

**ALASKA LEGISLATURE**

**2630**


**HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004**

196

Page 2 of 2  
Senator Gene Therriault  
February 7, 2003

We would appreciate it if you could review the language in the Alaska Marine Pilotage Act passed in 1995, with a mind to possible changes that could resolve what we think was an unintended consequence. We believe it is in the best interests of our member communities and for commerce in our state with minimal impact on the level of protection to our waters. We are hopeful you can initiate legislation to either change this law or allow the relevant agencies to grant waivers. We stand ready to support these changes in whatever manner you consider appropriate.

Sincerely,



Loren Gerhard  
Projects & Policy Director  
cc: Amy Wachman, Kate Tesar



January 21, 2003

Senator Gene Therriault  
State Capitol  
Juneau, AK 99801-1182

RE: Private yachts in Alaska and marine pilot statutes/SB 20

Dear Senator:

I recently began a small business that works with owners of large pleasure yachts who desire to cruise in Alaska, although I've worked in the business for the past 8 years. I book and coordinate trips and service guests and crew while in port. I would like to bring to your attention a situation which I understand may have been caused inadvertently when Alaska's marine pilotage statutes were last revised in 1995. It has, however, the potential to significantly impact the economy of several communities in Alaska.

At that time, language was included in the Alaska Marine Pilotage Act (in SB 130), which mandated employment of state licensed marine pilots on all foreign flagged pleasure craft larger than 300 gross tons. At the same time, all American flagged pleasure craft of every size were exempted from pilotage laws. (Washington state currently may exempt yachts under 500 gross tons and 200' after a review process, and Canada allows applications for waivers on an individual basis.) In 1995, visits to Alaskan ports by large yachts were not a common occurrence, and no one could have foreseen the rapid expansion in this lucrative segment of the boating community.

After conversations with a variety of people involved with the legislation in 1995, it has become clear that the level of the 300 gross tonnage exemption was arbitrarily selected. Eight years later, this tonnage level has become even less workable considering the present trend in pleasure craft. There are 507 yachts of over 80' currently under construction worldwide, with an average length of 120'. Although a significant portion of these vessels are being constructed in US shipyards, owners may prefer to flag (register) these pleasure craft in other countries for any number of reasons. In addition, tonnage measurements are inconsistent internationally. What is measured at 300 gross tons in the US is weighed differently in other regions of the world.

The economic impact of this state mandate to the port communities in Alaska is substantial. Because of the current law, a number of yacht owners and brokers are choosing other areas of the Pacific Northwest for cruising opportunities. Although Alaska is the premier destination, many in the yachting community choose not to pay the cost of hiring a marine pilot (\$1400.00-\$2200.00 per day out of Ketchikan) and paying for the inconvenience of including an extra, unfamiliar, crewperson aboard for an extended cruise of many weeks. It is estimated that these yachts, which may charter for ten of thousands of dollars per week, spend an additional 30% to pay for food, beverages, dockage, and fuel in ports during their cruise. This does not include personal shopping, restaurants, or local tours.

January 21, 2003  
Page 2

Alaska's small coastal communities, many who are struggling from the loss of timber jobs and the decline in commercial fishing, are missing out on the possibility of millions of dollars of economic opportunity. From florists to liquor stores, from hair salons to car rentals- literally dozens of small business in these ports can participate in the economic benefits brought by these yachts.

Although it has not yet been defined in regulation, a statute is in place that allows these yachts to travel in Alaska without a pilot if one is not available. This is commonly the case, as a shortage of pilots may exist in Southeast during the summer when large cruiseship traffic in Alaska is at its peak. Others may cruise illegally, as enforcement of the current law is impossible and non-existent.

I am proposing a change be made to the Marine Pilotage Act to either grant waivers to these foreign flagged yachts or amend the statute to exempt vessels of less than 200'. The recent legislative audit (#08-20015-02 November 1, 2002) from the Legislative Budget and Audit Committee states, under Recommendation No. 4, "The Board of Marine Pilots should seek statutory authority to allow the board the discretion to grant waivers of pilotage requirements to large pleasure crafts." In their response, the representative of the Commissioner of the Department of Community and Economic Development, a board member of 8 years, agreed.

As a small business person raised in Alaska, I also want to guarantee that the vessels are safely navigated, ensuring the protection of life, property and the marine environment. Owners of multi-million dollar vessels do not entrust them to captains or masters without the proper knowledge, education and experience to competently operate them. The state could put criteria in regulation regarding experience, licensing, insurance or oil spill contingency plans to help ensure that incidents do not occur, and fees could be charged to apply for this exemption or waiver (Washington charges up to \$1,500.00 per application).

I hope to be working with you as the sponsor of SB 20, and with port communities and marine pilots to draft an amendment to end the inequity of this law. I thank you for your consideration on this issue, and please feel free to contact me if you need any further information.

Sincerely,



Amy Wachmann  
Alaska Yacht Services & Provisioning



HAINES BOROUGH, ALASKA

P.O. BOX 1209

HAINES, AK 99827

(907) 766-2231 \* FAX (907) 766-3179

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Re: Private Foreign-Flagged Yachts

Dear Senator Therriault:

On behalf of the newly-formed Haines Borough, I would like to add my support to a proposal to change a state law that could help the economy of our small community. I am referring to the current attempt to put a waiver system in place to allow private foreign-flagged yachts to cruise in Alaskan waters without a marine pilot aboard.

Haines has felt the devastating effects of a general downturn in our economy for many years. With the loss of the timber industry and the low return for our fisheries resources, we have turned to tourism as one way to help rebuild our community. The impact of the spending by guests and crew on these large yachts in a small coastal community such as Haines cannot be overstated.

Haines is open for business and we welcome any changes in state law that will help bring new customers here. Thank you for your consideration of these changes. They could have a very positive impact on the economy of our community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jerry Lapp".

Jerry Lapp  
Deputy Mayor  
HAINES BOROUGH



# City and Borough of Sitka

## HARBOR DEPARTMENT

617 Katlian Street • Sitka, Alaska 99835  
(907) 747-3439 • Fax (907) 747-6278

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senator Therriault:

I too received the letter from Amy Wachmann, owner of Alaska Yacht Services and Provisioning regarding the restrictions for foreign flagged yachts entering Alaskan waters and the requirement for a pilot to be aboard each vessel when in our state's coastal waters.

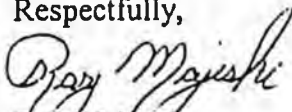
Being the Harbor Master for the City and Borough of Sitka I must deal with these yachts on a daily basis during the summer months. I can assure you they bring a huge amount of business to our state and to our city. They spend lots of money not only because they have lots to spend, but because they often base out of communities like Sitka for the entire summer. When they do this, they spend huge amounts of money on food, supplies, and fuel in our city.

I can assure you if the rules requiring a pilot aboard each of these vessels is not deleted from the statutes, these yachts will not comply and simply will not come into our state's waters.

This is a prime example of our own laws working against us. The Captains and crews of these vessels are more than familiar with our waters and there is truly nothing to be gained by enforcing such requirements. I cannot think of any valid reason or justification for telling these potential visitors to our awesome state by way of our own laws that they are not welcome.

Anything you can do to correct this situation will reap many financial benefits for our state now and in the future.

Respectfully,

  
Ray Majeski  
Harbor Master



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

(907) 747-3159 Reederf@att.net

February 12, 2003

The Honorable  
Senator Gene Therriault  
Senate President  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

**Re: Changes in marine pilotage laws re: foreign flagged yachts**

Dear Senator Therriault:

The City and Borough of Sitka would like to join other SE communities in supporting a statutory change that would allow certain pleasure yachts to travel in Alaska without marine pilots. Facilitating a boost to our economy while maintaining safety and environmental standards is what I feel most residents of Sitka could support.

As you know, Sitka is still in the process of redefining itself after many decades with a primarily resource-based economy. Fortunately for us, as the timber industry was receding in our area, the tourism industry in Alaska was developing. Although we are taking a very deliberate look at how this industry should progress in our community and how any changes may affect our citizens and their way of life, it is generally agreed that many opportunities for local businesses and residents may be tied to the tourism industry.

As a port community, we realize the positive financial impact visitors aboard these large yachts can have in Sitka. Some yachts currently use our port as their home base during their summers in Alaska. It makes sense to allow these vessels, and their foreign flagged counterparts, to travel freely in Alaska without another marine pilot aboard, as long as competent and experienced masters are in charge. As this pilotage law has never been enforced, it only makes common sense to change the law to reflect the actual reality of today's yacht cruising public.

I would appreciate your support for legislation that removes this barrier to commerce in Sitka and other coastal communities of Southeast. Thank you for your consideration of this issue.

Sincerely,

Fred Reeder  
Mayor



**GOLDBELT**  
SEADROME  
MARINE COMPLEX

February 7, 2003

The Honorable Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Therriault:

I am writing in support of the proposed change to the marine pilotage law concerning foreign flagged yachts. As manager of the Seadrome Marine Complex a docking facility owned by Goldbelt in downtown Juneau, I have observed vessels that become very frustrated with the current regulations and head for friendlier ports. Our customer base is made up of small cruise vessels, day boats and yachts. This past year, approximately 25% of our moorage business came from yachts and transient vessels. Most of these vessels travel from the east coast specifically to visit Alaska while others are on their maiden voyage after leaving one of the boat builders in the Puget Sound area.

