 gross tons.

(c) In this section, "sea service" has the meaning given to the term by the United States Coast Guard under 46 C.F.R. 10.

(d) A person licensed as a deputy marine pilot under this section may, except as otherwise provided by the board, pilot vessels of 20,000 gross tons or less in the marine pilotage region or regions for which the license is issued.

* Sec. 8. AS 08.62 is amended by adding a new section to read:

Sec. 08.62.117. TRAINING PROGRAMS. (a) The board shall establish standards for training programs for marine pilot and deputy marine pilot licenses. The standards shall include requirements for

(1) supervised familiarization and training trips on vessels subject to this chapter;

(2) supervised dockings, undockings, and tug assisted maneuvers;

(3) special training or experience necessary to qualify for a license for a particular pilotage region;

(4) completion of the training program within a specified period; and

(5) other training or experience that the board considers appropriate.

(b) A person who supervises the training of persons who are seeking a license under this chapter shall

(1) hold a marine pilot license issued under AS 08.62.100(a);

(2) receive prior authorization from the board to supervise the training of those persons; and

(3) maintain a written log and evaluation on a form provided by the board of the training and progress of the person being supervised.

* Sec. 9. AS 08.62.120 is repealed and reenacted to read:

Sec. 08.62.120. RENEWAL. (a) All licenses expire on December 31 of each even-numbered year. Applications for renewal must be filed with the board during the 90-day period prior to license expiration. Licenses that are not renewed will be deemed to have lapsed. In order to renew a license, an applicant for renewal must

(1) as of the time of application for renewal, satisfy the requirements of AS 08.62.100 to the same extent as would be the case were the applicant applying for an original license rather than a renewal license;

(2) satisfy such other requirements as are provided in regulations promulgated by the board for the renewal of pilot licenses or deputy pilot licenses, as applicable; and

(3) submit proof satisfactory to the board that the applicant

(A) has engaged in piloting vessels subject to

this chapter in each pilotage region for which renewal is sought during at least 60 days within the two year period immediately preceding the date of application for renewal; or

(B) completed, during the time period specified by the board in its regulations, the minimum number of familiarization trips required by the board's regulations in each pilotage region for which the license is to be renewed.

* Sec. 10. AS 08.62.130 is repealed and reenacted to read:

Sec. 08.62.130. LAPSED LICENSE. In order to reinstate a lapsed license, an applicant for reinstatement must

(1) as of the time of application for reinstatement, satisfy the requirements of AS 08.62.100 to the same extent as would be the case were the applicant applying for an original license rather than a reinstated license;

(2) satisfy such other requirements as are provided in regulations promulgated by the board for the reinstatement of lapsed pilot or deputy pilot licenses, as applicable;

(3) submit proof satisfactory to the board that the applicant has completed two trips for each year that the license has been lapsed to each major port and waterway, defined by the board, in the pilotage region for which the license is to be reinstated; and

(4) take and pass the board's examination for reinstatement of licenses if the license has been lapsed one year or more.

* Sec. 11. AS 08.62.150(a) is amended to read:

Sec. 08.62.150. ENFORCEMENT AUTHORITY [DENIAL, REVOCATION OR SUSPENSION]. (a) The board may impose a disciplinary sanction on a person licensed under this chapter when the board finds that the person

(1) is incompetent in the performance of pilotage duties;

(2) is intoxicated during the performance of pilotage duties due to alcohol [HABITUALLY INTOXICATED];

(3) illegally uses or sells narcotic or hallucinogenic drugs;

(4) makes a false statement to obtain a license;

(5) violates a provision of this chapter or a regulation adopted under it;

(6) is guilty of misconduct during the course of employment; or

(7) has had his or her Coast Guard pilot's license conditioned, suspended, or revoked [SUFFERED REVOCATION OF FEDERAL LICENSURE AS A PILOT].

* Sec. 12. AS 08.62 is amended by adding a new section to read:

Sec. 08.62.165. ALLOCATION OF LIABILITY. (a) A person licensed under this chapter is not liable for damages or loss occurring as a result of the person's error, omission, fault or neglect in the actual performance of pilotage services on board a vessel, except that

(1) such limitation does not apply in cases where the person is either grossly negligent or guilty of willful

misconduct;

(2) such limitation does not apply to limit the liability of the person to the owner or operator of the vessel on which the pilotage services were performed in cases where the person is either negligent or guilty of willful misconduct; and

(3) such limitation shall not limit the authority of the board under this chapter to impose appropriate disciplinary sanctions on the person as a result of such error, omission, fault or neglect.

(b) This section does not limit the liability of a vessel, its cargo, the owner of the vessel or the operator of the vessel for damage or loss caused by the vessel because the vessel was piloted by a person licensed under this chapter or the damage or loss was a consequence of the error, fault, omission or neglect of a person licensed under this chapter while the person was piloting the vessel.

(c) A person licensed under this chapter is not liable for loss or damage arising from the error, fault, omission or neglect in the actual performance of pilotage services on board a vessel of another person licensed under this chapter.

* Sec. 13. AS 08.62.190 is amended to read:

Sec. 08.61.190. PENALTIES. (a) A master or owner of a vessel required by this chapter to employ a licensed pilot who fails to do so when a licensed pilot is available, unless the perils or hazards of the sea prevent the employment of a pilot, is guilty of a misdemeanor and, upon conviction is punishable by a fine of not less than \$5,000 [\$1,000] nor more than \$15,000

[\$5,000] for the first offense and not less than \$10,000 nor more than \$30,000 for subsequent offenses.

(b) A person who violates any other provision of this chapter or a regulation adopted under it is guilty of a misdemeanor and, upon conviction, is punishable by a fine or not less than \$1,000 [\$500] nor more than \$5,000 [\$1,000].

* Sec. 14. AS 08.62 is amended by adding a new section to read:

AS 08.62.210. SHORT TITLE. This Act may be cited as the Alaska Marine Pilotage Act.

* Sec. 15. AS 39.25.120(c)(9) is amended by adding a new paragraph to read:

(M) Board of Marine Pilots:

* Sec. 16. AS 39.25.120(c) is amended by adding a new paragraph to read:

(21) marine pilot coordinator of the Board of Marine Pilots.

* Sec. 17. TRANSITION. (a) Pilot licenses issued under AS 08.62.100 as in effect before the effective date of this Act shall be valid for the period for which the licenses were issued but in no event beyond December 31, 1994. If any such license would expire prior to December 31, 1994, it shall be renewed by the board for the period from the date of expiration until December 31, 1994 if the applicant pays the required renewal fee and would otherwise qualify for renewal under the requirements of AS 08.62 as in effect prior to the effective date of this Act including the regulations promulgated thereunder.

(b) Pilot licenses issued or renewed pursuant to (a) of this section entitle the licensee to pilot vessels in any pilotage region in the state during the period to which the license relates.

(c) No person may be issued a pilot license for any period subsequent to December 31, 1994 who has not met the requirements of AS 08.62.090 and AS 08.62.100 as set forth in sections 6 and 7 of this Act.

* Sec. 18. EFFECTIVE DATE. This Act takes effect January 1, 1992.

91-B/PILOTZ.LEG

3/6/91

Red

SOUTHWEST ALASKA PILOTS ASSOCIATION

PETITION FOR MAXIMUM TARIFFS

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MAXIMUM TARIFF PETITION

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BEFORE THE ALASKA BOARD OF MARINE PILOTS

IN THE MATTER OF THE SOUTHWEST)
ALASKA PILOTS ASSOCIATION'S)
PETITION TO THE ALASKA BOARD OF)
MARINE PILOTS TO ESTABLISH)
MAXIMUM PILOTAGE TARIFFS IN THE)
SOUTHWEST ALASKA REGION)

**MAXIMUM PILOTAGE TARIFF
PETITION FOR SOUTHWEST ALASKA**

**I.
INTRODUCTION**

The Southwest Alaska Pilots Association ("SWAPA") on behalf of its member pilots, petitions the Alaska Board of Marine Pilots to establish pilotage maximum tariff rates for the Southwest Alaska region intended to produce just and reasonable rates.

Captain Robert Hendricks, as president of SWAPA an incorporated association, and on behalf of SWAPA members respectfully represents that:

1. SWAPA is presently composed of twenty-two (22) members duly licensed by the Alaska Board of Marine Pilots. Eighteen (18) of these pilots hold a state very large crude carrier (VLCC) endorsement, the only such endorsements in the state. SWAPA member pilots provide pilotage 24 hours a day, 365 days a year throughout the ports of the Southwest Alaska region, identified in Section III. Each pilot takes his turn throughout the year, under all conditions of wind

and sea, snow and ice, daylight and darkness, aboard vessels of all types, sizes and nationalities.

2. SWAPA pilots are duly licensed pilots regularly engaged in the profession of pilotage as defined by 12 AAC 56.040 and 12 AAC 56.030 of the Alaska Administrative Code.

3. The current rates of pilotage and other charges observed in the business of pilotage for Southwestern Alaska were established by order of the Alaska Board of Marine Pilots effective April of 1979 and are set forth in Exhibit "A", attached hereto and made a part of this petition. AS 08.72.045 establishes the basis upon which the maximum tariff rates of pilotage are prescribed by the Alaska Board of Marine Pilots.

4. Petitioners respectfully submit that the rates of pilotage as prescribed by this Board effective April of 1979, should now be revised in order to establish a reasonable maximum charge for the services rendered as explained below.

II. METHODOLOGY FOR ESTABLISHING MAXIMUM TARIFFS

SWAPA petitions the Board to establish reasonable maximum tariffs by maintaining the present tariff schedule in Exhibit "A" with the following exceptions¹:

a. Increase the base rates for Cook Inlet (250%) non-described ports (150%), and Dutch Harbor (150%) based on

¹Changes to the old tariff are shown graphically in Section II

the comparisons with other United States West Coast ports pilotage tariffs and the rising cost of operating expenses.

b. Make the following changes to the charges additional to port tariff:

i. Delete maximum charge of \$600.00 per day, in paragraph 3. The rate shall stay the same at \$50.00 or a portion thereof, with no day limitation.

ii. Eliminate paragraph 5.

iii. Renumber previous paragraph 6 to paragraph 5.

iv. Renumber previous paragraph 7 to paragraph 6. Change rate to \$500.00 and add to the charge in (new) paragraph 6 an additional surcharge in paragraph 1 for each movement.

iv. Renumber previous paragraphs 8, 9 and 10 to 7, 8 and 9 respectively. Change rate to \$500 per movement in (new) paragraphs 7 and 9. In paragraph 9, delete the last sentence and delete reference to tonnage and location for docking and undocking.

v. Renumber previous paragraph 11 to paragraph 10. Change rate of (new) paragraph 10 to \$50.00 per hour or a portion thereof.

vi. Renumber previous paragraphs 12 and 13 to 11 and 12 respectively. Change rate in (new) paragraphs 11 and 12 for bridge watch time to \$100 per hour. The

remainder of the paragraph is deleted in each paragraph (11 and 12).

vii. Previous Paragraph 14 is deleted.

viii. Renumber previous paragraph 15 to paragraph 13. Change rate in (new) paragraph 13 to 75%.

ix. Renumber previous paragraphs 16 and 17 to paragraphs 14 and 15 respectively. Delete 36 hours from notice time in (new) paragraph 15.

x. Renumber previous paragraph 18 to paragraph 16. Delete last portion of the first sentence of the new paragraph 16.

xi. Renumber previous paragraph number 19 to paragraph 17.

xii. Add new paragraph 18 - surcharge for pilot training.

xii. Add new paragraph 19 - winter surcharge.

Justification for these increases and charges are explained in part IV.

III.

PROPOSED PILOTAGE

MAXIMUM BASE TARIFF AND ADDITIONAL CHARGES

A. PROPOSED PILOTAGE MAXIMUM BASE TARIFF

	<u>Requested Max. Rate</u>
Homer Pilot Station to Port of Anchorage.....	\$2,481.50
Homer Pilot Station to Nikiski.....	1,858.50

Homer Pilot Station to Drift River.....	1,858.50
Homer Pilot Station to N. Foreland/Point Possession/Tyonek.....	2,187.50
Anchorage to Drift River (North of Kalgin Island).....	1,858.50
Anchorage to Drift River (South of Kalgin Island).....	2,481.50
Anchorage to Nikiski.....	1,634.50
Nikiski to Drift River (North of Kalgin Island).....	1,473.50
Nikiski to Drift River (South of Kalgin Island).....	1,858.50
Homer Pilot Station to Kasitsna Bay.....	1,498.00
Homer Pilot Station to Homer..	1,459.50
Homer Pilot Station to Port Chatham.....	2,625.00
Other Alaska Ports:	
Following rates are one way only:	
Valdez.....	1,271.00
Cordova.....	1,302.50
Whittier.....	1,302.50
Ocean Entrances of Prince William Sound to Designated State Pilots Stations for Valdez, Whittier and Cordova.....	1,875.00
Ocean Entrances of Prince William Sound to Knowles Head Anchorage.....	1,250.00

Knowles Head Anchorage to Valdez or Whittier Pilot Station.....	1,250.00
Seward.....	1,302.50
Kodiak - (City Harbor).....	1,302.50
(Women's Bay).....	1,302.50
Cold Bay.....	1,692.50
King Cove.....	1,500.00
Dutch Harbor, Unalaska, Illuliuk Harbor and Captain's Bay.....	1,562.50
Adak.....	1,692.50
Discoverer Bay and Kazakov Bay.....	1,875.00
Yakutat and Icy Bay.....	1,500.00
Cominco Mine - Red Dog . . .	1,270.00
Charges for unlisted ports and passages not otherwise listed in this tariff negotiated for time and risk. Maximum charge will be.....	1,042.50

The rates are one way only.

B. PROPOSED CHARGES ADDITIONAL TO PORT TARIFF

1. A tonnage surcharge of \$.02 (2 cents) per gross ton is made for all tonnage in excess of 14,000 gross tons. In all the preceding cases any gross tonnage in excess of 50,000 gross tons will be charged for at \$.01 (1 cent) per gross ton.
2. All rates remain the same whether piloting is to or from sea, or, to or from a pilot boarding or debarking point.

— Shall be stricken from Charges Additional to Port Tariff.

█ Shall be added to Charges Additional to Port Tariff.

3. Standby/travel fee: When standing by to pilot, or traveling to or from distant pilot ports and not actually piloting, such time shall be charged for at a rate of \$50.00 per hour or a portion thereof up to a maximum of \$600.00 per day.
4. Transportation and Subsistence:
- A. Vessels, owners, agents and charterers shall pay pilotage fees; pilots' travel expenses such as plane and ferry fares, per diem] allowances, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.
- B. Per diem rates for pilots shall correspond to those published by the Internal Revenue Service of the U.S. Treasury Department. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch and 10% to breakfast, rounded to the nearest dollar, but in no instance will distribution exceed the total daily allowances.
- C. When adequate meals and rooms are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. Accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.
- ~~5. Travel, standby, and work days begin and end at midnight. Each category occurring at any point within a midnight to midnight time period will be charged for according to the category involved.~~
65. If one pilot exceeds eight (8) hours continuous running time without a six (6) hour rest period or presence of a relief pilot (i.e., a second pilot) while transiting compulsory pilotage waters, overtime shall be charged for at the rate of \$75.00 per hour or portion thereof.

— Shall be stricken from Charges Additional to Port Tariff.

■ Shall be added to Charges Additional to Port Tariff.

76. Shifting of ship from dock to harbor or harbor anchorage; from harbor or harbor anchorage to dock; from anchorage within a harbor to another anchorage within the same harbor, will be charged at ~~\$250.00~~ \$500.00 plus tonnage surcharge in paragraph #1 per each movement. A dock to dock shift comprises two movements and will be charged for accordingly. Anchoring or laying to for loading cargo or discharging cargo shall be considered as regular port charge and all fees and tariffs shall be assessed the same as if the vessel moored.
87. On each occasion of hauling ship alongside a dock or mooring to position tanks, holds, manifolds, loading arms, towers or hoses comprises a single movement and will be charged ~~for~~ accordingly at ~~\$250.00~~ \$500.00 per movement.
98. Movement of a ship in the absence of availability of the ship's own propulsion system even though assisted by tugboats will be charged ~~for~~ at twice the prevailing rate for each evolution engaged.
- ~~109.~~ Docking/Undocking vessels ~~over 2,000 gross tons~~ without the use of a tugboat, if a tugboat is available, at Anchorage, Seward, Whittier, Valdez, Cordova, Kodiak, Womens Bay, will be charged ~~for~~ at the rate of ~~\$300.00~~ an additional \$500.00 per movement. It will remain pilot's option whether ~~or not to proceed with~~ use of a tug.
- ~~110.~~ Carried to sea detention on board; off duty detention on board, intentional or otherwise, or off duty standby on board at the request of the master will be charged ~~for~~ at a rate of ~~\$400.00~~ per day, \$50.00 per hour, or portion thereof. If disembarked at a position other than the base station from which dispatched, first class return passage and subsistence will be charged.
- ~~121.~~ Bridge watch time rendered while ship is anchored or moored will be charged ~~for~~ at the rate of ~~\$50.00~~ \$100.00 per hour or portion thereof. In ~~eases where one pilot has exceeded eight (8) hours~~

— Shall be stricken from Charges Additional to Port Tariff.

■ Shall be added to Charges Additional to Port Tariff.

~~continuous working time without a six (6) hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.~~

~~1312.~~ Bridge watch time rendered underway at the Master's request not otherwise provided for under the tariff will be charged ~~for~~ at \$50.00-\$100.00 per hour or a portion thereof. ~~In cases where one pilot has exceeded eight (8) hours continuous working time without a six (6) hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.~~

~~14.~~ Pilots will furnish VHF transceivers for vessels not so equipped and in working order such that compliance will be made with the provisions of the Vessels Bridge to Bridge Radiotelephone Act. The charge for the use of this equipment will be charged ~~for~~ at the rate of \$10.00 per day or portion thereof.

~~1513.~~ The rate for a Second Pilot, when used, will be charged ~~for~~ at the rate of ~~50%~~ 75% of the rate for the first pilot (all applicable charges to apply).

~~1614.~~ Mooringmaster - Services and rates are negotiable on application.

~~1715.~~ Agents, owners or masters shall advise pilots of vessel movements at least 24 and ~~36~~ hours prior to such movements in order to allow sufficient time for the pilot to arrive at the vessel via available means of transportation. A pilot will be considered unavailable for services only if the timely notice (24 and ~~36~~ hours) is given and a pilot does not show up for services. If a lesser time notice is given and a pilot under such notice is not able to reach the vessel for services, the vessel and the owner thereof shall be liable for the transportation costs incurred by the pilot in attempting to reach the vessel and the pilotage fee equal to the pilotage rate that would have been paid by the vessel for such pilotage services.

— Shall be stricken from Charges Additional to Port Tariff.

Shall be added to Charges Additional to Port Tariff.

1816. When the time of movement is set by agent, owner or master of a vessel, any delay over two (2) hours shall be charged at the rate of \$50.00 per hour or a portion thereof, ~~not to exceed \$600.00 per day~~. If the pilot is detained for two (2) hours or less, no detention will be charged. If the pilot is detained for more than two (2) hours, detention for the first two (2) hours will be charged.

1917. Movement is defined as an evolution by a vessel which requires the employment of a licensed pilot as stipulated in AS 08.62.160.

18. Pilot training surcharge shall be \$50.00 per movement for pilot training expenses.

19. Winter surcharge will be assessed at 25% for the Cook Inlet only. The winter surcharge will be in effect when the U. S. Coast Guard aids to navigation are removed to protect the aids to navigation from winter conditions.

— Shall be stricken from Charges Additional to Port Tariff.

■ Shall be added to Charges Additional to Port Tariff.

IV.
JUSTIFICATION FOR PROPOSED MAXIMUM TARIFFS
AND ADDITIONAL CHARGES

A. JUSTIFICATION FOR PROPOSED MAXIMUM TARIFFS

The basic justifications for the increases sought by SWAPA are:

1. THE SOLE SOURCE OF REVENUE IS THE CHARGE FOR PILOTAGE AND OTHER CHARGES OBSERVED IN THE BUSINESS OF PILOTAGE.

The sole source of revenue of SWAPA is the charge for pilotage and the other charges observed in the business of pilotage. This revenue must not only meet necessary operating expenses and provide a reasonable income for the pilots, but must also provide funds for debt services, major repairs and replacement of existing equipment, adequate retirement benefits and training expenses.

2. U. S. CONSUMER PRICE INDEX INCREASE OF 121.3%.

The Anchorage Consumer Price Index ("CPI") increased 89.4% from 1975 to 1990 which reflects a 5.9% increase per year. The U.S. average CPI for this same period was 101.2% or 6.7% per year. See, Exhibit "B". From January 1, 1991 through to December 31, 1993, the CPI will increase approximately 17.7% for Anchorage and 20.1% for the United States. The total estimated CPI to 1994 is therefore, 107.1% for Anchorage and 121.3% for the United States. However, during this period, there has only been a 4% tariff increase, which occurred in 1979.

3. COMPARISONS WITH OTHER WEST COAST PORTS.

Although SWAPA has sought no rate adjustment in eleven (11) years, most other United States West Coast ports pilotage tariffs have increased on a regular basis while Southwestern Alaska pilotage tariffs have remained unchanged, except for Valdez. See, Exhibit "A". A tariff per mile comparison of pilotage rates for Cook Inlet/undescribed ports and Puget Sound, Columbia and Willamette and San Francisco areas were made. Puget Sound pilotage charge is approximately 122% more than the Cook Inlet rate for similar vessels and mileage (See, Exhibit "C"), Columbia and Willamette area pilots charge approximately 320% more than the Cook Inlet rate (See, Exhibit "D") and San Francisco pilots charge approximately 232% more than Cook Inlet (See, Exhibit "E"). The pilotage rates in Cook Inlet, Dutch Harbor and undescribed ports remain among the lowest on the West Coast.

4. INCREASE IN OPERATING EXPENSES, INCLUDING SALARY AND BENEFIT INCREASES FOR EMPLOYEES.

Since 1979, the overall SWAPA operating expenses have increased 88%, however, SWAPA's gross income has only increased by 47.8% over the past eleven (11) years. In 1990, additional costs were vehicle insurance, computer expense and employee pension plan which added to the this extensive increase. See, Exhibit "F". Between 1979 and 1990 there has been an increase in personnel of one employee. SWAPA employee's salaries have progressed along

with the CPI reflecting an average of 5.4% increase per year. Despite the fiscal soundness of SWAPA, operating costs have risen and will continue to rise.

5. VESSEL MOVEMENT.

Since 1979, vessel movements in Cook Inlet and undescribed ports have increased by 6.3% per year over the past 10 years. However, tariff rates have remained idle since April of 1979, operating expenses and CPI have increased, therefore precluding the possibility of maintaining a training program, continuing education and trainee pilots' income at an appropriate level. The proposed maximum tariff is justified, if SWAPA pilots are to attract and keep highly qualified individuals needed to man the system and to provide adequate, safe, efficient and reliable service.

6. INCREASE IN LIABILITY INSURANCE FOR ITS MEMBERS.

In 1979, SWAPA was paying for seventeen (17) members' liability insurance at a rate of \$514.00 per member. The total of seventeen (17) members in 1979 was \$8,738. In 1990, SWAPA added five (5) members, giving SWAPA a total membership of twenty-two (22) members at an increased rate of \$2,200 per member. On a per member basis this reflects an increase of 328% over a eleven (11) year period. See, Exhibit "G".

7. IMPLEMENTATION OF CONTINUING EDUCATION AND TRAINING PROGRAMS FOR PILOTS.

SWAPA anticipates implementation of continuing education and training programs to provide safe navigation to vessels operating on Alaska waters, including a living wage for its trainees. Lastly, SWAPA's goal is to send 4 or 5 pilots per year to attend ship handling school at Grenoble, at a cost of \$12,375 per pilot.

8. RISK UNIOUE TO SWAPA PILOTS IN THE COOK INLET AREA.

There are significant regional characteristics that are unique to the Southwestern region and in particular to Cook Inlet. These characteristics are based both on geographical structure and seasonal weather patterns in Cook Inlet that create numerous risks and challenges for SWAPA pilots. SWAPA pilots must prepare for, analyze and solve problems associated with these conditions, which are unlike any other pilotage conditions in the contiguous United States. The high risk and high degree of experience required to pilot the waters of Cook Inlet, coupled with the present low tariffs, justifies SWAPA's request for a 250% increase in Cook Inlet base tariffs with a 25% winter surcharge. This increase will bring the Cook Inlet base tariff on a par with other U.S. West Coast ports.

a. Tidal Range In Cook Inlet

Cook Inlet experiences the second greatest tidal range in the world, with up to 29 ft. of movement every 6

1/2 hours, which can create severe low tides and extreme high tides in the inlet. SWAPA pilots must analyze these tidal actions and make competent, precise and thorough decisions while piloting vessels of up to 77,000 gross tons.

b. Changes At The Bottom Of The Inlet Due To Tidal Action.

Due to the extreme fluctuating tidal range in the inlet transversing shoals, rocks or channels which barely have enough depth, becomes a significant risk to SWAPA pilots when piloting heavy tonnage vessels with deep drafts during extreme low tides.

c. Currents in Cook Inlet and Undescribed Ports.

Cook Inlet has a complex circulation pattern and due to the coastline configuration causes a strong cross-inlet current. Because of the large tidal fluctuations in the inlet, waters from upper inlet are mixed laterally, longitudinally, and vertically with each tidal cycle. At all times a pilot must know to the best of his capabilities the position of his vessel and plan accordingly for its safe movement through Cook Inlet.

In the summer, there is a large inflow of glacial meltwater in tributary streams, with a net outward movement of upper inlet waters of as much as a mile with each tidal cycle. These water masses are mixed vertically because of turbulence caused by swift currents and the high coriolis force. This results in a shear zone of incoming water and outgoing water creating a period of time when there seems to

be no ebbing (slack) tidal movement. Thus, creating significant difficulties for SWAPA pilots when maneuvering larger and deeper draft vessels in the inlet and undescribed ports.

d. Ice And Wind Conditions During Winter

The amount of ice in Cook Inlet vary from year to year. Usually there is a gradual increase of ice from late November through December, with January showing little increase or a slight decrease in ice followed by increasing ice in February. Generally, by April the ice has melted completely.

There are three (3) different types of ice in Cook Inlet which are a critical concern to SWAPA pilots.

i. Sea Ice

This ice forms in sea water, developing a thin crust on the surface and grows through the addition of ice to the bottom of the surface layer. This type of ice is predominant in Cook Inlet.

ii. Beach Ice

The large tidal range in the inlet brings the sudden appearance of a considerable amount of ice on mud flats in early winter. The ebbing tides exposes the mud to cold air, freezing the upper layer of the mud. 0.5 m of thickness is reached before this type of ice is floated free from the mud. Some beach ice is lifted higher on the beach

and some is carried out into the inlet waters and grows much like the sea ice.

iii. Stamukhi

This results from beach ice which has broken free, been deposited higher on the mud flats, and frozen to the underlying mud. Ice floating toward the beach are caught on top of the higher piece of ice and, as the tide recedes, the overhanging pieces break off, leaving a stack of layered ice with nearly straight sides. This process is repeated many times, limited only by the height of the tides and the strength with which the original beach ice is frozen into the mud. On high tide, stamukhi of massive proportions are carried into the inlet.

e. Superstructure Icing

Icing on a vessel at sea requires that several conditions be fulfilled at the same time, i.e., strong winds, cold air, and cool seawater. Saltwater icing is caused by sea spray, the most frequent form of icing at sea. Sea spray icing constitutes by far the largest number of icing cases and the most serious. The most important with regard to icing is sea spray generated by the vessel itself as it meets waves. Another type of sea spray is created when the wind blows droplets of water off the wave crests.

The worst hazard to vessels which are piloted by SWAPA pilots is the extreme danger of instability of the vessel caused by icing.

f. Storm Surges

Whenever an intense storm crosses or approaches the coastline, some portion of the shore experiences an increase in sea level and another a decrease. Direct wind effect, the atmospheric pressure effect, the transport of water by waves and swell, the effect of the earth's rotation, and the effects of the coastline configuration and bathymetric conditions combine to cause storm surges. The affects of storm surges can ground ships in harbor or create shallow shipping lanes during low tide.

Cook Inlet and the west coast of the Kenai Peninsula have sufficient conditions for the development of storm surges with west-southwest winds. The lower Cook Inlet area is particularly susceptible when strong atmospheric pressures occur during fall and winter. The favored path of these storm surges are from Kamishak Bay to the Barren Islands and from Kamishak Bay to Kachemak Bay.

9. INCREASE IN TONNAGE

When SWAPA was organized in 1975, average tonnage of a vessel serviced in Cook Inlet was 15,000 gross tons. Today, SWAPA pilots are handling vessels up to 99,800 dead weight, due to the petroleum exploration in northern waters and cost effectiveness of large tonnage cargo ships. This increase in tonnage has brought about longer ships and deeper drafts to be reckoned with in the Cook Inlet waterways.

10. NO TUGS USED IN COOK INLET

Tugboats are generally used for the docking and undocking of oceangoing vessels. In Cook Inlet tugboats are not used due to the fact that (a) tugboats are not generally available in Alaska, (b) there is such strong tidal activity that a specialized tractor tug would be required, and (c) such a tug operation would not be economically feasible. Considering the increase in vessel size in Cook Inlet from 1975 to the present date using the same waterways that exhibit the second highest tidal range in the world (-5 to +28) in a 6 1/2 hour period in conjunction with some of the worst weather conditions to be found in any pilotage region it must be recognized that the skill that is exercised in vessel movement, dockings and undockings without the use of tugs establishes Cook Inlet as one of the most dangerous and demanding pilotage in the world.

11. SUMMARY

Clearly, marine piloting under these geographical and weather conditions requires a pilot at all times to maintain constant vigilance, unfailing mental alertness and a thorough local knowledge of current conditions to insure the safety of the vessel, crew and local environment. This leaves little or no opportunity to correct errors. Even the slightest impropriety can, in effect, result in a disaster. Clearly, pilots must be highly qualified individuals in order to provide safe, efficient and reliable service under

these circumstances. SWAPA pilots should be reasonably compensated for their high level of skills and experience in piloting the dangerous waters of Cook Inlet. Certainly such compensation should be on a par with the other West Coast ports, which SWAPA's proposed maximum tariffs will accomplish.

B. JUSTIFICATION FOR PROPOSED CHARGES ADDITIONAL TO PORT TARIFF

1. Change rate in paragraph No. 3 to \$50.00 per hour without a day limitation to accurately compensate pilots when standing by to pilot, or traveling to or from distant ports and not actually piloting. No increase in the hourly rate is requested.

2. Delete paragraph No. 5 due to a more accurate definition in paragraph No. 3.

3. Change \$250.00 rate in new paragraph No. 6, shifting ship from dock to harbor, to \$500.00 plus tonnage surcharges in paragraph No. 1 per each movement to accurately compensate pilots for operating and handling of the vessel during each movement, in line with the increased costs of living and inflation over the past 16 years resulting in higher overhead for SWAPA².

4. Change the \$250 and \$300 per movement rates in new paragraphs nos. 7 and 9 to \$500 per movement for hauling ships alongside a dock, and docking and undocking without a

² There has been only a four percent (4%) increase in the last 16 years, in 1979.

tugboat, in line with the increases in the costs of living and inflation over the past 16 years.

5. Revision of rate charge to new paragraph No. 10 in the amount of \$50.00 per hour or portion thereof without a day limitation to accurately compensate pilots for off-duty detention on board at the same rate as travel and standby time.

6. Bridge watch time in new paragraphs nos. 11 and 12 is increased from \$50 to \$100 per hour while the ship is moored or at the request of the Master of the ship. Due to the increased inflation, costs of living and overhead of SWAPA over the past 16 years, the watch time should be increased to accurately compensate the pilot for his services. The second sentence of new paragraph 11 is deleted as it is more accurately addressed in (new) paragraph 13.

7. Previous Paragraph 14 is deleted as unnecessary since virtually all SWAPA piloted vessels have VHF transceivers.

8. The rate in (new) paragraph 13 for a second pilot is changed from 50% to 75% of the first pilot's rate to accurately compensate the second pilot for his services, see Section IV, Section A, paragraph 7, and is in line with the increased costs of living and inflation over the past 16 years.

9. In new paragraph 15, the requirement of a 36 hour notice to pilots of vessel movement is deleted as a 24 hour notice to the pilots will be adequate.

10. In new paragraph 16, the charge for a delay to a pilot of over 2 hours will be changed to \$50 per hour without a day limitation to compensate pilots for their actual time.

11. Establish a \$50.00 "Pilot Training" surcharge per ship movement to implement a continuing education and training program for SWAPA trainees and pilots to improve their skills to provide safe and competent pilotage for vessels operating in Southwest Alaska.

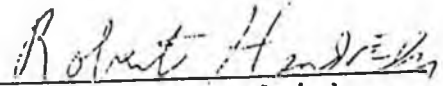
12. A winter surcharge of 25% will be implemented to accurately compensate pilots for the increased risks during the winter due to the ice and weather conditions, as described in more detail in Section IV, Section A, Paragraph 8(d), and in line with the increased costs of living and inflation over the past 16 years.

SWAPA is determined to remain in the forefront of efforts to promote safe and competent Alaskan pilotage, and the proposed maximum rates especially for Cook Inlet and undescribed ports will help SWAPA to attract and keep highly qualified individuals needed to man the system and to provide adequate, safe, efficient and reliable service.

DATED: September 13, 1991.

Respectfully submitted,

SOUTHWESTERN ALASKA PILOT
ASSOCIATION

A handwritten signature in cursive script, appearing to read "Robert Hendricks".

Capt. Robert Hendricks
President

EXHIBIT "A"

PILOTAGE TARIFFS — SOUTHEASTERN

\$400.00 per pilot in any one day. Pilots carried to sea will be paid the same rate for each day they are detained plus first class passage and subsistence back to Ketchikan.

3. Cancellation charges will be \$177.00 plus transportation and subsistence.
4. Travel, standby and work days begin and end at midnight.
5. An out-of-area charge, in lieu of detention and travel time (not applicable within 100 miles of Southeast Alaska), shall be charged equal to 1½ times the detention rate.

G. Notice of Ship Arrival and Departure:

1. When vessels, owners, or agents do not correct their ETA within four hours of the ETA last given, compensation in the amount of \$50.00 per hour will be charged until actual arrival of the vessel at a pilot station, not to exceed \$400.00 for any one day.
2. When sailing time is set by an agent, owner or master of a vessel, any delay over one hour will be charged at the rate of \$50.00 per hour or portion of an hour, not to exceed \$400.00 for any one day. If a pilot is detained for one hour or less, no detention will be charged. If a pilot is detained for more than one hour, detention for the first hour and succeeding hours will be charged.

H. Vessel at Rest Charge: When an agent, owner or master requests a pilot to stay on board a vessel on a continuous basis while the vessel is docked or anchored at a port or anchorage, the rate will be \$355.00 per day. Days begin and end at midnight.

NOTE: Pilot boat charges are not included in pilotage tariff.

APPENDIX B

PILOTAGE TARIFF AND CHARGES FOR SOUTHWESTERN ALASKA (U.S. FUNDS)

I. COOK INLET PILOTAGE RATES:

Following rates are one way only:

Homer Pilot Station to Port of Anchorage . . .	\$709.00
Homer Pilot Station to Nikiski	531.00
Homer Pilot Station to Drift River	531.00
Homer Pilot Station to North Foreland/Point Possession/Tyonek	625.00
Anchorage to Drift River (North of Kalgin Island)	531.00
Anchorage to Drift River (South of Kalgin Island)	709.00
Anchorage to Nikiski	467.00
Nikiski to Drift River (North of Kalgin Island)	421.00
Nikiski to Drift River (South of Kalgin Island)	531.00
Homer Pilot Station to Kasitsna Bay	428.00
Homer Pilot Station to Homer	417.00
Homer Pilot Station to Port Chatham	750.00

II. OTHER ALASKA PORTS:

Following rates are one way only:

Va'dez	1,271.00
Cordova	521.00
Whittier	521.00
Ocean Entrances of Prince William Sound to Designated State Pilot Stations for Valdez, Whittier and Cordova	750.00
Ocean Entrances of Prince William Sound to Knowles Head Anchorage	500.00
Knowles Head Anchorage to Valdez or Whittier Pilot Station	500.00
Seward	521.00
Kodiak — City Harbor	521.00
Kodiak — Womens Bay	521.00
Cold Bay	677.00
King Cove	600.00
Dutch Harbor, (Unalaska, Iliuliuk Harbor and Captain's Bay)	625.00
Adak	677.00
Discoverer Bay and Kazakov Bay	750.00
Yakutat and Icy Bay	600.00

Charges for unlisted ports negotiated to time and risk. Minimum charge will be \$417.00

PILOTAGE TARIFF — SOUTHWESTERN

III. CHARGES ADDITIONAL TO PORT TARIFF

1. A tonnage surcharge of \$.02 (2 cents) per gross ton is made for all tonnage in excess of 14,000 gross tons. In all the preceding cases any gross tonnage in excess of 50,000 gross tons will be charged for at \$.01 (1 cent) per gross ton.
2. All rates remain the same whether piloting is to or from sea, or, to or from a pilot boarding or debarking point.
3. Standby/travel fee: When standing by to pilot, or traveling to or from distant pilot ports and not actually piloting, such time shall be charged for at a rate of \$50.00 per hour up to a maximum of \$600.00 per day.
4. Transportation and Subsistence:
 - A. Vessels, owners, agents and charterers shall pay pilotage fees; pilots' travel expenses such as plane and ferry fares, per diem allowances, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.
 - B. Per diem rates for pilots shall correspond to those published by the Internal Revenue Service of the U.S. Treasury Department. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch, and 10% to breakfast, rounded to the nearest dollar, but in no instance will the distribution exceed the total daily allowance.
 - C. When adequate meals and rooms are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. Accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.
5. Travel, standby, and work days begin and end at midnight. Each category occurring at any point within a midnight to midnight time period will be charged for according to the category involved.
6. If one pilot exceeds eight hours continuous running time without a six hour rest period or presence of a relief pilot (i.e., a second pilot) while transiting compulsory pilotage

PILOTAGE TARIFF — SOUTHWESTERN

- waters, overtime shall be charged for at the rate of \$75.00 per hour or portion thereof.
7. Shifting of ship from dock to harbor or harbor anchorage; from harbor or harbor anchorage to dock; from anchorage within a harbor to another anchorage within the same harbor, will be charged at \$250.00 per each movement. A dock to dock shift comprises two movements and will be charged for accordingly. Anchoring or laying to for loading cargo or discharging cargo shall be considered as a regular port charge and all fees and tariffs shall be assessed the same as if the vessel moored.
 8. On each occasion of hauling ship alongside a dock or mooring to position tanks, holds, manifolds, loading arms, towers, or hoses comprises a single movement and will be charged for accordingly at \$250.00 per movement.
 9. Movement of a ship in the absence of availability of the ship's own propulsion system even though assisted by tugboats will be charged for at twice the prevailing rate for each evolution engaged.
 10. Docking/Undocking vessels over 2,000 gross tons without the use of a tugboat, if a tugboat is available, at Anchorage, Seward, Whittier, Valdez, Cordova, Kodiak, Womens Bay, will be charged for at the rate of \$300.00 per movement. It will remain pilot's option whether or not to proceed without use of a tug.
 11. Carried to sea detention on board; off duty detention on board, intentional or otherwise, or off duty standby on board at the request of the master will be charged for at the rate of \$400.00 per day, or portion thereof. If disembarked at a position other than the base station from which dispatched, first class return passage and subsistence will be charged.
 12. Bridge watch time rendered while ship is anchored or moored will be charged for at the rate of \$50.00 per hour or portion thereof. In cases where one pilot has exceeded 8 hours continuous working time without a 6 hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.

PILOTAGE TARIFF — SOUTHWESTERN

13. Bridge watch time rendered underway at the master's request not otherwise provided for under the tariff will be charged for at \$50.00 per hour or portion thereof. In cases where one pilot has exceeded 8 hours continuous working time without a 6 hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.
14. Pilots will furnish VHF transceivers for vessels not so equipped and in working order such that compliance will be made with the provisions of the Vessel Bridge-to-Bridge Radiotelephone Act. The charge for the use of this equipment will be charged for at the rate of \$10.00 per day or portion thereof.
15. The rate for a Second Pilot, when used, will be charged for at the rate of 50% of the rate for the first pilot (all applicable charges to apply).
16. Mooringmaster — Services and rates are negotiable on application.
17. Agents, owners or masters shall advise pilots of vessel movements at least 24 and 36 hours prior to such movements in order to allow sufficient time for the pilot to arrive at the vessel via available means of transportation. A pilot will be considered unavailable for services only if the timely notice (24 and 36 hours) is given and a pilot does not show up for services. If a lesser time notice is given and a pilot under such notice is not able to reach the vessel for services, the vessel and the owner thereof shall be liable for the transportation costs incurred by the pilot in attempting to reach the vessel and the pilotage fee equal to the pilotage rate that would have been paid by the vessel for such pilotage services.
18. When the time of movement is set by agent, owner or master of a vessel, any delay over two hours shall be charged at the rate of \$50.00 per hour or a portion thereof, not to exceed \$600.00 per day. If the pilot is detained for two hours or less, no detention will be charged. If the pilot is detained for more than two hours, detention for the first two hours will be charged.
19. Movement is defined as an evolution by a vessel which requires the employment of a licensed pilot as stipulated in AS 08.62.160.

EXHIBIT "B"

CONSUMER PRICE INDEX
For All Urban Consumers (CPI-U)
Anchorage and U.S.
All Items Index, 1982-84=100

Annual Data	Index		Percent Change From Previous Year	
	Anchorage	U.S.	Anchorage	U.S.
1975	57.1	53.8	13.7%	9.1%
1976	61.5	56.9	7.7%	5.8%
1977	65.6	60.6	6.7%	6.5%
1978	70.2	65.2	7.0%	7.6%
1979	77.6	72.6	10.5%	11.3%

Source: U.S. Department of Labor, Bureau of Labor Statistics
 Printed 9-16-91 by Alaska Department of Labor, Research & Analysis

CONSUMER PRICE INDEX
For All Urban Consumers (CPI-U)
Anchorage and U.S.
All Items Index, 1982-84=100

Annual Data	Index		Percent Change From Previous Year	
	Anchorage	U.S.	Anchorage	U.S.
1980	85.5	82.4	10.2%	13.5%
1981	92.4	90.9	8.1%	10.3%
1982	97.4	96.5	5.4%	6.2%
1983	99.2	99.6	1.8%	3.2%
1984	103.3	103.9	4.1%	4.3%
1985	105.8	107.6	2.4%	3.6%
1986	107.8	109.6	1.9%	1.9%
1987	108.2	113.6	0.4%	3.6%
1988	108.6	118.3	0.4%	4.1%
1989	111.7	124.0	2.9%	4.8%
1990	118.6	130.7	6.2%	5.4%

Semiannual Data	Index		Percent Change From Same Half Previous Year	
	Anchorage	U.S.	Anchorage	U.S.
1st half 1986	108.3	109.1	3.4%	2.3%
2nd half 1986	107.4	110.1	0.5%	1.5%
1st half 1987	108.3	112.4	0.0%	3.0%
2nd half 1987	108.1	114.9	0.7%	4.4%
1st half 1988	108.4	116.8	0.1%	3.9%
2nd half 1988	108.9	119.7	0.7%	4.2%
1st half 1989	110.9	122.7	2.3%	5.1%
2nd half 1989	112.5	125.3	3.3%	4.7%
1st half 1990	116.9	128.7	5.4%	4.9%
2nd half 1990	120.4	132.6	7.0%	5.8%
1st half 1991	123.3	135.2	5.5%	5.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics
Updated 8-14-91

EXHIBIT "C"

PUGET SOUND COMPARISON WITH COOK INLET AND NON-DESCRIBED PORTS

Based on an 84 mile transit*

Ship's Name	<u>Koyo Spirit</u>	<u>Overseas Washington</u>	<u>T.K. Vigor</u>	<u>Arco Sag River</u>	<u>Chevron California</u>
L.O.A.	847	894	803	810	810
Gross Ton	51200	44906	44572	35646	35588
<u>Puget Sound Charges</u>					
Gross Ton	1,609.56	1,275.19	1,258.09	801.08	798.11
L.O.A.	1,194.00	1,234.00	1,151.00	1,151.00	1,151.00
Total	<u>2,803.56</u>	<u>2,509.19</u>	<u>2,409.09</u>	<u>1,952.08</u>	<u>1,949.11</u>
<u>Cook Inlet Charges</u>					
Gross Ton	732.00	618.12	611.44	432.92	431.76
Tarriff	531.00	531.00	531.00	531.00	531.00
Total	<u>1,263.00</u>	<u>1,149.12</u>	<u>1,142.44</u>	<u>963.92</u>	<u>962.76</u>

Percentage Difference between Puget Sound rates and Cook Inlet: Puget Sound's rates are the following percentages more than Cook Inlet's rates:

122% 115% 111% 103% 102%

*The chart shows a fictitious ship calling at Puget Sound versus Cook Inlet, the miles used were Port Angeles to Crescent Harbor (82 miles) and Cook Inlet to Nikiski (84 miles).

PUGET SOUND PILOTS RATES
Effective 0001 Hours June 20, 1991

CLASSIFICATION:

RATES FOR 1991

CHARGES: Ship Length Overall (LOA - Zone)

L.O.A.

Distance furnished by National Oceanic and Atmospheric Administration, computed to the nearest half-mile, and includes retirement fund contributions.

BOARDING FEE:

\$28.00

Per each boarding/deboarding at the Port Angeles Pilot Station.

HARBOR SHIFT - Live Ship (Seattle Port)

LOA- Zone 1

HARBOR SHIFT - Live Ship (Other than Seattle (Port))

LOA - Zone 1

HARBOR SHIFT - Dead Ship

DOUBLE LOA - Zone 1

DEAD SHIP TOWING CHARGE: (LOA tug + LOA tow + beam of tow) DOUBLE LOA - Zone

Any tow exceeding seven hours, two pilots are mandatory. Harbor shifts shall constitute and be limited to those services in moving vessels from dock or dock, from anchorage to dock, from dock to anchorage, or from anchorage to anchorage in the same port after all other applicable tariff charges for pilotage services have been recognized as payable.

WATERWAY AND BRIDGE CHARGES:

Ships up to 90' Beam:

A charge of \$153.00 shall be in addition to bridge fees for any vessel movements both inbound and outbound required to transit south of Spokane Street Bridge in Seattle, south of Eleventh Street Bridge in any of the Tacoma Waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$73.00 per bridge.

Ships 90' Beam And/Or Over:

A charge of \$206.00 shall be in addition to bridge fees for any vessel movements both inbound and outbound required to transit south of Spokane Street Bridge in Seattle and south of Eleventh Street Bridge in any of the Tacoma Waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$144.00 per bridge.

(The above charges shall not apply to transit of vessels from Shilshole Bay to the limits of Lake Washington.)

Two Or Three Pilots Required:

In a case where two or three pilots are employed for a single vessel waterway or bridge transit, the second or third pilot charge shall include the bridge and waterway charge in addition to the harbor shift rate.

