

SB

35

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/5/99

FURTHER: 2/8/99

DATE TURNED
IN TO OFFICE: 8 Feb 99

Finance Committee considered

SENATE BILL NO. 35

"An Act extending the termination date of the Board of Marine Pilots."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 35 (L&C)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | NR | DNP | AM |
|------------------------------|----|--|----|-----|----|
| <i>[Signature]</i> | ✓ | | | | |
| <i>[Signature]</i> | ✓ | | | | |
| <i>[Signature]</i> | ✓ | | | | |
| <i>[Signature]</i> | ✓ | | | | |
| <i>[Signature]</i> | ✓ | | | | |
| | | Sen Wiken & Sen Phillips absent from meeting | | | |
| Co-Chair: <i>[Signature]</i> | ✓ | Co-Chair: | | | |
| Co-Chair: <i>[Signature]</i> | ✓ | Co-Chair: | | | |

NEW FISCAL NOTE(S):

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PREVIOUS FISCAL NOTE(S):*

| Department | Date | Zero | Fiscal |
|-----------------------------|--------|------|--------|
| DCED Occupational Licensing | 2/4/99 | ✓ | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 1
 Bill Version: CSSB.35(L&C)
 (S) Publish Date: 2/5/99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

2/2/99

| | | |
|---|---------------------------|---------------------------|
| Revision Date/Time (Note if correction) | Dept. Affected | Commerce & Econ Dev. |
| Title | BRU | Occupational Licensing |
| Board of Marine Pilots. | Component | Occupational Licensing |
| Sponsor | Senator Pearce | |
| Requester | Senate Labor and Commerce | Component Serial No. 2360 |

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|------------------------|---------|---------|---------|---------|---------|---------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|-----|
| CHANGE IN REVENUES () | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-------------------------------|-----|-----|-----|-----|-----|-----|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY99) cost: 112.0

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

CSSB 35(L&C) extends the Board of Marine Pilots to June 30, 2003. Funding for continuation of the board in the amount of \$112.0 is included in the department's FY 2000 operating budget request; therefore, new funds are not needed. The program is required to cover its costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs.

| | |
|---|---------------------------------|
| Prepared by <u>Jennifer Strickler, Administrative Manager</u> | Phone <u>465-2144</u> |
| Division <u>Occupational Licensing</u> | Date/Time <u>2/4/99 4:10 PM</u> |
| Approved by Commissioner <u>Deborah B. Sedwick</u> | Date <u>2/4/99</u> |
| Agency <u>Commerce & Economic Development</u> | |

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BOARD COSTS
INFORMATION

CSSB 35(L&C)
#1

| CSSB 35(L&C) | | | | |
|----------------------|-------|------|--------|--------|
| DIRECT COSTS | | | Total | AVG |
| FY: | 97 | 98 | DIRECT | ANNUAL |
| | | | | COSTS |
| Personal Services | 76.1 | 63.9 | 140.0 | 70.0 |
| Travel | 11.6 | 10.0 | 21.6 | 10.8 |
| Contractual Services | 36.3 | 25.2 | 61.5 | 30.8 |
| Commodities | 0.6 | 0.1 | 0.7 | 0.4 |
| Equipment | 0.2 | 0.0 | 0.2 | 0.1 |
| | 124.8 | 99.2 | 224.0 | 112.0 |
| | | | | |
| | | | | |
| | | | | |

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Alaska State Legislature



During Interim: (June - Dec.)
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During Session: (Jan. - May)
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Juneau, Alaska 99801-1182
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Senator Drue Pearce

SB 35 **Sponsor Statement**

The Board of Marine Pilots was originally created in 1970. The associated authority of the Board was then significantly broadened with the Marine Pilot Act of 1991. The Marine Pilot Act stated, "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."

At that time the legislature felt it necessary to give the board broad authority, which included establishing pilotage regions, maximum tariffs, and criteria for the training and licensing of marine pilots.

The 1995 amendments to the State's marine pilot statutes changed the BMP's role in setting how much pilot organizations could charge for services. The process allows the flexibility of negotiated rates between the pilots and the shippers. It also fosters competition between pilot organizations while giving shippers an avenue of appeal and review when they believe rates may be excessively high in regions of the state where there is no competition.