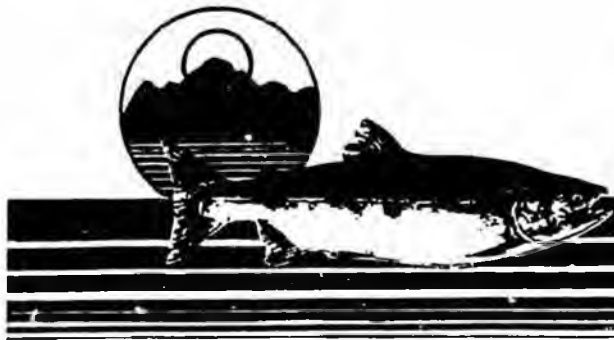
We have noticed a steady increase of yachts visiting Alaska over the past five years and hear about many more that decide not to make the trip because of the costly pilotage requirements. Although I have no way of knowing the potential market that is discouraged from visiting Alaska because of the current regulations, my feeling is that it is considerable. The limited availability of pilots is also problematic for vessels such as yachts with an ever-changing schedule.

The independent yacht visitor has a comparably greater positive economic impact by spending days if not weeks in Alaska and spreading their purchasing power over numerous businesses and communities. This positively impacts a wide variety of businesses from groceries to carpet cleaners and flower shops and fuel companies.

I urge you to consider an exemption or similar action to allow this market to reach its potential in Alaska. Many businesses and communities throughout the region will realize the benefits.

Best regards,

Jeff White  
Manager  
Seadrome Marine Complex



**Douglas Island Pink and Chum, Inc.**

2697 Channel Dr. • Juneau, Alaska 99801

Telephone: (907) 463-5114 • Fax: (907) 463-3213

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

February 10, 2003

Dear Senator Therriault:

As the Executive Director of the Douglas Island Pink and Chum Corporation (DIPAC) in Juneau, I am writing to support a change in Alaska law that will allow large private yachts to travel into Alaskan waters without an additional marine pilot aboard.

As the main producer of enhanced salmon for the communities of northern Southeast, we are very aware of and concerned about issues affecting sport fishing in the inside waters. We produce salmon for sport and commercial fishermen, as well as the expanding local salmon charter business. Although most of our operating funds are earned in a traditional manner through cost recovery of our fish, a percentage of our expenses are covered each year by money brought in through the tourism attraction attached to our hatchery. We host over 100,000 visitors at our facility each summer, with a growing number originating from non-cruise ship travel.

We in Juneau understand the economic opportunity associated with independent travelers to Alaska. The cruiseships provide the majority of our client base, but locals, their relatives and other tourists visiting Juneau have a significant impact. The money spent in our community by developing the private yacht industry is welcome and needed. I am in total support of any changes in statute which will increase the traffic to our area by these desirable tourists. It is my understanding that the current law has never been enforced, and this is all the more reason to investigate changes at this time

Thank you for your consideration of these changes in statute which benefit all the coastal communities in Southeast Alaska

Sincerely,

A handwritten signature in cursive script that reads "Jon Carter".

Jon Carter  
Executive Director

Summit Restaurant/Inn at the Waterfront  
455 South Franklin Street  
Juneau, AK 99801  
Phone 907-586-2050 Fax 907-586-2999  
E-mail: AN1898INN@AOL.COM

February 12, 2003

Senator Gene Therriault  
Senate President  
State Capital  
Juneau, AK 99811-3100

Dear Senator Therriault:

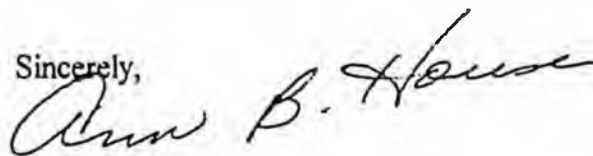
As the long time owner of a small hotel and restaurant in downtown Juneau, I am supporting a change in Alaska's Marine pilotage laws to allow large pleasure yachts to operate without additional marine pilots while in Alaska. I cannot stress strongly enough the impact the **private yacht** traffic has on my business.

The Summit Restaurant and the Inn at the Waterfront is one of the few businesses on the South end of Franklin Street that stays open throughout the winter months to better help serve our visitors and legislative friends from all over the state. Many companies in the downtown area enjoy business brought from all sectors of our cruise ship industry. As you may know when passage is booked on one of the larger cruise ships, all meals are included. (As are the midnight buffets the ships are so famous for!). For this reason, the independent visitor traffic is of the utmost importance to my economic viability.

The amount of money that is spent these yachts in a community can be staggering. I have witnessed this first hand on numerous occasions. It would seem that the legislature should do all it can to attract these desirable tourist to Alaska; ones that spend freely and leave no negative impacts behind.

Thank you for your consideration to these charges that will have a very positive impact on my small business.

Sincerely,



Ann B. House  
Owner



# Juneau Economic Development Council

February 12, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Re: exemptions from marine pilotage statutes for large yachts

Dear Senator:

I am writing on behalf of the Juneau Economic Development Council (JEDC) to voice our support for changes to state pilotage laws to allow large, private foreign flagged private yachts to cruise in Alaska waters without a marine pilot aboard.

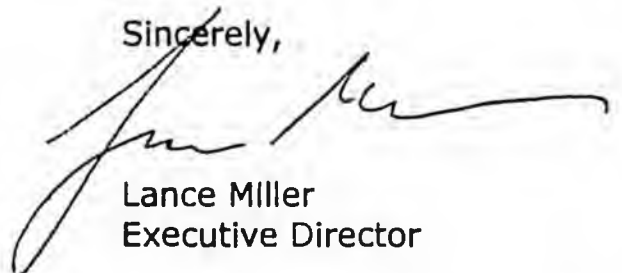
The JEDC works to enhance quality of life by actively promoting economic diversity and sustainable development in all of Southeast Alaska. We assist businesses in creating family-wage jobs with our business counseling and loan programs, as well as serving as the Overall Economic Development Planning agency for the City and Borough of Juneau.

It is a goal of JEDC to work with residents of Juneau and Southeast Alaska to help utilize our natural, cultural and intellectual resources wisely in order for our economy to be competitive in a national and international market place. The challenge is to help create family-wage jobs in a sustainable economy while at the same time maintaining our unique quality of life.

Tourism has now become one of the main economic engines in SE Alaska for communities that had previously relied only on resource development. It is my understanding that many coastal communities are missing out on the economic opportunity brought about by the visitation of independent visitors aboard these yachts. If a change in state law can help stimulate these areas towards an improved economy, we are committed to supporting this effort.

Thank you for addressing this important economic issue.

Sincerely,



Lance Miller  
Executive Director

*Diversifying our Economy • Assisting Business Development • Enriching our Quality of Life*

612 Willoughby Avenue, Suite A • Juneau, Alaska 99801-1732

Tel 907-463-3662 • Fax 907-463-3929 • Toll Free 888-393-3662 • [www.jedc.org](http://www.jedc.org)



DAVID L. SOKOL  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

January 28, 2003

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

Re: SB20 – Board of Marine Pilots

Dear Senator Therriault:

The purpose of this letter is to offer my strong support in regard to an amendment to SB20 – Board of Marine Pilots that would provide an exemption for pleasure craft of foreign registry of less than 200 feet in length.

I, and several other boat owners who used to cruise the Southeastern Alaskan waters, have been unable to do so in recent years due to an inadvertent change in the statute in 1995.

We are hopeful to enjoy your beautiful state this summer if such an amendment could be approved. I have attached some prior correspondence that may be of use to your staff as they consider this request.

Thank you for your help and consideration.

Best regards,

David L. Sokol

Encl.

:bt

**MIDAMERICAN** ENERGY HOLDINGS COMPANY

302 SOUTH 36TH STREET • SUITE 400 • OMAHA, NEBRASKA 68131-3845 • 402-341-4500 • FAX: 402-231-1403



DAVID L. SOKOL  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

October 25, 2002

Mr. Brian S. Porter  
Alaska State Legislature  
Speaker of the House  
State Capitol  
Juneau, AK 99801-1182

RE: Marine Pilotage Requirements

Dear Speaker Porter:

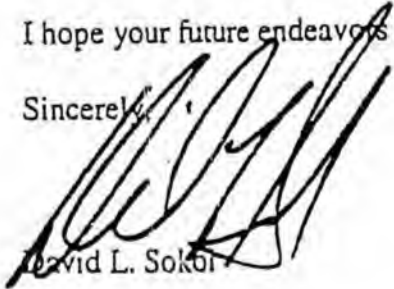
Thank you very much for your letter of October 16, 2002 and the attached memorandum from George Utermohle. I appreciate your attention to the matter and I wanted to answer a few questions raised in Mr. Utermohle's memo.

Our vessel is 354 gross tons and is utilized exclusively as a pleasure vessel. All of our guests are friends and no fee of any kind is charged to them. Our vessel is registered in the Cayman Islands.

We are hopeful that an accommodation can be found by the legislature so that we could cruise the beautiful waters of Alaska once again as we have in the past.

I hope your future endeavors are successful and enjoyable.

Sincerely,

  
David L. Sokol

CC: George Utermohle  
Peter Christensen  
Honorable Rick Halford  
Honorable Frank Murkowski  
Honorable Tony Knowles

**MIDAMERICAN** ENERGY HOLDINGS COMPANY

302 SOUTH 36TH STREET • SUITE 400 • OMAHA, NEBRASKA 68131-3845 • 402-341-4500 • FAX: 402-231-1403

# City of Ketchikan



334 Front Street  
Ketchikan, Alaska 99901  
Phone 907-225-3111  
Fax 907-225-5075

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

Re: Statutory change regarding requirement for marine pilots on large yachts

Dear Senator Therriault:

I am writing regarding the above-referenced subject. I am generally in support of a statutory change, which would allow large noncommercial private yachts to travel in Alaska without marine pilots to the extent that safety and other issues are not compromised. I would, however, want to see specific legislative language prior to endorsing a particular concept.