COMPASS ADJUSTMENT:

\$205.00

RADIO DIRECTION FINDER CALIBRATION:

\$205.00

LAUNCHING VESSELS:

\$309.00

TRIAL TRIPS, 6 hours or Less (Minimum \$582.00) \$ 97.00 per hour
TRIAL TRIPS, Over 6 Hours (Two Pilots) \$194.00 per hour

SHILSHOLE BAY - SALMON BAY: \$120.00
SALMON BAY - LAKE UNION \$ 94.00
LAKE UNION - LAKE WASHINGTON (PLUS LOA FROM WEBSTER PT) \$120.00

CANCELLATION CHARGE: LOA - Zone 1
CANCELLATION CHARGE: - PORT ANGELES LOA - Zone 1
(When pilot is ordered and vessel proceeds without
stopping for pilot.)

DOCKING DELAY AFTER ANCHORING: \$97.00 per hour
Applicable Harbor Shift rate to apply, plus \$97.00
per hour Standby: No charge if delay is 60 minutes
or less. If the delay is more than 60 minutes,
charge is \$97.00 for every hour or fraction thereof.

SAILING DELAY: \$97.00 per hour
No charge if delay is 60 minutes or less. If the
delay is more than 60 minutes, charge is \$97.00
for every hour or fraction thereof.

SLOW-DOWN: \$97.00 per hour
When a vessel chooses not to maintain its normal
speed capabilities for reasons determined by the
vessel and not the pilot, and when the difference
in arrival time is one hour, or greater, from the
predicted arrival time had the vessel maintained
its normal speed capabilities, a charge of \$97.00
per hour, and each fraction thereof, will be
assessed for the resultant difference in arrival
time.

SUPER SHIPS:

20,000 to 50,000 Gross Tons:
Additional charge to LOA Zone mileage of \$0.0512
a gross ton for all gross tonnage in excess of
20,000 gross tons up to 50,000 gross tons.
50,000 Gross Tons and Up:
In excess of 50,000 gross tons, the charge shall
be \$0.0613 per gross ton.

For vessels where a certificate of international gross tonnage
is required, the appropriate international gross tonnage
shall apply.

DELAYED ARRIVAL - PORT ANGELES: \$97.00 per hour
When a pilot is ordered for an arriving inbound vessel
at Port Angeles and the vessel does not arrive within
two hours of its ETA, or its ETA is amended less
than six hours prior to the original ETA, a charge
of \$97.00 for each hour delay, or fraction thereof,
shall be assessed in addition to all other appropriate
charges.

TRANSPORTATION TO VESSELS ON PUGET SOUND:

March Point/Anacortes	\$113.00
Bangor	\$ 66.00
Bellingham	\$125.00
Bremerton	\$ 35.00
Cherry Point	\$147.00
DuPont	\$ 66.00
Edmonds	\$ 24.00
Everett	\$ 43.00
Ferndale	\$135.00
Manchester	\$ 52.00
Mukilteo	\$ 42.00
Olympia	\$ 85.00
Point Wells	\$ 24.00
Port Gamble	\$ 61.00
Port Townsend (Indian Is.)	\$ 86.00
Seattle	\$ 11.00
Semiahmoo (Blaine)	\$154.00
Tacoma	\$ 44.00
Tacoma Smelter	\$ 50.00
Winslow	\$ 35.00

- (a) Intraharbor transportation for the Port Angeles port area - transportation between Port Angeles pilot station and Port Angeles harbor docks - \$11.00.
- (b) Inter-port Shifts: Transportation paid to and from both points.
- (c) Intra-harbor Shifts: Transportation to be paid both ways. If intra-harbor shift is cancelled on or before scheduled reporting time, transportation paid one way only.
- (d) Cancellation: Transportation both ways unless notice of cancellation is received prior to scheduled reporting time in which case transportation need only be paid one-way.
- (e) Any new facilities or other seldom used terminals, not covered above, shall be based on mileage x \$1.60 per mile.

DELINQUENT PAYMENT CHARGE:

1.5% per month after 45 days from first billing

NONUSE OF PILOTS:

Ships taking and discharging pilots without using their services through all Puget Sound and adjacent inland waters shall pay full pilotage fees on the LOA zone mileage basis from Port Angeles to destination, from place of departure to Port Angeles, or for the entire distance between two ports on Puget Sound and adjacent inland waters.

PUGET SOUND PILOTS

LOA RATE SCHEDULE
Effective 0001 Hours June 20, 1991

LOA (Length Overall)	Zone 1 Intra Harbor	Zone 2 0-30 Miles	Zone 3 31-50 Miles	Zone 4 51-75 Miles	Zone 5 76-100 Miles	Zone 6 101 Miles & Over
UP to 449	144	226	392	587	792	1030
450 - 459	148	231	395	595	804	1034
460 - 469	152	234	399	605	816	1038
470 - 479	157	240	405	618	819	1041
480 - 489	161	245	407	629	824	1044
490 - 499	164	247	411	640	833	1050
500 - 509	171	252	419	650	839	1057
510 - 519	174	257	423	657	848	1061
520 - 529	176	267	430	661	856	1071
530 - 539	182	270	435	668	869	1081
540 - 549	185	274	444	676	984	1091
550 - 559	189	283	447	685	890	1102
560 - 569	196	294	456	692	900	1113
570 - 579	200	298	460	694	908	1120
580 - 589	208	303	469	700	914	1132
590 - 599	218	309	472	704	927	1144
600 - 609	226	318	478	706	937	1151
610 - 619	239	321	487	710	948	1161
620 - 629	248	325	493	716	958	1174
630 - 639	261	333	498	718	966	1185
640 - 649	272	339	503	721	977	1194
650 - 659	290	346	512	727	988	1205
660 - 669	298	349	517	730	998	1215
670 - 679	307	358	523	743	1010	1222
680 - 689	312	366	529	751	1013	1234
690 - 699	321	371	536	765	1030	1259
700 - 719	336	383	547	772	1048	1274
720 - 739	356	395	560	783	1071	1295
740 - 759	371	411	572	792	1091	1318
760 - 779	386	428	585	804	1113	1337
780 - 799	405	445	595	816	1132	1360
800 - 819	421	460	607	821	1151	1380
820 - 839	435	475	620	833	1174	1397
840 - 859	454	495	633	842	1194	1421
860 - 879	470	512	646	866	1215	1440
880 - 899	487	528	657	885	1234	1462
900 - 919	501	543	669	906	1259	1483
920 - 939	518	560	685	927	1274	1502
940 - 959	536	575	695	948	1295	1522
960 - 979	550	592	708	966	1318	1543
980 - 999	569	607	719	988	1337	1563
1000 & Over	585	628	732	1010	1360	1585

EXHIBIT "D"

COLUMBIA/WILLAMETTE COMPARISON WITH COOK INLET AND NON-DESCRIBED PORTS

Based on an 84 mile transit*

Ship's Name	<u>Koyo Spirit</u>	<u>Overseas Washington</u>	<u>T.K. Vigor</u>	<u>Arco Sag River</u>	<u>Chevron California</u>
L.O.A.	847	894	803	810	810
Gross Ton	51200	44906	44572	35646	35588
Draft	51	44	44	35	35

Columbia/Willamette Charges

Gross Ton	2,944.00	2,582.10	2,562.89	2,049.65	2,046.31
Draft	524.54	452.54	452.54	359.98	359.98
L.O.A.	1,694.00	1,788.00	1,606.00	1,620.00	1,620.00
Total	<u>5,162.54</u>	<u>4,822.64</u>	<u>4,621.43</u>	<u>4,029.63</u>	<u>4,026.29</u>

Cook Inlet Charges

Gross Ton	732.00	618.12	611.44	432.92	431.76
Tarriff	531.00	531.00	531.00	531.00	531.00
Total	<u>1,263.00</u>	<u>1,149.12</u>	<u>1,142.44</u>	<u>963.92</u>	<u>962.76</u>

Percentage Difference between Columbia/Willamette rates and Cook Inlet:
Columbia/Willamette's rates are the following percentages more than Cook Inlet's rates:

309%

320%

305%

318%

318%

*The chart shows a fictitious ship calling at Columbia and Willamette versus Cook Inlet, the miles used were between Columbia/Willamette and the Broadway Bridge (85 miles) and Cook Inlet to Nikiski (84 miles).

OREGON PILOTAGE TARIFF NO. A-5

Naming rates and charges for:

COLUMBIA RIVER BAR

COLUMBIA AND WILLAMETTE RIVER

COOS BAY BAR

YAQUINA BAY BAR



OREGON BOARD OF MARITIME PILOTS

1400 S.W. 5TH AVENUE

PORTLAND, OR 97201

503/229-5227

OREGON PILOTAGE TARIFF NO. A-5

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NOTES:

- 1) This tariff supersedes Oregon Pilotage Tariff No. A-4. Changes from the last issued rates have been underlined.
- 2) This tariff is issued in loose leaf form. Revisions will be made by reprinting of entire page containing correction or addition. Corrected pages will carry correction numbers which will be issued in consecutive order. As received, these should be checked off against the list of corrections for this tariff. If numbers do not appear in consecutive order, the Board should be advised.

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
REISSUED: 00:01 A.M. Nov. 28, 1989

Section 1. GENERAL

1. APPLICATION

The rates, terms, conditions and rules specified in this tariff apply to all pilotage services provided by Oregon pilots.

2. RESPONSIBILITY AND INSURANCE

The provisions of ORS 776.510 and section 7 of chapter 330 of the 1983 Oregon Laws hereby are incorporated into and made part of this tariff. By reason of the option granted by ORS 776.510, the rates and charges named in this tariff do not include the cost of marine insurance insuring the pilot and any organization of pilots to which the pilot belongs, the vessel, its owners, agents or operators from the consequences of negligence or errors in judgment of the pilots or organizations of pilots.

However, upon reasonable notice to the pilots in writing from the vessel, its master, owners, agents or operators, the pilots parties hereto will procure such insurance on a "trip" basis in an amount equal to the value of the vessel and its cargo, or such other amount as may be agreed upon between the pilots and the vessel, its master, owners, agents or operators, insuring the pilots and the organization of pilots to which they belong against all claims or demands arising from or based upon, directly or indirectly, pilotage of the vessel. The premium for such insurance shall be assessed in addition to the rates and charges specified herein.

The election of the vessel, its master, owners, agents or operators not to request pilots parties hereto to procure such insurance and thereby elect to have the pilots parties hereto perform services on the rates and charges specified herein shall constitute a binding and irrevocable agreement on the part of the vessel, its master, owners, agents or operators to the terms and conditions of the following:

It is understood and agreed, and is the essence of the contract under which services of the pilot are tendered to and accepted by the vessel, its master, operators and owners, that:

A. The services rendered hereunder are rendered by a pilot duly and regularly licensed by the State of Oregon pursuant to ORS chapter 776, or (with respect to domestic vessels) the holder of a valid license issued by the Federal Government;

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
REISSUED: 00:01 A.M., Nov. 28, 1989

Section 1. GENERAL, cont'd.

B. The services of any individual pilot (except with respect to domestic vessels) have been voluntarily accepted and are voluntarily rendered pursuant to the election authorized by ORS 776.510;

C. Such services are advisory in nature only, the master of the vessel remaining at all times in full command of the vessel and empowered to relieve the pilot of duties;

D. The services of the pilot are accepted on the express understanding that when the pilot goes aboard the vessel the pilot becomes the servant of the vessel and its owners and operators, and the master, owners and operators of the vessel expressly covenant and agree not to assert directly or indirectly, any personal liability against the pilot, any organization of pilots to which the pilot belongs, and against any members of such organization, to respond in damage (including any rights over) arising out of or connected with, directly or indirectly, any damage, loss or expense sustained by the vessel, its master, owners, operators and crew, and any third parties (including cargo), even though resulting from acts or omissions of any organization of pilots to which the pilot belongs, from acts or omissions of its members, or any acts or omissions of the pilot, and to defend, indemnify and hold harmless the pilot, and organization of pilots to which the pilot belongs, and any members of such organization, from any claims whatsoever for damages, loss or expense arising out of, or connected with any acts or omissions of the pilot or organization of pilots which relate, directly or indirectly, to pilotage of the vessel except as to such personal liability and rights over as may arise by reason of the wilful misconduct or gross negligence of the pilot;

E. The master, owners and operators of the vessel shall not be liable to indemnify and hold harmless the pilot and any organization of pilots to an extent greater than the amount to which the liability of the vessel, its owners and operators, is limited by reason of contract, bill of lading or statute, including but not limited to, the Limitation of Liability Act (46 U.S.C. §§ 181-189), the Harter Act (46 U.S.C. §§ 190-195), the Carriage of Goods by Sea Act (46 U.S.C. §§ 1300-1315), and the Federal Water Pollution Control Act (33 U.S.C. § 1321); and

F. The fees charged for the services rendered by the pilot have been computed and are assessed in accordance with and based upon the above stipulations.

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
REISSUED: 00:01 A.M., Nov. 28, 1969

Section 1. GENERAL, cont'd.

3. LIABILITY FOR CHARGES

Attention is directed to the provisions of ORS 776.445, reading as follows: "In addition to the lien of the pilot upon the vessel for any sum due for piloting, the master, owner, and consignee or agent are jointly and severally liable to the pilot therefor." This shall apply whether the person or persons ordering such services are doing so on behalf of a disclosed or undisclosed principal.

4. ORDERS FOR SERVICES

Orders for pilots should be made to the pilots' dispatching offices during the hours set forth and in the manner requested under sections covering for each respective grounds. Due care shall be exercised in placing orders and in keeping the pilots informed in respect to any changes in time on operations in order that efficient service may be provided.

5. SERVICES FOR WHICH RATES NOT FIXED

(Extraordinary pilotage services, services to vessels in distress, salvage services, etc.)

With respect to services for which rates are not fixed by this tariff, the pilot shall invoice reasonable charges for services rendered. Within ten (10) days after invoice is presented, the party invoiced may apply to the Oregon Board of Maritime Pilots for a reduction or modification of the charges. In the event of such application, the decision of the Board shall be final and binding.

6. VESSEL ASSISTANCE

If weather, tide, or other conditions warrant, tug or tugs may be recommended by the pilot but the final decision thereon shall be that of the master.

7. RATES AND CHARGES

Rates are in dollars per move or per item of service for each pilot employed.

8. DEFINITIONS

A. Draft and Tonnage Rates. The rates established by the Oregon Board of Maritime Pilots pursuant to ORS 776.115 are based on the actual deepest draft and the international gross registered tonnage of the vessel being piloted.

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
REISSUED: 00:01 A.M., Nov. 28, 1989

Section 1. GENERAL cont'd.

B. Detention (Stand-by). Detention is the delay of a pilot for any period of time in excess of that normally required to commence or terminate pilotage services. Detention shall specifically include the detaining of a pilot aboard a vessel or craft after the termination or during interruption of his services; and the interval between reporting for duty as ordered and the actual time of commencement of pilotage.

(1) Commencement

a. When anchoring for any reason whatsoever, when anchor is let go.

b. After arrival at a shore structure or other moorings; when the order is given "finished with engines", or when tugs are dismissed from tow.

c. The time a pilot is ordered to report to the vessel by the person ordering the services and the pilot reports as ordered.

(2) Termination

a. When departing from anchorage; the time when anchor is aweigh.

b. When adequate facilities are provided and are ready for the pilot to leave vessel.

c. The time a pilot gives his first orders relative to commencement of regular pilotage service.

Detention shall not include any additional time required to pilot the vessel or crafts by reason of any act of God, or any other force majeure acting directly on the vessel itself, but shall include, however, without limitation, delays or additional time occasioned by breakdown of the vessel, its machinery and equipment; impassability of the waterway being traversed; requiring the pilot to reduce speed or engage in unusual maneuvers to delay the arrival of a vessel at its berth or anchorage; operating a vessel under reduced boiler capacity (or reduced horsepower); and time lost in standing by or anchoring because the vessel cannot be moored; or for any other reason apart from normal pilotage.

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
REISSUED: 00:01 A.M., Nov. 28, 1989

Section 2. COLUMBIA RIVER BAR PILOTAGE GROUND

COLUMBIA RIVER BAR PILOTS

P. O. Box 81; Astoria, Or 97103

Cable Address: BARPILOTS ASTORIA

Radiotelephone frequencies and call signs: Channel 13 or 16 VHF

PEACOCK - WS 7217
COLUMBIA - WS 7344

ORDERS

Orders for pilots should be made to the pilots' dispatcher at the pilot offices, Astoria, Oregon (325-2641 or 325-2642).

Vessels arriving at the bar from sea shall give twelve (12) hours notice of their estimated time of arrival directly to the pilots' office, or, if notice is given by radiotelephone, to the pilot boat on duty. Vessels outbound from upriver points and delayed for any reason shall give notice of the delay to the pilots' office or, if given by radiotelephone, to the pilot boat on duty. When the vessel proceeds after such a delay, notice shall again be given to the office or pilot boat, as the case may be.

ITEM	SERVICE	RATES & CHARGES	MINIMUM
1	Inbound or Outbound between Astoria and the sea.	\$7.32 per draft foot and \$.0419 per gross registered ton.	<u>\$275.00</u>
2	Vessel under tow inbound or outbound between Astoria and the sea.	Towing vessel - per Item 1 Each towed vessel - per Item 1	<u>\$138.00</u> <u>\$138.00</u>
3	Shifting vessels (applies to shifts between docks, between anchorages, and/or between docks and anchorages).	<u>\$275.00</u>	
4	Pilot reporting where in his good judgment it is safe to proceed, but Master declines to proceed.	<u>\$110.00</u>	
5	Pilot reporting and ship movement cancelled. (Not applicable if upon advice of the pilot, cancellation due to stress of weather or tidal conditions).	<u>\$110.00</u>	

EFFECTIVE: 00:01 A.M., Sep. 27, 1986

REISSUED: 00:01 A.M., Nov. 28, 1989

OREGON PILOTAGE TARIFF NO. A-5

Section 2. COLUMBIA RIVER BAR PILOTAGE GROUND

ITEM	SERVICE	RATES & CHARGES	MINIMUM
6	Swing ship for compass adjustment or calibration. (If weather and/or tide conditions warrant, tug or tugs will be recommended by the Pilot; but the final decision relating thereto shall be that of the Master.)	<u>\$110.00</u>	
7	A. When vessel enters from sea to put a person ashore or aboard a small craft or other like purpose and then returns to sea: (1) If vessel does not proceed past Clatsop Spit Buoy No. 12 (2) If vessel proceeds past Clatsop Spit Buoy No. 12 B. Vessel proceeds to sea and later returns to Astoria to anchorage: (1) If vessel does not proceed past Clatsop Spit Buoy No. 12 (2) If vessel proceeds past Clatsop Spit Buoy No. 12	1½ times regular inbound pilotage fee. Full inbound and out-bound pilotage fee. 1½ times regular out-bound pilotage fee. Full inbound and out-bound pilotage fee.	
8	Detention or standby, per hour or fraction thereof. No charge for first hour unless pilot detained over one hour, in which case all detention will be charged.	\$ 55.00 First Hour <u>\$110.00</u> Each Addnl Hour	
9	Pilot carried off station unwillingly or through no fault of pilot.	Expenses incurred in return to station in Astoria, plus <u>\$110.00</u> per day from the time pilot is carried off station until again in a position to resume duties in Astoria.	

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
 REISSUED: 00:01 A.M., Nov. 28, 1989

OREGON PILOTAGE TARIFF NO. A-5

Section 2. COLUMBIA RIVER BAR PILOTAGE GROUND

ITEM	SERVICE	RATES & CHARGES	MINIMUM
10	Moving vessels not propelled by their own power. (<u>1½ x shift fee of \$275.00</u>)	<u>\$413.00</u>	
11	Pilot is ordered to board vessel at other than regular and customary boarding stations and, as a consequence, transportation expenses in excess of those normally incurred are actually expended.	Actual expenses incurred in excess of those normally expended.	
12	<u>Pilot boarding and disembarking at sea.</u>	<u>\$25.00</u>	

EFFECTIVE: 00:01 A.M. Sep. 27, 1986
 REISSUED: 00:01 A.M. Nov. 28, 1989

Section 3. COLUMBIA AND WILLAMETTE RIVER PILOTAGE GROUND

COLUMBIA RIVER PILOTS

13225 N Lombard; Portland. OR 97203

ORDERS

Orders for a Columbia River Pilot will be accepted only between the hours of 8:00 A.M. and 4:00 P.M. Special arrangements can be made for tentative orders during the night, but such arrangements must be made prior to 4:00 P.M.

When incoming from sea (without the service of Bar Pilot), vessels or agents must give notice between the hours of 8:00 A.M. and 4:00 P.M. and at least 12 hours prior to estimated time of arrival at Astoria. Calls may be placed with Portland office (289-9922) or by radio to COLRIP ASTORIAORE.

Vessels must confirm ETA Astoria at least two hours before arrival by calling Astoria office (325-2641) or by radio to COLRIP ASTORIAORE.

NOTE: For emergency order, after hours, Sundays and holidays, telephone numbers will be furnished upon request.

ITEM	SERVICE	RATES & CHARGES	MINIMUM
1	Inbound from Astoria or Outbound to Astoria	\$10.285 per foot draft and <u>\$.0575 per gross</u> registered ton.	500 gross registered tons or less, \$200.00; over 500 gross registered tons, \$250.00
1a	Length Charge	\$100.00 each 50 feet, or fraction thereof, more than 599' LOA, inbound or outbound.	
2	Stopping at points between Astoria and Portland (either inbound or outbound), each stop.	\$380.00	
3	Pilot reporting and ship movement cancelled within Portland or Vancouver harbor. In addition to regular detention charge, if any.	\$70.00	
4	Pilot reporting and ship movement cancelled outside Portland or Vancouver Harbor. In addition to regular detention charge, if any.	\$100.00	

EFFECTIVE: 00:01 A.M., Sep. 27, 1986

REISSUED: 00:01 A.M., Nov. 28, 1989

OREGON PILOTAGE TARIFF A-5

Section 3. COLUMBIA AND WILLAMETTE RIVER PILOTAGE GROUND

ITEM	SERVICE	RATES & CHARGES	MINIMUM
4a	Pilot made available and ship movement cancelled at Astoria. In addition to regular detention charge, if any.	\$150.00	
5	<p>Detention per hour or fraction thereof.</p> <p>No detention if pilot detained one hour or less. If pilot detained more than one hour, detention for first hour will be charged.</p> <p>Maximum charge per day.</p>	<p>\$ 60.00 First Hour \$ 90.00 Additional Hours</p> <p>\$600.00</p>	
6	<p>Whenever a vessel has to stand by, or anchor, and cannot proceed to berth because occupied or for any other reason, the indicated charge will be made, per hour or fraction thereof, in addition to shift charge to berth.</p> <p>Maximum charge per day.</p>	<p>\$ 60.00 First Hour \$ 90.00 Additional Hours</p> <p>\$600.00</p>	
7	<p>Launch service necessary for transportation of pilots to or from vessels will be for the account of the vessels, except launch service for the normal interchange of bar and river pilots at Astoria.</p>	At cost	
8	<p>Docking a vessel stern first in slip, or head down, at master's, owner's or agent's request. (Not applicable to harbor moves.)</p>	\$100.00	
9	<p>Shifting or turning vessels at dock in Portland Harbor.</p>	\$280.00	

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
 REISSUED: 00:01 A.M., Nov. 28, 1989

OREGON PILOTAGE TARIFF A-5

Section 3. COLUMBIA AND WILLAMETTE RIVER PILOTAGE GROUND

ITEM	SERVICE	RATES & CHARGES	MINIMUM
10	Shifting or turning vessels outside Portland Harbor.	\$320.00	
11	Moving vessels not propelled by their own power outside Portland or Vancouver Harbor.	Double regular pilotage.	
12	Shifting vessels not propelled by their own power in Portland or Vancouver Harbors, or on distances of less than 10 miles outside Portland or Vancouver Harbor.	One and one-half times regular shift charge.	
13	Swing'ship for compass adjustment, three turns or less Each additional turn.	\$150.00 \$ 60.00	
14	Harbor moves, Portland Harbor	\$280.00	
15	Interport moves	\$380.00	
16	Barges under tow: Nine (9) hours or less pilotage service. Over nine (9) hours - under fifteen (15) hours Over fifteen (15) hours	Regular Pilotage One and one-half times regular pilotage Double regular pilotage.	\$200.00 \$300.00 \$400.00

EFFECTIVE: 00:01 A.M., Sep. 27, 1986
 REISSUED: 00:01 A.M., Nov. 28, 1989

OREGON PILOTAGE TARIFF A-5

Section 4. COOS BAY PILOTAGE GROUND

COOS BAY PILOTS ASSOCIATION

Capt. A.E. "Gene" Woods	P O BOX 254 Coos Bay, Oregon 97420 267-6555/FAX 267-5256 (24 Hours)	Capt. Steven H. Sweet
Capt. John "Gary" Davis		Capt. Charles L. Yates
Capt. Steven E. Woods		Capt. Jerry W. White

ORDERS: The Harbor of Coos Bay does not maintain pilots on station. Service is rendered according to vessel's ETA. Other vessel movements and departures make your accurate ETA important for maximum service to all vessels. Send ETA(s) to your agent, stevedore company or Coos Bay Pilots Association. (See Item 6)

ITEM	SERVICE	RATES & CHARGES	MINIMUM
1	Inbound or Outbound	\$10.402 per draft foot and \$.0595 per gross registered ton	<u>\$660.00</u>
2	<u>Vessels under tow, inbound or outbound</u>	<u>towing vessel - per item 1</u> <u>each towed vessel - per item 1</u>	<u>\$660.00</u> <u>\$660.00</u>
3	Boat Service: Whenever necessary for a pilot to use boat service to and from a vessel any place in Coos Bay, the cost shall be borne by the vessel	At Cost	
4	Harbor Moves: A. From lower to upper bay & vice versa, through bridges, including turning at upper or lower basin B. Moving vessels in upper or lower bay, including turning at either of two basins	<u>\$400.00</u> <u>\$400.00</u>	

EFFECTIVE: 00:01 A.M., Nov. 28, 1989
 ISSUED: 00:01 A.M., Nov. 28, 1989

OREGON PILOTAGE TARIFF A-5

Section 4. COOS BAY PILOTAGE GROUND

ITEM	SERVICE	RATES & CHARGES	MINIMUM
4	C. Moving vessels from dock to dock including turning (upper or lower bay) D. Moving vessels from anchorage to dock, or dock to anchorage	\$400.00 \$400.00	
5	Pilot carried away from station	Actual expenses and per diem of \$200.00	
6	Uncorrected Orders: When vessels, owners, or agents do not correct their estimated time of arrival within four (4) hours of ETA last given, compensation will be charged and applied starting at the last estimated time of arrival given until arrival	\$50.00 per hour	
7	<u>Boarding Fee: Per each Boarding/Deboarding from a vessel</u>	<u>\$200.00</u>	

EFFECTIVE: 00:01 A.M., Nov. 28, 1989
 ISSUED: 00:01 A.M., Nov. 28, 1989

Section 5. YAQUINA BAY PILOTAGE GROUND

ITEM	SERVICE	RATES & CHARGES	MINIMUM
6	Uncorrected Orders: When vessels, owners, or agents do not correct their estimated time of arrival within four (4) hours of ETA last given, compensation will be charged and applied starting at the last estimated time of arrival given until arrival	\$50.00 <u>per hour</u>	
7	Pilot requested to board a vessel other than at normal station	Actual expenses plus \$200.00 per diem	
8	Detention per hour or fraction thereof No detention if pilot detained one hour or less. If pilot detained more than one hour, detention for the first hour will be charged Maximum detention charge, per day	\$90.00 \$600.00	
9	<u>Boarding Fee: Per each boarding/deboarding from a vessel</u>	<u>\$200.00</u>	

EFFECTIVE: 00:01 A.M., Nov. 28, 1989
 ISSUED: 00:01 A.M., Nov. 28, 1989

EXHIBIT "E"

SAN FRANCISCO COMPARISON WITH COOK INLET AND NON-DESCRIBED PORTS

Based on an 84 mile transit*

Ship's Name	<u>Kovo Spirit</u>	<u>Overseas Washington</u>	<u>T.K. Vigor</u>	<u>Arco Sag River</u>	<u>Chevron California</u>
L.O.A.	847	894	803	810	810
Gross Ton	51200	44906	44572	35646	35588
Draft	51	44	44	35	35

San Francisco Charges

Gross Ton	2,730.05	2,394.84	2,377.02	1,901.00	1,897.91
Draft	374.35	323.40	323.40	257.25	257.25
Bay Movement	827.00	827.00	827.00	827.00	827.00
Commission	196.60	177.26	176.37	149.26	149.11
Training	50.00	50.00	50.00	50.00	50.00
Trainee	25.00	25.00	25.00	25.00	25.00
Total	<u>4,203.50</u>	<u>3,797.50</u>	<u>3,778.79</u>	<u>3,209.51</u>	<u>3,206.27</u>

Cook Inlet Charges

Gross Ton	732.00	618.12	611.44	432.92	431.76
Tarriff	531.00	531.00	531.00	531.00	531.00
Total	<u>1,263.00</u>	<u>1,149.12</u>	<u>1,142.44</u>	<u>963.92</u>	<u>962.76</u>

Percentage Difference between San Francisco rates and Cook Inlet: San Francisco's rates are the following percentages more than Cook Inlet's rates:

233%

230%

231%

233%

233%

*The chart shows a fictitious ship calling at San Francisco Bay Area versus Cook Inlet, the miles used were San Francisco to Sacramento (87 miles) and Cook Inlet to Nikiski (84 miles).

SAN FRANCISCO BAR PILOTS

P.O. Box 26409
San Francisco, California 94126
415-362-5436 Fax 415-982-4721

8-16-91

July 12, 1991

RE: BAR PILOTAGE RATES AS DEFINED IN
THE HARBORS AND NAVIGATION CODE
STATE OF CALIFORNIA

To All Customers:

As of July 6, 1991, the following mil rate change will be in effect:

This is a correction of the rate change made July 1, 1991. Effective July 6, 1991, this adjustment to the mil rate increases the mil rate eight hundredths of a mil (.00008) recalculated in accordance with Section 1163(a)1) of the Harbors and Navigation Code. This section of the code provides for the pension plan.

The Bar Pilotage rate per high gross registered ton will be (.05333) fifty-three and thirty-three hundredths mils, Section 1190(1), and seven dollars and thirty-five cents (\$7.35) per draft foot of the vessel's deepest draft and fractions of a foot pro rata.

The minimum charge for bar pilotage, Section 1190(2) continues to be \$600 for each vessel piloted plus the additional charge, Section 1163(a)1) will be three and fourteen hundredths mils (.00314) per high gross registered ton for each vessel piloted.

The Pilot Commission surcharge, Section 1159.1 will continue to be 5% of all pilotage fees as per the direction of the State Board of Pilot Commissioners on May 22, 1990.

The Pilot Training Program surcharge continues to be \$50.00 per ship movement as established by the State Board of Pilot Commissioners on November 1, 1990.

The Trainee surcharge remains at \$5.00 per trainee based on the Board's instructions effective July 1, 1990. The total surcharge per ship movement is \$25.00 effective July 1, 1991.

All other fees remain the same as listed with our letter of January 25, 1991.

My apologies for any confusion this may have caused.

Sincerely,



Judy A. Johnson
General Manager
Controller

SAN FRANCISCO BAR PILOTS
 SERVICE CODE & CHARGE LISTING
 June 1, 1990

<u>CODE</u>	<u>SERVICE DESCRIPTION</u>	<u>CHARGE</u>
	INBOUND/OUTBOUND BAR PILOTAGE	
891 IN	PILOTAGE FROM SEA TO BERTH, ANCHORAGE	Per Rates Listed
891 OT	PILOTAGE FROM BERTH, ANCHORAGE TO SEA	Per Rates Listed
894 IN	HALF-CHARGE, PILOTAGE FROM SEA TO BERTH, ANCHORAGE	Variable
894 OT	HALF-CHARGE, PILOTAGE TO SEA FROM BERTH, ANCHORAGE	Variable

SURCHARGES - ADDITIONAL TO INBOUND/OUTBOUND CHARGES

617 SC	BETWEEN HUNTERS POINT AND SOUTH	\$354
618 SC	BETWEEN S P BRIDGE - AVON, MARTINEZ TERMINAL	264
619 SC	BETWEEN S P BRIDGE - PORT CHICAGO	314
620 SC	BETWEEN S P BRIDGE - PITTSBURG	368
621 SC	BETWEEN S P BRIDGE - ANTIOCH	398
622 SC	BETWEEN S P BRIDGE - SACRAMENTO OR STOCKTON	750

BAY AND/OR RIVER MOVES/SHIFT CHARGES
 (BM = BAY/RIVER MOVE; BA = FLAT TOW)

When Bar Pilots are required to perform duties other than the uninterrupted passage of vessels from sea to all ports and berths of San Francisco, San Pablo and Suisun Bays, Sacramento and Stockton; or, return from these ports and berths to sea, additional charges shall be made as detailed below:

		BM	PA
601 BM (BA)	S F (SOUTH OF NORTH END T. I.) TO HUNTERS POINT	\$203	\$406
602 BM (BA)	S F AREA TO RICHMOND, PT. SAN PABLO	234	468
603 BM (BA)	S F AREA TO SOUTH OF HUNTERS POINT	354	708
604 BM (BA)	S F AREA TO SEQUOIA, OLEUM	314	628

SAN FRANCISCO BAR PILOTS
 SERVICE CODE & CHARGE LISTING
 June 1, 1990
 Page 2

<u>CODE</u>	<u>SERVICE DESCRIPTION</u>	<u>CHARGE</u>	
		BM	BA
CONT'D	BAY AND/OR RIVER MOVES/SHIFT CHARGES (BM = BAY/RIVER MOVE; BA = FLAT TOW)		
605 BM (BA)	S F AREA TO AVON, MARTINEZ TERMINAL	\$368	\$736
606 BM (BA)	BETWEEN OLEUM, S P BRIDGE AND AVON	264	528
607 BM (BA)	BETWEEN AVON, PORT CHICAGO AND PITTSBURG	278	556
608 BM (BA)	S F AREA TO NORTH EXTREMITY SUISUN BAY	493	986
609 BM (BA)	S F AREA TO MARE ISLAND, VALLEJO, MARTINEZ, BENICIA	340	680
610 BM (BA)	BETWEEN SEQUOIA, OLEUM, MARE ISLAND AND S P BRIDGE	271	542
611 BM (BA)	BETWEEN OLEUM, S P BRIDGE AND NORTH SUISUN BAY	368	736
615 BM (BA)	S F AREA TO PORT CHICAGO	431	862
616 BM (BA)	BETWEEN OLEUM, S P BRIDGE AND PORT CHICAGO	314	628
623 BM (BA)	BETWEEN SAN FRANCISCO AND SACRAMENTO	827	1654
624 BM (BA)	BETWEEN SAN FRANCISCO AND STOCKTON	827	1654
625 BM (BA)	SACRAMENTO TO STOCKTON	827	1654
626 BM (BA)	STOCKTON TO SACRAMENTO	827	1654
627 BM (BA)	SHIFTING AT SACRAMENTO OR STOCKTON	264	528
628 BM (BA)	S F AREA AND ANTIOCH	520	1040
629 BM (BA)	BETWEEN OLEUM, S P BRIDGE AND ANTIOCH	398	796
630 BM (BA)	BETWEEN OLEUM, S P BRIDGE AND SACTO/STOCKTON	750	1500
631 BM (BA)	BETWEEN AVON, PORT CHICAGO AND ANTIOCH	308	616
632 BM (BA)	BETWEEN AVON, PORT CHICAGO AND SACTO/STOCKTON	584	1168
633 BM (BA)	BETWEEN PITTSBURG, ANTIOCH AND SACTO/STOCKTON	476	952

SAN FRANCISCO BAR PILOTS
SERVICE CODE & CHARGE LISTING

June 1, 1990

Page 3

VESSEL LENGTH SURCHARGE

Computed for vessels 600 ft. or longer on base rate charges of Bay/River Moves listed above. Vessels from 600 ft. to 625 ft. in length overall shall be charged an additional 14 percent of the base rate. Thereafter, an additional 4 percent shall be charged for each increment of 25 ft., computed to the nearest 25 ft. level below the actual length of the vessel.

<u>LENGTH FT.</u>	<u>ADDITIONAL CHARGE</u>		
600 - 625	A	Base Rate Plus	14%
625 - 650	B	114% of Base Rate Plus	4%
650 - 675	C	Sum of B Above Plus	4%
675 - 700	D	Sum of C Above Plus	4%

Et Cetera

<u>CODE</u>	<u>SERVICE DESCRIPTION</u>	<u>CHARGE</u>
MISCELLANEOUS CHARGES		
817 DD	DOCK TO DOCK, EXCLUDING ABOVE ANTIOCH	\$101
818 SD	DOCK STERN-IN OR DOWN-TIDE (BM/BA) The higher of 14% of Pilotage Fee or \$36	
821 AD	ADJUST COMPASS, RDF, RADAR - 1 SWING	235
822 AD	ADJUST COMPASS, RDF, RADAR - 2 SWINGS	278
831 SB	STANDBY TIME PER HOUR	50
840 CP	CANCEL SERVICE LESS THAN 4 HOURS	62
840 DT	PILOT CARRIED AWAY, PER DAY (NOT TO EXCEED \$1,500)	180
841 CN	CANCEL AFTER PILOT REPORTS	125
845 EX	PILOT ON BOARD EXCESS 8 HOURS, PER HOUR	84
851 ET	ENGINE OR DOCK TRIALS, PER HOUR	125
853 AN	ANCHORING AFTER DEPARTURE	73
871 DT	DELAY ENROUTE, INCLUDING VTS ORDERED, PER HOUR	97
899 CM	CREDIT MEMO	Varies
899 DM	DEBIT MEMO	Varies

EXHIBIT "F"

SWAPA 1990 OPERATING COSTS

Office Rent	\$ 92,070.14
Utilities	17,879.49
Telephone, Telegraph, & Fax	37,206.30
Equipment, Repair & Maintenance	3,951.04
Advertising	1,848.46
Postage & Freight	2,539.42
Office Supplies	15,026.61
Accounting Fees	17,142.97
Legal Fees	55,471.06
Insurance	2,487.92
Health and Welfare Insurance	17,388.00
Employee Salaries (4)	119,420.56
<u>Vehicle Insurance</u>	<u>15,691.89</u>
<u>Computer Expense</u>	<u>44,635.30</u>
<u>Employee Pension Plan</u>	<u>6,661.00</u>
TOTAL	\$ <u>449,420.17</u>

Office costs have increased from 1979 to 1990 363% over a ten (10) year period. This means a 33% increase per year.

From 1979 to 1990 salaries have increased 54.3%. There has been an increase in personnel from three (3) employees in 1979 to four (4) employees in 1990.

Health and welfare insurance has risen by 328% over this eleven (11) year period. This is an increase of 29.8% per year.

There has been additional costs which were non-existent in 1979 these are: Employee Pension Plan, Computer Expense and Vehicle Insurance which have added to increase of the total.

Note: Redline  indicates new expense.

According to SWAPA's Statement of Income and Expense they have sustained an overall increase of 88% since 1979. This means an 8.8% increase per year for the past eleven (11) years without an increase in pilotage tariffs.

There is a 47.8% increase in SWAPA's gross income from 1979 to 1990.

SWAPA 1979 OPERATING COSTS

Office Rent	\$ 12,702.00
Utilities	2,425.25
Telephone Expense	16,216.07
Equipment Repair	1,121.34
Advertising	1,924.20
Postage Box Rent	886.30
Office Supplies	5,079.71
Accounting Fees	14,927.54
Legal Fees	345.61
Vehicle Expense	792.47
Insurance	2,477.69
Employee Salaries (3)	<u>64,800.00</u>
TOTAL	\$ <u>123,698.18</u>

EXHIBIT "G"

LIABILITY INSURANCE

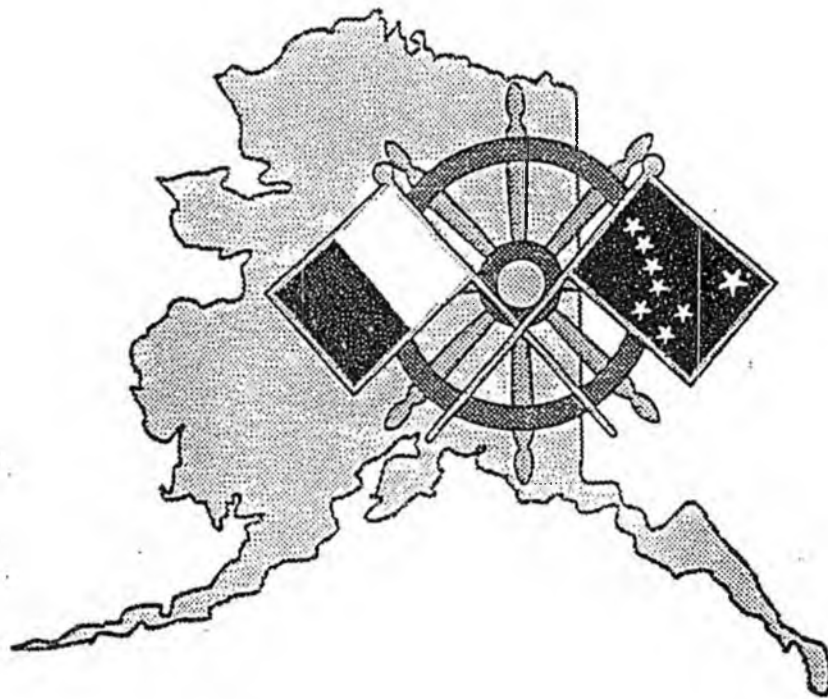
In 1979, SWAPA had seventeen (17) current members paying for liability insurance at a rate of \$514.00 per member. The total for seventeen (17) members is \$8,738.

In 1990, SWAPA added five (5) members, totalling twenty-two (22) members at a rate of \$2,200.00 per member. The total paid in liability insurance is \$48,400.00 for the year 1990.

On a per member rate this reflects a 328% increase since 1979. This shows an average increase of 29.5% per year over a eleven (11) year period and a yearly increase of \$168.60 per year for liability insurance over this period.

SOUTHEAST ALASKA PILOTS' ASSOCIATION

ACTUAL AND PROPOSED
DISPATCH/INCOME SCHEDULES



Southeast Alaska Pilots' Association

Dispatch/Income Schedule

PILOT 'A' ACTUAL:

On the following pages you will find an actual P-12 pilot (Pilot A-12) dispatch schedule for one year, October 1, 1990 through September 30, 1991. For this period of time his shared office/business expenses totalled \$14,432 while his gross earnings were \$129,960.

Pilot A-12 Hourly rate:

Dispatch hours = $4271 \div \$129,960 = \30.42 per hour.

A P-4 Pilot (Pilot A-4) is dispatched June 1 through September 30 of each year and earned \$74,288 in 1991. His shared office/business expenses also totalled \$14,432 in 1991 as all expenses of the SEAPA are deducted during June, July, August, and September. By taking the work schedule shown from June 1 to September 30 we can determine a typical P-4's work schedule.

Pilot A-4 Hourly rate:

Dispatch hours = $1874 \div \$74,288 = \39.64 per hour.