The regulation and licensing of qualified marine pilots benefits the safety and welfare of the public. The BMP has begun improved training and continuing education of Alaska marine pilots which is becoming increasingly important with the steady increase in tourist passenger ships in recent years.

The board provides reasonable assurance that the pilots of cargo and passenger ships are qualified to do so. The board has successfully worked with the pilot associations in resolving many problems identified in the 1994 audit and continues to improve the safety of Alaska's marine waters. The 1998 legislative audit, recognizing the public importance of the BMP, recommends that its termination date be extended to June 30, 2004.

LAW OFFICE OF
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RECEIVED
FEB 03 1999

Ans'd.....

February 3, 1999

HAND DELIVERED

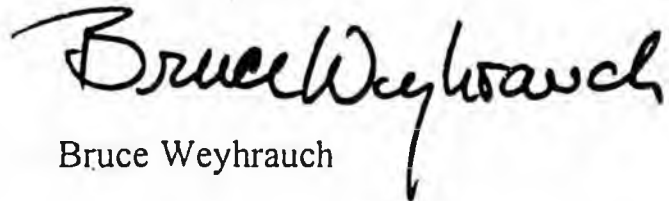
Senator Drue Pearce
Senate President
State Capitol
Room 111
Juneau Alaska 99801

Dear Senator Pearce:

The Southeast Alaska Pilots' Association has no objection to Senate Bill 35 as it is presently written, which would extend the termination date of the Board of Marine Pilots to June 30, 2004.

Please let me know if you have any questions.

Very truly yours,


Bruce Weyhrauch

SOUTHWEST ALASKA PILOT ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-8119

February 5th, 1999

Senator Drue Pearce, President
Alaska State Senate

Dear Senator Pearce,

On behalf of the member pilots of SWAPA, I want to thank you for sponsoring legislation to extend the Alaska Board of Marine Pilots. We support the bill exactly as you have written it - a simple extension of the Board for 5 years without amending our current statutory structure. Our current structure was the result of very difficult negotiations 4 years ago, and we all hoped it would work to reduce and level of strife in the marine pilotage industry. It has worked.

We have finally had 4 years of peace between pilot groups, the industry and the administration. This kind of stability is very important to our industry and allows us to focus clearly on safety of operations and keeping commerce moving rather than fighting each other and the industry on a regular basis over political issues.

We will be present at hearings to testify and answer questions throughout the process, but we also wanted you to have this written statement of our position, so that you could include it with the bill packet.

Thanks again for your continuing support of marine pilotage issues in Alaska.

Sincerely,



Mike O'Hara
President, SWAPA



Alaska Coastwise Pilots Association
P.O. Box 23367
Ketchikan, Alaska 99901-8367

**Marine Pilots
Dispatch Service**

Telephone: (907) 225-7243
Fax: (907) 247-4544

MEMORANDUM

DATE: February 5, 1999

TO: Sen. John Torgerson, Co-chairman
Sen. Sean Parnell, Co-chairman
Senate Finance Committee

FROM: Capt. Jeff Baken, President
Alaska Coastwise Pilots Association

RE: Testimony on SB 35-Extension of the Board of Marine Pilots

Chairmen Torgerson, Parnell and Committee Members:

I am Capt. Jeff Baken, a resident of Ketchikan and President of the Alaska Coastwise Pilots Association.

The Alaska Coastwise Pilots Association is one of two marine pilot groups working in Southeast Alaska. We currently have 15 members who work primarily as cruise ship pilots, although we do pilot other commercial vessels on an as needed basis year-round.

Our organization supports SB 35, the extension of the Board of Marine Pilots, in its current form. Although the relationship between our organization and the Board was somewhat contentious earlier in the 1990's, the past few years have seen a much improved working relationship between all the involved parties, which was noted in the Nov. 18, 1998, Legislative Audit on the Board. (Pg. 26, 1st paragraph.)

The Alaska Coastwise Pilots Association is satisfied that the Board of Marine Pilots is working properly and following its mandates, and we support its continuation as outlined in SB 35.

Thank you for the opportunity to testify.