As you know, Ketchikan's economy has been hard hit by the decline in the timber industry, as well as by the challenges currently facing the fishing industry. Fortunately, on the other hand, our tourism industry is continuing to provide economic opportunities for local businesses and residents.

Ketchikan is in the process of completing a comprehensive development plan for our port and harbor facilities. I believe that this will result in a number of improvements in our infrastructure to better accommodate various classes of vessels, particularly including large yachts, and thereby enhance our economy. I also believe that, in addition to the goods and services that yacht passengers and crew might typically spend while visiting a community, we will be in a unique position to perform routine vessel maintenance/repair as the capacity of our shipyard increases.

In closing, I would appreciate your support for legislation that removes barriers to vessel traffic through an appropriate mechanism which can be supported by concerned parties, including marine pilots and yacht owners.

Thank you for your consideration of this issue.

Sincerely,

Bob Weinstein  
Mayor



## Greater Ketchikan Chamber of Commerce

P.O. Box 5957, Ketchikan, Alaska 99901  
(907) 225-3184 • FAX: (907) 225-3187

February 20, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, Alaska 99801-1082

Dear Senator Therriault,

I would like to add the support of the Greater Ketchikan Chamber of Commerce for the current efforts to change Alaska law to allow private yachts registered outside of the US, to travel into Alaskan waters without a marine pilot onboard.

In Ketchikan, the tourism and maritime support industries are important economic sectors. Although cruise ship passengers provide the main economic engine for our visitor industry, our member businesses understand the value of attracting the independent tourists arriving in our city by yacht. Ketchikan's maritime industries are prepared to support the sophisticated vessels that comprise this unique fleet of privately owned ships. The impact of spending in our community by this growing sector of the yacht industry cannot be overstated.

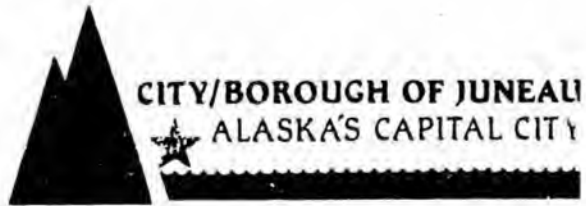
The Chamber supports the efforts by yacht owners, communities and other small businesses to change this state law, whose only effect has been to stifle commerce. It is our hope that the groups working on this issue, including our local marine pilots, will be able to reach a compromise allowing all yachts to safely travel in Alaska.

Please consider this change that will help stimulate the economy for many small businesses in Ketchikan, as well as throughout Southeast Alaska.

Thank you for your timely consideration of this matter.

Sincerely,

Doug Ward  
President  
Greater Ketchikan Chamber of Commerce



## OFFICE OF THE MAYOR

Telephone: (907) 586-5240; Facsimile: (907) 586-5385  
[Sally\\_Smith@ci.juneau.ak.us](mailto:Sally_Smith@ci.juneau.ak.us)

February 10, 2003

The Honorable Gene Therriault  
President of the Alaska State Senate  
State Capitol  
Juneau, AK 99801-1182

Re: SB 20

Dear Mr. President:

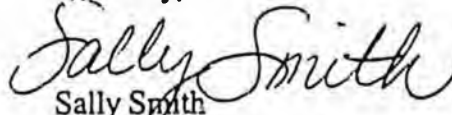
Over the past few years Juneau has invested heavily to upgrade our docks and harbors. Part of that effort has included the development of a more hospitable welcome to private yachts. As a longtime tourist destination, we understand the economic opportunity derived from these vessels. Benefits accrue both to the city, through docking fees, and to many small businesses that offer goods and services to the owners, passengers, and crewmembers.

It is my understanding that there is currently a proposal to change state law to allow large, foreign flagged private yachts to travel in Alaska without marine pilots. Juneau endorses that change, believing it will encourage more yacht traffic.

Given the current situation, we are losing a portion of potential business from this affluent group, all because of a basically unenforceable state law. We just cannot afford to lose such lucrative business to other coastal states.

Your consideration of this issue will be greatly appreciated. The commerce is important to all coastal communities.

Sincerely,

  
Sally Smith  
Mayor



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3100 Channel Drive, Suite 300 • Juneau AK 99801  
(907) 463-3488 • Fax (907) 463-3489

February 12, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Dear Senator Therriault:

As the Executive Director of the Juneau Chamber of Commerce, I would like to add the support of our organization for a change in Alaska statutes that will allow additional private yachts to travel into Alaskan waters without a marine pilot aboard.

Although Juneau is enjoying a stable economy at this time based on a combination of government and private employment and summer tourism positions, other areas of Southeast are not as lucky. In communities where timber and fish were once the mainstays, the tourism industry is becoming an important partner. In Juneau, a community which hosts nearly one million visitors a year, we have long understood the value of these independent travelers to our economy.

As you may know, a private sector group in Juneau is in the permitting stage for construction of a new dock to provide additional moorage space for yachts, small cruise ships and lightering vessels. There is no better way to gauge business opportunities than by those who are willing to invest in the infrastructure of our community.

The Chamber supports the efforts by Alaska Yacht Services and Provisioning to change this state law which significantly discourages yacht visitation. Without an amendment to the current marine pilot regulation that states that "all pleasure craft foreign flagged must hire a state marine pilot onboard," Southeast Alaska is missing out on a wonderful economic opportunity. Please consider this change in direction that will help stimulate the economy for many small businesses in Juneau, as well as throughout Southeast and coastal Alaska.

Thank you for your consideration of this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jamie Parsons', is written over a faint, circular stamp or watermark.

Jamie Parsons  
Executive Director  
Juneau Chamber of Commerce

CC: Governor Murkowski

# Miss Scarlett's Greenery

124 Seward Street Juneau, Alaska 99801 907-586-1766 Fax: 907-586-6545 800-586-1767

February 10, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Dear Senator Therriault:

As the co-owner of a local, family owned business that depends on Juneau's summer visitors for our economic viability, I would like to add my voice of support to a change in Alaska's marine pilotage laws to allow large pleasure yachts to operate without additional pilots aboard while in our waters.

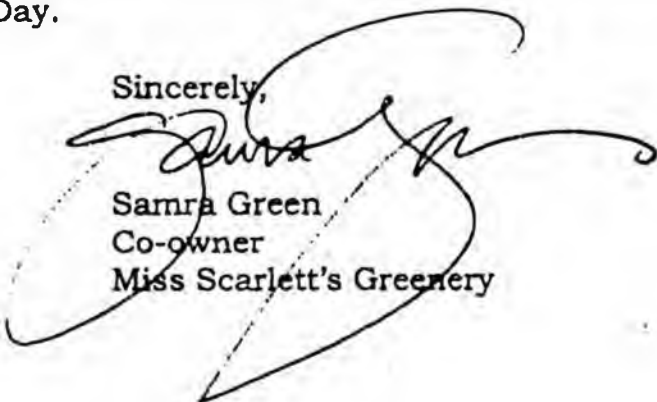
Although Miss Scarlett's Greenery enjoys a steady local business during most of the year, I can truthfully state that the income we derive from independent yacht traffic is crucial to our bottom line. It makes the difference between having a great season and having one in which we wonder how we'll make it through the very slow fall and winter until the legislature arrives

We are one of many small businesses in Southeast that wouldn't typically come to mind when you think of these affluent visitors. But we supply a product that can only be enjoyed while fresh, not unlike produce, dairy and meat, which must be purchased while in port.

Please bear in mind the impact your decision will have on our livelihood. Alaska is the destination of a lifetime for many of the customers we come in contact with each summer. The government should be doing all it can to attract these desirable visitors to our state, especially during these times of economic uncertainty.

Thank you for your consideration of this issue. Please let me know if you would like any further information regarding our reliance on this important sector of the tourism industry-but please call after Valentine's Day.

Sincerely,



Samra Green  
Co-owner  
Miss Scarlett's Greenery

U.S. Department  
of Transportation

United States  
Coast Guard



Commander  
17<sup>th</sup> Coast Guard District

P.O. Box 25517  
Juneau, AK 99801  
Staff Symbol: (m)  
Phone: (907) 463-2802

16712

MAR 6 2003

The Honorable Gene Therriault  
State Capitol Building  
Juneau, AK 99801

Dear Mr. Therriault:

I wanted to take the opportunity to applaud your efforts to permit an orderly process for exempting Canadian warships and Coast Guard vessels home-ported in British Columbia from state pilotage requirements. We support this reciprocal agreement and believe it will only serve to improve the important relationships we share with our Canadian neighbors.