Inv. Number	Date	Time	Ship	Port	Bridge Hours	Plt Bt Hours	Travel Hours	S/B Hours	DISPATCH HOURS
8274	10/24/90	1300	Ocean Ava	Klawock	2.0	1.5	3.0	1.0	7.5
8276	10/23/90	1400	Manila Feliz	Long Island	0.0	0.0	1.5	8.5	10.0
	10/24/90	0001	Manila Feliz	Long Island	1.5	1.5	3.0	7.0	13.0
8277	10/27/90	1100	Hyundai #16	Dora Bay	2.0	3.0	1.5	1.0	7.5
8279	10/30/90	1100	Hyundai #20	Hobart Bay	2.0	5.0	3.0	3.0	13.0
	10/31/90	0001	Hyundai #20	Hobart Bay	0.0	0.0	3.0	15.0	18.0
8284	10/25/90	0800	Ken Ryu	Klawock	2.5	2.0	3.0	2.0	9.5
8285	11/03/90	0800	First Lady	Kake	2.0	1.0	5.0	2.0	10.0
8287	11/10/90	1300	Ocean Empress	Dora Bay	1.5	3.0	1.5	2.0	8.0
8289	10/28/90	0400	Golden Leaf	Wrangell	7.0	1.5	2.5	1.0	12.0
8294	11/21/90	1400	Edga	Sitka	0.0	0.0	2.0	20.0	24.0
	11/22/90	0001	Edga	Sitka	2.0	1.0	2.0	9.0	14.0
8295	11/19/90	1400	Polillo Sampaquita	Hawk Inlet	0.0	0.0	4.0	6.0	10.0
	11/20/90	0001	Polillo Sampaquita	Hawk Inlet	2.0	1.0	2.0	19.0	24.0
8301	11/24/90	1400	Green Rainier	Yakutat	0.0	0.0	4.0	6.0	10.0
	11/25/90	0001	Green Rainier	Yakutat	0.0	0.0	2.0	22.0	24.0
	11/26/90	0001	Green Rainier	Yakutat	0.0	0.0	0.0	24.0	24.0
	11/27/90	0001	Green Rainier	Yakutat	0.0	0.0	0.0	24.0	24.0
	11/28/90	0001	Green Rainier	Yakutat	2.0	1.5	2.5	19.0	24.0
8302	11/17/90	1200	Fittonia	Klawock	0.0	0.0	2.0	10.0	24.0
	11/18/90	0001	Fittonia	Klawock	2.5	1.5	2.0	7.0	13.0
	11/29/90	0001	Fittonia	Haines	0.0	0.0	2.0	22.0	24.0
	11/30/90	0001	Fittonia	Haines	0.0	0.0	0.0	24.0	24.0
	12/01/90	0001	Fittonia	Haines	8.0	2.0	0.0	14.0	24.0
	12/02/90	0001	Fittonia	Haines	0.0	0.0	2.5	6.5	9.0
8322	12/24/90	0800	First Lady	Kake	11.5	0.5	2.5	1.5	16.0
	12/25/90	0001	First Lady	Vallenar Bay	5.0	1.5	0.5	5.0	12.0
8323	12/30/90	0001	Milky Way	Auke Bay	0.0	0.0	0.0	24.0	24.0
	12/31/90	0001	Milky Way	Auke Bay	2.0	2.0	0.0	20.0	24.0
	01/01/91	0001	Milky Way	Auke Bay	0.0	0.0	0.0	24.0	24.0
	01/02/91	0001	Milky Way	Auke Bay	1.0	0.5	0.0	10.5	12.0
	01/03/91	0001	Milky Way	Auke Bay	9.5	1.0	2.0	11.5	24.0
	01/04/91	0001	Milky Way	Auke Bay	0.0	0.0	0.0	24.0	24.0
8325	12/25/90	2000	Norman Lise	Hawk Inlet	0.0	0.0	2.0	2.0	4.0
	12/26/90	0001	Norman Lise	Hawk Inlet	6.0	1.0	1.0	16.0	24.0
	12/27/90	0001	Norman Lise	Hawk Inlet	4.0	0.0	2.0	18.0	24.0
	12/28/90	0001	Norman Lise	Hawk Inlet	3.0	0.0	2.0	19.0	24.0
	12/29/90	0001	Norman Lise	Hawk Inlet	3.0	1.5	2.0	17.5	24.0
8327	01/02/91	0001	Sanko Robin	Auke Bay	2.5	2.0	0.5	7.0	12.0
	01/05/91	0001	Sanko Robin	Lutak	0.0	0.0	2.0	22.0	24.0
	01/06/91	0001	Sanko Robin	Lutak	0.0	0.0	0.0	24.0	24.0
	01/07/91	0001	Sanko Robin	Lutak	0.0	0.0	0.0	24.0	24.0
	01/08/91	0001	Sanko Robin	Lutak	3.0	0.5	0.0	20.5	24.0
	01/09/91	0001	Sanko Robin	Skagway	0.0	0.0	0.0	24.0	24.0
	01/10/91	0001	Sanko Robin	Skagway	0.0	0.0	0.0	24.0	24.0
	01/11/91	0001	Sanko Robin	Skagway	0.0	0.0	0.0	24.0	24.0
	01/12/91	0001	Sanko Robin	Skagway	7.0	2.0	4.0	5.0	18.0
8330	01/16/91	1200	Chilkoot Pal	Klawock	0.0	0.0	2.0	10.0	12.0
	01/17/91	0001	Chilkoot Pal	Klawock	7.0	0.5	0.0	16.0	24.0
	01/18/91	0001	Chilkoot Pal	Klawock	1.0	1.0	1.5	8.5	12.0
8332	01/24/91	1200	Hakufu	Long Island	0.0	0.0	1.5	10.5	12.0
	01/25/91	0001	Hakufu	Long Island	2.0	1.5	1.5	7.0	12.0
8334	01/31/91	1400	Ace Accord	Haines	0.0	0.0	4.0	6.0	10.0

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	02/01/91	0001	Ace Accord	Haines	5.5	2.0	0.5	16.0	24.0
	02/02/91	0001	Ace Accord	Haines	0.0	0.0	0.0	24.0	24.0
	02/03/91	0001	Ace Accord	Haines	0.0	0.0	0.0	24.0	24.0
	02/04/91	0001	Ace Accord	Haines	7.0	2.0	0.5	14.5	24.0
	02/05/91	0001	Ace Accord	Haines	0.0	0.0	4.0	8.0	12.0
8338	02/10/91	1200	Hoegh Mascot	Klawock	0.0	0.0	2.0	10.0	12.0
	02/11/91	0001	Hoegh Mascot	Klawock	3.0	0.0	0.0	9.0	12.0
8342	02/11/91	0001	Ocean Master	Klawock	2.5	0.5	0.0	9.0	12.0
	02/14/91	1200	Ocean Master	Klawock	4.0	0.0	2.0	2.0	8.0
	02/15/91	0001	Ocean Master	Hydaburg	5.0	3.0	0.0	0.0	8.0
8343	02/14/91	0001	Hermes Island	Klawock	2.0	1.5	0.0	4.5	8.0
	02/16/91	0001	Hermes Island	Klawock	3.0	1.5	0.0	19.5	24.0
	02/17/91	0001	Hermes Island	Klawock	0.0	0.0	2.0	10.0	12.0
8345	02/12/91	0001	Manila Feliz	Klawock	1.0	1.5	0.0	21.5	24.0
	02/15/91	0001	Manila Feliz	Klawock	1.5	1.5	0.0	5.0	8.0
8348	02/13/91	0001	New Diamond	Klawock	0.0	0.0	0.0	24.0	24.0
	02/14/91	0001	New Diamond	Klawock	1.5	1.5	0.0	5.0	8.0
	02/15/91	0001	New Diamond	Klawock	2.5	1.5	0.0	4.0	8.0
8349	02/18/91	1400	Lignosa	Haines	0.0	0.0	4.0	6.0	10.0
	02/19/91	0001	Lignosa	Haines	6.0	2.0	0.5	15.5	24.0
	02/20/91	0001	Lignosa	Haines	0.0	0.0	0.0	24.0	24.0
	02/21/91	0001	Lignosa	Haines	6.0	2.0	0.5	15.5	24.0
	02/22/91	0001	Lignosa	Haines	0.0	0.0	4.0	8.0	12.0
8352	02/25/91	0001	Esperance	Hawk Inlet	5.0	0.5	0.0	18.5	24.0
	02/26/91	0001	Esperance	Hawk Inlet	2.5	0.0	0.0	21.5	24.0
	02/27/91	0001	Esperance	Hawk Inlet	2.0	0.0	1.5	20.5	24.0
	03/01/91	0001	Esperance	Hawk Inlet	0.0	0.0	0.0	24.0	24.0
	03/02/91	0001	Esperance	Hawk Inlet	1.5	0.5	0.5	9.5	12.0
8355	02/23/91	1200	Dalika Uno	Wrangell	8.0	0.0	1.5	2.5	12.0
	02/24/91	0001	Dalika Uno	Haines	8.0	0.0	2.0	14.0	24.0
	03/02/91	0001	Dalika Uno	Haines	1.5	0.0	2.0	8.5	12.0
	03/03/91	0001	Dalika Uno	Haines	4.0	2.0	4.0	2.0	12.0
8356	03/10/91	2000	Trade Link	Ward Cove	2.0	1.5	0.5	0.0	4.0
	03/11/91	2000	Trade Link	Ward Cove	1.5	2.0	0.5	0.0	4.0
8357	03/07/91	0700	Wren Arrow	Sitka	3.5	1.0	3.0	9.5	17.0
	03/08/91	0001	Wren Arrow	Sitka	0.0	0.0	2.0	22.0	24.0
8358	03/05/91	0500	Sea Wealth	Metlakatla	1.0	4.0	0.5	0.0	5.5
	03/14/91	1500	Sea Wealth	Ward Cove	5.5	0.0	0.5	3.0	9.0
	03/15/91	0001	Sea Wealth	Klawock	4.5	0.5	0.0	18.0	24.0
	03/16/91	0001	Sea Wealth	Klawock	1.5	6.0	0.0	16.5	24.0
8361	03/09/91	0001	Blue Taurus	Haines	5.5	2.0	4.0	6.5	18.0
8362	03/17/91	0700	Global Fame	Long Island	4.0	1.0	1.5	10.5	17.0
	03/18/91	0001	Global Fame	Klawock	3.0	1.5	0.0	20.5	24.0
	03/19/91	0001	Global Fame	Klawock	0.0	0.0	0.0	24.0	24.0
	03/20/91	0001	Global Fame	Klawock	2.0	1.5	1.5	11.0	16.0
8363	03/23/91	1400	Bright Ocean	Yakutat	0.0	0.0	4.0	10.0	14.0
	03/24/91	0001	Bright Ocean	Yakutat	0.0	0.0	2.0	22.0	24.0
	03/25/91	0001	Bright Ocean	Yakutat	3.5	1.5	0.0	19.0	24.0
	03/26/92	0001	Bright Ocean	Yakutat	0.0	0.0	2.0	22.0	24.0
	03/27/91	0001	Bright Ocean	Yakutat	0.0	0.0	4.0	8.0	12.0
8368	03/30/91	1400	Hansa Kalmar	Ward Cove	2.0	1.5	0.5	0.0	4.0
8370	03/27/91	1400	Reefer Sachi	Sitka	0.0	0.0	2.0	8.0	10.0

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	03/28/91	0001	Reefer Sachi	Sitka	0.5	1.0	0.0	22.5	24.0
	03/29/91	0001	Reefer Sachi	Sitka	0.0	0.0	2.0	10.0	12.0
8372	04/02/91	1400	Neo Pelargonium	Skagway	0.0	0.0	4.0	6.0	10.0
	04/03/91	0001	Neo Pelargonium	Skagway	6.0	2.0	6.0	0.0	14.0
8373	03/30/91	0900	Gemini	Metlakatla	1.5	4.0	0.5	0.0	6.0
8386	04/22/91	1400	Reliance Trader	Hoonah	0.0	0.0	6.0	4.0	10.0
	04/23/91	0001	Reliance Trader	Hoonah	2.0	1.5	0.0	20.5	24.0
	04/24/91	0001	Reliance Trader	Hoonah	0.0	0.0	2.0	10.0	12.0
8387	04/24/91	0001	Ishikari Maru	Sitka	0.0	0.0	2.0	10.0	12.0
	04/25/91	0001	Ishikari Maru	Sitka	1.0	1.0	0.0	22.0	24.0
	04/26/91	0001	Ishikari Maru	Sitka	5.0	1.0	0.0	18.0	24.0
	04/27/91	0001	Ishikari Maru	Metlakatla	4.0	2.0	0.5	15.5	22.0
8391	05/05/91	1400	Bright Ocean	Yakutat	0.0	0.0	4.0	6.0	10.0
	05/06/91	0001	Bright Ocean	Yakutat	0.0	0.0	2.0	22.0	24.0
	05/07/91	0001	Bright Ocean	Yakutat	3.0	1.5	2.0	17.5	24.0
8392	05/08/91	0001	Pac Trader	Hoonah	0.0	0.0	1.5	22.5	24.0
	05/09/91	0001	Pac Trader	Hoonah	1.0	1.5	4.0	9.5	16.0
8394	05/03/91	0300	Marine Trader	Ward Cove	2.0	2.5	0.5	0.0	5.0
8400	05/11/91	0300	Southern Accord	Metlakatla	3.5	3.0	0.5	0.0	7.0
8402	05/12/91	1500	Neptune Jacinth	Hobart Bay	0.0	0.0	2.0	7.0	9.0
	05/13/91	0001	Neptune Jacinth	Hobart Bay	4.0	1.0	0.0	19.0	24.0
	05/14/91	0001	Neptune Jacinth	Hobart Bay	0.0	0.0	0.0	24.0	24.0
	05/15/91	0001	Neptune Jacinth	Hobart Bay	6.0	1.0	2.0	11.0	20.0
8409	05/17/91	1400	Prinscgant	Skagway	0.0	0.0	6.0	4.0	10.0
	05/18/91	0001	Prinscgant	Skagway	7.0	0.0	0.0	17.0	24.0
	05/19/91	0001	Prinscgant	Skagway	1.0	2.0	4.0	7.0	14.0
8423	05/21/91	1400	Gransol	Haines	0.0	0.0	4.0	6.0	10.0
	05/22/91	0001	Gransol	Haines	5.0	2.0	0.0	17.0	24.0
	05/23/91	0001	Gransol	Haines	0.0	0.0	6.0	6.0	12.0
8429	05/27/91	0500	Hakufu	Dora Bay	3.0	1.5	1.5	0.0	6.0
8431	06/03/91	0900	Golden Venture	Dora Bay	10.5	0.5	2.5	0.0	14.0
8435	05/27/91	2100	Sun Viking	Guard Island	0.5	1.5	0.5	0.5	3.0
	05/28/91	0001	Sun Viking	Tracy Arm	12.0	0.0	0.0	12.0	24.0
	05/29/91	0001	Sun Viking	Skagway/Haines	8.0	0.0	0.0	16.0	24.0
	05/30/91	0001	Sun Viking	Juneau	9.0	0.0	0.0	13.0	24.0
	05/31/91	0001	Sun Viking	Ketchikan	7.0	2.5	0.5	12.0	22.0
8439	06/04/91	1500	Mindora Sampaquita	Dora Bay	1.0	3.0	1.0	0.0	5.0
8449	06/05/91	0200	Song Of Flower	Ketchikan	7.5	2.5	0.5	11.5	22.0
	06/06/91	0001	Song Of Flower	Sitka	12.0	0.0	0.0	12.0	24.0
	06/07/91	0001	Song Of Flower	Tracy Arm	12.0	0.0	0.0	12.0	24.0
	06/08/91	0001	Song Of Flower	Juneau	4.0	0.0	0.0	20.0	24.0
	06/09/91	0001	Song Of Flower	Juneau	0.0	0.0	0.0	24.0	24.0
	06/10/91	0001	Song Of Flower	Juneau	3.0	0.0	0.0	21.0	24.0
	06/11/91	0001	Song Of Flower	Skagway	7.5	0.0	0.0	16.5	24.0
	06/12/91	0001	Song Of Flower	Wrangell	10.5	0.0	0.0	13.5	24.0
	06/13/91	0001	Song Of Flower	Guard Island	3.0	1.5	0.5	0.0	5.0
8461	06/14/91	0900	Jufu	Hobart Bay	3.0	1.0	4.0	0.0	8.0
8466	06/16/91	0400	Daphne	Ketchikan	6.0	1.5	0.5	12.0	20.0
	06/17/91	0001	Daphne	Juneau	7.0	0.0	0.0	17.0	24.0
	06/18/91	0001	Daphne	Skagway	8.0	0.0	0.0	16.0	24.0
	06/19/91	0001	Daphne	Wrangell	8.0	1.5	0.5	11.0	21.0
8488	06/20/91	1400	Korean Peace	Hawk Inlet	0.0	0.0	4.0	6.0	10.0
	06/21/91	0001	Korean Peace	Hawk Inlet	1.5	1.0	2.0	19.5	24.0

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	06/22/91	0001	Korean Peace	Hawk Inlet	0.0	0.0	0.0	24.0	24.0
	06/23/91	0001	Korean Peace	Hawk Inlet	2.0	1.0	2.0	19.0	24.0
	06/24/91	0001	Korean Peace	Hawk Inlet	0.0	0.0	4.0	6.0	10.0
8526	06/26/91	1400	Frontier Spirit	Pelican	0.0	0.0	6.0	4.0	10.0
8526	06/27/91	0001	Frontier Spirit	Glacier Bay	8.0	2.0	0.0	14.0	24.0
	06/28/91	0001	Frontier Spirit	Sitka	12.0	0.0	0.0	12.0	24.0
	06/29/91	0001	Frontier Spirit	Thomas Bay	12.0	0.0	0.0	12.0	24.0
	06/30/91	0001	Frontier Spirit	Ketchikan	6.0	2.0	0.5	13.0	21.5
8553	07/14/91	1500	Regent Sea	Ketchikan	8.0	0.0	0.5	0.5	9.0
	07/15/91	0001	Regent Sea	Juneau	6.0	0.0	4.0	12.0	22.0
8563	07/02/91	0500	Sea Goddess	Ketchikan	6.0	2.0	0.5	10.5	19.0
	07/03/91	0501	Sea Goddess	Juneau	10.5	0.0	0.0	13.5	24.0
	07/04/91	0001	Sea Goddess	Skagway	12.0	0.0	0.0	12.0	24.0
	07/05/91	0001	Sea Goddess	Yakutat	7.0	0.0	0.0	17.0	24.0
	07/06/91	0001	Sea Goddess	sea	0.0	0.0	0.0	24.0	24.0
	07/07/91	0001	Sea Goddess	sea	0.0	0.0	0.0	24.0	24.0
	07/08/91	0001	Sea Goddess	sea	0.0	0.0	0.0	24.0	24.0
	07/09/91	0001	Sea Goddess	Yakutat	7.0	0.0	0.0	17.0	24.0
	07/10/91	0001	Sea Goddess	Skagway	8.0	0.0	0.0	16.0	24.0
	07/11/91	0001	Sea Goddess	Juneau	9.0	0.0	0.0	13.0	24.0
	07/12/91	0001	Sea Goddess	Ketchikan	8.0	2.0	0.5	11.5	22.0
8576	07/21/91	1100	Tanagra	Hobart Bay	2.0	1.0	5.0	0.0	8.0
8589	07/16/91	0001	Sun Viking	G.I./Tracy Arm	12.0	1.5	0.0	10.5	24.0
	07/17/91	0001	Sun Viking	Skagway/Haines	7.0	0.0	0.0	17.0	24.0
	07/18/91	0001	Sun Viking	Juneau	9.0	0.0	0.0	13.0	24.0
	07/19/91	0001	Sun Viking	Ketchikan	8.0	2.5	0.5	11.0	22.0
8601	07/22/91	0330	Dawn Princess	Ketchikan	8.0	2.0	0.5	10.0	20.5
	07/23/91	0001	Dawn Princess	Juneau	6.0	0.0	0.0	18.0	24.0
	07/24/91	0001	Dawn Princess	Skagway	10.0	0.0	0.0	14.0	24.0
	07/25/91	0001	Dawn Princess	Glacier Bay	9.0	0.0	0.0	15.0	24.0
	07/26/91	0001	Dawn Princess	sea	0.0	0.0	0.0	24.0	24.0
	07/27/91	0001	Dawn Princess	sea	0.0	0.0	0.0	24.0	24.0
	07/28/91	0001	Dawn Princess	sea	0.0	0.0	0.0	24.0	24.0
	07/29/91	0001	Dawn Princess	Sitka	2.0	0.0	2.0	10.0	14.0
8672	08/08/91	0300	Song Of Flower	Ketchikan	8.0	2.0	0.5	10.5	21.0
	08/09/91	0001	Song Of Flower	Juneau	8.0	0.0	0.0	16.0	24.0
	08/10/91	0001	Song Of Flower	Guard Island	10.0	1.5	0.5	9.0	21.0
8684	08/13/91	0400	Sea Goddess	Ketchikan	8.0	2.0	0.5	9.5	20.0
	08/14/91	0001	Sea Goddess	Juneau	7.0	0.0	0.0	17.0	24.0
	08/15/91	0001	Sea Goddess	Skagway	12.0	0.0	0.0	12.0	24.0
	08/16/91	0001	Sea Goddess	Yakutat	7.0	0.0	0.0	17.0	24.0
	08/17/91	0001	Sea Goddess	sea	0.0	0.0	0.0	24.0	24.0
8685	08/18/91	0001	Sea Goddess	sea	0.0	0.0	0.0	24.0	24.0
	08/19/91	0001	Sea Goddess	sea	0.0	0.0	0.0	24.0	24.0
	08/20/91	0001	Sea Goddess	Yakutat	7.0	0.0	0.0	17.0	24.0
	08/21/91	0001	Sea Goddess	Skagway	8.0	0.0	0.0	16.0	24.0
	08/22/91	0001	Sea Goddess	Juneau	9.0	0.0	0.0	13.0	24.0
	08/23/91	0001	Sea Goddess	Ketchikan	6.0	0.0	0.0	4.0	12.0
8694	08/26/91	2030	Sun Viking	Guard Island	1.5	1.5	0.5	0.0	3.5
	08/27/91	0001	Sun Viking	Tracy Arm	12.0	0.0	0.0	12.0	24.0
	08/28/91	0001	Sun Viking	Skagway/Haines	5.5	0.0	0.0	18.5	24.0
	08/29/91	0001	Sun Viking	Juneau	8.0	0.0	0.0	16.0	24.0

Inv. Number	Date	Time	Ship	Port	Bridge Hours	Plt Bt Hours	Travel Hours	S/B Hours	DISPATCH HOURS
	08/29/91	0001	Sun Viking	Juneau	8.0	0.0	0.0	16.0	24.0
	08/30/91	0001	Sun Viking	Ketchikan	7.0	2.5	0.5	12.0	22.0
8717	09/03/91	0200	Song Of Flower	Ketchikan	8.5	2.5	0.5	10.5	22.0
	09/04/91	0001	Song Of Flower	Sitka	8.0	0.0	0.0	16.0	24.0
	09/05/91	0001	Song Of Flower	Juneau	8.0	0.0	0.0	16.0	24.0
	09/06/91	0001	Song Of Flower	Gard Island	9.0	1.5	0.5	9.0	20.0
8721	09/07/91	1400	Pac Queen	Hoonah	0.0	0.0	6.0	4.0	10.0
	09/08/91	0001	Pac Queen	Hoonah	1.0	1.5	2.0	19.5	24.0
8729	09/09/91	0001	Dawn Princess	Glacier Bay	6.0	1.0	1.0	16.0	24.0
	09/10/91	0001	Dawn Princess	Skagway	7.0	0.0	0.0	17.0	24.0
	09/11/91	0001	Dawn Princess	Juneau	7.0	0.0	0.0	17.0	24.0
	09/12/91	0001	Dawn Princess	Ketchikan	7.5	2.0	0.5	10.0	20.0
8745	09/15/91	0400	Daphne	Ketchikan	6.0	1.5	0.5	12.0	20.0
	09/16/91	0001	Daphne	Juneau	6.0	0.0	0.0	18.0	24.0
	09/17/91	0001	Daphne	Skagway	9.0	0.0	0.0	13.0	24.0
	09/18/91	0001	Daphne	Wrangell	9.0	1.5	0.5	10.5	21.5
8753	09/25/91	1400	Sky Princess	Prince Rupert	0.0	2.0	2.0	6.0	10.0
	09/26/91	0001	Sky Princess	Juneau	5.0	0.0	0.0	19.0	24.0
	09/27/91	0001	Sky Princess	Glacier Bay	11.0	0.0	0.0	13.0	24.0
	09/28/91	0001	Sky Princess	Sitka	4.0	1.0	0.0	19.0	24.0
8756	09/29/91	0001	Star Marlin	Sitka	2.0	1.0	2.0	9.0	14.0
TOTAL					856.0	174.5	268.5	2946.0	4271.0

Southeast Alaska Pilots' Association

Dispatch/Income Schedule

PILOT 'A' PROPOSAL:

By taking an actual P-12's dispatch schedule for one year and basing his pay on two rates, bridge time and dispatch time, with a 4 hour minimum/12 hour maximum day, the P-12 would now earn the following:

Example 1 - P-12 Pilot (Pilot A-12):

Bridge Hours 856 x \$300 = \$256,800

Dispatch Hours 1,754 x \$150 = \$263,100

Example 2 - P-4 Pilot (Pilot A-4)

Bridge Hours 526 x \$300 = \$157,800

Dispatch Hours 520 x \$150 = \$78,000

This proposal includes all expenses excluding pilot boat and tug boats. When two pilots are dispatched to jobs over 8 hours, the second pilot will be billed at 50% of lead pilot.

Inv. Number	Date	Time	Ship	Port	Bridge Hours	Dispatch Hours
8274	10/24/90	1300	Ocean Ava	Klawock	2.0	7.5
8276	10/23/90	1400	Manila Feliz	Long Island	0.0	10.0
	10/24/90	0001	Manila Feliz	Long Island	1.5	10.5
8277	10/27/90	1100	Hyundai #16	Dora Bay	2.0	7.5
8279	10/30/90	1100	Hyundai #20	Hobart Bay	2.0	10.0
	10/31/90	0001	Hyundai #20	Hobart Bay	0.0	12.0
8284	10/25/90	0800	Ken Ryu	Klawock	2.5	9.5
8285	11/03/90	0800	First Lady	Kake	2.0	10.0
8287	11/10/90	1300	Ocean Empress	Dora Bay	1.5	8.0
8289	10/28/90	0400	Golden Leaf	Wrangell	7.0	5.0
8294	11/21/90	1400	Edga	Sitka	0.0	12.0
	11/22/90	0001	Edga	Sitka	2.0	10.0
8295	11/19/90	1400	Polillo Samp.	Hawk Inlet	0.0	10.0
	11/20/90	0001	Polillo Samp.	Hawk Inlet	2.0	10.0
8301	11/24/90	1400	Green Rainier	Yakutat	0.0	10.0
	11/25/90	0001	Green Rainier	Yakutat	0.0	12.0
	11/26/90	0001	Green Rainier	Yakutat	0.0	12.0
	11/27/90	0001	Green Rainier	Yakutat	0.0	12.0
	11/28/90	0001	Green Rainier	Yakutat	2.0	10.0
8302	11/17/90	1200	Fittonia	Klawock	0.0	12.0
	11/18/90	0001	Fittonia	Klawock	2.5	9.5
	11/29/90	0001	Fittonia	Haines	0.0	12.0
	11/30/90	0001	Fittonia	Haines	0.0	12.0
	12/01/90	0001	Fittonia	Haines	8.0	4.0
	12/02/90	0001	Fittonia	Haines	0.0	9.0
8322	12/24/90	0800	First Lady	Kake	11.5	0.5
	12/25/90	0001	First Lady	Vallenar	5.0	7.0
8323	12/30/90	0001	Milky Way	Auke Bay	0.0	12.0
	12/31/90	0001	Milky Way	Auke Bay	2.0	10.0
	01/01/91	0001	Milky Way	Auke Bay	0.0	12.0
	01/02/91	0001	Milky Way	Auke Bay	1.0	11.0
	01/03/91	0001	Milky Way	Auke Bay	9.5	2.5
	01/04/91	0001	Milky Way	Auke Bay	0.0	12.0
8325	12/25/90	2000	Norman Lise	Hawk Inlet	0.0	4.0
	12/26/90	0001	Norman Lise	Hawk Inlet	6.0	6.0
	12/27/90	0001	Norman Lise	Hawk Inlet	4.0	8.0
	12/28/90	0001	Norman Lise	Hawk Inlet	3.0	9.0
	12/29/90	0001	Norman Lise	Hawk Inlet	3.0	9.0
8327	01/02/91	0001	Sanko Robin	Auke Bay	2.5	9.5
	01/05/91	0001	Sanko Robin	Lutak	0.0	12.0
	01/06/91	0001	Sanko Robin	Lutak	0.0	12.0
	01/07/91	0001	Sanko Robin	Lutak	0.0	12.0
	01/08/91	0001	Sanko Robin	Lutak	3.0	9.0
	01/09/91	0001	Sanko Robin	Skagway	0.0	12.0
	01/10/91	0001	Sanko Robin	Skagway	0.0	12.0
	01/11/91	0001	Sanko Robin	Skagway	0.0	12.0
	01/12/91	0001	Sanko Robin	Skagway	7.0	5.0
8330	01/16/91	1200	Chilkoot Pal	Klawock	0.0	4.0
	01/17/91	0001	Chilkoot Pal	Klawock	7.0	5.0
	01/18/91	0001	Chilkoot Pal	Klawock	1.0	4.0
8332	01/24/91	1200	Hakufu	Long Island	0.0	12.0
	01/25/91	0001	Hakufu	Long Island	2.0	10.0
8334	01/31/91	1400	Ace Accord	Haines	0.0	10.0

Inv. Number	Date	Time	Ship	Port	Bridge Hours	DISPATCH HOURS
	02/01/91	0001	Ace Accord	Haines	5.5	6.5
	02/02/91	0001	Ace Accord	Haines	0.0	12.0
	02/03/91	0001	Ace Accord	Haines	0.0	12.0
	02/04/91	0001	Ace Accord	Haines	7.0	5.0
	02/05/91	0001	Ace Accord	Haines	0.0	4.0
8338	02/10/91	1200	Hoegh Mascot	Klawock	0.0	12.0
	02/11/91	0001	Hoegh Mascot	Klawock	3.0	9.0
8342	02/11/91	0001	Ocean Master	Klawock	2.5	9.5
	02/14/91	1200	Ocean Master	Klawock	4.0	8.0
	02/15/91	0001	Ocean Master	Hydaburg	5.0	7.0
8343	02/14/91	0001	Hermes Island	Klawock	2.0	8.0
	02/16/91	0001	Hermes Island	Klawock	3.0	9.0
	02/17/91	0001	Hermes Island	Klawock	0.0	12.0
8345	02/12/91	0001	Manila Feliz	Klawock	1.0	11.0
	02/15/91	0001	Manila Feliz	Klawock	1.5	8.0
8348	02/13/91	0001	New Diamond	Klawock	0.0	12.0
	02/14/91	0001	New Diamond	Klawock	1.5	8.0
	02/15/91	0001	New Diamond	Klawock	2.5	8.0
8349	02/18/91	1400	Lignosa	Haines	0.0	10.0
	02/19/91	0001	Lignosa	Haines	6.0	6.0
	02/20/91	0001	Lignosa	Haines	0.0	12.0
	02/21/91	0001	Lignosa	Haines	6.0	6.0
	02/22/91	0001	Lignosa	Haines	0.0	12.0
8352	02/25/91	0001	Esperance	Hawk Inlet	5.0	7.0
	02/26/91	0001	Esperance	Hawk Inlet	2.5	9.5
	02/27/91	0001	Esperance	Hawk Inlet	2.0	10.0
	03/01/91	0001	Esperance	Hawk Inlet	0.0	4.0
	03/02/91	0001	Esperance	Hawk Inlet	1.5	10.5
8355	02/23/91	1200	Dalika Uno	Wrangell	8.0	4.0
	02/24/91	0001	Dalika Uno	Haines	8.0	4.0
	03/02/91	0001	Dalika Uno	Haines	1.5	10.5
	03/03/91	0001	Dalika Uno	Haines	4.0	8.0
8356	03/10/91	2000	Trade Link	Ward Cove	2.0	4.0
	03/11/91	2000	Trade Link	Ward Cove	1.5	4.0
8357	03/07/91	0700	Wren Arrow	Sitka	3.5	8.5
	03/08/91	0001	Wren Arrow	Sitka	0.0	12.0
8358	03/05/91	0500	Sea Wealth	Metlakatla	1.0	5.5
	03/14/91	1500	Sea Wealth	Ward Cove	5.5	6.5
	03/15/91	0001	Sea Wealth	Klawock	4.5	7.5
	03/16/91	0001	Sea Wealth	Klawock	1.5	10.5
8361	03/09/91	0001	Blue Taurus	Haines	5.5	6.5
8362	03/17/91	0700	Global Fame	Long Island	4.0	8.0
	03/18/91	0001	Global Fame	Klawock	3.0	9.0
	03/19/91	0001	Global Fame	Klawock	0.0	12.0
	03/20/91	0001	Global Fame	Klawock	2.0	10.0
8363	03/23/91	1400	Bright Ocean	Yakutat	0.0	12.0
	03/24/91	0001	Bright Ocean	Yakutat	0.0	12.0
	03/25/91	0001	Bright Ocean	Yakutat	3.5	8.5
	03/26/92	0001	Bright Ocean	Yakutat	0.0	12.0
	03/27/91	0001	Bright Ocean	Yakutat	0.0	12.0
8368	03/30/91	1400	Hansa Kalmar	Ward Cove	2.0	4.0
8370	03/27/91	1400	Reefer Sachi	Sitka	0.0	10.0

Inv. Number	Date	Time	Ship	Port	Bridge Hours	DISPATCH HOURS
	03/28/91	0001	Reefer Sachi	Sitka	0.5	11.5
	03/29/91	0001	Reefer Sachi	Sitka	0.0	12.0
8372	04/02/91	1400	Neo Pelargonium	Skagway	0.0	10.0
	04/03/91	0001	Neo Pelargonium	Skagway	6.0	6.0
8373	03/30/91	0900	Gemini	Metlakatla	1.5	6.0
8386	04/22/91	1400	Reliance Trader	Hoonah	0.0	10.0
	04/23/91	0001	Reliance Trader	Hoonah	2.0	10.0
	04/24/91	0001	Reliance Trader	Hoonah	0.0	12.0
8387	04/24/91	0001	Ishikari Maru	Sitka	0.0	12.0
	04/25/91	0001	Ishikari Maru	Sitka	1.0	11.0
	04/26/91	0001	Ishikari Maru	Sitka	5.0	7.0
	04/27/91	0001	Ishikari Maru	Metlakatla	4.0	8.0
8391	05/05/91	1400	Bright Ocean	Yakutat	0.0	10.0
	05/06/91	0001	Bright Ocean	Yakutat	0.0	12.0
	05/07/91	0001	Bright Ocean	Yakutat	3.0	9.0
8392	05/08/91	0001	Pac Trader	Hoonah	0.0	12.0
	05/09/91	0001	Pac Trader	Hoonah	1.0	11.0
8394	05/03/91	0300	Marine Trader	Ward Cove	2.0	5.0
8400	05/11/91	0300	Southern Accord	Metlakatla	3.5	7.0
8402	05/12/91	1500	Neptune Jacinth	Hobart Bay	0.0	9.0
	05/13/91	0001	Neptune Jacinth	Hobart Bay	4.0	8.0
	05/14/91	0001	Neptune Jacinth	Hobart Bay	0.0	12.0
	05/15/91	0001	Neptune Jacinth	Hobart Bay	6.0	6.0
8409	05/17/91	1400	Prinscgant	Skagway	0.0	10.0
	05/18/91	0001	Prinscgant	Skagway	7.0	5.0
	05/19/91	0001	Prinscgant	Skagway	1.0	11.0
8423	05/21/91	1400	Gransol	Haines	0.0	10.0
	05/22/91	0001	Gransol	Haines	5.0	7.0
	05/23/91	0001	Gransol	Haines	0.0	12.0
8429	05/27/91	0500	Hakufu	Dora Bay	3.0	6.0
8431	06/03/91	0900	Golden Venture	Dora Bay	10.5	1.5
8435	05/27/91	2100	Sun Viking	Guard Is.	0.5	4.0
	05/28/91	0001	Sun Viking	Tracy Arm	12.0	0.0
	05/29/91	0001	Sun Viking	Skag/Haines	8.0	4.0
	05/30/91	0001	Sun Viking	Juneau	9.0	3.0
	05/31/91	0001	Sun Viking	Ketchikan	7.0	5.0
8439	06/04/91	1500	Mindora Samp.	Lora Bay	1.0	5.0
8449	06/05/91	0200	Song Of Flower	Ketchikan	7.5	4.5
	06/06/91	0001	Song Of Flower	Sitka	12.0	0.0
	06/07/91	0001	Song Of Flower	Tracy Arm	12.0	0.0
	06/08/91	0001	Song Of Flower	Juneau	4.0	8.0
	06/09/91	0001	Song Of Flower	Juneau	0.0	12.0
	06/10/91	0001	Song Of Flower	Juneau	3.0	9.0
	06/11/91	0001	Song Of Flower	Skagway	7.5	4.5
	06/12/91	0001	Song Of Flower	Wrangell	10.5	1.5
	06/13/91	0001	Song Of Flower	Guard Is.	3.0	5.0
8461	06/14/91	0900	Jufu	Hobart Bay	3.0	8.0
8466	06/16/91	0400	Daphne	Ketchikan	6.0	6.0
	06/17/91	0001	Daphne	Juneau	7.0	5.0
	06/18/91	0001	Daphne	Skagway	8.0	4.0
	06/19/91	0001	Daphne	Wrangell	8.0	4.0
8488	06/20/91	1400	Korean Peace	Hawk Inlet	0.0	10.0
	06/21/91	0001	Korean Peace	Hawk Inlet	1.5	10.5

Inv. Number	Date	Time	Ship	Port	Bridge Hours	DISPATCH HOURS
	06/22/91	0001	Korean Peace	Hawk Inlet	0.0	12.0
	06/23/91	0001	Korean Peace	Hawk Inlet	2.0	10.0
	06/24/91	0001	Korean Peace	Hawk Inlet	0.0	10.0
8526	06/26/91	1400	Frontier Spirit	Pelican	0.0	10.0
8526	06/27/91	0001	Frontier Spirit	Glacier Bay	8.0	4.0
	06/28/91	0001	Frontier Spirit	Sitka	12.0	0.0
	06/29/91	0001	Frontier Spirit	Thomas Bay	12.0	0.0
	06/30/91	0001	Frontier Spirit	Ketchikan	6.0	6.0
8553	07/14/91	1500	Regent Sea	Ketchikan	8.0	4.0
	07/15/91	0001	Regent Sea	Juneau	6.0	6.0
8568	07/02/91	0500	Sea Goddess	Ketchikan	6.0	6.0
	07/03/91	0001	Sea Goddess	Juneau	10.5	1.5
	07/04/91	0001	Sea Goddess	Skagway	12.0	0.0
	07/05/91	0001	Sea Goddess	Yakutat	7.0	5.0
	07/06/91	0001	Sea Goddess	sea	0.0	12.0
	07/07/91	0001	Sea Goddess	sea	0.0	12.0
	07/08/91	0001	Sea Goddess	sea	0.0	12.0
	07/09/91	0001	Sea Goddess	Yakutat	7.0	5.0
	07/10/91	0001	Sea Goddess	Skagway	8.0	4.0
	07/11/91	0001	Sea Goddess	Juneau	9.0	3.0
	07/12/91	0001	Sea Goddess	Ketchikan	8.0	4.0
8576	07/21/91	1100	Tanagra	Hobart Bay	2.0	8.0
8589	07/16/91	0001	Sun Viking	GI/Tracy Ar	12.0	0.0
	07/17/91	0001	Sun Viking	Skag/Haines	7.0	5.0
	07/18/91	0001	Sun Viking	Juneau	9.0	3.0
	07/19/91	0001	Sun Viking	Ketchikan	8.0	4.0
8601	07/22/91	0330	Dawn Princess	Ketchikan	8.0	4.0
	07/23/91	0001	Dawn Princess	Juneau	6.0	6.0
	07/24/91	0001	Dawn Princess	Skagway	10.0	2.0
	07/25/91	0001	Dawn Princess	Glacier Bay	9.0	3.0
	07/26/91	0001	Dawn Princess	sea	0.0	12.0
	07/27/91	0001	Dawn Princess	sea	0.0	12.0
	07/28/91	0001	Dawn Princess	sea	0.0	12.0
	07/29/91	0001	Dawn Princess	Sitka	2.0	10.0
8672	08/08/91	0300	Song Of Flower	Ketchikan	8.0	4.0
	08/09/91	0001	Song Of Flower	Juneau	8.0	4.0
	08/10/91	0001	Song Of Flower	Guard Is.	10.0	2.0
8684	08/13/91	0400	Sea Goddess	Ketchikan	8.0	4.0
	08/14/91	0001	Sea Goddess	Juneau	7.0	5.0
	08/15/91	0001	Sea Goddess	Skagway	12.0	0.0
	08/16/91	0001	Sea Goddess	Yakutat	7.0	5.0
	08/17/91	0001	Sea Goddess	sea	0.0	12.0
8685	08/18/91	0001	Sea Goddess	sea	0.0	12.0
	08/19/91	0001	Sea Goddess	sea	0.0	12.0
	08/20/91	0001	Sea Goddess	Yakutat	7.0	5.0
	08/21/91	0001	Sea Goddess	Skagway	8.0	4.0
	08/22/91	0001	Sea Goddess	Juneau	9.0	3.0
	08/23/91	0001	Sea Goddess	Ketchikan	6.0	6.0
8694	08/26/91	2030	Sun Viking	Guard Is.	1.5	4.0
	08/27/91	0001	Sun Viking	Tracy Arm	12.0	0.0
	08/28/91	0001	Sun Viking	Skag/Haines	5.5	6.5

Inv. Number	Date	Time	Ship	Port	Bridge Hours	DISPATCH HOURS
	08/29/91	0001	Sun Viking	Juneau	8.0	4.0
	08/30/91	0001	Sun Viking	Ketchikan	7.0	5.0
8717	09/03/91	0200	Song Of Flower	Ketchikan	8.5	3.5
	09/04/91	0001	Song Of Flower	Sitka	8.0	4.0
	09/05/91	0001	Song Of Flower	Juneau	8.0	4.0
	09/06/91	0001	Song Of Flower	Guard Is.	9.0	3.0
8721	09/07/91	1400	Pac Queen	Hoonah	0.0	10.0
	09/08/91	0001	Pac Queen	Hoonah	1.0	11.0
8729	09/09/91	0001	Dawn Princess	Glacier Bay	6.0	6.0
	09/10/91	0001	Dawn Princess	Skagway	7.0	5.0
	09/11/91	0001	Dawn Princess	Juneau	7.0	5.0
	09/12/91	0001	Dawn Princess	Ketchikan	7.5	4.5
8745	09/15/91	0400	Daphne	Ketchikan	6.0	6.0
	09/16/91	0001	Daphne	Juneau	6.0	6.0
	09/17/91	0001	Daphne	Skagway	9.0	3.0
	09/18/91	0001	Daphne	Wrangell	9.0	3.0
8753	09/25/91	1400	Sky Princess	Pr. Rupert	0.0	10.0
	09/26/91	0001	Sky Princess	Juneau	5.0	7.0
	09/27/91	0001	Sky Princess	Glacier Bay	11.0	1.0
	09/28/91	0001	Sky Princess	Sitka	4.0	8.0
8756	09/29/91	0001	Star Marlin	Sitka	2.0	10.0
TOTAL P12 HOURS					856.0	1746.0
TOTAL P4 HOURS					526.5	512.0

Southeast Alaska Pilots' Association

Dispatch/Income Schedule

PILOT 'B' ACTUAL:

On the following pages you will find an actual P-12 pilot (Pilot B-12) dispatch schedule for one year, October 1, 1990 through September 30, 1991. For this period of time his shared office/business expenses totalled \$14,432 while his gross earnings were \$129,960.

Pilot B-12 hourly rate:

$$\text{Dispatch hours} = 1,867 \div \$129,960 = \$69.60$$

A P-4 Pilot (Pilot B-4) is dispatched June 1 through September 30 of each year and earned \$74,288 in 1991. His shared office/business expenses also totalled \$14,432 in 1991 as all expenses of the SEAPA are deducted during June, July, August, and September. By taking the work schedule shown from June 1 to September 30, we can determine a typical P-4's work schedule.

Pilot B-4 hourly rate:

$$\text{Dispatch hours} = 527 \div \$74,288 = \$52.53$$

Inv. Number	Date	Time	Ship	Port	Bridge Hours	Pilot Boat Hours	Travel Hours	Stand-by Hours	DISPATCH HOURS
8264	10/02/90	1400	San Mateo Victory	Haines	0.0	0.0	4.0	10.0	14.0
	10/03/90	0001	San Mateo Victory	Haines	0.0	0.0	2.5	21.5	24.0
	10/04/90	0001	San Mateo Victory	Haines	6.5	2.0	4.0	1.0	13.5
8272	10/12/90	1630	Star Canadian	Ward Cove	3.0	1.5	1.0	0.0	5.5
9277	10/20/90	0001	Hyundai #16	Hoonah	2.5	2.0	6.0	8.0	18.5
8278	10/18/90	1400	Maritime Fidelity	Hoonah	0.0	0.0	4.0	10.0	14.0
	10/19/90	0001	Maritime Fidelity	Hoonah	1.5	2.0	0.0	20.5	24.0
8280	10/26/90	2100	Ibis Arrow	Ward Cove	2.5	1.5	0.5	0.0	4.5
	10/27/90	0001	Ibis Arrow	Ward Cove	0.5	1.0	0.5	0.0	2.0
8281	10/28/90	0500	Chishima	Dora Bay	3.0	1.5	2.0	0.0	6.5
J310	12/18/90	1600	Engle Arrow	Ward Cove	1.5	2.5	1.0	0.0	4.0
8314	12/12/90	1200	Cielo Bonita	Klawock	0.0	0.0	2.0	10.0	12.0
	12/13/90	0001	Cielo Bonita	Klawock	3.0	2.0	2.0	7.0	14.0
8317	12/22/90	0001	Young Sprout	Hoonah	1.5	2.0	1.5	19.0	24.0
	12/23/90	0001	Young Sprout	Hoonah	0.0	0.0	2.0	7.0	9.0
8321	12/15/90	0430	Southern Brave	Metlakatla	2.0	4.0	1.0	0.0	7.0
8322	12/20/90	0900	First Lady	Kake	2.0	1.0	2.5	18.5	24.0
	12/21/90	0001	First Lady	Kake	0.0	0.0	4.0	20.0	24.0
8400	05/14/91	1430	Southern Accord	Ward Cove	1.5	2.5	1.0	0.0	4.0
8404	05/16/91	1400	Harbor Breeze	Long Island	1.0	1.0	2.0	1.0	5.0
8410	05/19/91	1730	Henningdorf	Ward Cove	2.0	2.5	1.0	0.0	5.5
8416	05/21/91	0500	Universe	Wrangell	6.0	1.5	0.5	11.0	7.0
	05/22/91	0001	Universe	Juneau	7.0	0.0	0.0	17.0	24.0
	05/23/91	0001	Universe	Skagway	5.0	0.0	0.0	18.0	24.0
	05/24/91	0001	Universe	Glacier Bay	8.0	1.0	4.0	9.0	22.0
8417	05/26/91	1300	Star Princess	Prince Rupert	0.0	3.0	2.0	6.0	11.0
	05/27/91	0001	Star Princess	Juneau	5.0	0.0	0.0	19.0	24.0
	05/28/91	0001	Star Princess	Skagway	8.0	0.0	0.0	16.0	24.0
	05/29/91	0001	Star Princess	Glacier Bay	12.0	0.0	0.0	12.0	24.0
	05/30/91	0001	Star Princess	Ketchikan	6.0	1.5	0.5	14.0	22.0
8458	06/04/91	0600	Universe	Wrangell	6.0	1.5	0.5	10.0	18.0
	06/05/91	0001	Universe	Juneau	7.0	0.0	0.0	17.0	24.0
	06/06/91	0001	Universe	Skagway	8.0	0.0	0.0	16.0	24.0
	06/07/91	0001	Universe	Glacier Bay	9.5	0.0	0.0	14.5	24.0
	06/08/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	06/09/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	06/10/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	06/11/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	06/12/91	0001	Universe	Sitka	3.0	0.0	0.0	21.0	24.0
	06/13/91	0001	Universe	Ketchikan	6.0	1.5	0.5	11.5	19.5
8459	06/23/91	1000	Hermes Island	Long Island	1.5	1.0	2.0	1.0	5.5
8460	06/15/91	1200	Virtue	Dora Bay	1.5	3.0	1.5	0.0	6.0
8477	06/17/91	1300	Sky Princess	Prince Rupert	0.0	3.0	2.0	6.0	11.0
	06/18/91	0001	Sky Princess	Juneau	5.0	0.0	0.0	19.0	24.0
	06/19/91	0001	Sky Princess	Glacier Bay	10.5	0.0	0.0	13.5	24.0
	06/20/91	0001	Sky Princess	Sitka	3.0	1.0	2.0	16.0	22.0
8489	06/24/91	0600	Great Pearl	Ward Cove	2.0	1.5	1.0	0.0	4.5
8507	06/26/91	1400	Sagafjord	Anchorage	0.0	0.0	6.0	4.0	10.0
	06/27/91	0001	Sagafjord	Valdez	0.0	0.0	3.0	21.0	24.0
	06/28/91	0001	Sagafjord	Yakutat	6.0	0.0	0.0	18.0	24.0
	06/29/91	0001	Sagafjord	Juneau	8.0	0.0	0.0	16.0	24.0
	06/30/91	0001	Sagafjord	Skagway	8.0	0.0	0.0	16.0	24.0
	07/01/91	0001	Sagafjord	Sitka	4.0	0.0	0.0	20.0	24.0

Inv. Number	Date	Time	Ship	Port	Bridge Hours	Pilot Boat Hours	Travel Hours	Stand-by Hours	DISPATCH HOURS
	07/02/91	0001	Sagafjord	Ketchikan	7.0	2.0	0.5	10.5	20.0
8563	07/07/91	1930	Star Princess	Guard Island	2.5	1.5	0.5	0.0	4.5
	07/08/91	0001	Star Princess	Juneau	6.0	0.0	0.0	18.0	24.0
	07/09/91	0001	Star Princess	Skagway	8.0	0.0	0.0	16.0	24.0
	07/10/91	0001	Star Princess	Glacier Bay	12.0	0.0	0.0	12.0	24.0
8591	07/11/91	0001	Star Princess	Ketchikan	4.0	0.0	0.5	4.0	8.5
	07/16/91	0500	Universe	Wrangell	6.0	1.5	0.5	11.0	19.0
	07/17/91	0001	Universe	Juneau	7.0	0.0	0.0	17.0	24.0
	07/18/91	0001	Universe	Skagway	8.0	0.0	0.0	16.0	24.0
	07/19/91	0001	Universe	Glacier Bay	10.0	0.0	0.0	14.0	24.0
	07/20/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	07/21/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	07/22/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	07/23/91	0001	Universe	sea	0.0	0.0	0.0	24.0	24.0
	07/24/91	0001	Universe	Sitka	3.0	0.0	0.0	21.0	24.0
8602	07/25/91	0001	Universe	Ketchikan	6.0	1.5	0.5	13.0	21.0
	07/30/91	0600	Green Elliott	Yakutat	0.0	0.0	6.0	12.0	18.0
8620	07/31/91	0001	Green Elliot	Yakutat	2.5	2.0	5.0	12.5	22.0
	08/06/91	1300	Sky Princess	Prince Rupert	0.0	3.0	2.0	6.0	11.0
	08/07/91	0001	Sky Princess	Juneau	5.0	0.0	0.0	19.0	24.0
	08/08/91	0001	Sky Princess	Glacier Bay	10.5	0.0	0.0	13.5	24.0
8628	08/09/91	0001	Sky Princess	Sitka	3.0	1.0	2.0	16.0	22.0
	08/03/91	1400	Frontier Spirit	Sitka	8.0	0.0	2.0	0.0	10.0
	08/04/91	0001	Frontier Spirit	Wrangell	12.0	0.0	0.0	12.0	24.0
8644	08/05/91	0001	Frontier Spirit	Ketchikan	8.0	0.0	0.5	7.5	16.0
	08/11/91	0230	Daphne	Wrangell	9.0	1.5	0.5	10.5	21.5
	08/12/91	0001	Daphne	Skagway	5.5	0.0	0.0	18.5	24.0
	08/12/91	0001	Daphne	Juneau	9.0	0.0	0.0	15.0	24.0
8673	08/14/91	0001	Daphne	Ketchikan	5.0	0.0	0.5	5.5	11.0
	08/20/91	0130	Song Of Flower	Ketchikan	11.0	2.5	0.5	9.5	22.5
	08/21/91	0001	Song Of Flower	Sitka	10.0	0.0	0.0	14.0	24.0
	08/22/91	0001	Song Of Flower	Juneau	6.0	0.0	0.0	18.0	24.0
8707	08/23/91	0001	Song Of Flower	Guard Island	9.0	1.5	0.5	9.0	20.0
	09/01/91	0500	Daphne	Ketchikan	6.0	1.5	0.5	11.0	19.0
	09/02/91	0001	Daphne	Juneau	7.0	0.0	0.0	17.0	24.0
	09/03/91	0001	Daphne	Skagway	9.0	0.0	0.0	15.0	24.0
9725	09/04/91	0001	Daphne	Wrangell	7.0	1.5	0.5	12.0	21.0
	09/08/91	1900	Star Princess	Guard Island	3.0	1.5	0.5	0.0	5.0
	09/09/91	0001	Star Princess	Juneau	6.0	0.0	0.0	18.0	24.0
	09/10/91	0001	Star Princess	Skagway	8.0	0.0	0.0	16.0	24.0
	09/11/91	0001	Star Princess	Glacier Bay	12.0	0.0	0.0	12.0	24.0
8755	09/12/91	0001	Star Princess	Ketchikan	6.0	1.5	0.5	14.0	22.0
	09/24/91	1400	Trinity Sea	Yakutat	0.0	0.0	6.0	4.0	10.0
	09/25/91	0001	Trinity Sea	Yakutat	0.0	0.0	4.0	20.0	24.0
	09/26/91	0001	Trinity Sea	Yakutat	3.0	2.0	1.0	12.0	24.0
	09/27/91	0001	Trinity Sea	Yakutat	0.0	0.0	2.0	22.0	24.0
	09/28/91	0001	Trinity Sea	Yakutat	0.0	0.0	2.0	7.0	9.0
TOTAL HOURS					441.0	74.5	109.0	1245.0	1866.5

Southeast Alaska Pilots' Association

Dispatch/Income Schedule

PILOT 'B' PROPOSAL:

By taking an actual P-12's dispatch schedule for one year and basing his pay on two rates, bridge time and dispatch time, with a 4 hour minimum/12 hour maximum day, the P-12 would now earn the following:

Example 1 -- P-12 Pilot (Pilot B-12):

Bridge Hours 441 x \$300 = \$132,300

Dispatch Hours 687 x \$150 = \$103,050

Example 2 - P-4 Pilot (Pilot B-4)

Bridge Hours 349 x \$300 = \$104,700

Dispatch Hours 456 x \$150 = \$68,400

This proposal includes all expenses excluding pilot boat and tug boats. When two pilots are dispatched to jobs over 8 hours, the second pilot will be billed at 50% of the lead pilot.

Inv. Number	Date	Time	Ship	Port	Bridge Hours	DISPATCH HOURS
8264	10/02/90	1400	San Mateo Victory	Haines	0.0	12.0
	10/03/90	0001	San Mateo Victory	Haines	0.0	12.0
	10/04/90	0001	San Mateo Victory	Haines	6.5	5.5
8272	10/12/90	1630	Star Canadian	Ward Cove	3.0	5.5
8277	10/20/90	0001	Hyundai #16	Hoonah	2.5	9.5
8278	10/18/90	1400	Maritime Fidelity	Hoonah	0.0	12.0
	10/19/90	0001	Maritime Fidelity	Hoonah	1.5	10.5
8280	10/26/90	2100	Ibis Arrow	Ward Cove	2.5	4.5
	10/27/90	0001	Ibis Arrow	Ward Cove	0.5	4.0
8281	10/28/90	0500	Chishima	Dora Bay	3.0	6.5
8310	12/18/90	1600	Eagle Arrow	Ward Cove	1.5	4.0
8314	12/12/90	1200	Cielo Bonita	Klawock	0.0	12.0
	12/13/90	0001	Cielo Bonita	Klawock	3.0	9.0
8317	12/22/90	0001	Young Sprout	Hoonah	1.5	10.5
	12/23/90	0001	Young Sprout	Hoonah	0.0	9.0
8321	12/15/90	0430	Southern Brave	Metlakatla	2.0	7.0
8322	12/20/90	0900	First Lady	Kake	2.0	10.0
	12/21/90	0001	First Lady	Kake	0.0	12.0
8400	05/14/91	1430	Southern Accord	Ward Cove	1.5	4.0
8404	05/16/91	1400	Harbor Breeze	Long Island	1.0	5.0
8410	05/19/91	1730	Henningdorf	Ward Cove	2.0	5.5
8416	05/21/91	0500	Universe	Wrangell	6.0	6.0
	05/22/91	0001	Universe	Juneau	7.0	5.0
	05/23/91	0001	Universe	Skagway	6.0	6.0
	05/24/91	0001	Universe	Glacier Bay	8.0	4.0
8417	05/26/91	1300	Star Princess	Pr. Rupert	0.0	11.0
	05/27/91	0001	Star Princess	Juneau	5.0	7.0
	05/28/91	0001	Star Princess	Skagway	8.0	4.0
	05/29/91	0001	Star Princess	Glacier Bay	12.0	12.0
	05/30/91	0001	Star Princess	Ketchikan	6.0	6.0
8458	06/04/91	0600	Universe	Wrangell	6.0	6.0
	06/05/91	0001	Universe	Juneau	7.0	5.0
	06/06/91	0001	Universe	Skagway	8.0	4.0
	06/07/91	0001	Universe	Glacier Bay	9.5	2.5
	06/08/91	0001	Universe	sea	0.0	12.0
	06/09/91	0001	Universe	sea	0.0	12.0
	06/10/91	0001	Universe	sea	0.0	12.0
	06/11/91	0001	Universe	sea	0.0	12.0
	06/12/91	0001	Universe	Sitka	3.0	9.0
	06/13/91	0001	Universe	Ketchikan	6.0	6.0
8459	06/23/91	1000	Hermes Island	Long Island	1.5	5.5
8460	06/15/91	1200	Virtue	Dora Bay	1.5	6.0
8477	06/17/91	1300	Sky Princess	Pr. Rupert	0.0	11.0
	06/18/91	0001	Sky Princess	Juneau	5.0	7.0
	06/19/91	0001	Sky Princess	Glacier Bay	10.5	1.5
	06/20/91	0001	Sky Princess	Sitka	3.0	9.0
8489	06/24/91	0600	Great Pearl	Ward Cove	2.0	4.5
8507	06/26/91	1400	Sagafjord	Anchorage	0.0	10.0
	06/27/91	0001	Sagafjord	Valdez	0.0	12.0
	06/28/91	0001	Sagafjord	Yakutat	6.0	6.0
	06/29/91	0001	Sagafjord	Juneau	8.0	4.0
	06/30/91	0001	Sagafjord	Skagway	8.0	4.0
	07/01/91	0001	Sagafjord	Sitka	4.0	8.0

Inv. Number	Date	Time	Ship	Port	Bridge Hours	DISPATCH HOURS
	07/02/91	0001	Sagafjord	Ketchikan	7.0	5.0
8563	07/07/91	1930	Star Princess	Guard Is.	2.5	4.5
	07/08/91	0001	Star Princess	Juneau	6.0	6.0
	07/09/91	0001	Star Princess	Skagway	8.0	4.0
	07/10/91	0001	Star Princess	Glacier Bay	12.0	0.0
8591	07/11/91	0001	Star Princess	Ketchikan	4.0	8.0
	07/16/91	0500	Universe	Wrangell	6.0	6.0
	07/17/91	0001	Universe	Juneau	7.0	5.0
	07/18/91	0001	Universe	Skagway	8.0	4.0
	07/19/91	0001	Universe	Glacier Bay	10.0	2.0
	07/20/91	0001	Universe	sea	0.0	12.0
	07/21/91	0001	Universe	sea	0.0	12.0
	07/22/91	0001	Universe	sea	0.0	12.0
	07/23/91	0001	Universe	sea	0.0	12.0
	07/24/91	0001	Universe	Sitka	3.0	9.0
8602	07/25/91	0001	Universe	Ketchikan	6.0	6.0
	07/30/91	0600	Green Elliott	Yakutat	0.0	12.0
8620	07/31/91	0001	Green Elliot	Yakutat	2.5	9.5
	08/06/91	1300	Sky Princess	Pr. Rupert	0.0	11.0
	08/07/91	0001	Sky Princess	Juneau	5.0	7.0
	08/08/91	0001	Sky Princess	Glacier Bay	10.5	1.5
8628	08/09/91	0001	Sky Princess	Sitka	3.0	9.0
	08/03/91	1400	Frontier Spirit	Sitka	8.0	2.0
	08/04/91	0001	Frontier Spirit	Wrangell	12.0	0.0
8644	08/05/91	0001	Frontier Spirit	Ketchikan	8.0	4.0
	08/11/91	0230	Daphne	Wrangell	9.0	3.0
	08/12/91	0001	Daphne	Skagway	5.5	6.5
	08/12/91	0001	Daphne	Juneau	9.0	3.0
8673	08/14/91	0001	Daphne	Ketchikan	5.0	7.0
	08/20/91	0130	Song Of Flower	Ketchikan	11.0	1.0
	08/21/91	0001	Song Of Flower	Sitka	10.0	2.0
	08/22/91	0001	Song Of Flower	Juneau	6.0	6.0
8707	08/23/91	0001	Song Of Flower	Guard Is.	9.0	3.0
	09/01/91	0500	Daphne	Ketchikan	6.0	6.0
	09/02/91	0001	Daphne	Juneau	7.0	5.0
	09/03/91	0001	Daphne	Skagway	9.0	3.0
9725	09/04/91	0001	Daphne	Wrangell	7.0	5.0
	09/08/91	1900	Star Princess	Guard Is.	3.0	5.0
	09/09/91	0001	Star Princess	Juneau	6.0	6.0
	09/10/91	0001	Star Princess	Skagway	8.0	4.0
	09/11/91	0001	Star Princess	Glacier Bay	12.0	0.0
8755	09/12/91	0001	Star Princess	Ketchikan	6.0	6.0
	09/24/91	1400	Trinity Sea	Yakutat	0.0	10.0
	09/25/91	0001	Trinity Sea	Yakutat	0.0	12.0
	09/26/91	0001	Trinity Sea	Yakutat	3.0	9.0
	09/27/91	0001	Trinity Sea	Yakutat	0.0	12.0
	09/28/91	0001	Trinity Sea	Yakutat	0.0	9.0

TOTAL P-12 HOURS

441.0 687.0

TOTAL P-4 HOURS

349.0 456.0

SOUTHEASTERN ALASKA PILOTS' ASSOCIATION

	1991 JANUARY	1991 FEBRUARY	1991 MARCH	1991 APRIL	1991 MAY	1991 JUNE	1991 JULY	1991 AUGUST	1991 SEPT.	1990 OCTOBER	1990 NOVEMBER	1990 DECEMBER	TOTALS
TRANSPORTATION & SUBSISTENCE CHARGES AS BILLED TO CUSTOMERS (less direct billing by agent for shared charter flights, pilot boats, and tug boats.)	6114.00	8312.00	8979.00	11426.00	18616.00	23955.00	34157.00	30144.00	13806.00	7289.00	9662.00	3678.00	188168.00
OFFICE/BUSINESS EXPENSES	13084.00	34843.00	29779.00	17918.00	71930.00	41470.00	22530.00	30131.00	21093.00	38194.00	37824.00	47841.00	401737.00

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INTERNATIONAL



ORGANIZATION

ROBERT J. LOWEN
International President
F. ELWOOD KYSER
International Secretary-Treasurer
GEORGE A. QUICK
Vice President

OF
**MASTERS
MATES &
PILOTS**

J. ALFRED ELLIS JR.
East Coast Regional Representative
DONALD L. HOFFMANN
Gulf Coast Regional Representative
REX POLLITT
West Coast Regional Representative
EMIL F. BOWERMAN
Panama Canal Regional Representative

October 7, 1991

TO: All Regional Representatives and Branch Agents
RE: Masters Earnings - 1991 Update

The wage and benefit levels established with the contract that was effective July 1, 1990, have been increased as of July 1, 1991.

These agreements provide for 30 days of vacation for each 30 days of service. Accordingly, a Master of an A4A class ship would receive wages and benefits totaling 6 x \$32,589.87 or \$195,539.22 for six months of shipboard service and six months of vacation.

If we can be of any further assistance, please contact us.

Fraternally,

George A. Quick
Vice President - PMG

GAQ:kae



MASTERS MONTHLY WAGES AND BENEFITS

EFFECTIVE JULY 1, 1991

<u>SHIP CLASS</u>	<u>A4A</u>	<u>A3A</u>	<u>A2A</u>	<u>A1A</u>
Wages	\$10,989.06	\$10,288.80	\$ 9,667.01	\$ 9,082.78
Guaranteed 30 hours OT	<u>\$ 2,229.30</u>	<u>\$ 2,087.10</u>	<u>\$ 1,961.10</u>	<u>\$ 1,842.60</u>
	\$13,128.36	\$12,375.90	\$11,682.11	\$10,925.38
Vacation	\$13,058.29	\$12,225.18	\$11,487.31	\$10,793.07
Pension/IRAP	\$ 3,956.06	\$ 3,703.96	\$ 3,480.12	\$ 3,269.60
Medical	\$ 1,608.00	\$ 1,608.00	\$ 1,608.00	\$ 1,608.00
Future Medical	\$ 293.10	\$ 293.10	\$ 293.10	\$ 293.10
Other	<u>\$ 546.06</u>	<u>\$ 518.18</u>	<u>\$ 503.97</u>	<u>\$ 500.38</u>
TOTAL	\$32,589.87	\$30,725.32	\$29,054.61	\$27,389.73

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

ALASKA MARINE HIGHWAY SYSTEM
SUPPORT SERVICES

WALTER J. HICKEL, GOVERNOR

P.O. BOX R
JUNEAU, ALASKA 99811-2505
PHONE: (907) 485-3880
TELEFAX: (907) 485-2478
TELEX: 45-312

Master, M/V COLUMBIA

Base Wage (29.98 per hour)	65,476.00
COLA	13,673.00
Uniform Allowance	400.00
License Insurance	310.00
Health Insurance	4,636.00
PERS Retirement	10,605.00
Supplemental Benefits (SBS)	3,145.00
Holidays (12 per year)	<u>6,476.00</u>
Total Wage & Benefits	\$104,720.00

The Masters, Mates and Pilots union has a negotiated contract which allows for a 5% increase (based on Anchorage CPI) for next year. Approximately, \$112,445.00 has been budgeted for this position for next fiscal year.

SPILL

The Wreck of the *Exxon Valdez*

Implications for Safe Marine Transportation



Report of the Alaska Oil Spill Commission
Executive Summary

SPIII

The Wreck of the Exxon Valdez
Implications for Safe Marine Transportation

January 1990

FOREWORD

On March 24, 1989, Alaskans awoke to the shock of disaster. Shortly after midnight, the 987-foot-long supertanker Exxon Valdez had run hard aground on Bligh Reef, spilling 10.8 million gallons of crude oil into the unspoiled waters of Prince William Sound. The worst case had occurred.

This was the threatened tanker catastrophe residents of Prince William Sound had dreaded — but many had come to discount — ever since the trans-Alaska pipeline system was proposed in the late 1960s. A few of those scrambling to cope with the disaster knew something more chilling still. Though nearly 11 million gallons of crude oil already had escaped the fully-loaded *Exxon Valdez*, another 40 million gallons remained on board — and the ship was in considerable danger of capsizing. The spill that became the environmental disaster of the decade easily could have been five times worse.

The system that carried 25 percent of America's domestic oil production had failed. So had the regulatory apparatus intended to make it safe. The promises that led Alaska to grant its rights-of-way and Congress to approve the Alaska pipeline in June 1973 had been betrayed. The safeguards that were set in place in the 1970s had been allowed to slide. The vigilance over tanker traffic that was established in the early days of pipeline flow had given way to complacency and neglect. In the months following the spill, more than 1,000 miles of Alaska's coastline would be sullied by North Slope crude.

Communities touched by the effects of the spill staggered under the damage to land and water upon which they lived or the impact of the massive cleanup mobilization after the spill. Alaskans from walks of life as diverse as the oil industry and subsistence communities struggled with the economic losses, sorrow and dislocations as well as, for some, the opportunities that came with the spill and cleanup. Attitudes toward oil development, the land, the industry and the future were examined and re-examined as Alaskans searched for answers to the question of how things went wrong.

The Alaska Legislature created the Alaska Oil Spill Commission to provide some of the answers. Two months after the spill, the governor appointed an independent panel to study the event and recommend public policy remedies. The commissioners came to their work with broad experience in government and public affairs. Their sole purpose was to learn the causes of this disaster and propose changes that would prevent a recurrence of similar disasters anywhere. The mission was clear: Our report must show a path for Alaska, the United States and the world to a vastly improved system for transporting oil and other hazardous substances in the marine environment.

This disaster could have been prevented — not by tanker captains and crews who are, in the end, only fallible human beings, but by an advanced oil transportation system designed to minimize human error. It could have been prevented if Alaskans, state and federal governments, the oil industry and the American public had insisted on stringent safeguards. It could have been prevented if the vigilance that accompanied construction of the pipeline in the 1970s had been continued in the 1980s.

In 1977, when tanker operations began from Valdez, we thought we had created a system that offered guarantees against most disasters. As chairman of Alaska's Oil Tanker Task Force, I pulled together a team that provided the first full-scale simulation of marine operations ever done for a North American port.

Our simulation model demonstrated to the masters and pilots the conditions that would put their ships on the rocks. Tanker lanes into Port Valdez were set to insure the maximum feasible level of safety in tanker operations. Restrictions were imposed to limit operations in high winds. Agreements between the state, the industry and the Coast Guard established that when ice was encountered, the ships would slow down and proceed at minimum speed in the tanker lanes, rather than proceeding outside the lanes at sea speed, as did the *Exxon Valdez*.

The historical record developed by the commission is clear: The original rules were consistently violated, primarily to ensure that tankers passing through Prince William Sound did not lose time by slowing down for ice or waiting for winds to abate. Concern for profits in the 1980s obliterated the concern for safe operations that existed in 1977.

This disaster could have been prevented by simple adherence to the original rules. Human beings do make errors. The precautions originally in place took cognizance of human frailty and built safeguards into the system to account for it. This state-led oversight and regulatory system worked for the first two years, until the state was preempted from enforcing the rules by legal action brought by the oil industry. After that, the shippers simply stopped following the rules, and the Coast Guard stopped enforcing them.

This past year the Alaska Oil Spill Commission traveled to the coastal towns and villages of Prince William Sound and Southcentral Alaska to hear from the people most affected by the spill. We found communities and individuals whose lives and trust had been destroyed, but who had rededicated themselves to protecting their livelihood on water and land. Walter Meganack, Sr., traditional village chief of the Alaska Native subsistence community of Port Graham offered these words at a conference of mayors from spill-affected communities:

It is too shocking to understand. Never in the millennium of our tradition have we thought it possible for the water to die. But it is true. ... what we see now is death. Death — not of each other, but of the

source of life, the water. We will need much help, much listening in order to live through the long barren season of dead water, a longer winter than before. . . . We have never lived through this kind of death. But we have lived through lots of other kinds of death. We will learn from the past, we will learn from each other, and we will live.

Port Graham is about 250 miles, by water, from Bligh Reef. To get there, the oil had to travel the length of Prince William Sound, past Green, Story Knight, Montague and LaTouche islands, out into the Gulf of Alaska and along the rocky headlands of Kenai Fjords National Park. It had to round the corner at the end of the Kenai Peninsula, plastering Elizabeth Island and heading into Cook Inlet and the outer reaches of Kachemak Bay. Moving beyond Fort Graham and the surrounding area, the oil fouled beaches down the Alaska Peninsula — in Katmai National Park, along the Shelikof Strait, on Kodiak Island and beyond. As the oil spread so, belatedly, did the impact of cleanup and containmen. efforts, with an army of workers and a navy of boats to move and house them.

To trace on a map the tortured routes of the oil spilled from the *Exxon Valdez* is to appreciate the vulnerability of every coastline on earth as supertankers of 500,000 deadweight tons and more carry crude oil to market. When the Alaska pipeline was being planned and built, the largest tankers in the U.S. flag fleet were about half that size. The world's oil shipping companies, to the benefit of consumers and corporate shareholders, have created a megasystem that carries oil from wellheads in the far corners of the earth to refineries in its major industrial centers. But this megasystem is fragile. It requires careful scrutiny from outside the industry in design, construction and operation. When it fails, as it has in tanker disasters around the world, entire coastlines are at risk. Had a spill the extent of the *Exxon Valdez* disaster occurred off the United States East Coast, the devastation would have stretched from Cape Cod to Chesapeake Bay.

This is not a fictitious risk. Alaskans assume such risks daily as supertankers carry 2 million gallons of North Slope crude through Prince William Sound and out into the Gulf of Alaska. Other Americans on three coasts face just as ominous a threat as the world tanker fleet delivers 43 percent of all U.S. oil consumption daily from overseas.

What will limit these risks? Obviously, the present system, providing minimum penalties for creating massive environmental damage, has not deterred the industry from putting the coasts and oceans of the world at constant hazard. The system calls out for reform. The mission of this commission is to explain what must be done and why.

**Walter B. Parker, chairman
Alaska Oil Spill Commission
January 5, 1990**

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INTRODUCTION

The evidence points to eight fundamental conclusions that form the basis of this report:

- I. Moving oil by sea involves a complex, high-risk megasystem whose breakdown can threaten the welfare of entire coastlines.*
- II. Risk is unavoidable in modern oil transportation. It can be reduced but not eliminated.*
- III. Prevention of major oil spills must be a fundamental goal in the oil trade since cleanup and response methods remain primitive and inadequate.*
- IV. In government as well as industry, enforcement zeal declined, alertness sagged and complacency took root in the years preceding the Exxon Valdez disaster. Prevention was neglected.*
- V. Without continuing focus on the safety of the entire system by government and industry leaders, the oil transportation system poses an increasing risk to the environment and people of Alaska.*
- VI. The State of Alaska has primary responsibility for protecting the resources of the state and the welfare of its people, who bear the risk of unsafe conditions in oil transportation.*
- VII. Privatization and self-regulation in oil transportation contributed to the complacency and neglect that helped cause the wreck of the Exxon Valdez.*
- VIII. The safety of oil transportation demands review and overhaul. Not just new technology, but new institutions and new attitudes in old institutions are required.*

These are the basic premises we believe policymakers should understand in designing remedies for a flawed system of oil transportation.

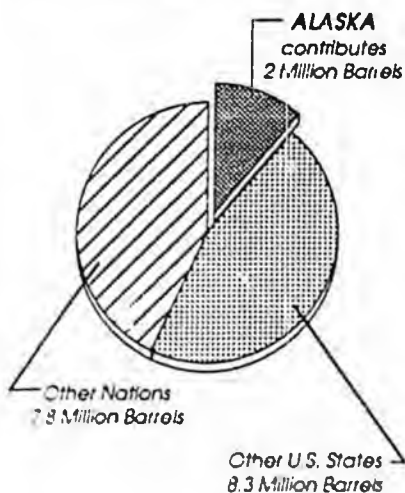
Tankers carrying North Slope crude oil from the Valdez terminal of the trans-Alaska pipeline had safely transited Prince William Sound more than 8,700 times by the time the *Exxon Valdez* left port at 2112 hours (9:12

"I warned the community that the possibility of an oil spill in Valdez was very high. Given the high frequency of tankers into Port Valdez, the increasing age and size of that tanker fleet, and the inability to quickly contain and clean up an oil spill in open water of Alaska, we felt that we were playing a game of Russian Roulette. We knew 'The Big One' was only a matter of time."

Dr. RIKI OHT, Cordova District Fishermen United

House Committee on Interior and Insular Affairs hearing, May 1989

U. S. uses 18.1 million barrels of oil every day



p.m., Alaska Standard Time) on March 23, 1989. This experience gave little reason to fear impending disaster. Yet less than three hours later, the *Exxon Valdez* grounded at Bligh Reef, rupturing eight of its 11 cargo tanks and spewing some 10.8 million gallons of crude oil into Prince William Sound.

No human lives were lost as a direct result of the *Exxon Valdez* disaster, and only one life was reported lost in the massive cleanup effort. Indirectly, however, the human and natural losses were immense—to fisheries, subsistence livelihoods, tourism, wildlife. The most important loss, for most Americans who will never visit Prince William Sound, was aesthetic—the sense that something sacred in the relatively unspoiled land and waters of Alaska had been defiled.

Experienced mariners express astonishment that a modern, well-equipped supertanker ran aground at Bligh Reef. The *Exxon Valdez* was traveling through well-charted waters in conditions of moderate weather and visibility. Bligh Reef was a well-known hazard, and all mechanical and navigational systems on the ship were working properly. Coast Guard Commandant Paul Yost engaged in only slight hyperbole when he said after inspecting the accident scene that his 10-year-old son could have steered the tanker safely through the area.

Yet the events leading to the grounding, and the institutions and procedures reflected in them, revealed a situation where the risk of disaster had increased steadily through years of relatively incident-free tanker trade. Success bred complacency; complacency bred neglect; neglect increased the risk—until the right combination of errors finally led to an accident of disastrous proportions.

The wreck of the *Exxon Valdez* was not an isolated, freak occurrence, but simply one possible (and disastrous) result of policies, habits and practices that for nearly two decades have infused the nation's maritime oil transportation system with increasing levels of risk. The *Exxon Valdez* was an accident waiting to happen, the link that broke first in a chain with many unreliable couplings. The specific lapses that permitted the *Exxon Valdez* to run aground on Bligh Reef are being remedied, but similar circumstances easily could be repeated in some other combination to allow some other disaster. What is required now is comprehensive action to reduce the risk in the system.

At one level it is obvious that a combination of human actions and errors led to the *Exxon Valdez* disaster. Many have been scrutinized in the public record, particularly the proceedings of the National Transportation Safety

Board. Not even the root of this disaster—departing from traffic lanes—was unique: The 1967 *Torrey Canyon* grounding off England took place when the captain left the traffic lanes to save time.

Yet behind all human actions in the Valdez tanker trade, supporting the men and women who load and operate the tankers, is a system—one whose design and function clearly failed that night in Prince William Sound.

The system includes hardware in the form of pipelines, terminals, storage tanks, loading facilities, tankers and all the associated gauges, meters and machinery that operate them. It also involves operating instructions in the form of technical and design standards, international protocols, capacity ratings, terminal procedures, loading instructions, contingency plans, pilotage rules, maritime rules of the road, local navigation regulations, vessel traffic monitoring and economic and career pressures on all participants. Finally, the system involves institutional oversight in the form of corporate management, private insurance systems, state inspection and enforcement, local port management and Coast Guard regulation.

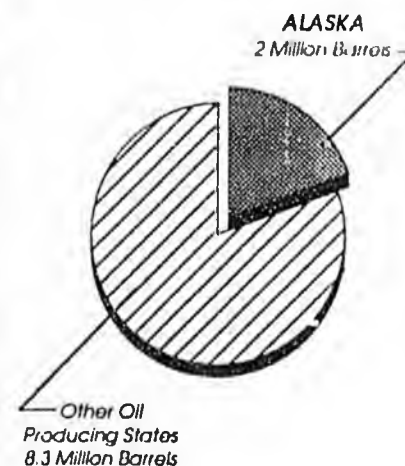
The objective is to move oil safely across the seas regardless of inevitable human error. System design must provide for redundancy—backup systems to prevent error from becoming disaster and overbuilding to provide for wider margins of error. Proper functioning requires constant testing, inspection vigilance, cooperation, discipline, expertise and commitment of organizations at every level of government and industry.

Yet for reasons of maritime tradition, economics, politics, public policy and modern practice, the maritime oil transport system is relatively more error-prone than safety-inducing. Industry tends to measure success as operating the biggest vessel with the thinnest hull and the smallest crew at the highest speed with the quickest port turnaround consistent with meeting minimum government requirements. Efficiency in a competitive world dominated by profit is all important in the oil transportation business, even in the Alaska trade where transportation competition is muted.

A comparison between the nation's passenger air transport system and the maritime transport system is instructive, if not exact. Air transport safety is better reinforced, backed up and institutionally safeguarded than maritime transport.

- Air pilots share responsibility with co-pilots and foster teamwork in the cockpit, while marine masters hold absolute authority,

Alaska produces 2 million barrels of oil every day



"It takes great strength to recognize the reflection in the mirror. Look in the mirror, and dig deep within yourself. Don't create an image that isn't there. Act on what you see. The environment is a reflection of who we are. We can't ignore the reflection we see. We have to live with it—today, tomorrow, and forever."

Dolly Reft, Kodiak native
Alaska Oil Spill Commission
hearing, 8/11/89

*"We in industry cannot
assume that all
regulation is bad; it's
not."*

*Jerry Aspland, President, ARCO
Marine, Inc.*

*Alaska Oil Spill Commission
hearing, 9/1/89*

sharing little command responsibility with other ship officers. Mistakes in the cockpit are more easily challenged than on the bridge;

- Air traffic control is mandatory, and ground controllers share responsibility with air pilots for safety of takeoffs, landings and approaches. There is no equivalent to ground control in marine transport, and vessel traffic systems are typically only advisory;
- The federal government imposes strict standards and enforcement carried out by the Federal Aviation Administration in air transport, while the federal presence is minor and interspersed among other Coast Guard duties in the marine environment;
- Strong international cooperation governs air transport practices, while international cooperation remains weak in the maritime field; and
- Working conditions in air transport are governed by strictly enforced limits on work hours, while overwork and long hours are routinely permitted to create fatigue among crew members in marine transport.
- Airline accident victims are identifiable and directly linked to the business of air travel, while the victims of marine accidents—seamen, fishermen, wildlife—are more likely to be anonymous.

The analogy to air transport is not perfect. The issues described here reflect institutional settings, demands and traditions that go beyond considerations of safety. But two points illustrate the relevance of the comparison.

First, there are approximately 17,000 airline departures per day in the United States. On most days, every single one of these departures safely arrives at its destination. The *Exxon Valdez* was a catastrophic failure—the oil transport equivalent of a major airliner crash. Studies performed for the commission indicate that a catastrophic failure such as the *Exxon Valdez* disaster can be expected to occur in the Valdez tanker trade approximately every 13 years, or about once every 11,600 transits. At a similar rate of catastrophic failure, the air transport system would produce 1.5 airliner disasters every single day, or 550 per year. If an average of 150 people died in each airline crash, such an accident rate would result in the loss of about 82,500 human lives per year—an unthinkable carnage that

is prevented by a tight, safety-reinforcing system of regulation and oversight.

Technological and human systems aren't perfect: Airliners occasionally do crash. But we have built a system that does not tolerate in air traffic anything like the catastrophic failure rate we can expect in the Valdez tanker trade. Because of that system, air travel can be considered safe and reliable. Risk cannot be eliminated, but it can be reduced—if we accept the costs involved.

Second, as vessels carrying oil and other hazardous materials impose higher and higher risks upon the world's oceans and coastlines, the environmental and social costs of marine transport accidents increase. The growth of a massive international system of transportation of oil by sea since World War II has not been accompanied by the development of organizations and active constituencies of those affected by the environmental hazards inherent in the trade. Those stakeholders, however, deserve increasing attention, for the risks they suffer are growing as the world's oil transportation system grows. And the marine transport system must become tighter and more safety inducing as the costs of failure grow more serious and more pervasive.

Alaska, like other states, has long relied on the National Contingency Plan to provide the manpower and resources to handle a catastrophic spill. But the *Exxon Valdez* response illustrated the emptiness of the NCP: It failed to provide the necessary resources, and indeed the record of the past decade shows that the federal government has relied on private industry to contain or clean up a major spill. The government provided no resources of its own to handle even moderate-sized spills adequately. Nor is there any indication that either the Environmental Protection Agency or the Coast Guard, the federal administrators of the NCP, made any effort to determine whether the oil industry actually had the capability to clean up a catastrophic spill.

The proposals in this report aim to revive the commitment of the state and nation to tanker safety and response preparedness. The basic premises behind these proposals are highlighted at the beginning of this chapter. The major recommendations for state, federal and industry actions are then divided by subject into seven sections.

The first section includes general prescriptions concerning prevention as a comprehensive policy goal of maritime oil transportation. It focuses on direct citizen oversight, improved industry and government attitudes,

"I think there's probably going to be reluctance from the management agencies that were involved, both at the state and federal levels, to take a hard look at their performance."

Dr. David G. Shaw, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

"The level of inability to function in chaos that's going on out there is ridiculous. The amount of money that is being spent is obscene."

Dennis Holan, Cordova Ilsherman
Alaska Oil Spill Commission
hearing, 6/28/89

knowledge of risk at all levels and regulatory vigilance as primary building blocks to a safer system.

The second section defines some commitments that must be made by the oil industry to provide better environmental protection, just as it would for human safety.

The third section addresses actions the State of Alaska should take to bolster its oil spill prevention and response systems. It provides insights on the state's relationship with the federal government and ideas on focusing the state's position on oil and gas transportation, expanding its regulatory position, creating interstate compacts, and adding greater local input to decision-making.

Recommendations to the federal government in section four, if adopted, would have considerable impact on tanker safety. Tanker design changes, including double hulls, improved traffic control systems and a increased emphasis on proper manning and crew training are the key elements. If adopted, these could decrease spill probabilities of the *Exxon Valdez* size more than four-fold. If further recommendations for increased federal oversight also were carried out, we could expect a five-fold improvement in oil tanker safety—and therefore a substantial decrease in the present devastation of our coasts and oceans.

Section five describes what the commission believes should be the government's posture toward future spills—the response mechanisms of state, federal and local governments, and how they might fit together better to prepare for future spills. The private sector is included as a critical element of response, but not as the governing element. The key to a proper response system is speedy mobilization of manpower and resources immediately after a spill. The next element is to insure protection of key environmental areas if a spill cannot be contained. We recommend that the Incident Command System—currently familiar to many federal agencies for emergency response—be put into use widely to respond to natural disasters.

In section six we make recommendations on how to implement an oil spill response and how to integrate the Incident Command System into existing organizations. Our goal is to show how to use existing government systems in the most efficient manner while avoiding the creation of a separate spill response bureaucracy in every government agency concerned with oil spills. We have also emphasized an increased and structured role for local communities both to insure that local resources are available and that rapid mitigation of spill impacts occurs when

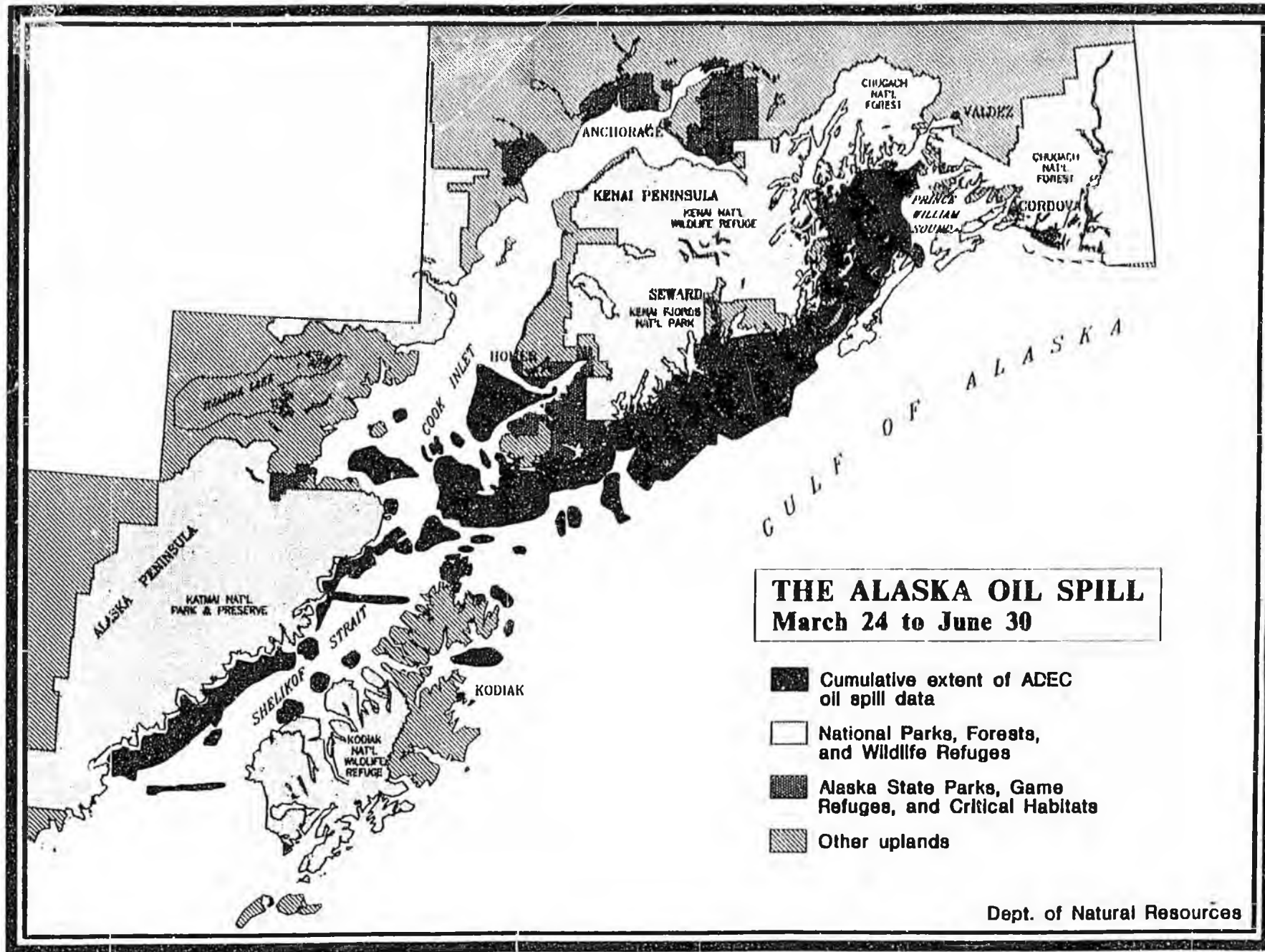
necessary. The role of private contingency plans also is defined in this section.

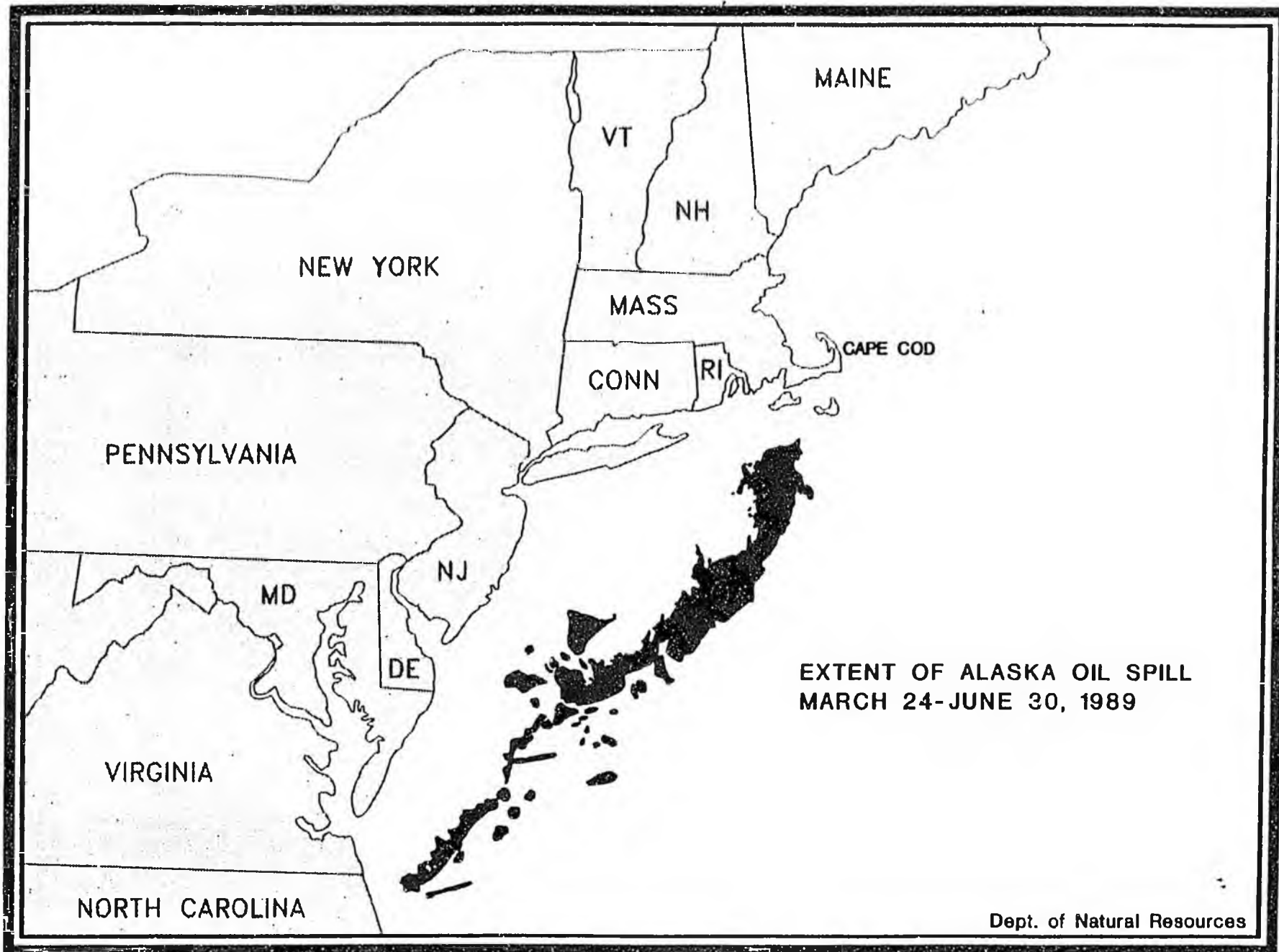
Section seven concludes this report with some ideas for improving research and development efforts toward oil spill prevention and response. We were able to use information gained from around the United States by the General Accounting Office and Office of Technology Assessment in their studies done after the *Exxon Valdez* spill. We also were able to obtain substantial information on advanced technologies in use by the U.S. Navy that were ignored in the *Exxon Valdez* incident. Finally, we have accumulated information on advanced spill response technology in Great Britain, the Netherlands, West Germany, Norway, France and South Africa. Information from the Middle East, the Soviet Union and Japan still remains to be gathered, a task we leave to our successors. In this section we also include our comments on the use of simulators in crew training.

If the commission's labors have been successful, the implementation of its proposals should considerably improve the safety of oil transportation by sea. But implementation rests in forums from the White House to local council halls, corporate board rooms to legislative chambers. Future vigilance rests in the hands of state and federal leaders, industry and public agency officials, terminal operators, tanker officers and crew, technical advisors and, perhaps most important of all, citizens exercising a watchdog presence and role.

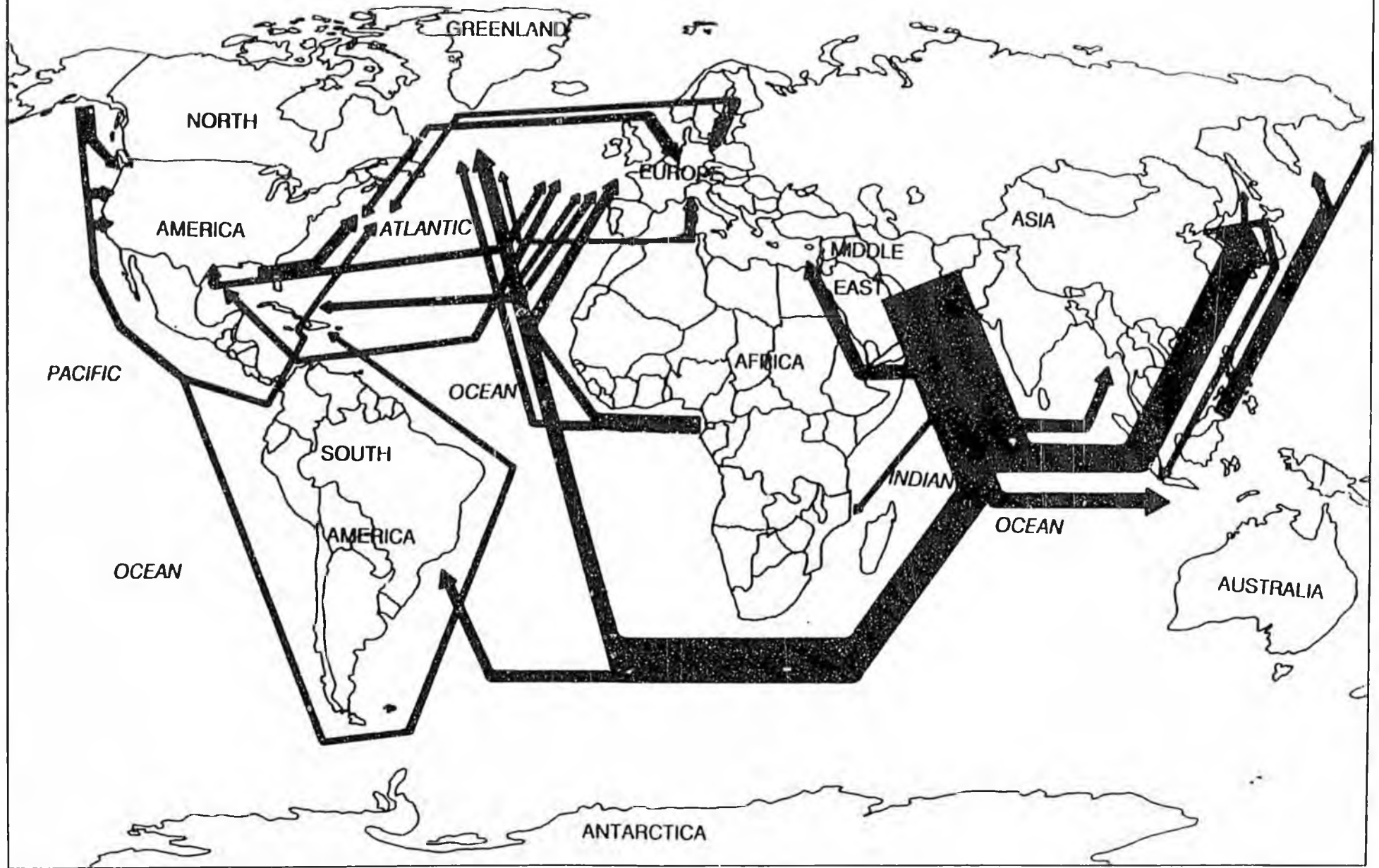
"What I'm afraid of is that the commission could end up being in such a defensive mode that it could end up making the world safe for oil spills."