I also would like to take this opportunity to respond to requests for my comments on state legislative discussions of easing pilotage requirements for foreign pleasure vessels. The current statute requires a pilot for vessels 300 gross tons and over. Proposals have been made to increase that tonnage exemption, effectively allowing larger vessels the opportunity to transit Alaskan waters without a pilot. These are matters of state interest over which the Coast Guard has no authority but about which I do have concerns. Vessels greater than 300 gross tons are large and can pose serious risks to the safety of navigation and the environment. Removing pilots from these vessels could dramatically impact vessel safety since local knowledge and experience are a key component of safe navigation. Having a pilot onboard helps prevent groundings and subsequent environmental damage. Their presence facilitates communications during vessel passages in the narrow waters of Southeast as well. By their presence onboard during vessel operations, the pilots are also in a unique position to alert the proper authorities if there are indications the vessel or crew may present law enforcement or homeland security concerns. Finally, the pilot's local knowledge helps with sensitive property and territorial concerns; distinguishing between local, federal and tribal areas. This type of overall awareness prevents accidents in the first place and helps mitigate them when they do happen. It cannot be replaced by a foreign crew, a transponder, or a float plan. We appreciate the service and performance of your state pilots and recommend their continued presence on foreign pleasure vessels 300 gross tons and over.

Again, I recognize these are state interests and appreciate the opportunity to present my concerns as part of our cooperative relationship. I trust all will go well with the remainder of your session. Please contact myself or LT Matt Jones of my staff at 907-463-2809 if we may be of further assistance on these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "J. W. Underwood".

J. W. UNDERWOOD  
Rear Admiral, U.S. Coast Guard  
Commander, Seventeenth Coast Guard District

Copy: The Honorable Fred Dyson  
The Honorable Gary Wilken  
Mr. Joseph W. Geldhof, Esq.

## SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977  
 Homer, Alaska 99603

Tel: (907) 235-8783  
Fac: (907) 235-6119

February 5, 2003

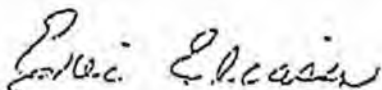
Senator Gene Therriault  
Senate President  
Alaska State Legislature

Dear Senator Therriault,

I am writing to indicate the support of the Southwest Alaska Pilots Association (SWAPA) for your bill, SB20. We appreciate you introducing this legislation.

Our preference would be for passage of the bill just as you have written it with a simple extension of the Board of Marine Pilots. I have attached an explanation of the history and issues surrounding marine pilotage in Alaska and would ask you to enter it into the record of the bill deliberations. The bottom line is that the compromise which was reached between industry, pilots, the administration and the legislature is working and should not be changed.

Thank you for your leadership on this issue.



Eric Eliassen  
President



# SouthEast Alaska Pilots' Association

1621 Tongass Avenue, Suite 300 • Ketchikan, Alaska 99901 • 907-225-9696 • fax 907-247-9696 • seapa@kpunet.net

---

Capt. Dale O. Collins, President  
Capt. Ted Kellogg, Vice President

31 January 2003

Senator Gene Therriault  
Senator Fred Dyson  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senators Therriault and Dyson,

The Southeast Alaska Pilots' Association would like to go on record as supporting SB 20 as written.

Sincerely,

Capt. Dale O. Collins  
President

cc. Senator Con Bunde  
Senate Labor & Commerce Committee



# ALASKA STATE LEGISLATURE

SPEAKER OF THE HOUSE BRIAN PORTER

OCT 21 2002

October 16, 2002

Mr. David Sokol  
302 S 36<sup>th</sup> St Ste 400  
Omaha, NE 68131-3845

Dear Mr. Sokol,

Thank you for your letter regarding marine pilotage and suggested changes. It is rare that I receive letters containing such detail and insight, and I genuinely appreciate your input.

For your review, I have enclosed a response to your suggestions from our legislative legal office. As you will note, the changes you suggest could create some significant new issues and would signal a substantial deviation from our current approach to vessel pilotage. I am sure you are aware of how sensitive this topic is, given the grandeur of Alaska's waterways and considering the terrible results that may ensue when marine vessels encounter trouble. At the same time, it is of course important to continue to encourage positive economic development for Alaska.

Therefore, I will provide copies of your letter to key legislators who may wish to consider spearheading an effort toward some of your suggestions. You may not be aware, but I will not be returning to public office after the first of the year, and will therefore not be present during the next legislative session. Again, thank you for your comments and I wish you good luck and safe travels.

Sincerely,

A handwritten signature in cursive script that reads "Brian S. Porter".

Brian S. Porter  
Speaker of the House

Enclosure



February 5, 2003

Senator Gene Theriault  
Senate President  
State Capitol  
Juneau, AK 99801-1182

Dear Senator,

Delta Marine, located in Seattle, Washington is a manufacturer of custom luxury yachts with a complete refit & repair division. Our operation builds and services yachts of up to 225-foot and 1300 gross tons for a global clientele.

Many of our customers look forward to cruising Alaska when departing from Delta. However, several recent customers have decided to cancel their Alaska trips due to the stringent pilotage requirements of the State of Alaska. This affects Delta and our community as well as the waterfront communities of Alaska.

The following are three cases in particular that I wanted to bring to your attention:

- The 151' *Sally Ann* (498 gross international tonnage), after completing a five-year circumnavigation in 2001, returned to Delta for some routine maintenance work. The last leg of their amazing journey was to take them to Alaska. However, due to the rigorous pilotage requirements of the State of Alaska they canceled their trip and headed south instead.
- The 165' *Georgia* (381 gross international tonnage), is yet another a foreign flagged yacht that had plans to cruise Alaska. This story is unique, as this yacht sailed from the Mediterranean for a complete re-paint at Delta in 2002, as well as the opportunity to cruise the beautiful waters of the North Pacific. Once here, they were made aware of the strict pilotage requirements and too, canceled their plans to cruise to Alaska.
- Finally, the 126' *Andrea* (456 gross international tonnage), is a tough, seaworthy expedition yacht due to be delivered by Delta late this spring. Delta has quickly become known around the world for building these types of yachts and this client has come from Europe to Seattle to build. Although they would like to spend the summer cruising Alaska, taking this yacht to the far places it was built to see, they are planning to cancel their cruise to Alaska, again due to the strict Alaska pilotage requirements.

This is an issue that will continue to affect Delta, our customers, and the coastal communities of Alaska. We believe that changes to the law should be addressed as part

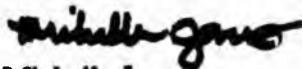
DELTA MARINE INDUSTRIES  
1608 SOUTH 26TH STREET  
SEATTLE, WASHINGTON 98108 USA  
TEL: 206.765.1383 FAX: 206.762.1617

of your current work on SB 20, the Board of Marine Pilots extension legislative requirement for pilotage of yachts should be thoroughly reviewed, with a goal of eliminating or narrowing this requirement.

The large yachts Delta builds and services are well maintained and well run. As a result, these yachts have an outstanding safety record. Removal of the pilotage requirement for these private pleasure craft is consistent with both maintaining environmental protection and encouraging economic opportunity, as well as standardizing marine pilotage law along the entire coastline from Washington to Alaska.

Your attention and efforts are appreciated. If I can be of any further assistance or answer any questions please let me know.

Sincerely,



Michelle Jones  
Marketing Manager

# Audit Report

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DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
DIVISION OF OCCUPATIONAL LICENSING  
BOARD OF MARINE PILOTS  
SUNSET REVIEW

November 1, 2002

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Audit Control Number:

08-20015-02

Division of Legislative Audit  
P.O. Box 113300, Juneau, Alaska 99811-3300

# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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## DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from the Senate and two from the House. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$6 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in Juneau, Anchorage, or at our web site <http://www.legis.state.ak.us>

### BUDGET AND AUDIT COMMITTEE

Senator Gene Therriault, Chair  
Senator Dave Donley  
Senator Lyman Hoffman  
Senator Randy Phillips  
Senator Jerry Ward  
Senator Gary Wilken (alternate)

Representative Hugh Fate, Vice Chair  
Representative John Harris  
Representative Reggie Joule  
Representative Ken Lancaster  
Representative Eldon Mulder  
Representative Bill Williams (alternate)  
Representative John Davies (alternate)

### DIVISION OF LEGISLATIVE AUDIT

Pat Davidson, CPA  
Legislative Auditor

P.O. Box 113300  
Juneau, AK 99811-3300

(907)465-3830, Juneau  
(907)561-1445, Anchorage  
(907)465-2347, Juneau Fax  
(907)561-1452 Anchorage Fax

**SB**

**20**

SFIN

FILE

**SENATE FINANCE COMMITTEE RE. JRT**

DATE: 2/14/03

REPORTED OUT  MAR 5 2003  SENATE FINANCE SENATE BILL NO. 20
--

FURTHER:

DATE TURNED  
IN TO OFFICE: 3/5/03

Finance Committee considered

**SB 20 EXTEND BOARD OF MARINE PILOTS**

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

and recommends:

- be replaced with \_\_\_\_\_ CS CS FORTHCOMING (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DCED	2/5/03	111.5		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

# FISCAL NOTE

REPORTED OUT

MAR 5 2003

SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1  
 Bill Version: SB 20  
 (S) Publish Date: 2/14/03

Revision Date/Time (Note if correction):  
 Title An Act extending the termination date of the  
Board of Marine Pilots; and providing for an effective date.  
 Sponsor Senator Therriault  
 Requester Senate Labor and Commerce

Dept. Affected: DCED  
 BRU Occupational Licensing (117)  
 Component Occupational Licensing  
 Component No. 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	78.5	78.5	78.5	78.5	78.5	
Travel	15.9	15.9	15.9	15.9	15.9	
Contractual	17.0	17.0	17.0	17.0	17.0	
Supplies	0.1	0.1	0.1	0.1	0.1	
Equipment	0.0	0.0	0.0	0.0	0.0	
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>111.5</b>	<b>111.5</b>	<b>111.5</b>	<b>111.5</b>	<b>111.5</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES (1156)</b>	111.5	111.5	111.5	111.5	111.5	
----------------------------------	-------	-------	-------	-------	-------	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156- Receipt Supported Services	111.5	111.5	111.5	111.5	111.5	
<b>TOTAL</b>	<b>111.5</b>	<b>111.5</b>	<b>111.5</b>	<b>111.5</b>	<b>111.5</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost. 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time	1	1	1	1		
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The bill extends the Board of Marine Pilots to June 30, 2007. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the board to conclude its affairs. The information above identifies direct expenditure and revenue information included in the FY 2004 Operating Budget request. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division Occupational Licensing Date/Time 2/5/03 4:18 PM  
 Approved by: Edgar Blatchford, Commissioner Date 2/5/2003  
 Agency Department of Community & Economic Development

CS FOR SENATE BILL NO. 20( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS THERRIAULT AND DYSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Board of Marine Pilots and to marine pilotage; extending the  
2 termination date of the Board of Marine Pilots; and providing for an effective date."