Mike Milligan, Kodiak
Alaska Oil Spill Commission
hearing, 8/11/89





WORLD OIL TANKER ROUTES BY VOLUME



COMPREHENSIVE PREVENTION POLICY

Prevention is the only way to protect the oceans and coastlines from oil spills. Once it reaches the water, spilled oil is extremely difficult to contain and collect, even under ideal conditions. And the conditions under which oil is spilled are seldom ideal.

General Accounting Office data suggest no more than 10-15 percent of oil lost in a major spill is ever recovered. The Office of Technology Assessment estimates that only 3-4 percent of the oil spilled from the *Exxon Valdez* was recovered, despite Exxon's summer-long beach cleanup and oil skimming effort.

The urgency of establishing strong prevention policies for Alaska is also suggested by computer-assisted simulations done for the Alaska Oil Spill Commission by ECO, Inc., of Annapolis, Md. Its report notes that more tonnage of crude oil is shipped through the Valdez marine terminal than through any other port in the United States. Its simulations show that under typical winds and currents a catastrophic spill any time in Prince William Sound can be expected to coat the beaches of much of the sound and the Kenai Peninsula with oil. And its calculations indicate that under policies prevailing at the time of the *Exxon Valdez*, a similar occurrence can be expected in Prince William Sound approximately every 13 years.

Worldwide figures gathered by ECO show that during the past 20 years, tanker spills of the magnitude of the *Exxon Valdez* — more than 10 million gallons — have occurred approximately yearly. Spills of up to 1 million gallons have occurred approximately monthly. As this report goes to print, less than 10 months after the *Exxon Valdez* disaster, the *Khark-5* spill off the coast of Morocco has exceeded 30 million gallons, with the full cargo of 72 million gallons still at risk.

Both the frequency of oil spills and the failure of human capacity to clean them up argue for strong prevention regimes at every level.

"The die is cast, that Prince William Sound is going to recover pretty much at its own rate. And that no matter what we do, the rate isn't going to change a whole lot."

Professor David G. Shaw, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

Recommendation 1
Prevention as policy

"The most telling remark, the president of Exxon, Mr. Stevens, said that the contingency plan cannot deal with a spill like this."

Rep. George Miller, California House Committee on Interior and Insular Affairs hearing, May 1989

Recommendation 2
Changed attitudes

Prevention of oil spills must be the fundamental policy of all parties in the maritime oil transportation system.

Worldwide experience has shown repeatedly that containing and collecting significant amounts of oil lost in a spill is beyond present technological capability except for relatively small amounts under optimum conditions. Data collected by the U.S. General Accounting Office suggests that no more than 10-15 percent of all spilled oil is ever recovered. Full repair of environmental and ecological damage caused by a major spill is similarly beyond human capabilities. Cleanup and containment technology remains primitive, although recent research and development initiatives offer promise of some improvement. With present technology, natural recovery often is the most effective recourse after a spill hits shore, but generations may lose the advantages of environmental quality during the recuperation.

These lessons were relearned in the response to the Exxon Valdez spill. Given the increasing capacity of supertankers carrying more and more oil through the world's oceans and the acknowledged shortcomings of cleanup methods, a sharpened focus on prevention is the key to environmental protection and, indeed, the only adequate response to the increasing risk in the system.

All parties must instill the attitude that spilled oil in the water is unacceptable into the approach of the maritime transportation industry in the United States and abroad.

The shipping industry historically has neglected the environmental costs to the public of oil spills. Maritime losses traditionally are measured only by the financial value of vessel and cargo. Economic calculations have emphasized short-term expenses over long-term protection. Attitudes in regulatory and response agencies, particularly the Coast Guard, tend to reflect a similar disregard for environmental costs. Protecting property has a long legal and practical tradition — witness the Coast Guard's longstanding focus on salvage of vessel and cargo — while protecting the environment still receives too little emphasis. Finally, cost-benefit analyses undertaken by public officials charged with regulating the maritime transportation industry sometimes assume that the costs and benefits accrue to industry alone, thus neglecting the interests of others affected by the risk of accident.

As public concern for environmental protection grows, industry and regulatory attitudes must change. The shipping industry has an incentive

to adopt stronger approaches to prevention as increasingly it is being required to pay for environmental costs previously borne by society.

Because many individuals and communities are placed at risk by modern oil transportation systems, citizens should be involved in oversight arrangements at every level of government.

Shipping oil involves inherent risk. The risk cannot be eliminated, only reduced. Citizens deserve to know and make informed social judgments about what constitutes an acceptable level of risk. Reducing the risk involves costs, both public and private. Citizens may or may not be willing to pay the incremental costs of reducing particular risks, but to make informed choices they should be made aware of the tradeoffs involved. Present federal committees for oversight and policymaking are made up of industry and government representatives. There are no equivalent state committees.

The nation and the state need strong, alert regulatory agencies fully funded to scrutinize and safeguard the shipment of oil.

The notion that safety can be insured in the shipping industry through self-regulation has proved false and should be abandoned as a premise for policy. Alert regulatory agencies, subject to continuous public oversight, are needed to enforce laws governing the safe shipment of oil.

National and state agencies formally vested with responsibility for overseeing the environmental safety of oil transportation frequently have been complacent. Regulatory authority has been weak, and there has been a dramatic decline in vigilance since 1981. State authority has been further impaired by conflict with federal authority. Funding ordinarily furnished to protection agencies has left broad areas of concern without oversight. Between disasters, appropriations have tended to decline. As federal administrations have changed, funding and commitment have fluctuated as well. Missions have been attenuated by the addition of further responsibilities without further funds, as in the case of the U.S. Coast Guard, whose duties have greatly expanded without a commensurate increase in budget.

In such an environment the nation's maritime oil transportation system becomes more, not less, prone to risk of accident. The nation's regulatory agencies must be committed to the safe shipment of oil and other

Recommendation 3 *Citizen knowledge of risk*

"We can't rely on government agencies to be the sole watchdog over industry."

Unidentified witness, Port Graham, Alaska

Recommendation 4 *Regulatory vigilance*

"The best way to keep the oil from becoming a problem is to keep it in the ship, because historically ... we clean up very little of the oil. ... So I guess prevention is one of the things that we certainly would look at as the strongest avenue to avoid having a catastrophe."

Commander Dennis Rome, U.S. Coast Guard

Alaska Oil Spill Commission hearing, 8/31/89

Recommendation 5
Foreign flag spill prevention

"We should look beyond ineffective sticks and consider some carrots as well. I think we should consider paying the industry to stay ready and to stay on top of technology—with their money, of course."

*Professor Steve Coll, University of Alaska
Alaska Oil Spill Commission
hearing, 9/21/89*

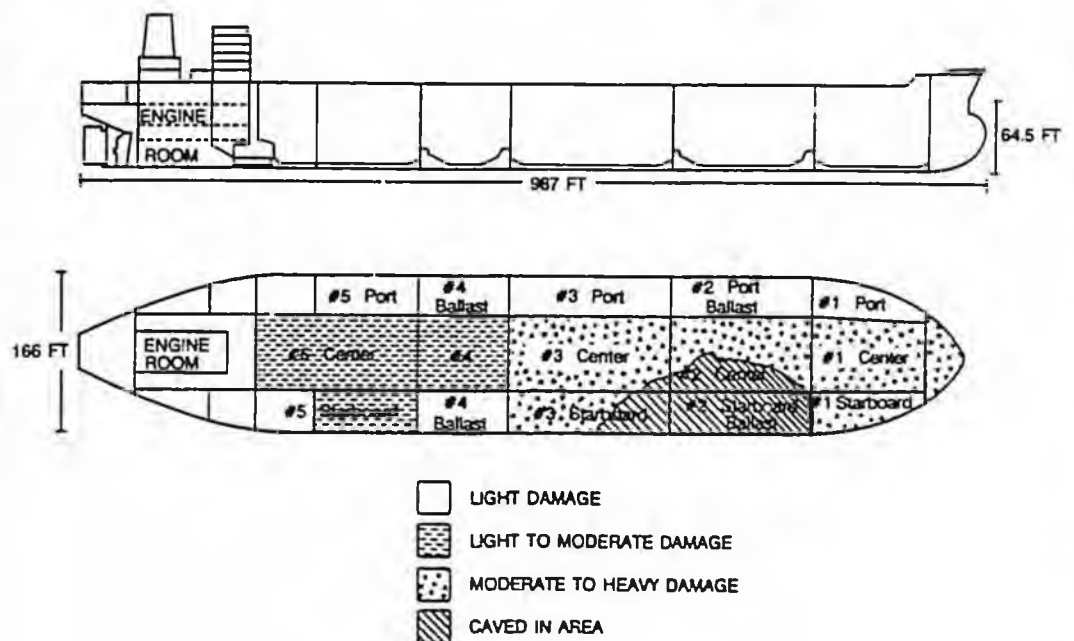
hazardous substances, and they must be encouraged by the regular oversight of citizens who have the greatest stake in the relevant environments. Without such an invigoration of these agencies, accidents such as the Exxon Valdez are bound to increase.

State laws protecting the environment from oil spills should be applied to foreign flag vessels equally with other vessels engaged in the transportation of oil.

The state has been unduly deferential to constitutional limits supposedly restricting a state's ability to impose containment and cleanup planning and equipment requirements on foreign flag vessels. A changing congressional intent will produce revised judicial interpretations of preemption doctrine. While most vessel design features are subject to exclusive federal rule, the state is empowered to protect its environment by all reasonable, non-burdensome means.

Containment and cleanup planning and readiness regimes established under state authority should apply to barge or tanker traffic under any flag in the waters of a state.

EXXON VALDEZ DAMAGE



RESPONSIBILITIES OF INDUSTRY

Public authority can do a great deal to enforce safety standards in oil transportation, but industry promises, policies and practices are typically the starting point for discussion. Industry bears a heavy obligation to operate safely and responsibly, regardless of the regulatory structure imposed by government.

Alyeska Pipeline Service Company has demonstrated a commitment to safer operations since the spill by establishing new procedures, including escort vessels, new spill response equipment, speed limits for tankers and dictates that tankers stay in designated traffic lanes while pushing through ice. Some of these reforms were more sweeping and costly than required by government.

Private industry's task is to carry oil to market responsibly and efficiently. Government's task is to regulate that trade prudently in the public interest. The obligation to protect the safety of the public and the environment is mutual, and shared by both sides.

"I think it's important to begin a process of informing society about the uncertainty, the risks and the tradeoffs that are involved in most human activities and especially in these kinds of large scale resource development activities."

Professor David G. Shaw, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

**Recommendation 6
Industry commitment**

"Each of the various interested parties is trying to pass on their own real or perceived costs to everybody else."

Professor Matt Berman, University of Alaska
Alaska Oil Spill Commission hearing, 9/21/89

The nation and the state need a private oil transportation system with management that is committed to environmental safety.

The *Exxon Valdez* incident refocuses attention on industry's obligation to operate safely and responsibly. Decision-making by private industry is the first and, in many ways, most important pressure point for safety in the oil transportation system. Government regulation and public oversight can help safeguard the system, but industry can — and should — move rapidly and effectively on its own to establish procedures to reduce the risk of oil spills.

Response to the *Exxon Valdez* disaster illustrated industry's ability to mobilize quickly after a disaster. Exxon, though unprepared for a spill so large, responded far more swiftly than any government agency. The company committed vast human and material resources and reportedly spent more than \$1 billion to respond to the spill. (Luckily, Exxon was able and willing to bear this expense, but the industry would have had to spend comparatively modest sums to provide stringent prevention measures instead.)

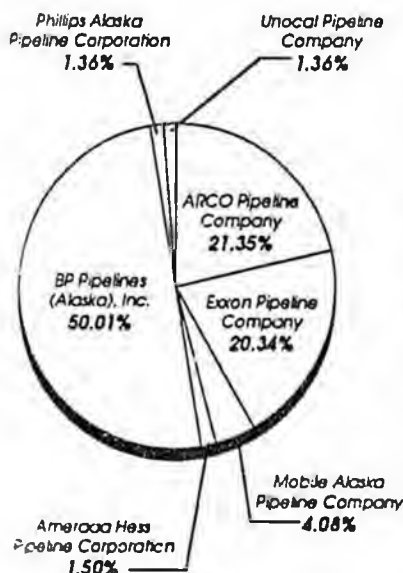
Though the industry's safety record is mixed, by and large it has not been committed to environmental safety. Driven by competition and profit-maximizing goals, the industry has focused on economic efficiency and opposition to government regulation, claiming it could operate with as great or greater regard for safety without regulation. An industry ideology that regulation is a nuisance can drive an industry attitude that the objectives of regulation are also a nuisance.

In addition, maritime liability limits and low levels of accountability for oil spills have led to neglect of the interests of those who are not owners of vessels and cargo but whose exposure to risk makes them stakeholders in the system.

Historically, the industry has "externalized" the costs of environmental degradation — that is, shifted the costs to others. As concern about oil spills increases, however, industry will be forced to "internalize" more of these costs as incentive to protect the environment.

Properly motivated and funded, private industry can move more swiftly and effectively than any regulatory agency to correct deficiencies in the oil transportation system. A tenacious commitment to environmental protection by industry could do more, quicker than any government inducement. Management and shareholders should insist that the traditions and operating assumptions of the shipping industry reflect this commitment.

Alyeska Pipeline Service Company



Source: Alyeska Pipeline Service Company

Government and industry should strive to adopt the best available standard technology in establishing performance standards.

Consciousness of the importance of prevention, spill preparedness and corporate responsibility varies greatly among oil carriers. The blurring of responsibility within each oil company and within the Alyeska consortium, coupled with the independence of each shipping company and its owners, argues for uniform application of standards by government authority.

In the past the oil transportation industry has attempted to reduce virtually every performance standard sought, asking that government impose only minimum standards and claiming that most carriers voluntarily will exceed those minimums. But when accidents have occurred, industry representatives have frequently claimed that it has no obligation to go beyond those minimums. The public no longer should tolerate this double standard — and the conflict should be resolved as soon and as much as possible by the adoption of improved standards of performance by industry.

Every company shipping oil through the United States should identify a full-time environmental safety officer empowered to take recommendations to the highest level of the company.

Corporate performance on safety issues can be significantly improved by making safety a specified goal and giving primary responsibility to identified managers charged with increasing awareness at the highest executive level. Such corporate structures operated effectively, for example, during construction of the trans-Alaska pipeline system and should be recreated for operations as the system ages and becomes more prone to risk.

The designated corporate safety officer should be required to report annually to shareholders and the public concerning the safety of the tanker fleet, accidents and near-misses, state-of-the-art technology, and company plans for bringing its fleet into compliance with the most appropriate standards.

Public pronouncements by Alyeska and its owners that the company employed the best available technology and committed adequate resources to safety purposes turned out to be false. These assurances were aided by corporate institutional advertising and a sense of well-being

Recommendation 7
Best available technology

Recommendation 8
Corporate safety executive

"The marine industry needs to revamp all personnel training and development programs to meet today's modern fleet demands."

Jerry Aspland, President, ARCO Marine, Inc.

Alaska Oil Spill Commission hearing, 9/1/89

arising from the flow of oil revenue to Alaska's citizens which encouraged an atmosphere of laxity in state oversight of oil transportation.

A report to the public and corporate shareholders should provide accurate information about each shipper's spill prevention plan and preparedness posture to encourage greater corporate accountability for safety practices.

Recommendation 9
Tank farm

Tank farm capacity at Valdez should be increased to meet the original design requirement for maximum throughput.

Limited storage capacity at the Alyeska terminal can create undue pressure on loading and shipping schedules of tankers calling at Valdez. Shortage of storage capacity could lead terminal operators to load tankers under otherwise marginal weather conditions, for example, to avoid an expensive slowdown or shutdown of the pipeline.

It may be that the cost of tank farm construction is high enough that a slowdown or risk of slowdown is a preferred cost. If that is the case, standards for slowdowns and shutdowns should be clearly stated so that safety is not sacrificed to revenue or pipeline flow considerations.

"In boarding both the Japanese vessel and the Soviet vessel I had no problem getting on those vessels, but yet there was a guard at the door of the VECO office when I tried to enter that door. And I started wondering who is really afraid of me."

*Rita Turner, Seward
Alaska Oil Spill Commission
hearing, 7/14/89*

STATE REGULATION AND OVERSIGHT

The State of Alaska carries primary responsibility for protecting the state's public resources. Neither federal nor local authority and self can take the place of strong state regulation of industries that vitally affect the economic and environmental welfare of Alaskans.

State authority must be exerted to protect fish and wildlife resources, to vouchsafe federal regulation, to oversee industry operations, to inform the public of risk, and to insure proper response capabilities in case of accident. State government was not fully prepared in any of these categories before the *Exxon Valdez* disaster.

Alaskans have benefited strongly from the production and transportation of oil in the state, but they have not invested commensurate resources and attention in regulating and safeguarding the operations of the industry. It is incumbent upon Alaskans, through their elected officials as well as their own efforts, to create workable and effective institutions to protect their interests in the production and transportation of oil in the state.

"If you had an enforcement unit in place, staffed by the people who were solely charged with it and not distracted by some of the other responsibilities, that they would be able to take the time to account for what are our main polluters in the state."

*Sue Libenson, Executive Director
Alaska Center for the Environment
Alaska Oil Spill Commission
hearing, 9/21/89*

Recommendation 10
Obligation to manage and protect

The people of Alaska should recognize they are the stewards of vast natural resources that are the mainstay of their livelihood and a national treasure. Among the obligations of state stewardship is the duty to protect these resources as much as possible from harm.

The State of Alaska has not spent an amount appropriate to the job of natural resource management and protection. There are many reasons for this, including low recognition of the magnitude of the task.

Compare the total amount spent by the people of Alaska to manage fish and game resources to that for overseeing the oil industry. Recognizing the importance of fish and game to the state, the people of Alaska have spent substantial sums on regulation, enforcement, research and development, as well as a statewide system of citizen advisory committees. The amount spent overseeing the oil industry and its safety practices, by comparison, is a fraction of that total.

Recommendation 11
Federal preemption

The state should adopt stringent standards regulating the transportation of oil in its own waters without fear of federal preemption.

Alaska has had unsatisfactory experience with federal preemption in the field of tanker safety and local navigational controls, but Congress no longer intends to override more stringent state regulation.

In 1976 the State of Alaska adopted a law giving broad authority to state agencies to oversee and regulate the safety of tanker traffic to Valdez. In 1977 the oil companies responsible for carrying Alaska's oil initiated a lawsuit (*Chevron, et al. v. Hammond*) challenging the state's right to regulate the safety of marine oil transportation on grounds that congressional action and Coast Guard regulation preempted the field. By 1979 the plaintiff companies had gained both a favorable ruling from the U.S. District Court and negotiated concessions from the state. The result was a gutting of key provisions in the legislation.

Industry encouraged the view that it should be allowed to take care of its own safety matters; that state activity was a needless and obstructionist interference with private prerogative; and that left to its own devices the industry would employ the best available technology with the optimum commitment of resources. This was not remotely the case. The evisceration of the state's regulatory framework and the antiregulatory temper of the times laid a foundation for repeal of the 1976 legislation and a slashing of state budgetary allocations for oversight. As a result, the role of the Department of Environmental Conservation was sharply reduced. The

"I think what's missing here is an attitude among state leaders that the buck stops here, with the people of Alaska and not in Houston or Washington, D.C."

Professor Matt Berman, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

department's small staff was overwhelmed by technical licensing and permitting activities, leaving no opportunity for the agency to perform its role as overall environmental policy watchdog. Though the state retained certain powers over water quality, the overall effect of preemption through the federal courts was to reduce or eliminate the state presence in the oversight of oil industry affairs and demoralize state personnel engaged in such activity.

In the absence of the state presence, the already weak federal regulatory presence declined further. In 1990 Congress is likely to adopt legislation that would eliminate any presumption of federal preemption in actions taken by the state with respect to safety and response. Thus the way is open for the state to reassert its historic role in resource protection.

A citizens' advisory council should be established in the office of the governor and given responsibility for overseeing the safe transportation of oil, gas and other hazardous substances.

No state agency has as its primary mission oversight of environmentally safe transportation of Alaska's resources. Regulatory authority over such transportation is spread among several agencies that do not always coordinate information or resources. The only overall view of the system is exercised by the governor, but he has no single designated officer or council to provide information or maintain consistent oversight.

The state should establish a citizens' advisory council, supported by a full-time executive director and small staff, to provide focus to state oversight. Members should be chosen from among the general public, selected for their concern for environmental safety. The council should have power to subpoena information and witnesses, to inspect facilities, to conduct investigations, and to collect information and statistics on safety.

The council's duties should be to:

- Advise the governor and legislature on the environmental safety of the transportation of Alaska oil, gas and other substances posing environmental risks;
- Advise on potential initiatives in state and federal regulations and at the governor's request, represent the state's interests in the development of multistate compacts and national and international policy;

Recommendation 12 Oversight council

"What we have is a system driven by the fact the pipeline is pumping 2 million barrels of oil into the sound, and they have to get it out of here. They choose not to restrict it, turn it off, or anything else. The decision to sail or not to sail is not a dispassionate decision based on weather or traffic."

*Rep. George Miller, California
House Committee on Interior and
Insular Affairs hearing, May 1989*

"What tends to happen is DEC will get dragged into a septic tank argument and it will drain away as many resources as fighting, for instance, the Alyeska ballast water treatment plant. There's a real problem with priorities within DEC."

*Sue Libenson, Executive Director
Alaska Center for the Environment
Alaska Oil Spill Commission
hearing, 9/21/89*

Recommendation 13
Enhanced regulatory strength

The state should expand and exercise its regulatory authority over environmental safety. Measures voluntarily adopted by industry should be backed up by state regulation. Federal technical standards and safety requirements should not preclude more stringent state standards.

The State of Alaska currently does not exercise its full power under the U.S. Constitution to regulate environmental safety. Recent congressional enactments and judicial decisions make it clear that Congress does not intend that states should hesitate to protect local environments with greater stringency than the minimums established under federal law. The state should have the power, for example, to prohibit vessels from entering or departing Alaska ports and waters under unsafe circumstances.

Regulatory effectiveness also should be improved through assessment of administrative and civil penalties to encourage prevention, no preen-

- Identify unmet needs and recommend priorities, strategies and obstacles to achieving them;
- Encourage coordination of spill prevention and response programs currently spread among several agencies that cumulatively deserve high priority;
- Make budget and resource allocation recommendations;
- Evaluate programs and recommend elimination of marginal activities;
- Recommend changes based on new technologies and scientific impacts;
- Designate advisory panels, if deemed necessary, including appropriate representation, ex-officio, of appropriate departments of the state and municipalities, regional oil spill authorities, representatives of fishing and environmental groups, and shippers, owners and residential groups on the pipeline route; and
- Issue an annual report and safety assessment. Reports to the governor should include regular statistical and special reports on accidents and near-misses, the status of major risks, the performance of state and federal agencies, and long-term options for improving safety.

forcement review of compliance orders, environmental audits, stronger criminal penalties, and statutory provision for citizen lawsuits. Private voluntary prevention measures, though commendable, are often ignored as memories fade unless backed up by state regulations.

The state should renew and strengthen its authority to conduct inspections and spill response drills on vessels calling at Alaska ports and marine terminals.

The Valdez tanker fleet, built in the 1970s is approaching obsolescence. Structural weaknesses, technical malfunctions and other equipment problems can be expected to increase in frequency and seriousness.

Inspections and reports, done in cooperation with the Coast Guard or alone, should include examinations for structural integrity and environmental hazards. Inspection duties may be allocated between the harbor administration office proposed in this report and the Department of Environmental Conservation. State authority should include the power to levy substantial summary civil fines for interfering with inspections or failing to cooperate with response drills.

The lack of any quality control or assurance program on tanker operations from Prince William Sound or Cook Inlet allows serious hazards to arise. Coast Guard authorities already perform inspections on tankers calling at Valdez, but state inspection would provide an added measure of safety. In the past, when the state and the Coast Guard both inspected vessels, the two agencies reinforced each other's effectiveness. When the state was stopped from making inspections on the grounds that the activity was exclusively federal, the quality of Coast Guard inspections declined. Inspection by two governments is not needless duplication but needed redundancy, providing a greater measure of safety.

The "two-tier" system of quality control was adopted during construction of the trans-Alaska pipeline. The value of the two-tier system has been reinforced by the National Aeronautics and Space Administration experience with space disasters. The official inquiry into the 1986 Challenger space shuttle explosion found that system capabilities had been stretched to the limit in the winter of 1985-86 to support the flight schedule of the shuttle program. System capabilities for shipping oil from Valdez were similarly stretched to accommodate increasing throughput of the trans-Alaska pipeline to 2.2 million barrels per day without increasing other elements of the system, such as tank storage capacity.

Recommendation 14
Strengthened state inspections

"We are obligated to provide systems which enhance marine transportation safety, and we do it economically."

Jerry Aspland, President, ARCO Marine, Inc.

Alaska Oil Spill Commission hearing, 9/1/89

When systems are stretched thin, redundancy in oversight and inspection is doubly important to reduce the risk of catastrophic failure.

Recommendation 15
State presence at Alyeska terminal

Government agencies should be given space at the Alyeska terminal to carry out their duties.

State inspection efforts at the Alyeska terminal should be situated so as to maintain a continuing presence, instant response and constant vigilance over environmental safety at the terminal and on vessels calling there. Until the Exxon Valdez wreck, various agency personnel were hampered by lack of quick and easy access to the terminal. Alaska Department of Environmental Conservation officials attempting to inspect Alyeska facilities were told they might be required to procure a warrant, a laborious and time-consuming process. A more cooperative posture by Alyeska staff might result if state personnel were seen not so much as an opposing force, but as a normal and integral part of the operation. Office facilities on-site might normalize relations between government and industry officials so that regulatory activities, which on occasion can be adversarial, need not become unnecessarily antagonistic.

Recommendation 16
State licensing of safety managers

A state licensing system should be established for oil transportation system safety personnel, including pipeline pump station and terminal managers.

Oil transportation safety managers should be required to show educational qualifications or equivalent experience and pass examinations reflecting an understanding of environmentally safe resource transportation in Alaska.

Mariners, captains, engineers and ship's pilots, all water-based transportation managers, already are licensed to encourage safety and public accountability. Similar practices should be established to insure that personnel meet a state standard of professionalism for all important managers in the oil transportation system. Few of the managers brought in to oversee contingency plan development or respond to the Exxon Valdez spill had significant prior knowledge of Alaska environmental laws, resources or local capabilities.

Licensing can significantly help assure knowledge of prevention and response capabilities as well as public accountability. For example, regardless of whether particular conduct may be tacitly approved

tolerated by an employer, a licensee who falsifies a report, bypasses a required procedure or otherwise violates the professional obligations covered by the license can lose his or her opportunity to engage in the employment.

To the extent it does not already have such authority, the state should seek from Congress authority to require and enforce prevention and response regimes on vessels trading in Alaska or adjacent waters.

Spilled oil recognizes no state boundaries. State jurisdiction is necessary because spilled oil may come ashore or ravage important local fisheries hundreds of miles from the point of the spill. The risk of breakup of a tanker or loss of a barge in the Gulf of Alaska is real. Gulf of Alaska shipping routes should be covered by an adequate regional response developed under the National Contingency Plan and backed by capabilities of the state, the Coast Guard, the carriers and other relevant authorities.

The State of Alaska should negotiate interstate compacts with other coastal states and provinces for the development of prevention strategies, storage of response capabilities and to effect coordination of assets in case of another major spill.

The western coastal states and provinces may share common environmental concerns about spilled oil. Compact agreements have the force of federal law and may enable these states to create an appropriate regional administration to oversee oil shipping.

The state should require maintenance and personnel audits at oil transportation facilities to provide information and pinpoint problems in spill prevention.

Accurate, timely information is central to the exercise of the oversight function and must be available to all government actors in prevention and response. The state can gather information on conditions relating to spill prevention through technical maintenance audits, thereby supporting the work of the state advisory council and regulatory agencies. Technical and personnel audits may be done by outside contract.

Recommendation 17
Enforcement in state waters

Recommendation 18
Interstate compacts

Recommendation 19
Maintenance and personnel audits

Recommendation 20
Marine pilot qualifications

Training and experience standards for marine pilots in Alaska should be upgraded to require actual experience in Alaska operations of vessels at thresholds of 60,000 and 150,000 deadweight tons.

Training and experience requirements have been reduced for pilots of large tankers in Prince William Sound and Cook Inlet since the late 1970s, allowing pilots to qualify for very large ship operations on insufficient experience. While no accidents have been caused by this circumstance, a system with multiple thresholds is inherently safer.

Recommendation 21
State as co-insured

Insurance policies should identify the State of Alaska as an additional insured or named beneficiary.

The shipping industry is responsive to economic incentives. Insurance premiums and premium requirements create incentives. The insurance industry is responsive to the needs of co-insureds. Such practices were required during construction of the trans-Alaska pipeline. There is every reason to revive them.

Recommendation 22
Remote spill response

The state should set rigorous requirements for private oil spill prevention and response capability in remote locations. The state also should develop response plans for major spills and articulate a prevention program from the Aleutian Islands to the Arctic.

Despite the state's obligation to respond to major spills, only if private resources are committed to prevention systems and response can an acceptable reduction in risk be achieved.

Marine traffic in arctic Alaska already poses unacknowledged risk. Fuel provisions delivered by sea and vessels fueled by oil create risks of damage in these hazardous and environmentally fragile waters. Spills are usually impossible or much more difficult to contain and collect in arctic waters. Immediacy of response is the key to cleanup if a spill occurs.

Measures should be undertaken to reduce spill risk in the arctic, including better vessel tracking and contingency plan requirements for all large vessels transiting the arctic, and for smaller vessels carrying oil or major fuel supplies.

Given the high risk involved in arctic oil transportation, the options for developing systematic environmental safety protections for this region should be a priority for scientific authorities.

The long-term need to develop environmental safety regimes of great stringency cannot be ignored. Development of arctic oil discoveries dependent on maritime transportation should await the preparation of approved systems of oil transportation using experience gained from the trans-Alaska pipeline system. But any increase in traffic simply to accommodate increases in oil production should be accompanied by a major increase in preventive safety.

The state should establish a task force to review the environmental safety of the trans-Alaska pipeline system independently or in concert with a federal counterpart.

More than enough evidence is available regarding sharply increasing risk of a pipeline breach and raising questions regarding government response capability. On the advice of contractors showing evidence of massive corrosion problems with the pipe, Alyeska already has undertaken a review and reconstruction program of the trans-Alaska pipeline system. The state was intimately involved in oversight of the original design and construction of the pipeline. This pattern of oversight should be renewed to protect the same public interests.

The task force should make recommendations to better oversee the long-term safety of the pipeline and gathering system. Specifically, it should review the environmental safety of:

- the trans-Alaska pipeline and gathering system;
- applicable government and private contingency plans; and
- the response plans and capabilities of government agencies.

The commission endorses the concept of a presidential task force on pipeline safety as proposed by Congress and urges that provision be made for state participation.

Recommendation 23
Arctic prevention research priority

Recommendation 24
Pipeline evaluation

"The community must be imbedded in the bureaucracy because this is the only way oversight is going to happen. It's the only way that continued community involvement is going to happen. And it's the one way to guard against apathy if you don't have another oil spill for 20 years."

*Jim Sykes
Alaska Oil Spill Commission
hearing, 9/21/89*

Recommendation 25
State harbor administration

The state should create harbor administration offices for Prince William Sound and Cook Inlet to help regulate traffic and navigation and to implement terminal and vessel inspections.

Local oversight of navigation and port operations can improve conditions by bringing local perspectives to bear. A harbor administration office should have the power to:

- Regulate traffic and navigation issues not preempted by Coast Guard regulation to impose more exacting standards in the best interests of the state.
- Advise and oversee the Coast Guard's management of such issues and make recommendations for change;
- Certify and declare disasters, and order state management of a spill in the port area; and
- Assume functions given under contract by the Coast Guard and participate in joint management arrangements.

The state asserted greater control over harbor activity in the mid-1970s, but conceded its management prerogatives in negotiations leading to a resolution of the Chevron, et al., v. Hammond lawsuit. Pending legislation clarifies congressional intent that the state may undertake safety regulations relating to local harbor conditions, weather and the like, and that the vessel must follow the more stringent rule. Collaboration with federal authority is required to assure that no direct conflict with Coast guard regulations are involved and that optimum safety conditions are observed.

In the event of a spill, the harbor administration at Valdez probably would be the headquarters of the on-scene commander carrying out the governor's delegated emergency authority.

Oil transportation through Cook Inlet, a body of water widely noted for its extreme tides, currents, winds and ice conditions, faces a high risk of spills. Though smaller volumes of oil pass through Cook Inlet than Prince William Sound, similar oversight arrangements should be duplicated there, allowing for appropriate variations in representation and the difference in geographic circumstances.

Research done for the Alaska Oil Spill Commission indicates that a major spill of between 300 and 1 million gallons can be expected in Cook Inlet approximately every 2.2 years, a spill of between 1 million and 9 million

"I would promote that there is a state group that deals with marine transportation, kind of a one-stop shopping group."

Jerry Aspland, President, ARCO
Marine, Inc.

Alaska Oil Spill Commission
hearing, 9/1/89

gallons about every 24 years, and a spill of 9 million gallons or more about every 66 years. Oversight arrangements should be created to provide appropriate public accountability and awareness of spill risks.

A system of regional advisory councils should be formalized under state authority to oversee harbor administration, state and federal regulation and private safety functions.

The people living closest to a danger have the most to risk and are the most likely to insure that readiness and alertness are maintained. As a Prince William Sound resident told the commission, "People take care of the things they love."

Regional oversight councils can both encourage protection of local resources and provide an opportunity to make use of local residents' knowledge of conditions and needs in crafting workable spill prevention and response policies. Regional advisory councils should provide advice to the statewide policy council proposed in this report and respond to its recommendations. A similar council should be considered for permanent oversight of the trans-Alaska pipeline system.

Local governments should be represented on the regional advisory councils and the harbor administration.

Local residents complained that their views and knowledge often were ignored. Residents in small villages, in particular, believed they were bypassed despite their great, direct interest in events. Villagers rarely are able to send delegates to advisory boards, even though their lives may be severely traumatized by a spill. Special provisions should be made to assure no neglect of these stakeholders.

Recommendation 26
Regional advisory committees

Recommendation 27
Local government representation

FEDERAL REGULATION AND OVERSIGHT

Congress has mandated a comprehensive system to protect the safety of oil and gas transportation, but for lack of enthusiasm and underfunding enforcement has been a failure. The quality of federal oversight of oil transportation in Alaska was typified by the U.S. Coast Guard, whose safety and regulatory efforts gradually declined for most of the decade leading up to the *Exxon Valdez* disaster.

The Coast Guard supported safe traffic monitoring systems and design standards, including double-hulled tankers, when the trans-Alaska pipeline system was approved in 1973. But by 1978, after strong industry opposition to double hulls in international regulatory forums, the Coast Guard backed off its support. The Coast Guard also imposed stringent safety inspections and vessel monitoring practices during the early years of tanker operations after the opening of the pipeline in 1977. Inspection and monitoring efforts waned noticeably after parallel state inspections were stopped in 1979, and gradually thereafter as Coast Guard funding and resources for these activities declined.

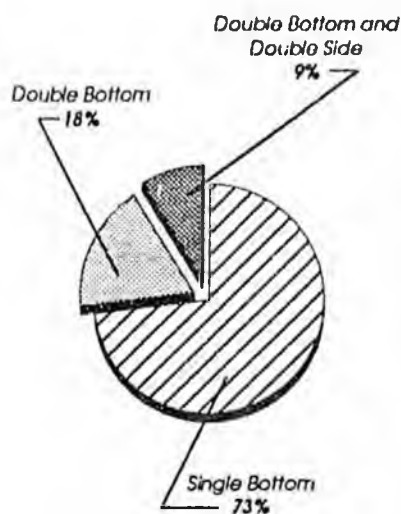
Some federal agencies performed admirably in events surrounding the spill — notably the U.S. Army Corps of Engineers and the U.S. Navy in cleanup response efforts and the Coast Guard itself in successful measures to salvage the ship and the unspilled cargo. As a rule, however, federal authority must be reinvigorated in several ways if it is to provide significant leadership in the safety and oversight of maritime oil transportation.

"Figure out what 25 percent of the nation's oil is worth."

*Rep. George Miller, California
House Committee on Interior and
Insular Affairs hearing, May 1989*

Recommendation 28
Double hulls and vessel design

Hull designs of the 93 tankers registered for Alaska trade.



Recommendation 29
Mandatory traffic control

Double hulls and other technological advances in tank vessel design should be required on an accelerated timetable, including prohibition of nonqualifying vessels, regardless of flag registry, in all U.S. waters.

The loss of oil from the *Exxon Valdez* wreck would have been substantially less if the vessel had had a double hull of appropriate design. A U.S. Coast Guard study undertaken after the accident indicated that up to 60 percent less oil — about 6 million gallons — would have entered the water if the *Exxon Valdez* had been equipped with a double hull. Double hulls already are required for chemical tankers and gas carriers to provide maximum protection to cargo tanks. A study for the Alaska Oil Spill Commission by ECO, Inc., of Annapolis, Maryland, says double hull design “provides the highest probability of surviving damage, either from a collision or grounding, with no loss of cargo.”

Technical measures to reduce risk of accident and oil spillage have been advocated by naval engineers and others over the past two decades, but this advocacy has not produced significant voluntary changes in the way the industry does business. Suggestions regarding multiple screws, horsepower enhancement and other design overbuilding proposals to enhance safety have received only a negative response. Required changes are necessary, particularly as the size and carrying capacity of modern supertankers has increased.

Mandatory traffic control systems should be installed in due course in Cook Inlet, Prince William Sound and all waters of the U.S. where an equivalent or greater risk occurs.

Any of several common practices relating to positive vessel traffic control would have prevented the *Exxon Valdez* from straying so far off course as to run aground on Bligh Reef. The wreck would not have occurred if there had been a traffic control system covering operations to Hinchinbrook Entrance, as was promised by owners of the trans-Alaska pipeline system at the time the system was approved. The wreck would not have occurred if Loran C retransmit or radar had provided reliable coverage to Hinchinbrook Entrance, as was promised by the owners. And the *Exxon Valdez* wreck would not have occurred if the Coast Guard had not, according to regular, informal practice, given permission to the vessel to move outside established tanker lanes.

The *Exxon Valdez* wreck would have been less likely if the vessel had been traveling at lower speed and would not have occurred if the captain had

chosen to push through ice in the traffic lanes at low speeds, as was more common practice in the early years of operation of the Valdez terminal.

A mandatory vessel traffic control system operated by personnel more experienced than those now posted to the advisory system would require strict monitoring of a vessel's position in relation to traffic and known hazards and would prevent corner-cutting to save time, a conspicuous cause of the well-known Torrey Canyon disaster.

Crew levels on tank ships must be established to reflect manning needs under emergency conditions, not just normal operating circumstances, and must reflect the need to avoid fatigue and overtime among those with responsibility for safe navigation.

Crew sizes and fatigue factors have been subjects of investigation since the *Exxon Valdez* accident. A second qualified officer on the bridge would have made the wreck substantially less likely by increasing the likelihood that the bridge would have been alerted to the ship's errant position, the impact of the automatic steering mechanism, or to alternative last-minute navigation strategies for avoiding the reef, in time to avert the accident. Similarly, the wreck would have been less likely if crew members and ship's officers required to do double duty in Valdez harbor during loading operations had not been subject to fatigue.

A 1984 survey indicated that the ability to make schedules is viewed as the single most important factor in a company's evaluation of a captain's performance. Under such circumstances, a captain is strongly motivated to run whatever crew he has as long and as hard as necessary to meet the required schedule, despite formal duty time limitations. National Transportation Safety Board hearings on the *Exxon Valdez* accident showed that several crew members — including Third Mate Gregory Cousins, who was at the helm at the time of the accident — had worked extraordinarily long hours the day of the wreck. This practice is not rare in the trade.

Crew training standards must be strengthened and retraining and reexamination reviews tightened. Physical standards, in addition to those proscribing alcohol or drug abuse, must be met. A captain having a "predictable" heart attack is of no more use than one under the influence.

Recommendation 30
Crew levels

"The tradeoff in risk involved with a double hull is that to carry a given amount of oil, you now have to have 60 percent more tankers, and if you do the arithmetic that's the way it comes out."

Frank Iarossi, President, Exxon Shipping Company

Alaska Oil Spill Commission hearing, 9/1/89

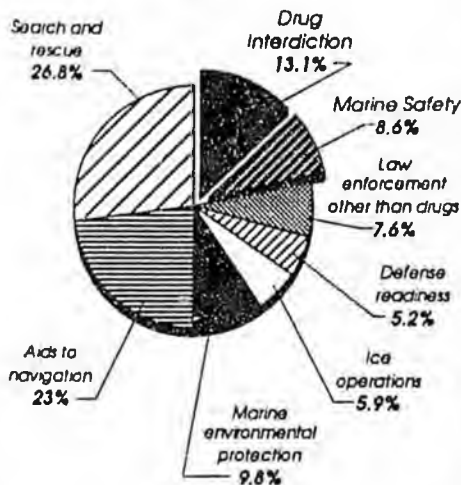
Recommendation 31
Coast Guard role

The mission of the U.S. Coast Guard to protect the safety of navigation should be defined specifically to include the safe transportation of oil by sea. Sufficient funding, resources and institutional support should be given to insure the strengthening this purpose.

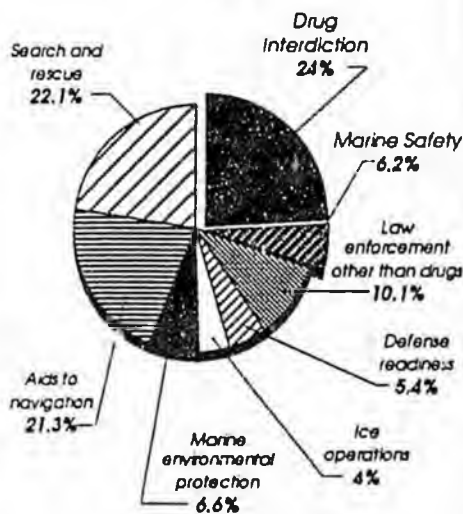
For reasons that include not just underfunding, but also confusion of mission and an unduly friendly relationship with industry, the Coast Guard has failed the American people in providing oversight of the country's oil transportation system. Enforcement must be strengthened and the penalty structure raised to a point where it weighs in the economic calculations of each company.

Coast Guard
Budget Comparisons

1982



1989



Source: The Seattle Times

While various Coast Guard units have operational responsibilities for tanker safety, the Coast Guard's primary mission is not the environmentally safe transportation of oil by sea. There is a general disposition in the agency to keep commerce moving without regard to all environmental or social costs. This disposition may be in conflict with the need to "follow the book" to insure safety. The lack of particular focus on the environmental risks of oil transport was revealed in the system weaknesses that permitted the wreck of the *Exxon Valdez*.

The Coast Guard commandant is selected by the president and accordingly is likely to reflect the philosophical perspective of the times. After President Nixon's declaration of a policy of oil independence, which President Carter pursued through establishment of a Department of Energy, the national mood under President Reagan moved to industrial self-regulation. This mood was reflected in a greater resonance with industry wishes in Coast Guard performance. Relaxed regulation has contributed to a lack of progress in maritime environmental safety. Safety does not do well in a laissez-faire environment.

Underfunding and relaxed attitudes toward regulation increased the likelihood of the *Exxon Valdez* wreck in several ways. The junior Coast Guard personnel posted to Valdez did not think they had the authority to instruct tanker operators in navigation or to require frequent position reporting. Only one Coast Guard employee was on duty at the time of the accident. The wreck would not have occurred if the Coast Guard had prioritized the installation of up-to-date vessel monitoring systems. The wreck would have been less likely if the Coast Guard had exercised strong oversight of crews and manning practices.

The Coast Guard's power to determine required crew levels is of little consequence as exercised. The determination is largely a paper exercise in which the shipper submits a proposal that typically is routinely

approved without inspection, sea trials or a determination of need under foreseeable emergency or unusual conditions.

In the normal course, Coast Guard personnel retire or transfer to the shipping industry in large numbers, particularly at the executive level. It may be that the prospect of working for industry is reflected in the attitude of some Coast Guard personnel. The "revolving door" and the resulting sympathy of interests between regulators and the regulated is a common problem in other areas of government service.

Congress should revisit the antitrust exemption granted to marine industrial insurance to require that premiums reflect design and operational considerations in accident prevention and pollution abatement.

The shipping industry is responsive to economic incentives. Insurance premiums and premium requirements create incentives. Congress has adopted special provisions concerning the conditions under which marine insurance is exempt from antitrust regulation. Various requirements must be observed as a condition of the exemption. These conditions should require additional features affecting premium structure and loss control to encourage design improvements and operational practices that enhance environmental safety in the shipment of oil.

Congress should require corporations transporting oil or hazardous substances to file environmental safety reports as part of their Securities and Exchange Commission 10K filing. These corporations also should include a separate environmental report card in their annual reports to shareholders.

Safety is a factor in long-term profitability that may be neglected in management preoccupation with annual profit. Safety is a factor of cost and accountability. SEC requirements are intended to inform investors of facts needed to assess risk. A company's record and status concerning environmental safety should be available to inform such assessments.

A company responsible for oil transportation should report to its shareholders on the safety of its operations in addition to their profitability. The report should include an account of accidents, close encounters, technological developments, goals and objectives. This information should also be collected for the government's report.

Recommendation 32
Insurance premiums to reflect risk

Recommendation 33
Corporate safety reporting

"A lot of the Coast Guard personnel that came in did not have an understanding or a local knowledge of the area. I think that should be ... Local knowledge is going to be a key ingredient."

*Jim Butler, Kenai Peninsula Borough
Alaska Oil Spill Commission
hearing, 9/7/89*

The meaning of corporate democracy should involve full discussion of all matters shareholders may care about. Environmental responsibility is a large part of corporate social responsibility for most large corporations, and certainly for companies carrying oil or hazardous substances. Shareholders should be kept informed of the corporation's stance toward its environmental record.

Recommendation 34
International action

The United States should pursue an aggressive policy in bilateral and international regulatory forums to demand safety improvements. The practice of deferring to international transportation safety standards in U.S. waters should cease. Environmental regimes established by state or federal government should apply to tanker or barge traffic under any flag in U.S. waters.

U.S. law should provide for the protection of U.S. waters, resources and regulatory standards regardless of whether international standards are consistent with them. Trade with the United States is at a high enough volume that this country should set the standard for environmental safety rather than accept a lower standard set by other nations.