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

4 \* Section 1. AS 08.03.010(c)(10) is amended to read:

5 (10) Board of Marine Pilots (AS 08.62.010) -- June 30, 2007 [2003];

6 \* Sec. 2. AS 08.62.040(b) is amended to read:

7 (b) The board may, by regulation, make any other provision for proper and  
8 safe pilotage upon the inland and coastal water of and adjacent to the state and for the  
9 efficient administration of this chapter, including establishing

10 (1) different licensing criteria for a pilotage region if justified by  
11 regional differences in piloting;

12 (2) a mandatory drug and alcohol testing program, including random  
13 tests, post-incident tests, and tests based upon reasonable cause, for pilots licensed  
14 under this chapter and for trainees and apprentices seeking a license or

1 endorsement under this chapter; the board may delegate responsibility for  
2 administration, all or a portion of a testing program to pilot organizations;

3 (3) criteria for trainee selection and for training programs conducted by  
4 pilot organizations;

5 (4) standards under which a pilot may receive a license or an  
6 endorsement to a license to pilot vessels in more than one pilotage region under  
7 AS 08.62.080(b); and

8 (5) procedures for the review of proposed rates by the board under  
9 AS 08.62.046.

10 \* Sec. 3. AS 08.62.180 is amended to read:

11 **Sec. 08.62.180. Exemptions.** This chapter does not apply to

12 (1) vessels subject to federal pilot requirements under 46 U.S.C. 8502  
13 except as provided in AS 08.62.185;

14 (2) fishing vessels, including fish processing and fish tender vessels,  
15 registered in the United States or in British Columbia, Canada;

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

18 (4) vessels of United States registry of less than 300 gross tons and  
19 towboats of United States registry and vessels owned by the State of Alaska, engaged  
20 exclusively

21 (A) on the rivers of Alaska; or

22 (B) in the coastwise trade on the west or north coast of the  
23 United States including Alaska and Hawaii, and including British Columbia,  
24 Yukon Territory, and Northwest Territories, Canada;

25 (5) vessels of Canada, built in Canada and manned by Canadian  
26 citizens, engaged in frequent trade between

27 (A) British Columbia and Southeastern Alaska on the inside  
28 water of Southeastern Alaska south of 59 [58] degrees, 29 [10] minutes  
29 North latitude, if reciprocal exemptions are granted by Canada to vessels  
30 owned by the State of Alaska and those of United States registry; or

31 (B) northern Alaska north of 68 degrees, 7 minutes North

- 1 latitude and Yukon Territory or Northwest Territories;
- 2 (6) pleasure craft of United States registry; [AND]
- 3 (7) pleasure craft of foreign registry of less than 30<sup>0</sup> gross tons as
- 4 measured under 46 C.F.R. 69.51 - 69.75; and
- 5 (8) vessels of the Canadian Navv or Canadian Coast Guard that
- 6 have a home port in British Columbia, Canada, while navigating the inside water
- 7 of Southeast Alaska.

8 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

# Alaska State Legislature

SENATOR  
GENE THERRIAULT

Mailing Address:  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax: (907) 488-4271

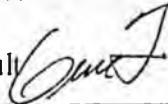
While in session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
Fax: (907) 465-3884

Senate

## Sponsor Statement

Senate Bill 20: An Act extending the termination date of the Board of Marine Pilots; and providing for an effective date.”

Sponsor: Senator Gene Therriault



Under AS 08.03.010 (10) the Board of Marine Pilots (BMP) will terminate on June 30, 2003. A report released by the Legislative Budget and Audit Committee recommended that the Legislature extend the board's termination date to June 30, 2007. House Bill 32 does just that.

The regulation and licensing of qualified marine pilots benefit the public's safety and welfare. The steady increase in tourist passenger ships in recent years has made BMP's role increasingly more important. The board provides reasonable assurance that the individuals licensed to pilot passenger and cargo ships in Alaskan waters are qualified to do so.

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

# Audit Report

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DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
DIVISION OF OCCUPATIONAL LICENSING  
BOARD OF MARINE PILOTS  
SUNSET REVIEW

November 1, 2002

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Audit Control Number:

08-20015-02

Division of Legislative Audit

P.O. Box 113300, Juneau, Alaska 99811-3300

# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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### BUDGET AND AUDIT COMMITTEE

Senator Gene Therriault, Chair  
Senator Dave Donley  
Senator Lyman Hoffman  
Senator Randy Phillips  
Senator Jerry Ward  
Senator Gary Wilken (alternate)

Representative Hugh Fate, Vice Chair  
Representative John Harris  
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Representative Ken Lancaster  
Representative Eldon Mulder  
Representative Bill Williams (alternate)  
Representative John Davies (alternate)

### DIVISION OF LEGISLATIVE AUDIT

Pat Davidson, CPA  
Legislative Auditor

P.O. Box 113300  
Juneau, AK 99811-3300

(907)465-3830, Juneau  
(907)561-1445, Anchorage  
(907)465-2347, Juneau Fax  
(907)561-1452 Anchorage Fax

## SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977  
Homer, Alaska 95603

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

February 5, 2003

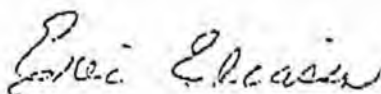
Senator Gene Therriault  
Senate President  
Alaska State Legislature

Dear Senator Therriault,

I am writing to indicate the support of the Southwest Alaska Pilots Association (SWAPA) for your bill, SB20. We appreciate you introducing this legislation.

Our preference would be for passage of the bill just as you have written it with a simple extension of the Board of Marine Pilots. I have attached an explanation of the history and issues surrounding marine pilotage in Alaska and would ask you to enter it into the record of the bill deliberations. The bottom line is that the compromise which was reached between industry, pilots, the administration and the legislature is working and should not be changed.

Thank you for your leadership on this issue.



Eric Eliassen  
President

## 2003 REAUTHORIZATION OF ALASKA'S BOARD OF MARINE PILOTS

The State of Alaska requires the use of marine pilots with extensive local knowledge in Alaskan waters for foreign vessels, oil tankers and non tanker vessels above a certain size. The goals of this requirement are twofold: 1) protect Alaskan waters and shorelines from oil spills and 2) facilitate waterborne commerce in Alaska's coastal communities.

Marine pilots are required to form associations to provide for the dispatch of pilots and to coordinate the training of new pilots to make sure that they maintain proficiency in their regions. There are three regions in Alaska roughly covering Southeast Alaska, Southcentral Alaska out to Kodiak, and Western Alaska all the way up to the North Slope. Pilots may have their licenses removed by the Board if they are found to be not competent.

Relations between Pilots and industry were contentious in the past and this caused an instability that was unacceptable to the State of Alaska. Because of this fact in 1995 under the leadership of Senator Drue Pearce, an historic compromise was reached on the organization of marine pilotage in Alaska which has worked well over the past ten years.

Alaska's marine pilots are asking this upcoming Alaska Legislature to reauthorize the Board for another 5 years and to maintain the fair balance of forces contained in current law. The elements of this balance are:

- 1) Marine Pilots file a tariff with the Board of Marine Pilots however in most cases, they negotiate special bulk rates with shipping and tourism companies.
- 2) If the shipping industry believes a proposed tariff is too high, they can appeal the increase to the board and have the tariff overturned. In the vast majority of cases, the parties reach a negotiated agreement, but in several appeals to the Board, the shipping industry has been successful in having the tariff overturned, in which case the parties return to negotiations.
- 3) This semi-regulated rate setting is justified because in no case can pilots go on strike and negatively impact Alaska's economy.
- 4) The shipping interests pushed for the provisions in the law which allow for the formation of competing associations within the regions which affords the shipping industry the possibility of seeking competitive bids for services. Since this legislation passed, two groups existed and were later united in Western Alaska, and in Southeast two groups existed to provide competition until this year when they were united.
- 5) Pilots must have extensive knowledge of their regions and pilots cannot transfer between regions until they are fully trained in the specific requirements for operating safely for a specific region.

This arrangement has served Alaska well over the past ten years and we encourage the Legislature to reauthorize the Board and to maintain the fair balance between commercial interests and the protection of Alaska's coastline.

Contact: Paul Fuhs 907-351-0407

Provided by the Southwest Alaska Pilots Association



# SouthEast Alaska Pilots' Association

1621 Tongass Avenue, Suite 300 • Ketchikan, Alaska 99901 • 907-225-9696 • fax 907-247-9696 • seapa@kpunet.net

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Capt. Dale O. Collins, President  
Capt. Ted Kellogg, Vice President

31 January 2003

Senator Gene Therriault  
Senator Fred Dyson  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senators Therriault and Dyson,

The Southeast Alaska Pilots' Association would like to go on record as supporting SB 20 as written.