Improvements in international safety standards have not been commensurate with growth in maritime oil transportation. The policy of the United States in international forums has been cautious, and forums have been dominated by U.S.-based multinational corporations to the disadvantage of environmental protection. American policy should be reoriented toward leadership in the establishment and maintenance of rigorous standards of safety and environmental protection. The United States should pursue bilateral agreements with its North American neighbors and its trading partners to provide cooperative standards, enforcement and spill response. The need for international spill response systems is shown dramatically by the 30 million-gallon spill from the Iranian supertanker *Khark-5* off the Morocco coast in December 1989. International standards should be viewed as a floor beneath which U.S. requirements will not fall rather than a ceiling above which they cannot rise.

Recommendation 35
Offshore tanker lanes

Tanker lanes should be established to keep tankers and fuel barges in the Gulf of Alaska and North Pacific trade at least 100 miles offshore.

Time is critical in efforts to protect coastlines from oil spill damage. In the event of tanker collision or breakup at sea, sufficient distance from imperiled coastlines can provide time to prepare defenses for key resources or habitats before oil reaches them.

A system of tracking large vessels in the North Pacific should be developed.

The technology exists at modest cost to take the "search" out of search and rescue by tracking vessels broadcasting a signal on the high seas. Similar systems are required on all commercial air carriers and should be done for vessels. The system would not only enhance the environmental safety of tankers but also for modest marginal cost would enhance life safety systems in one of the most hazardous areas in the world.

Congress should ask the president to require the administrator of the Environmental Protection Agency and the secretaries of Transportation and Commerce to issue a special report on the safety of oil transportation by sea. Annually thereafter, the Office of Science and Technology Policy or the Council on Environmental Quality should report on progress made by all parties, close encounters and accidents during the year, and emerging issues in the field.

No federal agency has as its primary mission oversight of the environmentally safe transportation of oil. The focus provided by a presidential-level report on the safety of maritime oil transportation would help alert the nation and the federal government to shortcomings in the system, as well as emphasizing the importance of safeguarding this system.

The report to the president should include:

- A history of accidents involving oil, gas and hazardous substances;
- An assessment of current risks and safety practices with reference to national energy policy;
- An assessment of prospects for progress in the enhancement of prevention technologies and techniques;
- An account of the activities of all federal agencies with responsibility for maritime safety, including a report on maritime recommendations of the National Transportation Safety Board, actions taken on them and reasons recommendations may have not been followed;
- An account of penalties levied for violations of oil, gas and hazardous substance transportation safety regulations;

Recommendation 36
Tracking vessels in the North Pacific

Recommendation 37
Presidential Report

"The few Coast Guard people that I have met in the field are green. I mean, they reminded me of summer hires. They were kids right out of school, and I can't help feeling that the powers that be are up there telling them to get those guys out of here and get this signed off so we can get this paper work, this paper chase done and get on with our business of running government."

Rich King, Upper Cook Inlet fisherman

Alaska Oil Spill Commission hearing, 9/7/89

- A specific report on the safety of the trans-Alaska pipeline system, the preparation of which should include adequate provision for state participation; and
- An overview evaluation of the effectiveness of private contingency and public response plans to oil spills in U.S. waters.

The Alaska trade is substantially less than a fifth of the maritime oil transportation system requiring national oversight. Either a strengthened Council on Environmental Quality or a more focused new agency as a watchdog over national environmental protection might better serve the nation's interests in reporting on the protection of the marine environment.

*"In spills of this kind
the Coast Guard has
primary jurisdiction,
and it is only when, as I
understand the law,
only when the
responsible party either
refuses to clean up or
fails to do the job that
the Coast Guard has
the ability to step in."*

*Dennis Kelso, Commissioner
Alaska Department of
Environmental Conservation
Alaska Oil Spill Commission
hearing, 8/31/89*

GOVERNMENT RESPONSE POSTURE

Alaska and other states have depended upon the National Contingency Plan to organize catastrophic spill response, but the *Exxon Valdez* incident illustrated the emptiness of its promises. The NCP provided neither the resources nor the manpower for effective action against a 10.8 million-gallon spill.

What is required in a successful oil spill response is to blend the resources of state, federal and industry response teams into an effective organization, and to provide sufficient manpower and resources to make a significant attack on the spill within 24 hours.

The greatest weakness of the NCP, as revealed in the *Exxon Valdez* incident, was that it failed to establish the firm, predesignated working relationships that are vital to a successful emergency response. Yet if that had been accomplished, it only would have revealed the weaknesses in the rest of the plan: lack of matériel, lack of trained manpower and lack of established common goals.

"What really happened here is that the system failed. We were down to the kicker on the football team making the tackle, and no coach wants that."

Vice Admiral Clyde Robbins, U.S. Coast Guard

Committee on Interior and Insular Affairs hearing, May 1989

**Recommendation 38
Government in charge**

The spiller should not be in charge of response to a major spill. A spiller should be obligated to respond with all the resources it can summon, but government should command that response.

Response should be a cooperative effort of government and industry under the direction of either the state or federal government, depending on which one has the stronger interest or can marshal resources more quickly and effectively.

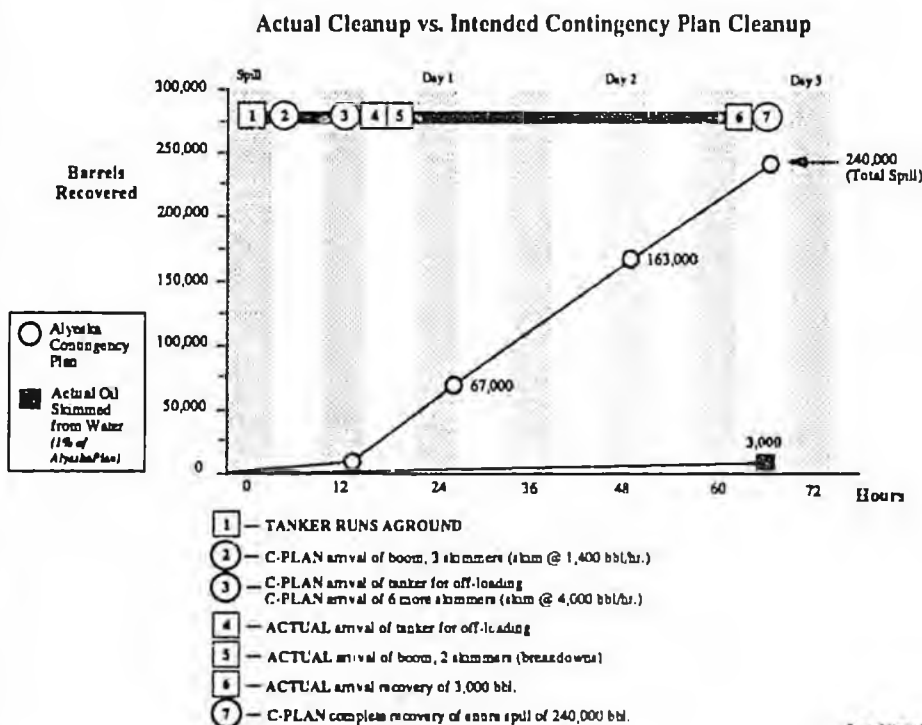
The spiller was obliged to respond to the spill under contingency plans in effect at the time of the *Exxon Valdez* wreck. Neither Alyeska Pipeline Service Company nor Exxon Shipping Company was prepared to respond to a spill of such magnitude. The handoff of spill response authority from Alyeska to Exxon was not anticipated by all authorities and contributed to command confusion. Key decisions, such as the focus on "Corexit," an Exxon dispersant, were unduly influenced by the fact that the spiller was in charge of the spill.

Spill response regimes should provide for government direction of the response effort, with the full participation and resources of both the spiller and government. Small spills, according to DEC regulations, can continue to be handled by the spiller.

"It's just a simple question of who's in charge."

Jim Butler, Kenai Peninsula Borough

Alaska Oil Spill Commission hearing, 9/7/89



State of Alaska 1989

Congress should either strengthen the Coast Guard's oil spill response capability or transfer oil spill containment and cleanup responsibilities to the U.S. Army Corps of Engineers.

One of the real and relatively unsung success stories in the response to the *Exxon Valdez* disaster was the work of Exxon and the U.S. Coast Guard in lightering crude oil off the grounded vessel and later moving the ship safely off the reef. That success is a marked contrast to the failure of all efforts to contain and collect the oil that escaped in the accident.

By tradition and practice, the Coast Guard has developed considerable expertise and experience in salvage and rescue, but comparatively little ability in oil spill response. The Coast Guard is seriously underfunded and underdirected in the field of oil spill response. The Coast Guard has been given one mission on top of another—most recently drug interdiction, a critically important task—without proportionate increases in appropriations. Thus the Coast Guard is obliged to do too many things for too many people and is not doing at least this one well.

Corps of Engineers and U.S. Navy equipment and workforces were the largest component of public response to the *Exxon Valdez* spill. There is a long history of cooperation between the Corps of Engineers and the Navy. The Navy has long experience in spill cleanup. Approved career patterns in the Corps of Engineers allow the development of career-long expertise and professionalism in a particular specialty. The Corps of Engineers' dredging capacity (which can be converted to skimming and oil recovery) and its nationwide mission involving the movement of water, soils, the management and preservation of wetlands, give it an unmatched spill response presence in all regions of the country.

Transferring spill response duties to other agencies would allow the Coast Guard to focus on tasks it does well—salvage and rescue—while permitting greater expertise of other agencies to be brought to bear on cleanup. Short of a formal transfer of functions, the Coast Guard should consider entering into delegation agreements for spill response functions.

The Environmental Protection Agency is not adequately funded and staffed for oil spill prevention and response. Unless the agency receives sufficient resources, these functions should be delegated to the states or transferred to agencies better able to perform them.

The Environmental Protection Agency commitment of staff and funding to activities in Alaska does not support the public perception that the

**Recommendation 39
Coast Guard role in
response**

"It's very important that a defined chain of command is recognized. You've got a couple of windows of opportunity in the initial management of a spill. You've got 12 hours, which is one tide cycle, a flood and an ebb. And then you've got, I'd say, four days and then after that it's gone."

Jim Butler, Kenai Peninsula Borough

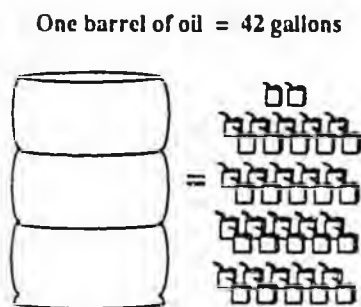
Alaska Oil Spill Commission hearing, 9/7/89

**Recommendation 40
Role of Environmental
Protection Agency**

"One of the big problems in this oil spill situation was that for the first couple weeks probably over 50 percent of management energy was spent in organizational determination and role decision."

Dave Liebersbach, Multagency
Coordination Group
Alaska Oil Spill Commission
hearing, 8/31/89

Recommendation 41
State takeover of oil spills



agency oversees protection of the environment. The EPA has no Alaska presence and is unfamiliar with local conditions. The agency performs its mission in Alaska only by delegation; for example, it has contracted with the Bureau of Land Management for spill response duties in the trans-Alaska pipeline corridor.

The EPA's response to the *Exxon Valdez* disaster was limited, though it did provide expertise in water sampling and environmental analysis. Only a narrow range of approvals and disapprovals of chemical response techniques were asked of the EPA in this incident. But it did not perform well even this limited task due to a lack of adequate testing and a backlog of approval authorization actions.

The EPA had no capacity to propose response strategies to the *Exxon Valdez* wreck, only to pass on the proposals of others. For example, the agency was in no position to propose alternatives to Corexit, Exxon's patented dispersant, or to challenge its use. The causes of this performance lapse include inadequacies in the research and development budget of the agency.

Although it is formally identified as the federal government's lead responder on land spills, the role of the EPA in such events has not been conspicuous. The agency has no capability in Alaska to regulate oil spill prevention or plan for contingencies and has only a limited capacity to respond to a spill by flying people into the state in an advisory role.

The state should empower itself to take over direction of the response to any spill in Alaska waters.

There is no indication the federal government is inherently better suited than the State of Alaska to respond effectively to an oil spill in Alaska waters. Indeed, the state often will have more response resources than the federal government as well as a greater knowledge base concerning local circumstances. The state's resources and expertise generally will be more readily available in the crucial early hours of a spill.

The state has a constitutional obligation to protect its own resources and the primary responsibility to assist its own citizens. Considering the limited capabilities of federal agencies to respond to a variety of contingencies and the industry's conflict of interest, the state can never rely completely on the United States government or on industry to protect the resources of the state, whether on federal or state lands.

The state's authority should include the power to command the spill cleanup, to apportion scarce public and private resources, and to set in motion an emergency procurement process that will bypass the red tape that was a conspicuous element in the response to the *Exxon Valdez* wreck.

Even when the federal government maintains authority over a spill, the scheme for direction and command should permit full cooperation with state authorities.

Though primary responsibility for the salvage of vessels and the safety of crews should remain with the Coast Guard, pollution abatement may be left to the direction of state authorities indicating a willingness and capacity to do so with the support of federal resources. In particular, the state on-scene commander should be empowered to give binding directions to a spiller concerning particular response strategies. Community impact functions should be left to the standard emergency response command system.

The state should establish community-based response depots under the management of the state Department of Military and Veterans Affairs.

A major oil spill is in many respects analogous to emergencies such as floods, forest fires and earthquakes. Persons trained in emergency systems to mobilize a large workforce quickly and with the required urgency tend to be better equipped to respond to a major spill. Those specially trained in environmental protection perform better in advice on establishing goals and objectives and in evaluating the impact of the operation.

A state response committee made up of representatives of the appropriate state and federal agencies should be created to review state response plans and participate in periodic drills.

Local volunteer and part-time spill response units should be established, trained and equipped under the direction of the state Department of Military and Veterans Affairs.

Trained volunteer and part-time spill response units, properly trained, supervised and mobilized, should be prepared to protect critical habitat by keeping oil from reaching the shore or protected areas. The work of

Recommendation 42
State role under federal authority

Recommendation 43
State response depots

Recommendation 44
Immediate local response

Cordova fishing community mobilizing a "mosquito fleet" to protect fish hatcheries after the *Exxon Valdez* wreck is an instructive example. The local experience, knowledge and equipment of a trained volunteer corps should be put to work to help protect local resources.

Recommendation 45
Comprehensive regional response plans

The state should develop regional response plans reviewed by appropriate regional advisory committees. Private contingency plans should be developed that presume and mesh with the regional response plan.

Regional committees should be made up of local community members, state and federal agencies and industry. They will prepare the regional response plans and participate in drills to insure readiness. When a spill occurs this committee makes decisions regarding the region and reports to the on-scene commander. During the aftermath of the *Exxon Valdez* wreck the best example of a coordinated response was the response in Seward. The incident command system was fully employed and was able to carry out a well-managed, organized response.

These committees need to be predesignated before spills so they can participate in the planning process and be even more effective in responding to spills when they occur.

Recommendation 46
Regional response capability

The regional response capability designated in the regional response plan should be able to respond to a major spill with the speed of a fire department to protect habitat and contain, transform, recover or destroy a major spill before it reaches shore.

Time is the critical factor in all attempts to limit the environmental damage in a major spill by keeping oil off the shore. Regional response organizations must perform swiftly and with clear command and control to maintain the hope of keeping oil off the beach.

Recommendation 47
Emergency economic maintenance

The state should sponsor a system of emergency economic maintenance for persons immediately and seriously affected adversely by a spill.

The financial victims of a spill should not be subject to economic pressures to settle their claims quickly. Victims whose injury is indirect also should receive some early relief. The economic maintenance system should follow the pattern of unemployment insurance but would cover all

classes of people injured by a spill, not just insured unemployed. This program should be funded from spill impact funds.

Concern for fish and wildlife resources was the dominant concern in the response of state agencies and federal environmental agencies. Impacts on people were given relatively lighter attention, despite the toll in human misery on those whose livelihood and way of life had been severely disrupted or effectively destroyed for the foreseeable future.

Exxon did set up a system for the early compensation of claims and settled a large number of them, an activity it was not required by law to undertake. A smaller and less financially capable company may not have been willing or able to provide such a system.

Exxon was able to mitigate claims against it by hiring large numbers of people put out of work by the spill in cleaning up after it. The injured and economically benefited, however, were far from congruent groups. The principal economic beneficiaries of the spill were the two corporations hired by Exxon to manage the cleanup.

Many fishers or other injured parties believed they were disadvantaged in dealing with Exxon on claims.

The private system was incomplete in that many people who suffered severe income loss received no compensation because their claims were not against Exxon or were not legally cognizable. For example, seafood processing workers and crews of fishing vessels that were not hired according to their annual expectation were left to their own resources. Some were successful in obtaining employment with Exxon or its contractors. Others were not.

"I can't quantify the losses that occurred because no in-place, quick studies were made as to what was happening to the economy at that time. We have lost the economic history."

*Vince O'Reilly, City of Kenai
Alaska Oil Spill Commission
hearing, 9/7/89*

"EPA classified Alyeska as a nonprofit organization and based their entire permit on that. When operations at Alyeska were compared to other operations including facilities partly owned by the Alyeska owner companies, it becomes readily apparent that the oil industry is operating under a set of global double standards."

*Dr. Riki Ott, Cordova District
Fishermen United*

*House Committee on Interior and
Insular Affairs hearing, May 1989*

IMPLEMENTING THE RESPONSE

Inevitably, a major spill will occur.

Just as inevitably, there will be surprise and chaos. But unpredicted circumstances and the disarray of managers caught off guard can be sharply reduced if a plan is in place that sets out in a coordinated fashion what people should do in emergency circumstances.

The failure of response to the *Exxon Valdez* disaster was made more poignant by the location of the accident. Bligh Reef is in protected waters, only 25 miles from one of the world's major oil terminals. Most of the cleanup equipment in the state was stored at the terminal, and the weather for the first three days after the spill was extraordinarily good.

Command and contingency plan changes contributed to the chaos. When it became obvious that Alyeska's contingency plan was inadequate, the local response commanders — the Coast Guard captain of the port, the Valdez field office chief for the Alaska Department of Environmental Conservation, and the manager of the Alyeska marine terminal — were replaced, even though they were the most familiar with the spill area and the existing contingency plan. Within 48 hours, the spill was being managed by a Coast Guard admiral, the head of Exxon Shipping Company and the commissioner of the Alaska Department of Environmental Conservation, none of whom had particular knowledge of the area or its response planning. Eventually the Exxon worldwide contingency plan took priority, even though it had no specific relationship to Prince William Sound.

Response to the *Exxon Valdez* wreck revealed confusion and unpreparedness on a massive scale. But because plans do not work perfectly does not mean that they don't work at all. There is no reason why the chaos of the *Exxon Valdez* response should be repeated.

"As regards the cleanup effort and the equipment, I think it would stop the average reader just to read that the equipment that was used in most cases was inadequate. In most cases it didn't work. In a lot of cases the equipment was not in place."

*Vince O'Reilly, City of Kenai
Alaska Oil Spill Commission
hearing, 9/7/89*

Recommendation 48
Incident Command System

"The cleanup effort consisted principally of managers, most of whom knew little about the area or environment they're entrusted to restore, fairly rigidly supervising laborers. These same managers, private and public, have discouraged volunteers with local knowledge from helping in the cleanup effort. This kind of centralization works for mobilizing heavy equipment and disposing of hazardous waste, ... but I think it's discouraged the flexibility and creativity needed to pick up oil with the primitive technology that we have in remote areas."

Professor Matt Berman, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

A formal command structure, known as the Incident Command System, should be used to direct response to oil spills.

The safety of the crew and salvage of the ship and cargo should be left primarily in the hands of the Coast Guard and the owner. The Incident Command System, which is familiar to many state and federal agencies, appears to be the optimum command and control system for other oil spill response functions. The system allows for training and management by state emergency and environmental authorities to cover three major responsibilities:

- Containment and recovery of the spill on water.
- Treatment of beaches and recovery of oil from the intertidal zone.
- Management of onshore impacts, primarily a responsibility of emergency response authorities.

The local on-scene commander can be predesignated under this system. The function of higher officials such as a federal "czar" should be to see that resources are mobilized and provided, not to replace the on-scene commander. Pre-incident agreements and the Incident Command System should guide the allocation of labor and equipment to communities.

A confusion of command and responsibility handicapped response in Prince William Sound, despite the good faith efforts of all parties. Similarly, a confusion of mission resulted in a division between the very successful focus on the safety of the crew and salvage of the vessel and its cargo and the much less effective effort to contain and recover the oil. Shore operations were often marked by chaos, misallocations of resources and neglect of the interests and wishes of residents.

In almost every command structure surrounding the *Exxon Valdez* spill, the individual most knowledgeable about the circumstances of the spill and theoretically charged with response was quickly replaced by a person who may never have read the local contingency plans. The Coast Guard appears to have rotated personnel through Prince William Sound for the experience.

A substantive role should be given to the affected communities in any response system.

Communities in proximity to the spill and in the shadow of the oil were not given a proportionate role in the response system after the *Exxon Valdez* accident. Frequently they were ignored. Often they devised their own strategies for response, for instance acquiring or manufacturing boom by themselves. Yet local interests, local knowledge and experience with the ocean often made the community-based work force the most efficient available.

The state Department of Environmental Conservation should continue to insure spill response capability. For smaller spills this responsibility can be carried out or supported through private contract. In a major spill, where mobilization of private resources and multigovernmental agency response is required, the Department of Military and Veterans Affairs, with the advice of DEC, may determine that the spill be taken over by the state.

Confusion of command in response to the *Exxon Valdez* disaster grew out of the state's failure to focus response activity in a single agency with an operational capacity.

Distinctions were blurred in the *Exxon Valdez* disaster between the system for making decisions and responsibility for carrying them out. DMA is better suited than DEC to carry out operational decisions. DEC is better suited to provide quality assurance auditing functions and to give advice, as is the role of DEC in relation to the private spiller in charge.

Logistic support agencies were not sufficiently utilized in the *Exxon Valdez* spill as a result of a confusion between the decision-making process and execution command.

Responsibility for the management and preparedness of emergency local response activity should be vested in the Department of Military and Veterans Affairs.

Regional depots, now privately controlled under a Regional Response Agreement, should also be managed under the Department of Military and Veterans Affairs or as the department delegates. This may require some redelegation of authority vested in the Department of Environmental Conservation in the last session of the Alaska Legislature.

Recommendation 49
Enlarged community role

Recommendation 50
Allocation of state response authority

Recommendation 51
Enhanced role for Department of Military and Veteran Affairs

In their professional training the normal professional complement of the DEC consists of persons primarily trained in the measurement and evaluation of environmental quality. Such personnel are not as well trained in the skills of maintenance and mobilization of a workforce and equipment, communications, procurement and the like.

The personnel of DMA are primarily trained in emergency response, the mobilization of a workforce and equipment, emergency procurement and similar tasks. DMA's management of emergency response gives the DMA a standing outreach into all Alaska communities including personnel, equipment, a command structure, a work force, buildings, planes, vehicles, etc.

The DEC, a regulatory agency, though far better equipped and staffed than EPA, did not have a disaster response capability sufficient to meet a spill of large magnitude.

Recommendation 52
Emergency response
funding

An immediate funding mechanism must be available after a spill to allow the earliest commitment of response resources.

Procurement limitation was the first reason the Coast Guard did not take command of the *Exxon Valdez* spill, though other reasons, including presidential directive, followed.

"There was never a question in my mind about whether to incur a commitment or enter a contract because of worries about funding."

*Dennis Kelso, Commissioner
Alaska Department of
Environmental Conservation
Alaska Oil Spill Commission
hearing, 8/31/89*

An immediate funding mechanism would permit authorities to contract resources, the mobilization of a workforce, the purchase of supplies, etc. Procurement procedures normally followed to insure accountability make response efforts ineffective under emergency conditions. Until the governor is notified, the on-scene commander should be empowered to authorize the expenditure of funds. When the governor is notified of a spill, the governor should authorize the release of funds and determine their allocations among agencies. Both federal and state contingency fund sources are required for an effective spill response capability.

Public agencies were substantially handicapped by their inability to quickly commit themselves financially. In contrast, Exxon was the most effective responder because its officers on the scene had authority to commit the corporation. The Coast Guard is required to determine whether to federalize a spill based on whether the spiller is doing an adequate job. In fact, the Coast Guard determines whether the spiller can do a more effective job than the Coast Guard. This is almost always the case because the Coast Guard is handicapped by procurement limitations.

The EPA has no significant presence in Alaska capable of responding to a major spill on the uplands, notwithstanding that the response planning assumes the EPA will be in charge. In Alaska, this responsibility has been transferred by contract to the Bureau of Land Management.

A declaration of emergency should trigger the ability of the governor or other appropriate officials to release funds collected from state oil revenues to cover all impact costs, including economic maintenance programs and local impacts which become an extra burden on local services, whether provided by state or local government.

Indirect government service costs can be as important as direct spill expenditures in meeting a spill emergency. Local governments in particular were hard hit by lack of funding for increased burdens which hit everything from phone service to mental health during the crisis following the *Exxon Valdez* spill.

Exxon released some funds to communities for service needs, which it was not obliged to do. But the availability of such funds should not depend on the policy of the spiller.

As a prevention incentive, existing regulations should be broadened to insure that in future spills the state can recapture all expenses directly or indirectly incurred by the state, its subdivisions and private parties to whom the state owes reimbursement or who have benefited under the state's oil spill disaster economic-maintenance program.

Disagreement on reimbursable costs that resulted in an economic loss to the state resulted in the cancellation of a contract by which, on the pipeline route, DEC exercised EPA authority over spills, all to the detriment of environmental protection.

Reimbursability became a criteria for state response in the *Exxon Valdez* spill, to the detriment of the environment and people injured by the spill.

A fund should be created in state government to help local governments cover public spill costs caused by oil and hazardous substance releases that cannot be charged back to responsible parties.

Recommendation 53
Local service impact funding

Recommendation 54
Full-cost reimbursement

Recommendation 55
Private contingency plans

"The seven oil companies who own Alyeska broke a contract with the U.S. government and the people of the state of Alaska. Simply put, Alyeska was unprepared to deal with an oil spill of this magnitude, as they promised they would be, and they failed to react quickly during the critical early hours of the spill to minimize environmental damage, as they are mandated to do."

*Dr. RIKI OH, Cordova District Fishermen United
House Committee on Interior and Insular Affairs hearing, May 1989*

Private parties carrying oil must have a state-approved plan of response to spills of all sizes, including a worst-case scenario, that can be used under either private, federalized or "Alaskanized" spill response.

The state requirement that Alyeska's contingency plan respond to the "most probable" spill, however, put a lid on expectations about response to a worst-case spill. Alyeska did not prepare beyond the state's minimum standard and did not advocate a higher one.

The risk of a catastrophic spill cannot be reduced to zero as long as oil is carried in large quantities. But the interval between spills can be lengthened and the impact mitigated.

Under known and approved technology, it is also incorrect to assume during contingency and response planning that nearly all oil will be recovered. Under extreme circumstances of weather and location, no oil may be recovered. Here the emphasis should be on critical habitat protection.

In reviewing plans for unfavorable circumstances, DEC should determine a standard of "good effort" rather than one based on a fully successful result.

We know of no effective way to prevent major damage once oil reaches the intertidal zone and shore. To be most effective spill response must be immediate to keep oil from spreading or reaching shore and critical habitat. In the case of a spill near shore, it is not the magnitude of the response over time but what is done in the first few hours that offers the most protection.

Exxon Corporation ultimately marshaled an impressive array of resources and spent great sums of money in the *Exxon Valdez* cleanup. As each hour from the time of the wreck passed, however, the worth of each resource commitment and dollar rapidly declined. After two days, the spill managers were effectively incapable of preventing the spill from reaching shore and destroying major habitat areas.

Though containment and cleanup actions were undertaken at great cost and eventually with massive participation by many parties, containment was fundamentally flawed and failed as a result of insufficient resources being applied too slowly to prevent the oil from hitting the beaches.

The lack of resources was compounded by the absence of a standardized system of information transfer in the first few hours and confusion in the

command and response system that resulted in decision-making and mobilization lapses in the first critical hours.

Beach treatment, a major investment by Exxon, was too late to touch more than a small percentage of the spill. Large quantities of oil remain in the substrata of beaches and continue to exact a toll on the biosphere. Technologies used to get large quantities of substrata oil out tend to take a high toll on the environment. Assessment of beach condition in Prince William Sound is problematic since the treatment had a cataclysmic effect, if not on the magnitude of the oil, on intertidal life.

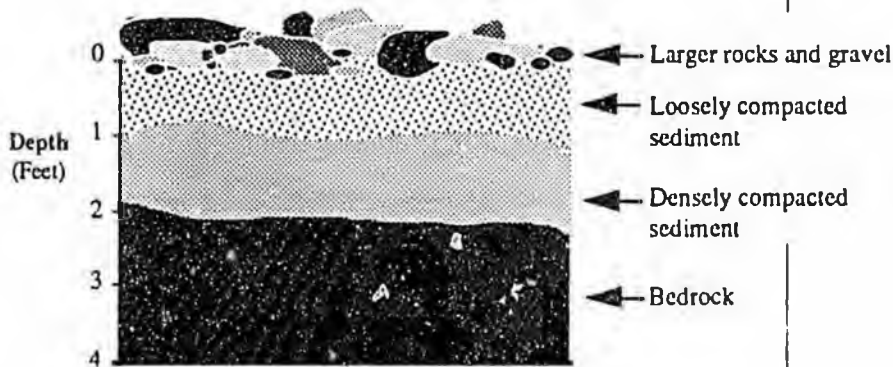
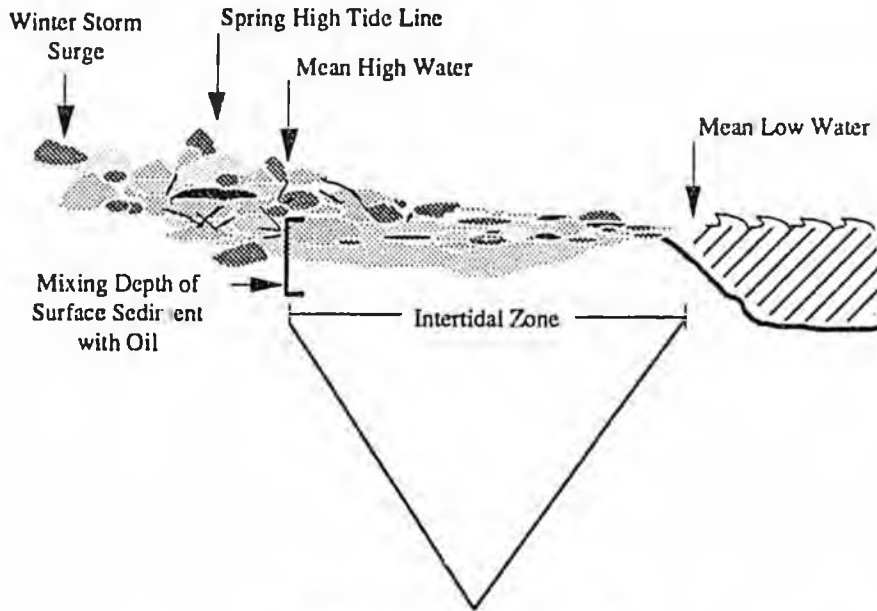
"Clearly from our understanding of what the state expected from us and what the people of the state expected from us, we had a good plan and we executed it. The problem many times is that people automatically assumed that adequacy or inadequacy hinges on being able to pick up 248 or 262,000 barrels before it gets on the shore."

Theo L. Polasek, Vice President of Operations

Alaska Pipeline Service Company

House Committee on Interior and Insular Affairs hearing, May 1989

Typical Beach Profile in Prince William Sound



RESEARCH & DEVELOPMENT

The *Exxon Valdez* disaster has awakened industry, government and public interest in oil spill research. The May 1989 report to the president on the *Exxon Valdez* by Transportation Secretary Samuel Skinner and Environmental Protection Agency Administrator William Reilly bluntly concluded that "oil spill cleanup procedures and technologies are primitive." That view was echoed by the American Petroleum Institute, an industry group that issued a report calling for new private investment in research and development of spill response methods. Federal agencies are preparing research and development initiatives in spill response techniques, technology, training and deployment systems. There is also increasing interest in coordination and collaboration with other countries, particularly Canada, to provide faster progress, faster dissemination of research results, and less unnecessary duplication of effort.

Legislation now pending in Congress provides for the establishment and funding of oil spill research and development programs. One proposal would create a Prince William Sound Oil Spill Recovery Institute to identify and develop the best technology for dealing with spills in arctic and subarctic marine environments. Another would establish a minimum of six regional centers to address research needs.

Government-supported research and development should insure that public priorities are met, that government agencies expected to direct future oil spill response will be knowledgeable about new technologies and techniques, that regulation is appropriate and effective and that up-to-date response capabilities are maintained. Coordination and cooperation in research and development programs is in the interest of all concerned.

Alaska's interests in oil spill research should focus on specific Alaska marine habitats, the characteristics of oil and dispersant methods in arctic and subarctic waters, prevention research and training programs to ensure that Alaska response authorities will be fully prepared to understand and cope with future spills.

"We therefore are guinea pigs within a giant experiment, where facts are made to fit the hypothesis made. In our frustration of our loss, we fight an invisible enemy, and suffocate in the air polluted with politics."

*Dolly Reft, Kodiak native
Alaska Oil Spill Commission
hearing, 8/11/89*

"It's embarrassing to know that the level of our technology of this great country is what it is when I see out there that the most effective thing is an oil absorbent pad."

*Dennis Holan, Cordova fisherman
Alaska Oil Spill Commission
hearing, 6/28/89*

Recommendation 56
Knowledge transfer

“Cost avoidance also occurs through the efforts of managers of all agencies to try to control information in order to keep other people from finding out whether you might be able to do a better job. Public policy can improve organizations so that they do what we want.”

Professor Matt Berman, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

Recommendation 57
State research center

The United States, the State of Alaska and Canada should establish cooperative research programs to develop and disseminate knowledge on oil spill prevention and response.

Despite two decades of rising public concern for the environmental consequences of oil spills, research on the subject is still in its infancy. Prevention systems are haphazard. Spill response technology is untested and underdeveloped. Research investment is low, and institutional commitment to this field is scarce.

For a variety of reasons — including, predominantly, ignorance — the latest technologies were not used in the *Exxon Valdez* cleanup. Much of the available cleanup equipment had not been tested in the various circumstances facing cleanup crews. Due to caution or uncertainty, untested techniques were not quickly implemented.

The response effort was handicapped by the absence of a rapid, accurate and comprehensive system, available to all, for information on local conditions, habitat, fish and wildlife, currents and weather.

The primitive state of development of both prevention and response methods holds out some hope that, given sufficient investment, dramatic strides will be made in a short time.

Research dedicated to improving the state of knowledge in oil spill prevention and response should be undertaken to remedy information gaps. Among the topics that should be pursued are the relevant regional geography, environmental assets, weather, technological systems and basic research on the behavior of oil in water. Information management should be included in the agenda for response and contingency plans. Resources should be committed to ensure adequate information systems and services in emergency response efforts in the future.

The state should establish, in the University of Alaska system, an institute for research on oil spill prevention and response policy, technology, testing and evaluation.

An Alaska-based institute should be created and encouraged to strengthen its programs through consortium agreements with other institutions studying the safe transportation of hazardous substances. Research topics should include locality-specific investigations of marine habitat and the impact of oil, as well as prevention policy and response technology. The

institute also could develop and administer education, training and safety licensing programs for participants in oil transportation and handling. The institute's efforts should be coordinated with similar programs developed under federal authorization. Its functions should include making recommendations to appropriate authorities regarding changes in standards and requirements in oil and gas and hazardous substance transportation.

The research program should be established independently of the that conducted in support of fault-oriented litigation. Research since the *Exxon Valdez* wreck has been noticeably distorted by its litigation orientation.

Authorities responsible for testing and approval of response technologies such as dispersants, coagulants, burning and bioremediation should evaluate and decide whether to preapprove these technologies more rapidly.

Parties responding to the spill were handicapped to varying degrees by a lack of scientific knowledge concerning what was available, the properties and effectiveness of various technologies under varying conditions, and the lack of prior approval of response strategies. Those responsible for containment and cleanup were not fully advised on state-of-the-art methods or regularly provided with appropriate technology.

The system for testing and approving new response technologies is haphazard and slow and should be improved. Many emerging technologies hold promise, but they were untested and undeveloped at the time of the *Exxon Valdez* wreck.

The U.S. Navy's use of coagulants in containing and cleaning up ship-board fuel spills — fully tested for Navy use but no other — was of particular interest to the commission. The commission also was intrigued by reports of proposed vessel-based coagulant systems capable of jelling cargo in the vicinity of a breach and of vacuum-based systems for containing oil in a damaged vessel. Such avenues of development call for early and thorough exploration for possible use.

Key public agencies, notably the federal Environmental Protection Agency and the state Department of Environmental Conservation (both of which are involved in Regional Response Plans and the oversight of industry contingency plans), are charged with approving or disapproving response technologies for oil spill cleanup. A continuing, visible process for study, analysis and application of emerging technology is required.

"There is no mandate to a government body that when an incident like this occurs they shall go gather data. There's no mandate in place and there's obviously no funding for that mandate."

Vince O'Reilly, City of Kenai
Alaska Oil Spill Commission
hearing, 9/7/89

Recommendation 58 Pretesting

"Perhaps for the first time in history, the consequences and costs associated with major failures are greater than the value of the lessons we learn from those failures."

Professor Todd LaPorte, University
of California

Alaska Oil Spill Commission
hearing, 8/4/89

Recommendation 59
Tanker simulator training

"We need to establish a prize for invention of technologies that work. Organized research to produce information that would help achieve the goal of minimizing social costs isn't really being undertaken."

Professor Matt Berman, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

"I am skeptical that there will be as much scientific value gotten out of this situation as would otherwise be possible. That's partly because the work is confidential and partly because the work is focused on determining the extent of environmental injury, which is not the same as understanding in ecological or social terms the impact of this event."

Professor David G. Shaw, University of Alaska

Alaska Oil Spill Commission hearing, 9/21/89

The West Coast states should create a training center using simulators to advance the knowledge of masters, mates, pilots and shipboard bridge crews in the operations of very large vessels in West Coast ports.

There is currently no place on the West Coast where mariners can receive real-time simulation training in the bridge operations of very large ships. Maintaining an adequate pool of ships' officers and pilots fully trained in up-to-date circumstances will enhance safety and efficiency in the maritime industry.

Note: Those who wish to review in more detail the factual circumstances explored by the commission and the options considered and rejected in choosing these specific remedies will find explanations in a longer report still to be published and in the specific studies accepted by this commission from its contractors.

Commission members

Walter B. Parker, chair—Anchorage, a former technical staff director of Alaska's Office of Pipeline Coordinator, currently is president of his own transportation and resource consulting firm and president of the Alaska Academy of Engineering and Sciences. Parker served on the Federal Field Committee for Planning in Alaska and co-chaired the Joint Federal-State Land Use Planning Commission for Alaska 1976-79. He was Alaska Commissioner of Highways and an Anchorage municipal assembly member during the 1970s. He was chairman of the Alaska Oil Tanker Standards Task Force 1975-1977 and served 24 years with the Federal Aviation Administration.

Esther Wunnicke, vice chair—Anchorage, is an attorney who served as commissioner of the Alaska Department of Natural Resources in the early and mid-1980s. She managed the U.S. Department of the Interior's Alaska Outer Continental Shelf Office, co-chaired the Joint Federal-State Land Use Planning Commission for Alaska in the mid- and late 1970s, and served on staff of the Federal Field Committee for Development Planning in Alaska.

Margaret Hayes—Anchorage, is a geologist and former director of the Alaska Department of Natural Resources Division of Land and Water Management. She was employed by the department in various capacities from 1975 through 1988.

Tim Wallis—Fairbanks, is president of Tim Wallis and Associates, a consulting firm. The firm is currently representing a municipality and other interests as a lobbyist in Juneau. Wallis is a former state legislator, past president of Doyon, Ltd., an interior Native corporation, as well as the past president of Alaska Federation of Natives and the Fairbanks Native Association.

John Sund—Ketchikan, is a former state legislator and commercial fisherman who now practices law and operates a fish-processing firm. Sund served on the Resources Committee as a state House member from 1984 to 1988 and from 1981 to 1985 was president and chief executive officer of the Waterfall Group Ltd., a resort operation.

Edward Wenk, Jr.—Seattle, professor emeritus of engineering, public affairs, and social management of technology at the University of Washington, is a former advisor to three presidents and Congress. An expert on the strength of ships, Wenk was a test pilot on the initial deep dive of America's first nuclear submarines and developed a world-class lab on the structural mechanics of submarine pressure hulls. The author of more than 150 papers and books, many on the interaction of technology with people and politics, he holds a master's of science from Harvard University and a doctorate of engineering from Johns Hopkins University.

Michael Herz—Berkeley, Calif., has studied previous oil spills and tanker accidents and is currently baykeeper and executive director of the San Francisco Bay-Delta Preservation Association, a nonprofit corporation that monitors oil and chemical spills. An advisor on oil spill dispersants, waste disposal, and the impact of oil spills on fisheries, Herz studied and produced a major report on the 1984 Puerto Rican tanker spill and has co-written three books and more than 80 technical reports and papers. He holds a doctorate from the University of Southern California, was a postdoctoral fellow at UCLA's Brain Research Center, and has been involved in marine research and policy since 1973.

Statutes and Regulations

**Board of
Marine Pilots**

September 1991

ALASKA

**DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING**

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INTRODUCTION

The following section of HB 194 (sec. 1 ch. 89 SLA 91), passed in the first session by the Seventeen Legislature, clearly identifies the duties of and the necessity for the Board of Marine Pilots:

***Section 1. POLICY, FINDINGS, AND INTENT.** (a) It is the policy of the state to prevent the loss of lives and property, and to protect the marine environment of the state by requiring compulsory pilotage on the inland and coastal water of and adjacent to the state.

(b) The legislature finds that

(1) in order to assure the protection of lives and property and the marine environment of the state, licensed marine pilots having extensive local knowledge are required to pilot certain vessels on the inland and coastal water of and adjacent to the state;

(2) it is necessary to give the Board of Marine Pilots broad statutory authority, including the authority to establish pilotage regions and maximum tariffs and the authority to establish criteria for the training and licensing of marine pilots;

(3) marine pilots operating as independent contractors have provided and will continue to provide essential services to the people of the state;

(4) marine pilots further the public interest by providing safe pilotage on the inland and coastal water of and adjacent to the state;

(5) in the past, pilot organizations have provided, and in the future will continue to provide, important services on behalf of marine pilots; these pilot organizations have furthered the policy of protecting lives and property and the marine environment on the inland and coastal water of and adjacent to the state.

(c) It is the intent of the legislature that the Board of Marine Pilots

(1) exercise jurisdiction over pilotage and marine pilots on the inland and coastal water of and adjacent to the state to the maximum extent allowed under federal and state law; and

(2) work with

(A) marine pilots to ensure that safe pilotage is maintained in the state; and

(B) pilot organizations in a cooperative effort to enhance the policy of protecting lives and property and the marine environment.

**CHAPTER 62.
MARINE PILOTS.**

Article

1. Board of Marine Pilots (§§08.62.010—08.62.050)
2. Licensing (§§08.62.080—08.62.155)
3. General Provisions (§§08.62.157—08.62.990)

**ARTICLE 1.
BOARD OF MARINE PILOTS.**

Section

10. Creation and membership of board
20. Appointment and term of office
30. Meetings
40. Powers and duties
45. Pilotage tariffs
50. Marine pilot coordinator

Sec. 08.62.010. Creation and membership of board. There is created the Board of Marine Pilots. It consists of two pilots licensed under this chapter who have been actively engaged in piloting on vessels subject to this chapter, two agents or managers of vessels subject to this chapter, two public members in accordance with AS 08.01.025, and the commissioner or the commissioner's designee. Not more than one pilot and one agent or manager shall be from any one judicial district. All members of the board shall be residents of the state.

Sec. 08.62.020. Appointment and term of office. The governor shall appoint members of the board under AS 08.01.020.

Sec. 08.62.030. Meetings. The board shall hold at least three regularly scheduled meetings each year. The board may hold special meetings at the call of the chair or at the request of a majority of the members of the board.

Sec. 08.62.040. Powers and duties. (a) The board shall

(1) provide for the maintenance of efficient and competent pilotage service on the inland and coastal water of and adjacent to the state to assure the protection of shipping, the safety of human life and property, and the protect of the marine environment;

(2) consistent with the law, adopt regulations, subject to the Administrative Procedure Act (AS 44.62), establishing the qualifications of and required training for pilots and providing for the examination of

pilots and the issuance of original or renewal pilot licenses to qualified persons;

(3) keep a register of licensed pilots, licensed deputy pilots, and agents;

(4) adopt regulations establishing

(A) pilotage regions in the state;

(B) the criteria for concurring in the amount of license, application, training, investigation, and audit fees proposed by the department under AS 08.01.065;

(C) the criteria for recognizing pilot organizations under AS 08.62.175

(5) make available, upon request, copies of this chapter and the regulations adopted under this chapter;

(6) review and approve the articles, bylaws, and rules of pilot organizations;

(7) audit a pilot organization or an individual pilot as necessary to implement and enforce this chapter;

(8) review and approve training programs conducted by pilot organizations; the board shall cooperate with the Department of Environmental Conservation in the review and approval of training programs for pilots of tank vessels; and

(9) establish and publish the dates of future license examinations.

(b) The board may, by regulation, make any other provision for proper and safe pilotage upon the inland and coastal water of and adjacent to the state and for the efficient administration of this chapter.

(1) different licensing criteria for a pilotage region if justified by regional differences in piloting;

(2) a mandatory random drug and alcohol testing program for pilots licensed under this chapter;

(3) criteria for trainee selection and for training programs conducted by pilot organizations; and

(4) standards under which a pilot may receive a license or an endorsement to a license to pilot vessels in more than one pilotage region.

(c) The board may, for good cause, require a pilot licensed under this chapter to submit to a physical or mental examination to determine the pilot's fitness to perform the duties of a pilot.

(d) Notwithstanding the exemption from AS 45.50.562 - 45.50.596 granted to pilot organizations under AS 45.50.572(a), the board may not adopt a regulation or take other action resulting in anti-competitive activities that, if the board were subject to AS 45.50.562-45.50.596, would violate AS 45.50.562-45.50.596.

Sec. 08.62.045. Pilotage tariffs. (a) The board shall adopt by regula-

tion maximum tariffs that may be charged by pilots for the provision of specific pilotage services. The board shall identify those expenses that are included in the tariff. In adopting maximum tariffs under this subsection, the board shall take into consideration

- (1) reasonable compensation for actual time aboard a vessel as a pilot and for time engaged in preparing to provide pilotage services;
- (2) differential compensation for seasonal and weather conditions, risks involved in providing pilotage service, and overtime;
- (3) dispatch expenses, transportation expenses, and other associated costs directly related to the provision of pilotage services;
- (4) reasonable overhead expenses that are necessary to provide year round pilotage services for the region; and
- (5) other expenses identified by the board.

(b) A pilot organization recognized by the board, acting on behalf of its members, may adopt a new or revised tariff for provision of pilot services if the pilot organization follows the procedures set out in (c) of this section. The tariff adopted under this subsection must include those expenses identified by the board under (a) of this section, but may not exceed the maximum tariff set by the board. The tariff adopted under this subsection may be revised annually.

(c) A pilot organization shall send a notice of intent to adopt a tariff for provision of pilot services to the board and publish the notice on at least three days during a period of 14 consecutive days in a newspaper of general circulation in the state. The notice of intent to adopt a tariff shall include a copy of the proposed tariff, the name and mailing address of the pilot organization that intends to adopt the tariff, and a statement of the time and place of adoption of the tariff. A pilot organization may not adopt a tariff until 30 days have elapsed from the later of the mailing of the notice of intent to adopt a tariff to the board or the last date of publication of the notice of intent to adopt a tariff. A tariff may not take effect until 30 days after the tariff is adopted by the pilot organization.

(d) A pilot organization recognized by the board or a member of the pilot organization may not charge a tariff for the provision of pilotage services that exceeds the maximum tariff set by the board, that is different from the tariff adopted by the pilot organization, or that has not taken effect under (c) of this section. *(This section repealed June 30, 1994.)*

Sec. 08.62.050. Marine pilot coordinator. (a) The department, with

the approval of the board, may hire a marine pilot coordinator who is qualified to assist the board in administering and enforcing the provisions of this chapter. The coordinator is in the partially exempt service under AS 39.25.120.

(b) The person who is hired as coordinator may not

- (1) be an active member of a pilot organization in the state;
- (2) work as a pilot while employed as the coordinator, except to the extent required by official duties; or
- (3) have a financial interest in a pilot organization or in a pilot vessel or other equipment under by a pilot organization.

ARTICLE 2. LICENSING.

Section

80. License requirements
90. Application
93. Qualification for deputy marine pilot license
97. Training programs for deputy marine pilot license
100. Qualifications for a marine pilot license
120. Renewal of license
130. Lapsed license
140. Fees
150. Denial, revocation or suspension
155. Disciplinary sanctions

Sec. 08.62.080. License requirements. (a) A person may not pilot a vessel subject to this chapter unless the person is licensed under this chapter.

(Editor's note. — Effective January 1, 1993, this subsection will read: (a) A person may not pilot a vessel subject to this chapter unless the person is licensed under this chapter and is a member of a pilot organization recognized by the board.)

(b) A pilot may not be licensed in more than one pilotage region at one time, unless the board determines that it is in the best interests of the state to license pilots for parts of more than one pilotage region.

(c) A license issued under this chapter must identify the specific waterways and ports in each pilotage region in which a licensee is authorized by the board to pilot vessels. The board shall authorize a licensee to pilot vessels in a specific waterway or port in a pilotage region upon the licensee satisfying the training and other qualifying requirements required by the board to pilot vessels in that waterway or port.

Sec. 08.62.090. Application. (a) A person who desires to be licensed

under this chapter shall apply in writing to the department.

(b) The application shall provide the information and be made on a form prescribed by the board.

(c) In order to be eligible to take the next scheduled examination, a person shall file the application with the board at least 60 days before the date of the examination.

Sec. 08.62.093. Qualifications for deputy marine pilot license. (a) The board shall issue a deputy marine pilot license for a marine pilotage region to a person who

(1) is a citizen of the United States;

(2) passes the written and oral examinations that may be required by the board;

(3) has completed training requirements established by the board; and

(4) satisfies (b) and (c) of this section.

(b) A person who applies for a deputy marine pilot license under this chapter shall provide proof satisfactory to the board of the following experience;

(1) one year of service as a master on ocean or coastwise vessels while holding a license as master of ocean steam or motor vessels of any gross tons;

(2) two years of service as a master on vessels or tug and tow of not less than 1,600 combined gross tons while holding a license as master of ocean steam or motor vessels of any gross tons;

(3) two years of service as a chief officer on ocean or coastwise vessels of not less than 1,600 gross tons while holding a license as master of ocean steam or motor vessels of any gross tons;

(4) two years of service as commanding officer of United States commissioned vessels of not less than 1,600 gross tons while holding a licensing as master of ocean steam or motor vessels of any gross tons; or

(5) three years of experience as a member of a professional pilot's organization, during which the person actively engaged in piloting while holding at least a license as a master of freight or towing vessel of not more than 1,600 gross tons.

(c) A person who applies for a deputy marine pilot license under this section shall possess an endorsement of first class pilotage on the person's United States Coast Guard license without tonnage restrictions for the pilotage region for which the person seeks the deputy marine pilot license.

(d) A person licensed as a deputy marine pilot under this section may, except as otherwise provided by the board, pilot vessels of 20,000 gross tons or less in a marine pilotage region for which the license is

issued.

(e) In this section, "years of service" has the meaning given to the term by the United States Coast Guard under 46 C.F.R. 10.

Sec. 08.62.097. Training programs for deputy marine pilot license.

(a) The board shall establish standards for training programs for a deputy marine pilot license. The standards may include requirements for

(1) supervised familiarization and training trips on vessels subject to this chapter;

(2) supervised docking, undockings, and tug assisted maneuvers;

(3) special training or experience necessary to qualify for a deputy marine pilot license for a particular marine pilotage region;

(4) completion of the training program within a specified period;

(5) other training or experience that the board considers appropriate.

(b) A person who supervises the training of persons who are seeking a deputy marine pilot license under this chapter shall

(1) hold a marine pilot license issued under AS 08.62.100;

(2) receive prior authorization from the board to supervise the training of those persons;

(3) maintain a written log and evaluation on a form provided by the board of the training and progress of the person being supervised.

Sec. 08.62.100. Qualifications for a marine pilot license. (a) The board shall issue a marine pilot license for a marine pilotage region to a person who

(1) is a citizen of the United States;

(2) passes examinations that may be required by the board;

(3) has three years' experience as a deputy marine pilot licensed under this chapter; and

(4) satisfies additional requirements as may be required by the board by regulation.

(b) Notwithstanding (a) of this section, a person who holds a marine pilot license of any type on the day before the effective date of this section shall, subject to continued eligibility for the license under this chapter and regulations adopted under this chapter, receive a renewable marine pilot license of the same type and subject to the same qualifications and endorsements as that which the person held on the day before the effective date of this section. A person who receives a license under this subsection may change the type of marine pilot license and the qualifications and endorsements attached to the license in accordance with regulations adopted by the board.

Sec. 08.62.120. Renewal of licenses. (a) In order to renew a marine pilot license, a person who is licensed under AS 08.62.100 shall

(1) submit an application for renewal of the licence on a form provided by the board;

(2) submit proof of continued qualification under AS 08.62.100 to receive a marine pilot license;

(3) provide evidence of satisfactory completion of a physical examination by a licensed physician within 60 days before the date of renewal of the license;

(4) submit proof satisfactory to the board that the person has

(A) engaged in piloting vessels subject to this chapter in the marine pilotage region for which the license is to be renewed during at least 60 days of each pilotage calendar year in the licensing period immediately preceding the licensing period for which renewal is sought; or

(B) completed the minimum number of familiarization trips required by the board for renewal of a marine pilot license for a marine pilotage region for which the license is to be renewed.

(b) The board shall established criteria for the renewal of a deputy marine pilot license.

Sec. 08.62.130. Lapsed license. (a) The board shall reinstate a lapsed marine pilot license if, in addition to complying with the requirements of AS 08.01.100(a) - (c) and AS 08.62.120, the pilot takes and passes a written and oral examination if the license has been lapsed one year or more.

(b) The board shall establish criteria for reinstatement of a lapsed deputy marine pilot license.

Sec. 08.62.140. Fees. The department shall set fees under AS 08.01.065 for applications, licenses, agent registrations, investigations, audits, and training.

Sec. 08.62.150. Denial, revocation or suspension. (a) The board shall impose a disciplinary sanction on a person licensed under this chapter when the board finds that the person

(1) is incompetent in the performance of pilotage duties;

(2) is chemically impaired;

(3) illegally possesses, uses, or sells narcotic or hallucinogenic drugs;

(4) makes a false statement to obtain a license;

(5) violates a provision of this chapter or a regulation adopted under it;

- (6) is guilty of misconduct during the course of employment;
- (7) has had the person's United States Coast Guard pilot license conditions, suspended, or revoked; or
- (8) charges, collects, or received an amount for pilotage services that is in excess of the maximum tariff established by the board or different from the tariff adopted by the pilot organization of which the person is a member.

Sec. 08.62.155. Disciplinary sanctions. (a) The board may take disciplinary action against a person licensed under this chapter under AS 08.01.075.

(b) The department may impose a civil fine not to exceed \$5,000 on a marine pilot organization recognized by the board, if the organization violates this chapter or a regulation adopted under this chapter.

ARTICLE 3. GENERAL PROVISIONS.

Section

- 157. Duties of licensed pilots
- 160. Mandatory employment of licensed pilots
- 163. Pilots as independent contractors
- 165. Limitation of liability
- 170. Pilot's lien for compensation
- 175. Regional marine pilot organizations
- 180. Exemptions
- 185. Certain licensed pilots required for oil tankers
- 187. Registration of agents required
- 190. Penalty
- 200. Definitions

Sec. 08.62.157. Duties of licensed pilots. (a) A person licensed under this chapter has a primary duty to safely navigate vessels under the pilot's direction and control and to protect life and property and the marine environment while engaged in the provisions of pilot services.

(b) A person licensed under this chapter shall report to the appropriate authority all violations of a federal or state pilotage law.

Sec. 08.62.160. Mandatory employment of licensed pilots. A vessel subject to this chapter navigating the inland or coastal water of or adjacent to the state as determined by the board in regulation shall employ a pilot holding a valid license under this chapter. The board shall define the mandatory pilotage water of the state.

Sec. 08.62.163. Pilots as independent contractors. (a) Pilots licensed under this chapter are independent contractors and may not be employed as an employee of the owner or operator of a vessel subject to

this chapters.

(b) The owner or operator of a vessel subject to this chapter may not employ a person licensed under this chapter as an employee.

Sec. 08.62.165. Limitation of liability. (a) A pilot licensed under this chapter is not liable for damages in excess of \$250,000 per incident for damages or loss occurring as a result of the error, omission, fault, or neglect of the pilot in performing pilotage services, except that the limitation does not apply in a case where

(1) the pilot is either grossly negligent or guilty of wilful misconduct; or

(2) the error, omission, fault, or neglect of the pilot constitutes an act for which the board shall impose a disciplinary sanction under AS 08.62.150(a)(1), (2), (3), (5), (6), or (7).

(b) Nothing in this section exempts a vessel, a vessel's cargo, or the owner or operator of a vessel or cargo from liability for damage or loss caused by the vessel, the vessel's cargo, or the owner or operator of the vessel or cargo to the vessel, the vessel's cargo, another person or other property on the ground that

(1) the vessel was piloted by a pilot licensed under this chapter; or

(2) the damage or loss occurred as a result of the error, omission, fault, or neglect of a pilot licensed under this chapter.

(c) An organization of pilots is not liable for claims arising from acts or omissions of a pilot who is a member of the organization or for acts or omissions of another organization of pilots that relate to pilotage of a vessel. A pilot is not liable, directly or as a member of an organization of pilots, for claims arising from acts or missions of another pilot or organization of pilots that relate to pilotage of a vessel. This subsection does not apply to acts or missions relating to the ownership or operation of pilot boats or the transportation of pilots to and from a vessel to be piloted.

Sec. 08.62.170. Pilot's lien for compensation. Each vessel, its tackle, apparel and furniture and the owner of the vessel are jointly and severally liable for the compensation of a pilot employed on the vessel and the pilot has a lien on the vessel, the vessel's tackle, apparel and furniture for the pilot's compensation.

Sec. 08.62.175. Regional marine pilot organizations. (a) To the extent permitted under federal and state law, persons licensed under this chapter may form organizations of pilots within each pilotage region established by the board.

(b) The board shall recognize pilot organizations that satisfy the minimum standards established by the board by regulation.

(c) A pilot organization recognized by the board shall

(1) promote safe and reliable system of marine pilotage for the region in which the organization is recognized;

(2) provide for the dispatch of pilots who are members of the organization;

(3) adopt and revise tariffs for the provisions of pilotage services by the members of the organization;

(4) be open to membership by all persons licensed under this chapter to pilot vessels in the pilotage region in which the organization is recognized;

(5) operate or participate in a training program for pilots and deputy pilots that is approved by the board;

(6) cooperate with and assist the board in implementing this chapter.

(d) A pilot organization recognized by the board may not begin operating until the articles, bylaws, and rules of the pilot organization are approved by the board on the basis of

(1) uniform and nondiscriminatory application of the articles, bylaws, and rules to marine pilots and deputy marine pilots licensed under this chapter and trainees for marine pilot licenses;

(2) compliance with applicable laws; and

(3) effectiveness in

(A) promoting an efficient, reliable, and professional marine pilotage system in the region;

(B) maintaining a sufficient number of qualified pilots available for dispatch to serve the needs of vessels visiting the region during each hour of the day and each day of the year to the extent that it is reasonably possible given the size of the membership of the pilot organization;

(C) promoting training programs for marine pilots and deputy marine pilots that are approved by the board.

Sec. 08.62.180. Exemptions. This chapter does not apply to

(1) vessels subject to federal pilot requirements under 46 U.S.C. 8502 except as provided in AS 08.62.185;

(2) fishing vessels, including fish processing and fish tender vessels registered in the United States or in British Columbia, Canada;

(3) vessels propelled by machinery and not more than 65 feet in length over deck, except tugboats and towboats propelled by steam;

(4) vessels of the United States registry of less than 300 gross tons and tow boats of United States registry and vessels owned by the State of Alaska, engaged exclusively

(A) on the rivers of Alaska; or

(B) in the coastwise trade on the west coast of the United States including Alaska, Hawaii, and British Columbia, Canada;

(5) vessels of Canada, built in Canada and manned by Canadian

citizens including Canadian cruise ships, engaged in frequent trade between British Columbia and Alaska, if reciprocal exemptions are granted by Canada to vessels owned by the State of Alaska and those of United States registry; and

(6) pleasure craft.

Sec. 08.62.185. Certain licensed pilots required for oil tankers. (a) Any oil tanker, whether enrolled or registered, of 50,000 dead weight tons or greater, shall, when navigating in state water beyond Alaska pilot stations employ a pilot licensed by the state under this chapter.

(b) The pilot required in (a) of this section shall control the vessel during all docking operations.

Sec. 08.62.187. Registration of agents required. A person may not act as an agent of a vessel subject to this chapter unless the person's name appears on the register of agents kept under AS 08.62.040(a)(3).

Sec. 08.62.190. Penalties. (a) A master or owner of a vessel required by this chapter to employ a licensed pilot who fails to do so when a licensed pilot is available, unless the perils or hazards of the sea prevent the employment of a pilot, is guilty of a misdemeanor and, upon conviction, is punishable by a fine not less than \$5,000 nor more than \$15,000 for the first offense and not less than \$10,000 nor more than \$30,000 for the second offense.

(b) A person who violates any other provision of this chapter or a regulation adopted under this chapter is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not less than \$1,000 nor more than \$5,000.

(c) For purposes of (a) of this section, the board shall define by regulation the phrase "when a licensed pilot is available."

Sec. 08.62.200. Definitions. In this chapter

(1) "board" means the Board of Marine Pilots;

(2) "commissioner" means the commissioner of the Department of Commerce and Economic Development;

(3) "department" means the Department of Commerce and Economic Development;

(4) "vessel" means all vessels not exempt under AS 08.62.180;

(5) "knowingly" has the meaning given in AS 11.81.900(a); and

(6) "pilot" means a person licensed under this chapter as a pilot or a deputy pilot.

Sec. 08.62.990. Short title. This chapter may be cited as the Alaska Marine Pilotage Act.

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12 AAC 56.011

12 AAC 56.011

CHAPTER 56.
BOARD OF MARINE PILOTS

Article

1. Licensing (12 AAC 56.011—12 AAC 56.080)
2. Compulsory Pilotage Waters
(12 AAC 56.090—12 AAC 56.120)
3. Rates (12 AAC 56.130—12 AAC 56.158)
4. Very Large Crude Carriers (VLCC)
(12 AAC 56.500—12 AAC 56.510)
5. General Provisions (12 AAC 56.930—12 AAC 56.990)

ARTICLE 1.
LICENSING

Section

11. Type of licenses and endorsements
21. Licensing areas
25. Applications
27. Dockings, undockings, and observer trips
30. Qualifications for unlimited pilot license
40. Qualifications for limited pilot license
45. Qualification for increased tonnage
50. Qualifications for channel pilot license
53. Qualifications for extension of route endorsement
60. Qualifications for temporary license
70. Examinations
75. Waiver of license qualification requirements
80. Biennial license renewal

12 AAC 56.011. TYPES OF LICENSES AND ENDORSEMENTS. (a)

The following licenses are issued by the board for the geographical areas listed in 12 AAC 56.021:

- (1) channel pilot;
- (2) limited pilot, step one;
- (3) limited pilot, step two;
- (4) unlimited pilot.

(b) A licensed pilot is restricted to piloting only in the geographical areas identified in 12 AAC 56.021 in which the pilot has a valid Coast Guard license and has

- (1) passed a local knowledge examination under 12 AAC 56.070 as part of initial licensure; or
- (2) received the appropriate extension of route endorsement under 12 AAC 56.053.

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(c) A licensee seeking a license endorsement for an extension of route shall apply under 12 AAC 56.053.

(d) A licensed unlimited pilot seeking a VLCC endorsement shall apply under 12 AAC 56.500.

12 AAC 56.021. LICENSING AREAS. (a) To facilitate relevant examination and administration, pilot's licenses will be issued for specific geographical areas as follows:

(1) Southeastern Alaska — covering the compulsory pilotage waters of Alaska commencing at the southern border with Canada when west and north along the coast to Cape Spencer;

(2) Southwestern Alaska — covering the compulsory pilotage waters of Alaska commencing at the eastern boundary of Prince William Sound then west, north, and east to the northern border with Canada.

(b) Exemptions to a basic Southeastern or Southwestern license will be listed on the license for areas in which the license is not qualified to pilot. Additions to a basic Southeastern or Southwestern license will be listed on the license for the compulsory pilotage waters of Alaska between Cape Spencer and Prince William Sound in which the licensee is qualified to pilot.

12 AAC 56.025. APPLICATIONS. (a) An applicant for any category pilot license shall apply on a form provided by the Department of Commerce and Economic Development and submit

(1) the required fee;

(2) evidence that the applicant is at least 25 years of age;

(3) a full-sized, certified copy of the applicant's valid Coast Guard license, with radar endorsement, as first-class pilot of vessels of any gross tons upon the waters for which the applicant is applying;

(4) a full-sized, certified copy of the applicant's valid Coast Guard license for master of steam or motor vessels of 1,000 gross tons or greater, including tow boat or freighting vessels, but excluding fishing vessels;

(5) the names and addresses of three Coast Guard licensed master mariners who may be contacted for a recommendation at testing to the applicant's professional qualifications and good moral character;

(6) documentation of the applicant's education, employment record, and other special qualifications, including, if possible, copies of discharges, certificates, and letters;

(7) a notarized statement by the applicant that within five years before the application, he or she has not been convicted of a felony and has not been convicted of any repeat minor offenses involving excessive use of drugs or alcohol;

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(8) evidence of a satisfactory physical examination with 90 days before the date of application, demonstrating that the applicant is in all respects physically fit to perform the duties of a pilot and including an examination of eyesight, hearing and blood pressure.

(b) *Repealed 7/26/90*

12 AAC 56.027. DOCKINGS, UNDOCKINGS, AND OBSERVER TRIPS. (a) All supervised dockings and undockings required to be done by an applicant for licensure under this chapter must have been

(1) executed while the applicant held a Coast Guard license as first-class pilot of vessels of any gross tons upon the waters for which the applicant is applying;

(2) executed while the applicant held a Coast Guard license as master of steam or motor vessels of 1,000 gross tons or greater, including tow boat or freighting vessels but excluding fishing vessels;

(3) executed within the two years before the date of application;

(4) completed with no more than five of the dockings and five undockings made under the supervision of the same pilot; and

(5) certified by the supervising pilot as having been satisfactory and must have included a full briefing and debriefing by the supervising pilot.

(b) A licensee holding a channel pilot license or a temporary license of any kind may not supervise the dockings and undockings required by 12 AAC 56.030(c)(2) and 12 AAC 56.040(c)(2).

(c) In addition to the requirements for licensure under 12 AAC 56.030, 12 AAC 56.040, or 12 AAC 56.050, six trips as a pilot observer are required in order to be licensed in those areas identified by the board, in regulation, which are not specifically tested for by the U.S. Coast Guard and, which the board has determined are areas where the difficulty of the route and the volume of shipping make additional observer trips necessary to adequately judge a pilot's competency in that area. At least one observer trip must be made within the three years preceding the date of application. All observer trips required under this section must be made on vessels equipped with working radar, fathometer, and compass.

(d) Compliance with (c) of this section is required for all west coast waters of Prince of Wales Island inside a line drawn from Point Marsh to Cape Muzon; then directly to the southern extremity of Warren Island; then to Black Rock. The applicant must have completed enough observer trips to have transited each of the following areas six times:

- (1) Warren Channel;
- (2) Boca de Finas;
- (3) San Christoval Channel;
- (4) Tlevak Narrows;

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12 AAC 56.040

(5) Hydaburg.

12 AAC 56.030. QUALIFICATIONS FOR UNLIMITED PILOT LICENSE. (a) An unlimited pilot license will only be granted to a licensed master who has extensive local knowledge with a wide range of experience handling a variety of ship types and sizes.

(b) An applicant for an unlimited pilot license shall have practical knowledge of the navigation of vessels and of the conditions of navigation in the waters for which applying, which will be determined by oral and written examination before the board from topics listed in 12 AAC 56.070(b) and (c).

(c) An applicant for an unlimited pilot license shall comply with 12 AAC 56.025 and shall submit evidence that the applicant

(1) has been a Coast Guard licensed master or pilot on the waters for which the applicant is applying for a minimum of one year; and

(2) has executed a minimum of 10 dockings and 10 undockings under the supervision of a state licensed pilot, at least half of which must have been on vessels requiring an Alaska license pilot and at least half of which must have been on vessels in excess of 20,000 gross tons.

12 AAC 56.040. QUALIFICATIONS FOR LIMITED PILOT LICENSE. (a) An applicant who does not qualify for an unlimited pilot license may qualify for a limited pilot license. The board will determine the appropriate step of an initial limited pilot license based on the applicant's experience, training, tonnage of dockings and undockings, tonnage of observer trips, limitations upon Coast Guard license and other information the board considers relevant. There are the following two categories of limited licenses:

Step 1, not more than 20,000 gross tons; and

Step 2, not more than 40,000 gross tons.

(b) An applicant for a limited license shall have practical knowledge of the navigation of vessels and of the conditions of navigation in the waters for which applying, which will be determined by oral and written examination before the board from topics listed in 12 AAC 56.070(b) and (c);

(c) An applicant for a limited pilot license shall comply with 12 AAC 56.025 and shall submit evidence that the applicant either

(1) has been a Coast Guard licensed master or pilot on the waters for which the applicant is applying for a minimum of one year, and has executed a minimum of 10 dockings and 10 undockings under the supervision of a state licensed pilot, at least half of which must have been on vessels in excess of 2,000 gross tons; or

(2) has executed a minimum of 20 dockings and 20 undockings

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under the supervision of a state licensed pilot, at least half of which must have been on vessels in excess of 2,000 gross tons.

12 AAC 56.045. QUALIFICATIONS FOR INCREASED TONNAGE.

(a) A pilot with a step one limited license wishing to increase the license to a step two license shall

(1) apply on a form provided by the Department of Commerce and Economic Development, not less than one year after the date the step one license was issued;

(2) submit evidence of 20 vessel movements while serving as a licensed State of Alaska pilot, at least 10 of which must have been on vessels in excess of 10,000 gross tons; and

(3) submit evidence of having performed five dockings and five undockings of vessels in excess of 10,000 gross tons.

(b) A pilot with a step two license wishing to increase the license to an unlimited license shall

(1) apply on a form provided by the Department of Commerce and Economic Development, not less than one year after the date the step two limited license was issued;

(2) submit evidence of 20 vessel movements while serving as a step two licensed State of Alaska pilot, at least 10 of which must have been on vessels in excess of 20,000 gross tons; and

(3) submit evidence of having performed five dockings and five undockings of vessels in excess of 20,000 gross tons.

(c) A pilot with either step limited license who subsequently satisfies the requirements of 12 AAC 56.030 for an unlimited license, may apply for an unlimited license. This application shall comply with the requirements of 12 AAC 56.025(a)(1), (3) and (4).

12 AAC 56.050. QUALIFICATIONS FOR CHANNEL PILOT LICENSE. (a) A channel pilot license is a license to pilot vessels of 20,000 gross tons or less in main ship channels only, and to perform dockings and undockings on y under the supervision of a pilot with an Alaska limited or unlimited license.

(b) The board will issue a channel pilot license to an applicant who has practical knowledge of the navigation of vessels and of the conditions of navigation in the waters for which applying, and verifies that knowledge and experience by

(1) complying with the application requirements of 12 AAC 56.025;

(2) passing an oral and written examination before the board from topics listed in 12 AAC 56.070(b); 3) providing documentation of all maritime experience in the waters for which he or she is applying.

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12 AAC 56.053. QUALIFICATION FOR EXTENSION OF ROUTE ENDORSEMENT. (a) An extension of route endorsement will, in the board's discretion, be issued to a pilot holding a permanent pilot license who has practical knowledge of the navigation of vessels and the conditions of navigation in the specific waters for which the pilot is applying for endorsement.

(b) A pilot seeking a license endorsement for an extended route shall

(1) comply with the application requirements of 12 AAC 56.025(a)(1), (3) and (4);

(2) take and pass a written, local knowledge examination in accordance with (c) of this section; and

(3) document the observer trips required by 12 AAC 56.027(c).

(c) An extension of route examination is the applicable written local knowledge section of the licensure examination identified in 12 AAC 56.070(b)(6). The examination will be conducted by two members of the board, one of which must be a pilot member, unless the requirement for a pilot is waived for cause by the chair man of the board. A pilot must receive a score of 75 percent to pass the extension of route examination.

(d) An extension of route endorsement will be added to the license of a pilot who successfully passes the extension of route examination. If a pilot fails an extension of route examination the pilot cannot retake that same examination for at least 30 days.

12 AAC 56.060. QUALIFICATIONS FOR TEMPORARY LICENSE.

(a) The board will, in its discretion, issue a temporary license to a person applying for a channel pilot license or a step 1 limited license who

(1) applies on a form provided by the department

(2) pays the fee required in 12 AAC 02.240;

(3) meet the requirements of 12 AAC 56.040 for a step 1 limited license or of 12 AAC 56.050 for a channel pilot license, except for passing the oral and written examinations;

(4) passes a written temporary license examination covering

(A) the international rules of the road, with a score of at least 90 percent; and

(B) up to 40 local knowledge questions, with a score of at least 75 percent; and

(5) passes the oral examination required in 12 AAC 56.070.

(b) Except for the rules of the road examination, the oral and written examinations required by (a)(4) and (a)(5) of this section do not qualify (as part of) the oral and written examinations required by 12 AAC 56.040 and 12 AAC 56.050 for permanent licensure.

(c) A temporary license is valid until the results of the applicant's

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permanent license examination are determined. The board will, in its discretion, extend a temporary channel pilot license one time only if, for a reason acceptable to the board, the applicant is unable to appear for the scheduled examination and, before the examination, the applicant requests an extension. A second temporary permit will not be issued to a person who fails the examination for a permanent license.

(d) A temporary license examination must be conducted by at least two members of the board, one of whom is a pilot member, unless this requirement is waived for cause by the chairman of the board.

(e) If an applicant fails the temporary license examination in (a)(4) of this section the applicant cannot retake the temporary license examination for at least 30 days.

12 AAC 56.070. EXAMINATIONS. (a) The examinations required by 12 AAC 56.030(b), 12 AAC 56.040(b) and 12 AAC 56.050(b) for permanent licensure will be given at least once a year at a meeting of the board. An application for examination must be received by the board at least 60 days before the date of the scheduled examination.

(b) Both the written and the oral examination will cover the following topics:

(1) international rules of the road;

(2) seamanship, including shiphandling underway, docking and undocking, including use of tugs and anchors, and emergency procedures;

(3) chart navigation, including aids to navigation, chart symbols and abbreviations, and use of charts in piloting;

(4) rules and regulations, including all federal and state statutes and regulations, affecting the piloting of vessels in compulsory pilotage waters of Alaska;

(5) pilot responsibilities, including duties of a pilot, relationship between master and pilot, practical operation of marine radar including plotting, and engine order and rudder commands for U.S. naval vessels, and foreign merchant vessels; and

(6) local knowledge of individual geographical areas, including routes from sea to port and port to port, change of course points and distances passed abeam, names and locations of landmarks, waterways and aids to navigation, tides and currents, weather, restricted areas and explosive anchorages, dredged channels, cable areas, and other anchorages, docks, and dangers.

(c) An applicant must pass the international rules of the road examination topic in (b)(1) of this section with a score of at least 90 percent and the examination topics in (b)(2)—(5) of this section with a score of at least 75 percent on each subject. After passing the topics in (b)(1)—

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(5) of this section, the applicant will be tested on local knowledge of individual geographical areas under (b)(6) of this section. A license will be issued only for those geographic areas regarding which the applicant passed with a score of at least 75 percent.

(d) In addition to the other topics listed in this section, an applicant for licensure will be orally examined by the board on the

- (1) information provided with the license application;
- (2) the applicant's conduct as a mariner; and
- (3) the applicant's past safety record as a mariner.

12 AAC 56.075. WAIVER OF LICENSE QUALIFICATION REQUIREMENTS. (a) The board will, in its discretion, waive a qualification requirement of 12 AAC 56.030 — 12 AAC 56.070 if it determines that the satisfaction of the purpose of the provisions is otherwise assured and that the applicant has been prevented from meeting the requirement by circumstances beyond the applicant's control.

(b) Application for a waiver must be made in writing and must include

- (1) identification of the requirement for which the waiver is requested;
- (2) documentation of why the requirement cannot be satisfied; and
- (3) a description of an alternative method, if any, proposed for meeting the purpose of the requirement to be waived.

12 AAC 56.080 BIENNIAL LICENSE RENEWAL. (a) All licenses expire on December 31 of even-numbered years. In order to renew the biennial license, a licensee must submit:

- (1) a renewal application;
- (2) evidence of a satisfactory physical examination within 90 days of the renewal date;
- (3) payment of the biennial license renewal fee established in 12 AAC 02.240; and
- (4) evidence of compliance with (b) of this section.

(b) A licensee who has not piloted in the compulsory pilotage waters of Alaska during either of the last two biennial license periods cannot be granted a license renewal until the board has determined that the licensee has sufficient knowledge and recent experience to pilot safely in the areas for which the licensee is licensed.

ARTICLE 2.
COMPULSORY PILOTAGE WATERS

Section

90. General rule for determining boundaries of the compulsory

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- pilotage waters of Alaska
- 100. Established boundaries of compulsory pilotage waters of Alaska
 - 110. Exclusions for entering compulsory pilotage waters of Alaska
 - 120. Pilot stations or pickup points

12 AAC 56.090. GENERAL RULE FOR DETERMINING BOUNDARIES OF THE COMPULSORY PILOTAGE WATERS OF ALASKA. At all entrances from seaward to Alaska bays, sounds, rivers, or other estuaries for which specific boundaries are not otherwise described in this chapter, compulsory pilotage waters are those waters inshore of a line drawn approximately parallel with the general trend of the shore through the outermost aid to navigation, or if no aid to navigation exists, then a line drawn from headland to headland across the mouth of the entrance.

12 AAC 56.100. ESTABLISHED BOUNDARIES OF COMPULSORY PILOTAGE WATERS OF ALASKA. Specific boundaries of the compulsory pilotage waters of Alaska are as follows:

(1) all waters inside a line drawn from Cape Spencer Light due south to a point of intersection which is due west of the southern extremity of Cape Cross; then to Cape Edgecumbe Light; then through Cape Bartolome Light and extended to a point of intersection which is due west of Cape Muzon Light; then due east to Cape Muzon Light; then to a point which is one mile, 180° true, from Cape Chacon Light; then to Barren Island Light; then to Lord Rock Light; then to the southern extremity of Garnet Point, Kanagunut Island; then to the southeastern extremity of Island Point, Sitklan Island; then from the northeastern extremity of Point Mansfield, Sitklan Island, 40° true, to the mainland;

(2) all waters of Prince William Sound and environs inside a line drawn from Cape Puget to Point Elrington; then to Cape Cleare; then Zaikof Point to Cape Hinchinbrook Light; then Point Bentinch Light to Okalee Spit;

(3) all waters of Resurrection Bay inside a line extending from the southern tip of Aialik Cape to the southern tip of Cape Resurrection;

(4) all waters of Cook Inlet inside a line extending from Cape Douglas to the western tip of Perl Island then northward to the shoreline of the Kenai Peninsula;

(5) all waters of Chiniak Bay inside a line extending from Cape Chiniak to the eastern tip of Long Island then to Spruce Cape;

(6) all waters of Marmot Bay and environs including eastern approaches, inside a line extending from Spruce Cape to the southern tip of Pillar Cape and western approaches, inside a line extending from

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Cape Nuniliak to the northern tip of Raspberry Island and also inside a line extending from Raspberry Cape to Miners Point;

(7) all waters of Chignik Bay inside a line extending from the eastern tip of Castle Cape to the western tip of Nakchamik Island thence to the eastern tip of Cape Kumhun;

(8) all waters of Unalaska Bay inside a line extending from the tip of the west headland of Constantine Bay to Eider Point;

(9) all waters of Port Moller and Herendeen Bay inside a line extending from Lagoon Point to Cape Kutuzof;

(10) all waters of Bristol Bay inside a line extending from Cape Newenham to Cape Pierce, then to Cape Constantine, then to the southern extremity of Egegik Bay;

(11) all waters of Kuskokwim Bay inside a line extending from Cape Newenham to Cape Avinof;

(12) all waters of Norton Sound inside a line extending from the western tip of Stuart Island to Cape Darby, then to Cape Nome;

(13) all waters of Port Clarence inside a line extending from Pt. Spencer Lt. North to the Seward Peninsula shore; and

(14) all waters of the Chukchi Sea and Kotzebue Sound inside a line extending from Cape Prince of Wales three miles due west (270° true) to a point approximately $65^{\circ} 38'$ north latitude, $168^{\circ} 15'$ west longitude; then due north (0° true) to a point approximately $66^{\circ} 27'$ north latitude, $168^{\circ} 15'$ west longitude; then 059° true to a point approximately $66^{\circ} 45'$ north latitude, $167^{\circ} 02'$ west longitude; then due east (90° true) to a point approximately 12 miles off the coast of Cape Espenberg at the intersection with a line drawn from Cape Espenberg to Cape Krusenstern, approximate position $66^{\circ} 45'$ north latitude, $163^{\circ} 40'$ west longitude; then to Cape Krusenstern; then to Point Hope.

12 AAC 56.110. EXCLUSIONS FOR ENTERING COMPULSORY PILOTAGE WATERS OF ALASKA. Vessels are excluded from the use of a licensed marine pilot in compulsory pilotage waters only when proceeding directly from points outside Alaska to an established pilot station or pickup point for the express purpose of embarking or disembarking a pilot. These exclusions are as follows:

(1) travel via Clarence Strait to Guard Island Pilot Station;

(2) travel via Clarence Strait to Point McCartney Pilot Station;

(3) travel via Cape Bartolome in Bucareli Bay to Cabras Island Pilot Station;

(4) travel via Cape Ommaney in Chatham Strait to Point Retreat Pilot Station;

(5) travel via Sitka Sound to Sitka Sound Pilot Station;

(6) travel via Revillagigedo Channel to Twin Islands Pilot Station;

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this exclusion applies to ships proceeding to and from Behm Canal only during the period May 1 through September 30; in transmitting Revillagigedo Channel, ships must stay west of Longitude 131° 05.0';

- (7) travel via Prince William Sound to the Cordova Pilot Station;
- (8) travel via Prince William Sound to the Valdez Pilot Station;
- (9) travel via Prince William Sound to the Whittier Pilot Station;
- (10) travel via Resurrection Bay to Seward Pilot Station;
- (11) travel via Cook Inlet to the Homer Pilot Station;
- (12) travel to the Kodiak City or Womens Bay Pilot Station; and
- (13) travel by the most direct safe route to a pilot station or to a pickup point arranged under in 12 AAC 56.120(b).

12 AAC 56.120. PILOT STATIONS OR PICKUP POINTS. (a) The established pilot stations for Alaska are as follows:

(1) Guard Island — 1.0 miles 315° true from Guard Island Light; approximate position 55° 27.5' north latitude, 131° 53.9' west longitude;

(2) Point McCartney — 1.0 miles 090° true from Point McCartney Light; approximate position 55° 06.8' north latitude, 131° 40.5' west longitude;

(3) Cabras Island — 1.0 miles 315° true from Cabras Island; approximate position 55° 22.0' north latitude, 133° 24.8' west longitude;

(4) Sitka Sound — 0.25 miles 000° true from the Eckholms Light; approximate position 57° 00.9' north latitude, 135° 21.4' west longitude;

(5) Point Retreat — 1.0 miles 315° true from Point Retreat Light; approximate position 58° 25.4' north latitude, 134° 58.5' west longitude;

(6) Twin Islands — 2.0 miles 045° true from Twin Islands Light; approximate position 55° 10.0' north latitude, 131° 10.4' west longitude;

this is a seasonal station open only during the period May 1 through September 30;

(7) Yakutat — 1.0 miles 315° true from Yakutat Bay Lighted Whistle Buoy 4; approximate position 59° 36.3' north latitude, 139° 52.5' west longitude;

(8) Icy Bay — 9.0 miles 180° true from Clay-bluff Point Light; approximate position 59° 49.0' north latitude, 141° 35.0' west longitude;

(9) Cordova — 2.0 miles 180° true from Sheep Point; approximate position 60° 35' north latitude, 146° 00' west longitude;

(10) Valdez and Whittier:

(A) oil tanker traffic — approximately 3.6 miles 246° true from Bligh Reef Buoy; approximately position 60° 49' north latitude, 147° 01' west longitude; or

(B) nonoil-tank traffic — 2.3 miles 000° true from Busby Island Light; approximate position 60° 56' north latitude, 146° 49' west longitude;

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- (11) Seward — 1.1 miles 152° true from Caines Head Light; approximate position 59° 58' north latitude, 48° 22' west longitude;
- (12) Cook Inlet — 1.0 miles 180° true from Lands End Light; approximate position 59° 35' north latitude, 151° 25' west longitude;
- (13) Kodiak (City) or Womens Bay — 2.0 miles 100° true from St. Paul Harbor Entrance Light; approximate position 57° 44' north latitude, 152° 22' west longitude;
- (14) Discoverer Bay — 2.0 miles 000° true from Posliedni Point; approximate position 58° 28' north latitude, 152° 20' west longitude;
- (15) Port Wakefield — 1.0 miles 298° true from Kekur Point; approximate position 57° 52' north latitude, 152° 49' west longitude;
- (16) Port Bailey — 1.5 miles 000° true from Dry Spruce Bay Light; approximate position 57° 59' north latitude, 153° 06' west longitude;
- (17) Uganik — 2.0 miles 284° true from East Point; approximate position 57° 51' north latitude, 153° 32' west longitude;
- (18) Larsen Bay — 1.0 miles 090° true from Harvester Island; approximate position 57° 39' north latitude, 153° 57' west longitude;
- (19) Alitak — 2.4 miles 131° true from Cape Alitak Light; approximate position 56° 49' north latitude, 154° 15' west longitude;
- (20) Old Harbor — 1.0 miles 082° true from Cape Liakik; approximate position 57° 07' north latitude, 153° 25' west longitude;
- (21) Chignik — 1.5 miles 020° true from Chignik Spit Light; approximate position 56° 20' north latitude, 158° 22' west longitude;
- (22) Sand Point-Squaw Harbor — 2.7 miles 235° true from Popof Head; approximate position 55° 13' north latitude, 160° 24' west longitude;
- (23) King Cove — 1.5 miles 157° true from Morgan Point Light; approximate position 55° 01' north latitude, 162° 19' west longitude;
- (24) Cold Bay — 4.3 miles 177° true from Kaslokan Point Light; approximate position 55° 02' north latitude, 162° 31' west longitude;
- (25) False Pass — 1.5 miles 315° true from Ikatan Point; approximate position 54° 48' north latitude, 163° 13' west longitude;
- (26) Akutan — 1.0 miles 073° true from Akutan Point Light; approximate position 54° 09' north latitude, 165° 42' west longitude;
- (27) Dutch Harbor-Captains Bay — 1.0 miles 060° true from Ulakta Head Light; approximate position 53° 56' north latitude, 166° 29' west longitude;
- (28) Adak — 2.0 miles 092° true from Gannet Rocks Light; approximate position 51° 52' north latitude, 176° 33' west longitude;
- (29) Attu — 1.5 miles 180° true from Murder Point; approximate position 52° 46' north latitude, 173° 11' east longitude;
- (30) St. Paul Island — 4.0 miles 263° true from Reef Point; approximate position 57° 06' north latitude, 170° 25' west longitude;
- (31) Port Moller — 4.8 miles 048° true from Walrus Island; approxi-

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mate position 56° 05' north latitude, 160° 43' west longitude;

(32) Port Heiden — 5.0 miles 340° true from Strongonof Point; approximate position 56° 58' north latitude, 158° 55' west longitude;

(33) Ugashik Bay — 6.2 miles 291° true from Smoky Point Light; approximate position 57° 38' north latitude, 157° 52' west longitude;

(34) Egegik — 7.0 miles 285° true from Red Bluff Light; approximate position 58° 16' north latitude, 157° 42' west longitude;

(35) Naknek — 9.0 miles 248° true from Naknek Light; approximate position 58° 39' north latitude, 157° 21' west longitude;

(36) Nushagak Bay — 0.6 miles 180° true from Nushagak Bay Entrance Lighted Bell Buoy; approximate position 58° 33' north latitude, 158° 24' west longitude;

(37) Kulukak Bay — 3.0 miles 180° true from Kulukak Point; approximate position 58° 47' north latitude, 159° 39' west longitude;

(38) Togiak — 1.0 miles 180° true from Summit Island; approximate position 58° 48' north latitude, 160° 12' west longitude;

(39) Goodnews Bay — 7.5 miles 228° true from Platinum; approximate position 58° 55' north latitude, 162° 00' west longitude;

(40) Kivalina/Cape Krusenstern — 14.0 miles 239° true from the barge loading terminal; approximate position 67° 27' north latitude, 164° 35' west longitude.

(b) For those areas not having an established pilot station, pickups will be made only by specific arrangement with the ship's agent and pilots.

ARTICLE 3.
RATES

Section

- 130. General rule for determining rates
- 140. Consent to rate deviation
- 150. Rate adjustment
- 152. Notice of audit
- 154. Standards for rate adjustment
- 156. Modifications
- 158. Effective date

12 AAC 56.130. GENERAL RULE FOR DETERMINING RATES. If no rate for an area has been established, the rate mutually agreed on by the parties will be used until a rate is established by the board.

12 AAC 56.140. CONSENT TO RATE DEVIATION. If parties to a piloting contract are dissatisfied with the rates established for an area, the parties may agree to a higher rate. This rate mutually agreed upon

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must be submitted to the board for approval. No deviations from the published rate may be used until approved by the board.

12 AAC 56.150. RATE ADJUSTMENT. A party having a material interest in the rate structure desiring a rate change for an area may file a request for a rate adjustment. A request must be filed at least 90 days before the next meeting of the board.

12 AAC 56.152. NOTICE OF AUDIT. Upon receipt of a request from party seeking a rate adjustment under 12 AAC 56.150, the board will notify all parties having a material interest in the proceeding of the request and will, upon its own motion or at the request of an interested party for good cause shown, immediately schedule and pay for an audit of the information required in 12 AAC 56.154 to be submitted to the board. An interested party may request an audit at his or her own expense within 10 days after submission of the information required in 12 AAC 56.154(a). Audits must be submitted to the board at least 10 days before the meeting.

12 AAC 56.154. STANDARDS FOR RATE ADJUSTMENT. (a) The party seeking a rate adjustment under 12 AAC 56.150 shall, at least 40 days before the meeting, submit the following information to the board:

(1) historical cost data showing the actual costs of the party for a period of not less than 10 months preceding the date notice was given for the request of the rate adjustment;

(2) data projecting the costs for the remaining two months of the year in which the request is made;

(3) cost projections of the party for 12 months following the one-year period described in (2) of this subsection;

(4) a statement of the difference between the historical annualized 12-month cost data described in (1) and (2) of this subsection and the projected cost data for the following 12 months, including a statement explaining reasons for the difference in the costs;

(5) supporting documentation for the figures required in (1)—(4) of this subsection, including a statement of the average change in the consumer price index for Anchorage, Alaska for the five quarters preceding the date of the request as reported by the U.S. Bureau of Labor Statistics;

(6) balance sheet and profit and loss statement;

(7) schedule showing pro forma adjustments to expenses;

(8) schedule showing pro forma adjustment to revenues;

(9) statement showing the number of pilots providing services in the test year and showing

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- (A) travel days;
- (B) standby days;
- (C) piloting days;

(D) any other time category necessary to show the total number of hours the pilot was considered in service during the year, identifying by footnotes the purpose of the time category;

(E) the actual salary each pilot received during the test year; and

(F) any pro forma adjustment of pilot travel, standby, piloting, or other time, identifying in footnotes the reason for the adjustments;

(10) any other information requested in writing by the board.

(b) A party having a material interest in the rate structure opposing the request for rate adjustment shall, at least 10 days before the meeting of the board at which the request will be considered, submit to the board and to the party seeking the rate adjustment a statement, including supporting documentation, of the reasons for opposing the adjustment, which may include an analysis of the effect of the adjustment upon the cost structure of the shippers affected by the adjustment.

(c) At the meeting, the board will consider the evidence filed by the party seeking the adjustment and any opposition statements filed in accordance with (a) or (b) of this section. The board will accept, reject or modify the proposed tariff adjustment after consideration of all the evidence, including but not limited to cost projections and the effect of the cost adjustment on the cost structure of the shippers. Nothing in this section may be construed as a presumption that proposed tariff adjustments are valid or are to be granted by the board.

12 AAC 56.156. MODIFICATIONS. Time periods specified in 12 AAC 56.150, 12 AAC 56.152, and 12 AAC 56.154 will, at the discretion of the board for good cause shown, be shortened or lengthened at the request of an interested party.

12 AAC 56.158. EFFECTIVE DATE. Rate adjustments granted by the board under 12 AAC 56.154 take effect in accordance with AS 44.62.180.

ARTICLE 4.
VERY LARGE CRUDE CARRIERS (VLCC)

Section

500. VLCC endorsement required

510. Qualifications for VLCC license endorsement

12 AAC 56.500. VLCC ENDORSEMENT REQUIRED. (a) Due to the great mass, windage, and ship-handling peculiarities of very large crude

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carrier (VLCC) class vessels, only pilots holding a VLCC endorsement may pilot those vessels in waters covered by this chapter.

(b) A pilot wishing to get a VLCC endorsement must

- (1) apply on a form provided by the department;
- (2) pay the fee required in 12 AAC 02.240; and
- (3) provide documentation of compliance with 12 AAC 56.510.