Sincerely,

Capt. Dale O. Collins  
President

cc. Senator Con Bunde  
Senate Labor & Commerce Committee



February 19, 2003

Senator Gary Wilken, Co-chair  
Senator Lyda Green, Co-chair  
Members  
Senate Finance Committee  
State Capitol  
Juneau, AK 99801-1182

**RE: marine pilotage exemption for pleasure yachts /SB 20**

Dear Senators:

I recently began a small business that works with owners of large pleasure yachts who desire to cruise in Alaska, although I've worked in the yacht industry for over 8 years. I book and coordinate trips in Alaska and provide services to guests and crew while in port. I would like to bring to your attention a situation that I understand may have been caused inadvertently when Alaska's marine pilotage statutes were last reviewed and revised in 1995. It has, however, the potential to significantly impact the economy of coastal communities in Alaska.

At that time, language was included in the Alaska Marine Pilotage Act (SB 130), which mandated employment of state licensed marine pilots on all foreign flagged pleasure craft larger than 300 gross tons while they are in certain Alaska waters. At the same time, all American flagged pleasure craft of every size were exempted from pilotage laws. (Washington State currently exempts foreign flagged yachts under 500 tons and 200' and British Columbia allows applications for waivers on an individual basis.) In 1995, visits to Alaskan ports by large yachts were not a common occurrence, and no one could have foreseen the rapid expansion in this lucrative segment of the boating community. But more significantly, this law has never been enforced.

After conversations with a variety of people involved in the development of that legislation, it has become very clear that the 300 gross tonnage exemption was somewhat arbitrarily selected. It was created to address a situation with one very large private research vessel that was stationed in Alaska for the summer. Eight years later, considering the present trend in pleasure craft, this tonnage level has become unworkable. There are 507 yachts of over 80' currently under construction worldwide. Although many of these vessels are being constructed in US shipyards, owners may prefer to flag (register) these pleasure craft in other countries for a number of reasons. In addition, tonnage measurements are inconsistent internationally. A vessel measured at 300 tons in the US is weighed completely differently in other parts of the world.

The economic impact of this unenforceable state mandate to the port communities in Alaska is substantial. Because of the current law, a number of yacht owners and brokers are choosing other areas of the Pacific Northwest for cruising opportunities. Although Alaska is considered the premier yachting destination, these yacht owners prefer to not to bring a pilot aboard and contend with the inconvenience of including an extra, unfamiliar crewperson aboard for an extended cruise of many weeks, especially in cabin that is reserved for family members and friends. Others in the yachting community choose not to pay the cost of hiring a marine pilot. Quotes from pilot organizations have ranged from \$1400.00-\$3000.00 per day. It is estimated that these yachts already spend an additional 30% over the cost of their cruise on food and beverage purchases, dockage, and fuel in ports of call. This does not include the large amount of money spent by guests and crew on personal shopping, restaurants and local tours.

Alaska Yacht Services And Provisioning

P.O. Box 32320, Juneau, AK 99803 tel: 907.789.2491 cel: 954-683-0983 fax: 907.789.2492 email: aysap1@aol.com

February 19, 2003

Page 2

Alaska's small coastal communities, many who are struggling from the loss of timber jobs and the decline in the commercial fishing industry, are missing out on millions of dollars of economic opportunity. From florists to liquor stores, from hair salons to car rental agencies- literally dozens of small business in these ports can participate in the economic benefits brought into a community by these yachts.

Although it has not yet been defined in regulation, a statute is in place that allows these yachts to travel in Alaska without a pilot if one is not available. This is commonly the case, as a shortage of pilots may exist in Southeast during the summer when large cruiseship traffic in Alaska is at its peak. Others may cruise illegally. The Marine Pilot Coordinator for the State of AK can confirm that enforcement of the current law is impossible and non-existent.

We are proposing a change to the Marine Pilotage Act to either grant waivers to these foreign flagged yachts or amend the statute to allow for an exemption. The recent legislative audit (#08-20015-02 November 1, 2002) from the Legislative Budget and Audit Committee states, under Recommendation No. 4, "The Board of Marine Pilots should seek statutory authority to allow the board the discretion to grant waivers of pilotage requirements to large pleasure crafts." In their response, the representative of the Commissioner of the Department of Community and Economic Development, a board member of 8 years, agreed.

As a small business person raised in Alaska, I also want to guarantee that these vessels are safely navigated, ensuring the protection of life, property and the marine environment. Owners of multi-million dollar yachts do not entrust them to captains or masters without the proper knowledge, education and experience to competently operate them. Many licensing requirements are already in place to ensure that these vessels are operated within safe parameters. Crew requirements and safety standards for obtaining insurance policies on these yachts are very stringent. They must also adhere to strict US Coast Guard regulations regarding oil pollution emergency plans while in US waters.

The US Bureau of Customs and the Immigration and Naturalization Service also work with every foreign flagged vessel that travels in US waters. With the suggested waiver application process in place, such as the one that has been effective in Washington State for many years, the state Marine Pilot Coordinator would have information which is currently not available in any form, regarding what yachts are cruising in Alaska waters. During these times of heightened security, information regarding visitors to our state might be important for many reasons. The state can also charge a fee for the application process, which is done in Washington. These funds could be used to offset current pilotage licensing fees.

We will be working with the sponsors of SB 20, which extends the Board of Marine Pilots, with yacht owners, marine pilots, port communities and small businesses to draft an amendment to end the inequity of this unenforceable law. Thank you for your consideration of this issue, and please feel free to contact me, or Kate Tesar at 463-5657, if you need any further information.

Sincerely,

  
Amy Wachmann, Owner  
Alaska Yacht Services & Provisioning 

# Marine Exchange of Alaska

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## ASVTS: GMDSS as a Maritime Security Tool: ASVTS Graphics

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ASVTS as  
a Maritime  
Security  
Tool

NMFS  
Authorizes  
Alternative  
Satellite  
System  
Automated  
Secure  
Vessel  
Tracking  
System

### GMDSS (Global Marine Distress Signaling System) as a Maritime Security Tool

*Published in Pacific Maritime September 2002*

Fortunately, there are already easy, low cost and timely options in place that can help provide Maritime Domain Awareness now. Vessels equipped with GMDSS (Global Marine Distress Signaling System) are capable of automatically sending their vessel's position on a regular or modified schedule to a centralized tracking system for dissemination to the Coast Guard and other federal, state and private entities charged with addressing maritime security. The International Maritime Organization (IMO) has prescribed all vessels over 300 gross tons engaged in international trade be equipped with GMDSS to aid notification of maritime emergencies. Polling of vessels' positions can be initiated when a vessel provides its 96 hour Advance Notice of Arrival, which for many vessels is 2,000 miles offshore. The position information on participating vessels can be compared to other data sources, such as satellite imagery, to identify vessels that have no correlating advance notice of arrival or vessel tracking information. These few vessels, the needles in the haystack, become the focus of interest and become subject to additional control measures exercised by the Coast Guard, such as prior boarding, interception at sea, etc. The fastest and least expensive way to bring this Maritime Domain Awareness tool on line is to tap the maritime community who has a "shared commitment" to aid homeland security. The non-profit Maritime Information Service of North America's (MISNA) network of marine exchanges can use available secure chart display software such as Secure Asset Reporting System (SARS) to process and disseminate the GMDSS generated vessel position reports to the Coast Guard and other agencies to aid Maritime Domain Awareness. As the equipment, organizational infrastructure and software are all in place, this vessel tracking system can be in place in a matter of months. The cost to the marine industry would be minimal, averaging less than \$30 per month/ per vessel for the satellite communication fees incurred in sending position reports. MISNA refers to this vessel locating system as the "Automated Secure Vessel Tracking System".



Ed Page is the Executive Director of the Marine Exchange of Alaska, and was previously the Captain of the Port of Los Angeles/Long Beach

When implemented it will complement the existing and developing VTS and AIS systems, providing the long range strategic input needed for Maritime Domain Awareness. Example of ASVTS Tracking.

The satellite component uses the IMO approved Inmarsat worldwide satellite communications network to send and receive messages. Once the owner/operator authorizes access, a vessel tracking entity such as MISNA can remotely, through a satellite transmission, download a program into the transceiver directing it to periodically transmit the vessel's position to a satellite. The information is then relayed from the satellite to a Land User Terminal to the end user, i.e. marine exchange, via e-mail for display on a chart or database and further dissemination to authorized entities. As the proposed legislation also addresses the tracking of domestic vessels, there are a number of other satellite or other communications equipment vessel tracking options available for a reasonable fee.

Provided by Alaska Yacht Services + Provisioning

Reporting Service have been testing this system for the last year on CG vessels, the Alaska Marine Highway System ferries, tug boats, fishing vessels and a cruise ship. It works!

Coast Guard personnel are already fully tapped assigning their limited and stretched work force to operate their vessels and aircraft, conduct security boardings, inspect ships, and patrol our ports. They are not in the position to now stand up a nationwide vessel tracking system. The added information/data management workload can quickly and adequately be done by the Maritime Information Service of North America and member marine exchanges that can serve as the "trusted agents".

As President Bush has stated, we must push our borders further out. Requiring vessels to operate transponders only when operating in U.S. navigable waters, extending 12 miles off our shores is not providing adequate Maritime Domain Awareness. International maritime law and Freedom of Navigation issues may lead the U.S. to hesitate to require the operation of transponders out to our territorial sea limit of 200 miles, or a vessel's position some 2,000 miles offshore when it provides its 96 hour advance notice of arrival. Security processing incentives can lead vessel owners and operators to keep their transponders on at all times, even when they are in foreign ports and waters. A vessel cooperating with the U.S. ASVTS program can receive "express lane" privileges, and receive a lower security threat risk rating. The old adage "Time is Money" applies. A majority of vessels will voluntarily cooperate.

The above provides a straightforward and easy way to implement Maritime Domain Awareness option. While this is not the panacea and many other maritime security issues remain to be addressed, the proposed Maritime Information Service of North America's ASVTS can address one of the more vexing aspects of our homeland defense issues today.



STATE OF WASHINGTON  
BOARD OF PILOTAGE COMMISSIONERS  
2911 2<sup>nd</sup> Avenue, Suite 100  
Seattle, Washington 98121  
(206) 515-3904  
(206) 515-3969 FAX

## PETITION FOR VESSEL EXEMPTION FROM PILOTAGE REQUIREMENTS

\_\_\_\_\_ (DATE)                      \_\_\_\_\_ NEW                      \_\_\_\_\_ RENEWAL

**1. Applicant:**

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_

**2. Owner of vessel, if different from applicant:**

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_

**3. Name of vessel and country of registry:**

\_\_\_\_\_

**4. Type and use of vessel, including length (LOA) and gross tonnage (international):**

\_\_\_\_\_

\_\_\_\_\_

**5. Length of time sought for exemption when vessel will be exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia:**

\_\_\_\_\_

\_\_\_\_\_

Provided by Alaska Yacht Services and Provisioning

**6. Purpose of visit:**

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**7. Names and addresses of captain, crew and passengers: (use additional sheets if necessary)**

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**8. Experience of master and crew in waters of Puget Sound and lower British Columbia: (attach any government licenses)**

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**9. Identities of the captain and/or crew who speak English:**

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**10. Type and quantity of fuel and any other potentially environmentally damaging substances on board:**

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**11. Brief description of navigational aids on board:**

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**12. Brief description of communications equipment: (list accessible VHF channels)**

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**13. List any propulsion, navigation or communication equipment not currently operational:**

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## Washington State

**RCW 88.16.070****Vessels exempted and included under chapter -- Fee -- Penalty.**

A United States vessel on a voyage in which it is operating exclusively on its coastwise endorsement, its fishery endorsement (including catching and processing its own catch outside United States waters and economic zone for delivery in the United States), and/or its recreational (or pleasure) endorsement, and all United States and Canadian vessels engaged exclusively in the coasting trade on the west coast of the continental United States (including Alaska) and/or British Columbia shall be exempt from the provisions of this chapter unless a pilot licensed under this chapter be actually employed, in which case the pilotage rates provided for in this chapter shall apply. However, the board shall, upon the written petition of any interested party, and upon notice and opportunity for hearing, grant an exemption from the provisions of this chapter to any vessel that the board finds is a small passenger vessel or yacht which is not more than five hundred gross tons (international), does not exceed two hundred feet in length, and is operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia. Such an exemption shall not be detrimental to the public interest in regard to safe operation preventing loss of human lives, loss of property, and protecting the marine environment of the state of Washington. Such petition shall set out the general description of the vessel, the contemplated use of same, the proposed area of operation, and the name and address of the vessel's owner. The board shall annually, or at any other time when in the public interest, review any exemptions granted to this specified class of small vessels to insure that each exempted vessel remains in compliance with the original exemption. The board shall have the authority to revoke such exemption where there is not continued compliance with the requirements for exemption. The board shall maintain a file which shall include all petitions for exemption, a roster of vessels granted exemption, and the board's written decisions which shall set forth the findings for grants of exemption. Each applicant for exemption or annual renewal shall pay a fee, payable to the pilotage account. Fees for initial applications and for renewals shall be established by rule, and shall not exceed one thousand five hundred dollars. The board shall report annually to the legislature on such exemptions. Every vessel not so exempt, shall while navigating the Puget Sound and Grays Harbor and Willapa Bay pilotage districts, employ a pilot licensed under the provisions of this chapter and shall be liable for and pay pilotage rates in accordance with the pilotage rates herein established or which may hereafter be established under the provisions of this chapter: PROVIDED, That any vessel inbound to or outbound from Canadian ports is exempt from the provisions of this section, if said vessel actually employs a pilot licensed by the Pacific pilotage authority (the pilot licensing authority for the western district of Canada), and if it is communicating with the vessel traffic system and has appropriate navigational charts, and if said vessel uses only those waters east of the international boundary line which are west of a line which begins at the southwestern edge of Point Roberts then to Alden Point (Patos Island), then to Skipjack Island light, then to Turn Point (Stuart Island), then to Kellet Bluff (Henry Island), then to Lime Kiln (San Juan Island) then to the intersection of one hundred twenty-three degrees seven minutes west longitude and forty-eight degrees twenty-five minutes north latitude then to the international boundary. The board shall correspond with the Pacific pilotage authority from time to time to ensure the provisions of this section are enforced. If any exempted vessel does not comply with these provisions it shall be deemed to be in violation of this section and subject to the penalties provided in RCW 88.16.150 as now or hereafter amended and liable to pilotage fees as determined by the board. The board shall investigate any accident on the waters covered by this chapter involving a Canadian pilot and shall include the results in its annual report.

[1996 c 144 § 1; 1995 c 174 § 1; 1987 c 194 § 2; 1977 ex.s. c 337 § 6; 1971 ex.s. c 297 § 3; 1967 c 15 § 3; 1935 c 18 § 4; RRS § 9871-4.]

NOTES: Provided by Alaska Yacht Services + Provisioning

**Intent -- 1987 c 194:** "The legislature intends to provide a limited exemption from the provisions of this chapter for a specified class of small vessels registered as passenger vessels or yachts. It is not the intent of the legislature that such an exemption shall be a precedent for future exemptions of vessels from the provisions of this chapter." [1987 c 194 § 1.7]

**Severability – 1977 ex.s. c 337: See note following RCW 88.16.005.**

**RCW 88.16.005**

**Legislative declaration of policy and intent.**

The legislature finds and declares that it is the policy of the state of Washington to prevent the loss of human lives, loss of property and vessels, and to protect the marine environment of the state of Washington through the sound application of compulsory pilotage provisions in certain of the state waters.

The legislature further finds and declares that it is a policy of the state of Washington to have pilots experienced in the handling of vessels aboard vessels in certain of the state waters with prescribed qualifications and licenses issued by the state.

It is the intent of the legislature to ensure against the loss of lives, loss or damage to property and vessels, and to protect the marine environment through the establishment of a board of pilotage commissioners representing the interests of the people of the state of Washington.

It is the further intent of the legislature not to place in jeopardy Washington's position as an able competitor for waterborne commerce from other ports and nations of the world, but rather to continue to develop and encourage such commerce.

[1977 ex.s. c 337 § 1.]

**NOTES:**

**Severability -- 1977 ex.s. c 337:** "If any provision of this 1977 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1977 ex.s. c 337 § 18.]

**RCW 88.16.150****General penalty -- Civil penalty -- Jurisdiction -- Disposition of fines -- Failure to inform of special directions, gross misdemeanor.**

(1) In all cases where no other penalty is prescribed in this chapter, any violation of this chapter or of any rule or regulation of the board shall be punished as a gross misdemeanor, and all violations may be prosecuted in any court of competent jurisdiction in any county where the offense or any part thereof was committed. In any case where the offense was committed upon a ship, boat or vessel, and there is doubt as to the proper county, the same may be prosecuted in any county through any part of which the ship, boat or vessel passed, during the trip upon which the offense was committed. All fines collected for any violation of this chapter or any rule or regulation of the board shall within thirty days be paid by the official collecting the same to the state treasurer and shall be credited to the pilotage account: PROVIDED, That all fees, fines, forfeitures and penalties collected or assessed by a district court because of the violation of a state law shall be remitted as provided in chapter 3.62 RCW as now exists or is later amended.

(2) Notwithstanding any other penalty imposed by this section, any person who shall violate the provisions of this chapter, shall be liable to a maximum civil penalty of ten thousand dollars for each violation. The board may request the attorney general or the prosecuting attorney of the county in which any violation of this chapter occurs to bring an action for imposing the civil penalties provided for in this subsection.

Moneys collected from civil penalties shall be deposited in the pilotage account.

(3) Any master of a vessel who shall knowingly fail to inform the pilot dispatched to said vessel or any agent, owner, or operator, who shall knowingly fail to inform the pilot dispatcher, or any dispatcher who shall knowingly fail to inform the pilot actually dispatched to said vessel of any special directions mandated by the coast guard captain of the port under authority of the Ports and Waterways Safety Act of 1972, as amended, for the handling of such vessel shall be guilty of a gross misdemeanor.

[1995 c 174 § 2. Prior: 1987 c 485 § 5; 1987 c 202 § 247; 1977 ex.s. c 337 § 8; 1969 ex.s. c 199 § 41; 1967 c 15 § 7; 1935 c 18 § 10; RRS § 9871-10; prior: 1888 p 179 § 27.]