12 AAC 56. 510. QUALIFICATIONS FOR VLCC LICENSE ENDORSEMENT. (a) An applicant for a VLCC endorsement must hold a current unlimited pilot license and demonstrate special training or experience by documenting

(1) 20 round trips on a VLCC class vessel as a pilot observer over a pilotage route;

(2) 10 round trips on a VLCC class vessel as a pilot observer over a pilotage route and completion of a VLCC ship handling course at a facility approved by the board;

(3) at least 15 dockings and 15 undockings as a pilot on VLCC class vessels; or

(4) 365 days of experience as master of a VLCC class vessel and completion of a VLCC ship handling course at a facility approved by the board.

(b) Under (a)(1) and (2) of this section, a round trip of a VLCC class vessel as a pilot observer must include two trip segments that either begin with an undocking or terminate with a docking. The dockings and undockings may be observed or actually performed by the applicant.

ARTICLE 5.
GENERAL PROVISIONS

Section

930. Quorum
940. Professional conduct
950. Current address
960. Duties of pilots
965. Accident report
970. Physical incapacitation
980. Registration of operators
990. Definitions

12 AAC 56.930. QUORUM. (a) For the purpose of approving applications for examination and administering the examination for a license, two members of the board constitute a quorum.

(b) For the purpose of board meetings, hearings, and conducting all

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other board business, except examinations, a majority of the board constitutes a quorum.

12 AAC 56.940. PROFESSIONAL CONDUCT. (a) A pilot may not consume alcohol or a controlled substance anytime between 12 hours before going on duty and the conclusion of duty. A violation of this subsection is misconduct under AS 08.62.150(6).

(b) The board will, in its discretion under AS 08.01.075 and AS 08.62.155, revoke the license of any pilot found to be under the influence of alcohol or a controlled substance as defined by AS 28.35.030 while on duty or while in the employment of a vessel.

(c) A pilot shall report to the board any conviction of a crime involving that pilot's personal consumption of alcohol or a controlled substance. The department will, in its discretion, investigate each report and recommend to the board whether disciplinary action should be considered. Failure of a pilot to file a report with the board within 30 days after such a conviction is grounds for disciplinary action under AS 08.62.150.

(d) In this section, "on duty" means on the navigating bridge of the vessel, at the conn, or assisting the master or navigating officer.

12 AAC 56.950. CURRENT ADDRESS. A licensee shall maintain a current, valid mailing address on file with the division at all times. The latest mailing address on file for an active, inactive, or lapsed license is the address of the licensee for official communications, notifications and service of legal process.

12 AAC 56.960. DUTIES OF PILOTS. (a) A pilot shall be on duty piloting the vessel at all times when the vessel is in transit in pilotage waters.

(b) Passenger vessels in transit of the inside waters of Southeast Alaska except as set forth in 12 AAC 56.110 are required to carry two pilots on board for continuous alternating duty.

(c) If a vessel piloted by a state licensed pilot goes aground, collides with another vessel or dock, meets with any casualty, or is damaged in any way, the pilot shall, no later than 10 days after the incident, file with the board an accident report as described in 12 AAC 56.965. If a vessel is damaged in the incident, the pilot shall file the report as soon as possible after returning to shore. The board will, in its discretion, ask the Department of Commerce and Economic Development to investigate the reported incident.

(d) Pilots shall report to the Aids to Navigation office of the United States Coast Guard, all changes in lights, range lights, buoys, and any

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dangers to navigation that may come to their knowledge.

(e) A pilot who fails to make a report to the board as required by this chapter within 10 days after the date the report is required, is subject to license suspension at the discretion of the board.

(f) Pilots when so notified in writing shall report in person to the board at any meeting specified in the notice.

(g) A pilot summoned to testify before the board shall appear in accordance with the summons and shall answer, under oath, any questions asked which deal with any matter connected with piloting or the pilotage waters over which the pilot is licensed to act. The pilot is entitled to have an attorney or advisor present during any such appearance and testimony.

(h) A pilot on boarding a ship, if required by the master, shall exhibit his or her state license or photostatic copy of it.

(i) Pilots on board passenger vessels must be provided access to an operable radio on the bridge at all times to use on channel 16 VHF for security purposes.

(j) Repealed 5/12/78.

(k) All pilots shall report on a quarterly basis the names of all vessels served that were subject to the services of a licensed pilot.

12 AAC 56.965. ACCIDENT REPORT. The written accident report required by 12 AAC 56.960(c) must be in writing on the form provided by the Department of Commerce and Economic Development and must include

- (1) identification of the pilot;
- (2) date and time of the incident;
- (3) identification and description of the piloted vessel and its cargo;
- (4) identification of the vessel's master and agent;
- (5) a detailed description of the location of the incident;
- (6) a description of the weather and sea conditions at the time of the incident;
- (7) identification of all other persons and vessels involved in the incident;
- (8) identification of witnesses; and
- (9) an illustrated and narrative description of the incident.

12 AAC 56.970. PHYSICAL INCAPACITATION. A pilot who is physically incapacitated as a pilot for a period of 90 days or more shall not return to active pilot service until submitting evidence to the board of a satisfactory physical examination.

12 AAC 56.980. REGISTRATION OF OPERATORS. All agents of

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owners and agents of operators whose vessels are subject to AS 08.62 must register with the board and keep the board advised of any changes of name and address.

12 AAC 56.990. DEFINITIONS. In this chapter

(1) "agent" means a person residing within the state who acts on behalf of the owner or operator of a vessel with actual or apparent authority for the purposes of securing pilotage services;

(2) "incompetent" means the exercise of pilotage duties in a manner which endangers life or property or failure to exercise the requisite knowledge and skill required of a pilot;

(3) "misconduct" means the knowing violation of a provision of AS 08.62 or regulations adopted under it by a person during the course of his employment;

(4) "compulsory pilotage waters" means those inside coastal waters of Alaska defined in 12 AAC 56.090 and 12 AAC 56.100 where Alaska pilotage is required;

(5) "fishing vessel" means a vessel primarily engaged in the harvesting of fish, shellfish, marine animals, pearls, shells, or marine vegetation for commercial purposes;

(6) "area" means any port, restricted passage, cruise area, or pilotage waters of the inside or coastal waters of Alaska for which a pilot license is required and a pilotage rate is established under AS 08.62 and 12 AAC 57;

(7) "docking" means the entire approach from a navigation channel, anchorage, or mooring to a dock or anchored vessel until the command "finished with engines" has been given;

(8) "undocking" means the entire procedure beginning with the command "standby engine" to the movement of a vessel to a navigation channel, anchorage, or mooring;

(9) "very large crude carrier" or "VLCC" is any tank vessel of 60,000 gross tons or greater.

**CHAPTER 01
CENTRALIZED LICENSING.**

Section

- 10. Applicability of chapter
- 20. Board organization
- 25. Public members
- 30. Quorum
- 35. Appointments and terms
- 40. Transportation and per diem
- 50. Administrative duties of department
- 60. Application for license
- 65. Establishment of fees
- 70. Administrative duties of boards
- 75. Disciplinary powers of the boards
- 80. Department regulations
- 87. Powers and duties of department
- 90. Applicability of the Administrative Procedure Act
- 100. License renewal, lapse and reinstatement
- 102. Citation for unlicensed practice or activity
- 103. Procedure and form of citation
- 104. Failure to obey citation
- 105. Penalty for improper payment
- 110. Definitions

Sec. 08.01.010. Applicability of chapter. This chapter applies to the

- (1) Board of Public Accountancy (AS 08.04.010);
- (2) State Board of Registration for Architects, Engineers and Land Surveyors (AS 08.48.011);
- (3) Athletic Commission (AS 05.05 and AS 05.10);
- (4) Board of Barbers and Hairdressers (AS 08.13.010);
- (5) Board of Chiropractic Examiners (AS 08.20.010);
- (6) Board of Clinical Social Work Examiners (AS 08.95.010);
- (7) Board of Dental Examiners (AS 08.36.010);
- (8) Board of Dispensing Opticians (AS 08.71.010);
- (9) Board of Electrical Examiners (AS 08.40.011);
- (10) Big Game Commercial Services Board (AS 08.54.300);
- (11) Board of Marine Pilots (AS 08.62.010);
- (12) Board of Mechanical Examiners (AS 08.40.220);
- (13) State Medical Board (AS 08.64.010);
- (14) Board of Nursing (AS 08.68.010);
- (15) Board of Nursing Home Administrators (AS 08.70.010);
- (16) Board of Examiners in Optometry (AS 08.72.010);
- (17) Board of Pharmacy (AS 08.80.010);

(18) State Physical Therapy and Occupational Therapy Board (AS 08.84.010);

(19) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010);

(20) Real Estate Commission (AS 08.88.011);

(21) Board of Veterinary Examiners (AS 08.98.010);

(22) regulation of audiologists under AS 08.11;

(23) regulation of business licenses under AS 43.70;

(24) regulation of collection agencies under AS 08.24;

(25) regulation of concert promoters under AS 08.92;

(26) regulation of construction contractors under AS 08.18;

(27) regulation of professional geologists under AS 08.02.011;

(28) regulation of hearing aid dealers under AS 08.55;

(29) regulation of morticians under AS 08.42;

(30) regulation of the practice of naturopathy under AS 08.45;

(31) Board of Certified Real Estate Appraisers (AS 08.87.010).

Sec. 08.01.020. Board organization. Board members are appointed by the governor and serve at the pleasure of the governor. Unless otherwise provided, the governor may designate the chair of a board, and all other officers shall be elected by the board members. Unless otherwise provided, officers of a board are the chair and the secretary. A board may provide by regulation that three or more unexcused absences from meetings are cause for removal.

Sec. 08.01.025. Public members. A public member of a board may not

(1) be engaged in the occupation which the board regulates;

(2) be associated by legal contract with a member of the occupation which the board regulates except as a consumer of the services provided by a practitioner of the occupation; or

(3) have a direct financial interest in the occupation which the board regulates.

Sec. 08.01.030. Quorum. A majority of the membership of the board constitutes a quorum unless otherwise provided.

Sec. 08.01.035. Appointments and terms. Members of boards subject to this chapter are appointed for staggered terms of four years. A member of a board serves until a successor is appointed. An appointment to fill a vacancy on a board is for the remainder of the unexpired term. A member who has served all or part of two successive terms on a board may not be reappointed to that board unless four years have elapsed since the person has last served on the board.

Sec. 08.01.040. Transportation and per diem. A board member is entitled to transportation expenses and per diem as set out in AS 39.20.180.

Sec. 08.01.050. Administrative duties of department. (a) The department shall perform the following administrative and budgetary services when appropriate:

- (1) collect and record fees;
- (2) maintain records and files;
- (3) issue and receive application forms;
- (4) notify applicants of acceptance or rejection as determined by the board or as determined by the department under AS 08.06 for acupuncturists, under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;
- (5) designate dates examinations are to be held and notify applicants;
- (6) publish notice of examinations and proceedings;
- (7) arrange space for holding examinations and proceedings;
- (8) notify applicants of results of examinations;
- (9) issue licenses or temporary licenses as authorized by the board or as authorized by the department under AS 08.06 for acupuncturists, under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;
- (10) issue duplicate licenses upon submission of a written request by the licensee attesting to loss of or the failure to receive the original and payment by the licensee of a fee established by regulation adopted by the department;
- (11) notify licensees of renewal dates at least 30 days before the expiration date of their licenses;
- (12) compile and maintain a current register of licensees;
- (13) answer routine inquiries;
- (14) maintain files relating to individual licensees;
- (15) arrange for printing and advertising;
- (16) purchase supplies;
- (17) employ additional help when needed;
- (18) perform other services that may be requested by the board;
- (19) provide inspection, enforcement, and investigative services to the boards and for the occupations listed in AS 08.01.010, regarding all licenses issued by or through the department;
- (20) retain and safeguard the official seal of a board and prepare, sign, and affix a board seal, as appropriate, for licenses approved by a

board;

(21) issue business licenses under AS 43.70.

(b) The form and content of a license, authorized by a board listed in AS 08.01.010, including any document evidencing renewal of a license, shall be determined by the department after consultation with and consideration of the views of the board concerned.

Sec. 08.01.060. Application for license. All applications for examination or licensing to engage in the business or profession covered by this chapter shall be made in writing to the department.

Sec. 08.01.065. Establishment of fee. (a) Except for business licenses, the department shall adopt regulations that establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by this chapter.

(b) The department may not adopt a regulation under (a) of this section unless the board responsible for regulating the affected occupation concurs.

(c) A fee established under (a) of this section should reflect, but should not exceed, the actual costs to the department of the activity for which the fee is charged except that the department may establish a fee that is less than the cost of the activity for which the fee is charged if the department determines that it is not reasonable to impose the full cost of the activity on the applicant or licensee.

(d) The license fee for a business license is set by AS 43.70. 030(a). The department shall adopt regulations that establish the manner of payment of the license fee.

(e) The commissioner of administration shall separately account for business license and occupational licensing fees deposited in the general fund by the department. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the activities of the division of occupational licensing.

Sec. 08.01.070. Administrative duties of boards. Each board shall perform the following duties in addition to those provided in its respective law:

- (1) take minutes and records of all proceedings;
- (2) hold a minimum of one meeting each year;
- (3) hold at least one examination each year;
- (4) request, through the department, investigation of violations of its laws and regulations;
- (5) prepare and grade board examinations;
- (6) set minimum qualifications for applicants for examination and

license;

(7) forward a draft of the minutes of proceedings to the department within 20 days after the proceedings;

(8) forward results of board examinations to the department within 20 days after the examination is given;

(9) notify the department of meeting dates and agenda items at least 15 days before meetings and other proceedings are held;

(10) submit before the end of the fiscal year an annual performance report to the department stating the board's accomplishments activities, and needs.

Sec. 08.01.075. Disciplinary powers of boards. (a) A board may take the following disciplinary actions, singly or in combination:

(1) permanently revoke a license;

(2) suspend a license for a specified period;

(3) censure or reprimand a licensee;

(4) impose limitations or conditions on the professional practice of a licensee;

(5) require a licensee to submit to peer review;

(6) impose requirements for remedial professional education to correct deficiencies in the education, training, and skill of the licensee;

(7) impose probation requiring a licensee to report regularly to the board on matters related to the grounds for probation;

(8) impose a civil fine not to exceed \$5,000.

(b) A board may withdraw probationary status if the deficiencies that required the sanction are remedied.

(c) A board may summarily suspend a licensee from the practice of the profession before a final hearing is held or during an appeal if the board finds that the licensee poses a clear and immediate danger to the public health and safety. A person is entitled to a hearing before the board to appeal the summary suspension within seven days after the order of suspension is issued. A person may appeal an adverse decision of the board on an appeal of a summary suspension to a court of competent jurisdiction.

(d) A board may reinstate a suspended or revoked license if, after a hearing, the board finds that the applicant is able to practice the safety.

(e) A board may accept the voluntary surrender of a license. A license may not be returned unless the board determines that the licensee is competent to resume practice and the licensee pays the appropriate renewal fee.

(f) A board shall seek consistency in the application of disciplinary sanctions. A board shall explain a significant departure from prior decisions involving similar facts in the order imposing the sanction.

Sec. 08.01.080. Department regulations. The department shall adopt regulations to carry out the purposes of this chapter including but not limited to describing

- (1) how an examination is to be conducted;
- (2) what is contained in application forms;
- (3) how a person applies for an examination or license.

Sec. 08.01.087. Powers and duties of department. (a) The department may, upon its own motion, conduct investigations

(1) to determine whether a person has violated a provision of this chapter or a regulation adopted under it, or a provision of AS 43.70, or a provision of this title or regulation adopted under this title dealing with an occupation or board listed in AS 08.01.010; or

(2) to secure information useful in the administration of this chapter.

(b) If it appears to the commissioner that a person has engaged in or is about to engage in an act or practice in violation of a provision of this chapter or a regulation adopted under it, or a provision of AS 43.70, or a provision of this title or regulation adopted under this title dealing with an occupation or board listed in AS 08.01.010, the commissioner may, if the commissioner considers it in the public interest, and after notification of a proposed order or action by telephone or telegraph to all board members, if a board regulates the act or practice involved, unless a majority of the members of the board object within 10 days,

(1) issue an order directing the person to stop the act or practice; however, reasonable notice of and an opportunity for a hearing must first be given to the person, except that the commissioner may issue a temporary order before a hearing is held; a temporary order remains in effect until a final order affirming, modifying, or reversing the temporary order is issued or until 15 days after the person receives the notice and has not requested a hearing by that time; a temporary order becomes final if the person to whom the notice is addressed does not request a hearing within 15 days after receiving the notice; the commissioner or the commissioner's designee shall be the hearing officer at the hearing and shall issue a final order within 10 days after the hearing;

(2) bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter, a regulation adopted under, an order issued under it, or with a provision of this title or regulation adopted under this title dealing with business licenses or an occupation or board listed in AS 08.01.010;

(3) examine or have examined the books and records of a person whose business activities require a business license or licensure by a

board listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010; the commissioner may require the person to pay the reasonable costs of the examination; and

(4) issue subpoenas for the attendance of witnesses, and the production of books, records and other documents.

Sec. 08.01.090. Applicability of the Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) applies to regulations adopted and proceedings held under this chapter, except those under AS 08.01.087(b).

Sec. 08.01.100. License renewal, lapse and reinstatement. (a) Licenses shall be renewed biennially on the dates set by the department with the approval of the respective board.

(b) A license subject to renewal shall be renewed on or before the date set by the department. If the license is not renewed by the date set by the department, the license lapses. In addition to renewal fees required for reinstatement of the lapsed license, the department may impose a delayed renewal penalty, established by regulation, that shall be paid before a license that has been lapsed for more than 60 days may be renewed. The department may adopt a delayed renewal penalty only with concurrence of the appropriate board.

(c) When continuing education or other requirements are made a condition of license renewal, the requirements shall be satisfied before a license is renewed.

(d) Except as otherwise provided, a license may not be renewed if it has lapsed for five years or more.

Sec. 08.01.102. Citation for unlicensed practice or activity. The department may issue a citation for a violation of a license requirement under this chapter or AS 43.70 if there is probable cause to believe a person has practiced a profession or engaged in business for which a license is required without holding the license. Each day a violation continues after a citation for the violation has been issued constitutes a separate violation.

Sec. 08.01.103. Procedure and form of citation. (a) A citation issued under AS 08.01.102 must be in writing. A person receiving the citation is not required to sign a notice to appear in court.

(b) The time specified in the notice to appear on a citation issued under AS 08.01.102 shall be at least five days, not including weekends and holidays, after the issuance of the citation, unless the person cited requests an earlier hearing.

(c) The department is responsible for the issuance of books containing appropriate citations, and shall maintain a record of each book issued and each citation contained in it. The department shall require and retain a receipt for every book issued to an employee of the department.

(d) The department shall deposit the original or a copy of the citation with a court having jurisdiction over the alleged offense. Upon its deposit with the court, the citation may be disposed of only by trial in the court or other official action taken by the magistrate, judge, or prosecutor. The department may not dispose of a citation, copies of it, or of the record of its issuance except as required under this subsection and (e) of this section.

(e) The department shall require the return of a copy of every citation issued by the department and of all copies of a citation that has been spoiled or upon which an entry has been made and not issued to an alleged violator. The department shall also maintain, in connection with each citation, a record of the disposition of the charge by the court where the original or copy of the citation was deposited.

(f) If the form of citation includes the essential facts constituting the offense charged, and if the citation is sworn to as required under the laws of this state for a complaint charging commission of the offense alleged in the citation, then the citation when filed with a court having jurisdiction is considered to be a lawful complaint for the purpose of prosecution.

Sec. 08.01.104. Failure to obey citation. Unless the citation has been voided or otherwise dismissed by the magistrate, judge, or prosecutor, a person who without lawful justification or excuse fails to appear in court to answer a citation issued under AS 08.01.102, regardless of the disposition of the charge for which the citation was issued, is guilty of a class B misdemeanor.

Sec. 08.01.105. Penalty for improper payment. An applicant shall pay a penalty of \$10 each time a negotiable instrument is presented to the department in payment of an amount due and payment is subsequently refused by the named payor.

Sec. 08.01.110. Definitions. In this chapter

(1) "board" includes the boards and commissions listed in AS 08.01.010;

(2) "department" means the Department of Commerce and Economic Development;

(3) "commissioner" means the commissioner of commerce and economic development;

(4) "license" means a business license or a license, certificate, permit, or registration or similar evidence of authority issued for an occupation or board listed in AS 08.01.010;

(5) "licensee" means a person who holds a license;

(6) "occupation" means a trade or profession listed in AS 08.01.010.

**CHAPTER 02.
MISCELLANEOUS PROVISIONS.**

Section

- 10. Professional designation requirements
- 11. Professional geologist
- 20. Limitation of liability
- 30. Courtesy licenses

Sec. 08.02.010. Professional designation requirements. (a) An acupuncturist licensed under AS 08.06, an audiologist licensed under AS 08.11, a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a medical practitioner or osteopath under AS 08.64, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered pharmacist under AS 08.80, a registered physical therapist or occupational therapist under AS 08.84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95, shall use as professional identification appropriate letters or a title after that person's name which represents that person's specific field of practice. The letters or title shall appear on all signs, stationery, or other advertising in which the person offers or displays personal professional services to the public. In addition, a person engaged in the practice of medicine or osteopathy under AS 08.64.380(2), or a person engaged in any manner in the healing arts who diagnoses, treats, tests, or counsels other persons in relation to human health or disease and uses the letters "M.D." or the title "doctor" or "physician" or another title that tends to show that the person is willing or qualified to diagnose, treat, test, or counsel another person, shall clarify the letters or title by adding the appropriate specialist designation, if any, such as "dermatologist", "radiologist", "audiologist", "naturopath", or the like.

(b) A person subject to (a) of this section who fails to comply with the requirements of (a) of this section shall be given notice of noncompliance by that person's appropriate licensing board. If, after a reasonable time, with opportunity for a hearing, the person's noncompliance continues, the board may suspend or revoke the person's license or registration, or administer other disciplinary action which in its determination is appropriate.

Sec. 08.02.011. Professional geologist. The commissioner of commerce and economic development shall certify an applicant as a professional geologist if the applicant is certified as professional geologist by the American Institute of Professional Geologists.

Sec. 08.02.020. Limitation of liability. An action may not be brought against a person for damages resulting from

(1) the person's good faith performance of a duty, function, or activity required as

(A) a member of, or witness before, a licensing board or peer review committee established to review a licensing matter;

(B) a member of a committee appointed under AS 08.64.336(c);

(C) a contractor or agent of a contractor under AS 08.64.101(6);

or

(2) a recommendation or action in accordance with the prescribed duties of a licensing board, or peer review committee established to review a licensing matter, committee appointed under AS 08.64.336(c), or contractor or agent of a contractor under AS 08.64.101(6) when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person, board, peer review committee, committee appointed under AS 08.64.336(c), or contractor or agent of the contractor under AS 08.64.101(6) after reasonable efforts to ascertain the facts upon which the action or recommendation is made.

Sec. 08.02.030. Courtesy Licenses. (a) A board established under this title and the Department of Commerce and Economic Development, with respect to an occupation that is regulated under this title, may by regulation establish criteria for issuing a temporary courtesy license to nonresidents who enter the state so that, on a temporary basis, they may practice the occupation regulated by the board or the department.

(b) The regulations adopted under (a) of this section may include limitations relating to the

(1) duration of the license's validity;

(2) scope of practice allowed under the license; and

(3) other matters considered important by the board or the department.

CHAPTER 03.

TERMINATION, CONTINUATION AND REESTABLISHMENT OF REGULATORY BOARDS.

Section

10. Termination dates for regulatory boards

20. Procedures governing termination, transition, and continuation

Sec. 08.03.010. Termination dates for regulatory boards.

(a) *[Repealed]*

(b) *[Repealed]*

(c) The following boards have the termination date provided by this subsection:

- (1) Board of Nursing (AS 08.68.010)—June 30, 1991.
- (2) Board of Chiropractic Examiners (AS 08.20.010)—June 30, 1992.
- (3) Board of Examiners in Optometry (AS 08.72.010)—June 30, 1992.
- (4) Board of Pharmacy (AS 08.80.010)—June 30, 1993.
- (5) Board of Dispensing Opticians (AS 08.71.010)—June 30, 1992.
- (6) Board of Dental Examiners (AS 08.36.010)—June 30, 1991.
- (7) Board of Veterinary Examiners (AS 08.98.010)—June 30, 1993.
- (8) State Physical Therapy and Occupational Therapy Board (AS 08.84.010)—June 30, 1993.
- (9) Board of Nursing Home Administrators (AS 08.70.010)—June 30, 1994
- (10) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010)—June 30, 1991.
- (11) State Medical Board (AS 08.64.010)—June 30, 1991.
- (12) Board of Marine Pilots (AS 08.62.010)—June 30, 1994.
- (13) *[Repealed]*
- (14) *[Repealed]*
- (15) State Board of Registration for Architects, Engineers and Land Surveyors (AS 48.011)—June 30, 1993.
- (16) Board of Barbers and Hairdressers (AS 08.13.010)—June 30, 1993.
- (17) Board of Public Accountancy (AS 08.04.010)—June 30, 1992.
- (18) Real Estate Commission (AS 08.88.011)—June 30, 1992.
- (19) Board of Governors of the Alaska Bar Association (AS 08.08.040)—June 30, 1993.
- (20) Big Game Commercial Services Board (AS 08.54.300)—June 30, 1993.
- (21) Board of Mechanical Examiners (AS 08.40.220)—June 30, 1992.
- (22) Board of Electrical Examiners (AS 08.40.011)—June 30, 1991.
- (23) Board of Clinical Social Work Examiners (AS 08.95.010)—June 30, 1992.
- (24) Board of Certified Real Estate Appraisers (AS 08.87.010)—June 30, 1994

Sec. 08.03.020. Procedures governing termination, transition, and continuation. (a) Upon termination, each board listed in AS 08.03.010 shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs. During this period, termination does not reduce or otherwise limit the powers or authority of each board. One year after the date of termination, a board not continued shall cease all activities.

(b) The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS 44.66.050.

(c) A board scheduled for termination under AS 08.03.010— 08.03.020 may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period under AS 08.03.010.

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12 AAC 02.010

12 AAC 02.030

TITLE 12.
PROFESSIONAL AND VOCATIONAL REGULATIONS

CHAPTER 02.
DIVISION OF OCCUPATIONAL LICENSING.

Article

1. Collection of Fees (12 AAC 02.010—12 AAC 02.030)
2. Occupational Licensing Fees (12 AAC 02.100—12 AAC 02.350)
3. Examination Review Procedures (12 AAC 02.400)
4. General Provisions (12 AAC 02.900—12 AAC 02.990)

ARTICLE 1.
COLLECTION OF FEES.

Section

10. Licensing and renewal fees
20. Prorating renewal fees
30. Prorating initial renewal fees

12 AAC 02.010. LICENSING AND RENEWAL FEES. (a) The department will collect fees and issue receipts for licensing and for license renewal for the boards listed in AS 08.01.010.

(b) The department will not issue a license or renew a license unless the applicable fees established in AS 08 or in this chapter have been collected, and a receipt has been prepared.

(c) Except as otherwise provided in 12 AAC, applications for initial licensure or renewal of license will be considered filed as of the date stamped on the document, when it is received in the division office.

(d) Repealed 5/6/90.

(e) An application fee is not refundable.

12 AAC 02.020. PRORATING RENEWAL FEES. The department will prorate the first license renewal fees following initial licensure, in accordance with 12 AAC 02.030. All renewal fees, including penalty and delinquent fees must be paid by the licensee applying for renewal of a license, except as provided for in 12 AAC 02.030 (a) (1) and (b).

12 AAC 02.030. PRORATING INITIAL RENEWAL FEES. (a) When the department issues an initial biennial license

(1) within the 30 days before the date by which it must be renewed, the applicant shall pay the entire license fee but is not required to pay the prescribed renewal fee until the second renewal date;

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12 AAC 56.030

12 AAC 56.030

(2) within the 12 months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay one-half of the prescribed renewal fee at the time of renewal; or

(3) more than 12 months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay the entire prescribed renewal fee at the time of renewal.

(b) A quadrennial license issued before July 1, 1987 shall be renewed by the department as a biennial license upon payment of the entire prescribed biennial license renewal fee.

(c) The department will not prorate renewal fees if the initial licensing fee is \$100 or less. (d) The department will not prorate fees for applications, examinations, reexaminations, credential review or investigations, temporary or emergency permits, locum tenens permits, certificates or other such fees established in AS 08 or in this chapter.

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12 AAC 02.100

12 AAC 02.240

ARTICLE 2.
OCCUPATIONAL LICENSING FEES.

Section

- 100. Fees established by department
- 105. Administrative fees
- 240. Board of marine pilots

12 AAC 02.100. FEES ESTABLISHED BY DEPARTMENT. The fees established in this chapter have been adopted by the department with the concurrence of the applicable board or commission listed in AS 08.01.010.

12 AAC 02.105. ADMINISTRATIVE FEES. Except as otherwise provided in this chapter for a particular board or occupation, the following fees apply to all boards and professions listed in AS 08.01.010.

- (1) duplicate license fee, \$5;
- (2) fee for verification or certification to another state of Alaska license, registration, or examination, \$5;
- (3) name change, except for construction contractors, \$5;
- (4) photocopy fee, \$.25 per page;
- (5) returned check fee, \$20;
- (6) penalty for reinstatement of a registration, license, permit or certificate which remains lapsed for more than 60 days, \$20;
- (7) exam postponement fee, \$20; and
- (8) wall certificate fee, \$20.

12 AAC 02.240. BOARD OF MARINE PILOTS. The following fees are established for all license categories of marine pilots and vessel agents:

- (1) application fee initial license, \$30;
- (2) pilot license fee for all or part of the initial biennial license period, \$180;
- (3) biennial pilot license renewal fee, \$180;
- (4) vessel agent license fee for all or part of the initial biennial period, \$60;
- (5) biennial vessel agent renewal fee, \$60;
- (6) examination fee, \$100;
- (7) extension of route or tonnage upgrade application fee, \$20 and
- (8) temporary permit fee, \$20.

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12 AAC 02.40G

12 AAC 02.900

ARTICLE 3.
EXAMINATION REVIEW PROCEDURES.

Section.

400. Examination review

12 AAC 02.400. EXAMINATION REVIEW. (a) For nationally prepared and administered examinations, the examination review procedures established by the national examination organization will be used in conjunction with the procedures established in this section. National examinations which have no provision for examination review are not available for review under this section.

(b) An applicant who wishes to review a failed examination shall submit a written request to the division within 30 days after the notice of examination results was mailed to the applicant.

(c) All examination reviews will be conducted in the presence of division staff at the time and location determined by the division. An examination review will not be conducted within 30 days of the next examination the applicant is scheduled to take.

(d) Only an applicant who has failed an examination may participate in the examination review and the applicant may review only his or her own examination.

(e) An applicant may use the same reference materials during an examination review that were allowed during the examination itself, but applicants may not use other materials or take notes or make copies of any kind. All materials brought to an examination review are subject to inspection by the division staff.

ARTICLE 4.
GENERAL PROVISIONS.

Section

900. Current address

910. Abandoned applications

990. Definitions

12 AAC 02.900. CURRENT ADDRESS. A person licensed, registered, or certified by a board or commission listed in AS 08.01.010, or in an occupation listed in AS 08.01.010, shall maintain a current valid mailing address on file with the division at all times. The latest mailing address on file with the division is the address that will be used for official communications, notifications, and service of legal process.

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12 AAC 02.910

12 AAC 02.990

12 AAC 02.910. ABANDONED APPLICATIONS. (a) An application is considered abandoned when

- (1) 12 months have elapsed since correspondence was last received from or on behalf of the applicant; or
- (2) the applicant has failed to appear for two successive examinations.

(b) An abandoned application is denied without prejudice and the application fee forfeited.

(c) At the time an application is considered abandoned, the division will send notification of abandonment to the last known address of the applicant. An applicant may request a refund of all unused examination and licensing fees credited to the application by submitting a written request for refund within 30 days from the date notification of abandonment was mailed by the division. If no request for refund is received, all fees are forfeited.

12 AAC 02.990. DEFINITIONS. As used in this chapter

- (1) "department" means the Department of Commerce and Economic Development;
- (2) "division" means the division of occupational licensing, Department of Commerce and Economic Development;
- (3) "license" means a license, certificate, permit, registration, or similar evidence of authority issued by the division or by one of the boards listed in AS 08.01.010;
- (4) "licensee" means a person who holds a license issued by the division or by one of the boards listed in AS 08.01.010.

APPENDIX A.

**PILOTAGE TARIFFS AND CHARGES FOR
SOUTHEASTERN ALASKA (U.S. FUNDS)**

**L TARIFF AND CHARGES APPLICABLE TO ALL SHIP'S
EXCEPT PASSENGER VESSELS:**

**A. Basic Port charges for Pilotage in or out of Port,
each Entry or Departure Constituting a Separate
Chargeable Event:**

Port	Port Charge
Ketchikan	\$547.00
Metlakatla	547.00
Klawock	667.00
Ward Cove	547.00
Wrangell*	596.00
Shoemaker Bay*	596.00
Petersburg	596.00
Duncan Canal	739.00
Sitka	547.00
Juneau	547.00
Juneau Oil Docks	639.00
Haines, Chilkoot	639.00
Lutak	639.00
Skagway	639.00
Skagway Ore Dock	739.00
Yakutat**	600.00
Icy Bay**	600.00

*On movements between these ports following an initial entry, each entry or departure except the initial entry and the final departure, will be at the rate of \$547.00.

**Based on Southwestern Alaska pilotage tariffs and charges for this port.

**B. Charges for Restricted Passage Pilotage, Entry Transit,
and Departure from Each Listed Area Constituting
a Combined Single Chargeable Event:**

Area	Port Charge
Wrangell Narrows	\$156.00
Sergius Narrows	79.00
Whitestone Narrows	79.00

NOTE: Pilot boat charges are not included in pilotage tariff.

PILOTAGE TARIFFS — SOUTHEASTERN

- C. Unlisted Port and Restricted Passage Charges:**
These charges to be negotiated according to risk and time.
- D. Overtime:**
If one pilot exceeds six hours continuous running time without a six-hour rest period, overtime will be charged at the rate of \$50.00 per hour or portion of an hour. On runs anticipated to be over eight hours duration, two pilots are required and, in addition to the basic port charge, 50% of that charge shall be paid.
- E. Anchoring Charges:**
 - 1. Anchoring or laying to for loading cargo or discharging cargo shall be considered as a regular port charge, and all fees and tariffs shall be assessed the same as if the vessel has moored.
 - 2. Anchoring, waiting for berth, or for weather shall be at the rate of \$177.00.
- F. Other Charges:**
As applicable under the terms of Section III.

II. TARIFF AND CHARGES APPLICABLE ONLY TO PASSENGER VESSELS:

- A. Basic Port Charge for Pilotage in or out of Port, Each Entry or Departure Constituting a Separate Chargeable Event:**

Port	Port Charge
Ketchikan	\$547.00
Wrangell	596.00
Petersburg	596.00
Sitka	547.00
Juneau	547.00
Haines, Chilkoot	639.00
Haines, Lutak	639.00
Skagway, White Pass	639.00

- B. Charges for Restricted Passage and Cruise Area Pilotage, Entry Transit and Departure for Each Listed Area Constituting a Combined Single Chargeable Event:**

NOTE: Pilot boat charges are not included in pilotage tariff.

PILOTAGE TARIFFS — SOUTHEASTERN

<u>Area</u>	<u>Port Charge</u>
Cruise Areas	
Glacier Bay	\$1,563.00
Tracy Arm.....	780.00
Endicott Arm	780.00
Restricted Passages	
Wrangell Narrows	\$156.00
Sergius Narrows.....	79.00
Whitstone Narrows	79.00

C. Unlisted Port, Restricted Passage and Scenic Cruise Areas:

To be negotiated according to risk and time.

D. Passenger Charges:

In addition to any charges otherwise applicable under Section II A and II B, passenger charges apply as follows:

The number of saleable passenger berths on board times the number of miles run in the inside waters Alaska (excluding miles run in scenic areas) times the mileage rate of 5.67 mills. The saleable passenger berths shall range from a minimum charge for 200 berths or a maximum charge for 1,000 berths.

E. Anchoring charges:

1. Anchoring or laying to for loading passengers or discharging passengers shall be considered as a regular port charge and all fees and tariffs shall be assessed the same as if vessels moored
2. Anchoring, waiting for a berth or for weather shall be at the rate of \$177.00.

F. Other Charges:

As applicable under the terms of Section III.

III. OTHER CHARGES APPLICABLE TO ALL VESSELS IN ADDITION TO ALL OTHER TARIFFS AND CHARGES.

A. Tonnage and Draft Charges:

1. Tonnage charges will be made on a tonnage unit system at the rate of \$1.66 per unit for all units in excess of 163 units in or out of a port or cruise area. These are separate event charges

NOTE: Pilot boat charges are not included in pilotage tariff.

PILOTAGE TARIFFS — SOUTHEASTERN

and are computed separately for each entry and each departure.

2. "Tonnage Units" shall be determined as expressed by the following formula:

$$\frac{\text{Overall Length} \times \text{Extreme Breadth} \times \text{Depth}}{10,000}$$

3. Definitions:
Overall Length" is the distance between the forward and after extremities of the vessel.

"Extreme Breadth" is the maximum breadth to the outside of the shell plating of the vessel.

"Depth" is the vertical distance of amidships from the top of the keel plate to the uppermost continuous deck fore and aft and which extends to the sides of the vessel. The continuity of a deck shall not be considered to be affected by the existence of tonnage opening, engine space or a step in the deck.

All measurements shall be in feet and inches (U.S.)

4. All draft in excess of 32 feet will be charged at the rate of \$14.48 per foot or portion thereof, in or out of a port or cruise area. These are separate event charges and are computed separately for each entry and each departure.

B. Shifting Charges:

1. For a dock to dock commercial movement within an incorporated harbor, the charge will be one-half the regular port charges.
2. Shifting of ship from dock to dock, dock to anchorage, anchorage to anchorage, or anchorage to dock for bunkering or other non-commercial reasons, within an incorporated harbor, will be \$213.00 per movement. A dock-to-dock shift constitutes two separate movements.

NOTE: Pilot boat charges are not included in pilotage tariff.

PILOTAGE TARIFF — SOUTHEASTERN

- C. **Dead Ships and Stern-First Dockings:**
Docking and undocking dead ships and stern-first dockings will be charged at fifty percent increase over the regular pilotage fee.
- D. **Emergency:**
In case of dire emergency for safety of ship, crew, or passengers, there will be no pilotage charges except for transportation and subsistence.
- E. **Transportation and Subsistence:**
1. Vessels, owners, agents and/or charterers shall pay pilotage fees, pilots' travel expenses such as: plane and ferry fares, meals, lodging, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.

Per diem rates charged shall correspond to those published by the Internal Revenue Service of the U.S. Federal Government. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch, and 10% to breakfast; rounded to the nearest dollar, but in no instance will it be more than the total daily allowance.
 2. When adequate meals and rooms are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. It shall be understood that accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.
- F. **Travel Day, Detention Day, Standby Time, Cancellation Charges and Out-of-Area Charge:**
1. When due to weather and transportation difficulties, a pilot has to leave in advance to insure meeting a vessel upon its arrival or departure or is delayed returning from an assignment, that time will be charged at a rate of \$50.00 per hour up to a maximum of \$400.00 per day for each day a pilot is in transit or on standby. This charge does not include an actual work day.
 2. Detention time on board ship when no other charges accrue during the day will be at the rate of \$50.00 per hour per pilot, not to exceed

NOTE: Pilot boat charges are not included in pilotage tariff.

PILOTAGE TARIFFS — SOUTHEASTERN

\$400.00 per pilot in any one day. Pilots carried to sea will be paid the same rate for each day they are detained plus first class passage and subsistence back to Ketchikan.

3. Cancellation charges will be \$177.00 plus transportation and subsistence.
4. Travel, standby and work days begin and end at midnight.
5. An out-of-area charge, in lieu of detention and travel time (not applicable within 100 miles of Southeast Alaska), shall be charged equal to 1 1/2 times the detention rate.

G. Notice of Ship Arrival and Departure:

1. When vessels, owners, or agents do not correct their ETA within four hours of the ETA last given, compensation in the amount of \$50.00 per hour will be charged until actual arrival of the vessel at a pilot station, not to exceed \$400.00 for any one day.
2. When sailing time is set by an agent, owner or master of a vessel, any delay over one hour will be charged at the rate of \$50.00 per hour or portion of an hour, not to exceed \$400.00 for any one day. If a pilot is detained for one hour or less, no detention will be charged. If a pilot is detained for more than one hour, detention for the first hour and succeeding hours will be charged.

H. **Vessel at Rest Charge:** When an agent, owner or master requests a pilot to stay on board a vessel on a continuous basis while the vessel is docked or anchored at a port or anchorage, the rate will be \$355.00 per day. Days begin and end at midnight.

NOTE: Pilot boat charges are not included in pilotage tariff.

APPENDIX B

**PILOTAGE TARIFF AND CHARGES FOR
SOUTHWESTERN ALASKA (U.S. FUNDS)**

I. COOK INLET PILOTAGE RATES:

Following rates are one way only:

Homer Pilot Station to Port of Anchorage	\$709.00
Homer Pilot Station to Nikiski	531.00
Homer Pilot Station to Drift River	531.00
Homer Pilot Station to North Foreland/Point Possession/Tyonek	625.00
Anchorage to Drift River (North of Kalgin Island)	531.00
Anchorage to Drift River (South of Kalgin Island)	709.00
Anchorage to Nikiski	467.00
Nikiski to Drift River (North of Kalgin Island) ..	421.00
Nikiski to Drift River (South of Kalgin Island) ..	531.00
Homer Pilot Station to Kasitsna Bay	428.00
Homer Pilot Station to Homer	417.00
Homer Pilot Station to Port Chatham	750.00

II. OTHER ALASKA PORTS:

Following rates are one way only:

Valdez	1271.00
Cordova	521.00
Whittier	521.00
Ocean Entrances of Prince William Sound to Designated State Pilot Stations for Valdez, Whittier and Cordova	750.00
Ocean Entrances of Prince William Sound to Knowles Head Anchorage	500.00
Knowles Head Anchorage to Valdez or Whittier Pilot Station	500.00
Seward	521.00
Kodiak — City Harbor	521.00
Kodiak — Womens Bay	521.00
Cold Bay	677.00
King Cove	600.00
Dutch Harbor, Unalaska, Iliuliuk Harbor and Captain's Bay	625.00
Adak	677.00
Discoverer Bay and Kazakov Bay	750.00
Yakutat and Icy Bay	600.00

Charges for unlisted ports negotiated to time and risk.
Minimum charge will be \$417.00

PILOTAGE TARIFF — SOUTHWESTERN

III. CHARGES ADDITIONAL TO PORT TARIFF

1. A tonnage surcharge of \$.02 (2 cents) per gross ton is made for all tonnage in excess of 14,000 gross tons. In all the preceding cases any gross tonnage in excess of 50,000 gross tons will be charged for at \$.01 (1 cent) per gross ton.
2. All rates remain the same whether piloting is to or from sea, or, to or from a pilot boarding or debarking point.
3. Standby/travel fee: When standing by to pilot, or traveling to or from distant pilot ports and not actually piloting, such time shall be charged for at a rate of \$50.00 per hour up to a maximum of \$600.00 per day.
4. Transportation and Subsistence:
 - A. Vessels, owners, agents and charterers shall pay pilotage fees; pilots' travel expenses such as plane and ferry fares, per diem allowances, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.
 - B. Per diem rates for pilots shall correspond to those published by the Internal Revenue Service of the U.S. Treasury Department. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch, and 10% to breakfast, rounded to the nearest dollar, but in no instance will the distribution exceed the total daily allowance.
 - C. When adequate meals and rooms are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. Accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.
5. Travel, standby, and work days begin and end at midnight. Each category occurring at any point within a midnight to midnight time period will be charged for according to the category involved.

PILOTAGE TARIFF — SOUTHWESTERN

6. If one pilot exceeds eight hours continuous running time without a six hour rest period or presence of a relief pilot (i.e., a second pilot) while transiting compulsory pilotage waters, overtime shall be charged for at the rate of \$75.00 per hour or portion thereof.
7. Shifting of ship from dock to harbor or harbor anchorage; from harbor or harbor anchorage to dock; from anchorage within a harbor to another anchorage within the same harbor, will be charged at \$250.00 per each movement. A dock to dock shift comprises two movements and will be charged for accordingly. Anchoring or laying to for loading cargo or discharging cargo shall be considered as a regular port charge and all fees and tariffs shall be assessed the same as if the vessel moored.
8. On each occasion of hauling ship alongside a dock or mooring to position tanks, holds, manifolds, loading arms, towers, or hoses comprises a single movement and will be charged for accordingly at \$250.00 per movement.
9. Movement of a ship in the absence of availability of the ship's own propulsion system even though assisted by tugboats will be charged for at twice the prevailing rate for each evolution engaged.
10. Docking/Undocking vessels over 2,000 gross tons without the use of a tugboat, if a tugboat is available, at Anchorage, Seward, Whittier, Valdez, Cordova, Kodiak, Womens Bay, will be charged for at the rate of \$300.00 per movement. It will remain pilot's option whether or not to proceed without use of a tug.
11. Carried to sea detention on board; off duty detention on board, intentional or otherwise, or off duty standby on board at the request of the master will be charged for at the rate of \$400.00 per day, or portion thereof. If disembarked at a position other than the base station from which dispatched, first class return passage and subsistence will be charged.
12. Bridge watch time rendered while ship is anchored.

PILOTAGE TARIFF — SOUTHWESTERN

age or moored will be charged for at the rate of \$50.00 per hour or portion thereof. In cases where one pilot has exceeded 8 hours continuous working time without a 6 hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.

13. Bridge watch time rendered underway at the Master's request not otherwise provided for under the tariff will be charged for at \$50.00 per hour or portion thereof. In cases where one pilot has exceeded 8 hours continuous working time without a 6 hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.
14. Pilots will furnish VHF transceivers for vessels not so equipped and in working order such that compliance will be made with the provisions of the Vessel Bridge- to-Bridge Radiotelephone Act. The charge for the use of this equipment will be charged for at the rate of \$10.00 per day or portion thereof.
15. The rate for a Second Pilot, when used, will be charged for at the rate of 50% of the rate for the first pilot (all applicable charges to apply).
16. Mooringmaster — Services and rates are negotiable on application.
17. Agents, owners or masters shall advise pilots of vessel movements at least 24 and 36 hours prior to such movements in order to allow sufficient time for the pilot to arrive at the vessel via available means of transportation. A pilot will be considered unavailable for services only if the timely notice (24 and 36 hours) is given and a pilot does not show up for services. If a lesser time notice is given and a pilot under such notice is not able to reach the vessel for services, the vessel and the owner thereof shall be liable for the transportation costs incurred by the pilot in attempting to reach the vessel and the pilotage fee equal to the pilotage rate that would have been paid by the vessel for such pilotage services.

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18. When the time of movement is set by agent, owner or master of a vessel, any delay over two hours shall be charged at the rate of \$50.00 per hour or a portion thereof, not to exceed \$600.00 per day. If the pilot is detained for two hours or less, no detention will be charged. If the pilot is detained for more than two hours, detention for the first two hours will be charged.
19. Movement is defined as an evolution by a vessel which requires the employment of a licensed pilot as stipulated in AS 08.62.160.

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