**NOTES:**

**Intent -- 1987 c 202:** See note following RCW 2.04.190.

**Severability -- 1977 ex.s. c 337:** See note following RCW 88.16.005.

**WAC 363-116-360 Exempt vessels.** (1) Under the authority of RCW 88.16.070, application may be made to the board of pilotage commissioners to seek exemption from the pilotage requirements for the operation of a limited class of small passenger vessels or yachts, which are not more than five hundred gross tons (international), do not exceed two hundred feet in length, and are operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia. For purposes of this section, any vessel carrying passengers for a fee, including yachts under charter where both the vessel and crew are provided for a fee, shall be considered a passenger vessel.

The owners or operators of the vessel for which exemption is sought must:

(a) Complete and file with the board a petition requesting an exemption at least sixty days prior to planned vessel operations in the Puget Sound pilotage district where possible. Petitions filed with less than sixty days notice may be considered by the chair at the chair's discretion.

(b) The petition requesting exemption shall be on a board-approved form which shall include a description of the vessel, the contemplated use of vessel, the proposed area of operation, the names and addresses of the vessel's owner and operator, the dates of planned operations, and such other information as the board shall require on its petition form.

(c) Pay the appropriate initial application or renewal fee with the submittal of the petition, which is listed in subsection (5) of this section.

(2) All petitions for exemption filed with the board shall be reviewed by the chair, who shall make a recommendation to the board to be considered at its next regularly or specially scheduled meeting. Consistent with the public interest, the chair may grant an interim exemption to a petitioner subject to final approval at the next board meeting, where special time or other conditions exist. Any grant of an interim exemption may contain such conditions as the chair deems necessary to protect the public interest in order to prevent the loss of human life and property and to protect the marine environment of the state of Washington.

Such conditions may include a requirement that the vessel employ the services of a pilot on its initial voyage into Puget Sound waters or that the master of the vessel at all times hold as a minimum, a United States government license as a master of ocean or near coastal steam or motor vessels of not more than sixteen hundred gross tons or as a master of inland steam or motor vessels of not more than five hundred gross tons, such license to include a current radar endorsement.

(3) The recommendation of the chair shall be considered at the next regular or specially scheduled meeting of the board. Interested parties shall receive notice and opportunity for hearing at that time, provided that the party notifies the board at least five days in advance of the meeting of its desire for hearing.

(4) The board shall annually, or at any other time when in the public interest, review any exemptions granted to the specified class of small vessels to ensure that each exempted vessel remains in compliance with the original exemption and any conditions to the exemption. The board shall have the authority to revoke such exemption when there is not continued compliance with the requirements for exemption.

(5) Fee Schedule for Petitioners for Exemption

	3 Months or Less	1 Year or Less	Annual Renewal
A. Yachts			
Up to 100 feet LOA	\$ 300	\$ 500	\$ 200
Up to 200 feet LOA	500	750	300
B. Passenger Vessels			
Up to 100 feet LOA	750	1000	400
Up to 200 feet LOA	1250	1500	500

**Canada**  
**Pacific Pilotage Regulations**

**www.tc.gc.ca**

**Ships Subject to Compulsory Pilotage**

9. (1) Subject to subsection (2), every ship that is over 350 gross tons is subject to compulsory pilotage.

(2) Subsection (1) does not apply to a ship that is under 10,000 gross tons where the deck watch officer who has conduct of the ship

(a) holds a certificate of competency of the proper grade and class issued by the Minister of Transport or recognized by him for the purpose of section 130(1) of the Canada Shipping Act;

(b) has served either five of the immediately preceding 18 months or 12 of the immediately preceding 60 months, in whole or in part during the immediately preceding 24 months, at sea as a deck watch officer on one or more ships on voyages in the region or between any place in the region and any place on the west coast of the United States, not south of San Francisco, California, and not west of Cook Inlet, Alaska; and

(c) has such conduct in waters through which he has passed while serving as a deck watch officer on one or more occasions during the immediately preceding 24 months.

(3) A person who has conduct of a ship described in subsection (2) shall, if required by the Authority, produce evidence satisfactory to the Authority that he holds the certificate of competency described in paragraph (2)(a) and has served as a deck watch officer on one or more ships in accordance with paragraphs (2)(b) and (c).

**Waiver of Compulsory Pilotage**

10. (1) The Authority may, on application therefor, waive compulsory pilotage in respect of a ship where

(a) the deck watch officer who has conduct of the ship has, at the time of application, served either five of the immediately preceding 18 months or 12 of the immediately preceding 60 months, in whole or in part during the immediately preceding 24 months, at sea as a deck watch officer on one or more ships on voyages in the region or between any place in the region and any place on the west coast of the United States, not south of San Francisco, California, and not west of Cook Inlet, Alaska;

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(b) the master, owner, or agent thereof has complied with sections 12 and 13 and no licensed pilot is available to perform pilotage duties on that ship; or

(c) the ship is in distress or engaged in rescue or salvage operations.

(2) Compulsory pilotage is waived in respect of a ship that is

(a) entering a compulsory pilotage area for the purpose of embarking a licensed pilot, until the ship reaches the place arranged for embarkation and the licensed pilot is embarked; or

(b) departing from a compulsory pilotage area after it has disembarked a licensed pilot in the course of its departure.

(3) The deck watch officer referred to in paragraph (1)(a) shall, if required by the Authority, produce evidence satisfactory to the Authority that he is a deck watch officer as described in that paragraph.

(4) An application for a waiver of compulsory pilotage may be made orally or, when required by the Authority, shall be made in writing.

## GARY WILKEN

SENATOR  
West Fairbanks

Interim  
1851 Fox Ave.  
Fairbanks, Alaska 99701  
Tel: (907) 451-4347  
Fax: (907) 456-8163

Alaska State Legislature

Senate

During Session:  
State Capitol Building  
Juneau, Alaska 99801-1182  
Tel: 451-5501 (from Fbks)  
Tel: (907) 465-3709 (outside Fbks)  
Fax: (907) 465-4714  
Website: [www.garywilken.com](http://www.garywilken.com)  
E-Mail: [Senator\\_Gary\\_Wilken@legis.state.ak.us](mailto:Senator_Gary_Wilken@legis.state.ak.us)

March 19, 2001

Rear Admiral Thomas J. Barrett  
Commander, 17<sup>th</sup> Coast Guard District  
Commander, US Naval Forces Alaska  
PO Box 25517  
Juneau, AK 99802-5517

Dear Admiral Barrett,

Thank you for our lunch briefing at the beginning of our session. During the briefing you mentioned Canadian minesweepers did not come to Alaska last summer because of the required pilotage fees. I have looked into this situation and would like to share with you what I have learned and the action I have recommended.

In August of 1999, the Executive Director of the Alaska Marine Pilot Board exempted Canadian Coast Guard vessels using an interpretation of Alaska Statute 08.62.180(5) for the authority to do so. The section of the statute that is used for the authorization is:

*"vessels of Canada, built in Canada, and manned by Canadian citizens, engages in frequent trade between British Columbia and Southeast Alaska south of 58 degrees, 10 minutes North Latitude, if reciprocal exemptions are granted by Canada to vessels owned by the State of Alaska and those of United States registry"*

When the Executive Director used this statute to exempt Canadian Coast Guard vessels, he was not aware the Canadian Navy had similar minesweepers that would be used for training purposes. He does not have a problem including Canadian Navy vessels in his exemption.

To permanently exempt these vessels would require a change in Alaska statute. The change could not be made without allowing the entire Alaska Marine Pilotage Act to be reopened. The Act is scheduled to sunset in 2003.

Rear Admiral Thomas J. Barrett

March 19, 2001

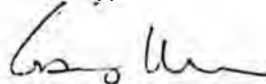
Page 2

After discussions with the Executive Director and other pilot groups, it was highly recommended that I wait until that time to amend the act, thus addressing multiple changes to the act at the same time.

I agree with this recommendation and will work to make sure that an exemption for Canadian vessels is included at that time. I will also work with those involved to possibly change the line that is in statute. The current line of 58 degrees, 10 minutes North latitude is an East-West line and extends across Taku Inlet, Point Arden, and Chatham Strait. It limits where these vessels can go and technically exempts them from going to Juneau, Hoonah, Haines, and Skagway without a pilot.

I hope this answers your questions and addresses your situation. If you have any questions, please contact my office at 465-3709.

Sincerely,



Gary Wilken

Senator, West Fairbanks

Cc: Senator Drue Pearce  
Representative Eldon Mulder  
Mr. Peter Christensen, Executive Director - Alaska Marine Pilot Board  
Senator Alan Austerman  
Senator Kim Elton  
Representative Bill Williams  
Representative Beth Kerttula



HAINES BOROUGH, ALASKA

P.O. BOX 1209

HAINES, AK 99827

(907) 766-2231 \* FAX (907) 766-3179

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Re: Private Foreign-Flagged Yachts

Dear Senator Therriault:

On behalf of the newly-formed Haines Borough, I would like to add my support to a proposal to change a state law that could help the economy of our small community. I am referring to the current attempt to put a waiver system in place to allow private foreign-flagged yachts to cruise in Alaskan waters without a marine pilot aboard.

Haines has felt the devastating effects of a general downturn in our economy for many years. With the loss of the timber industry and the low return for our fisheries resources, we have turned to tourism as one way to help rebuild our community. The impact of the spending by guests and crew on these large yachts in a small coastal community such as Haines cannot be overstated.

Haines is open for business and we welcome any changes in state law that will help bring new customers here. Thank you for your consideration of these changes. They could have a very positive impact on the economy of our community.

Sincerely,

Jerry Lapp  
Deputy Mayor  
HAINES BOROUGH



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

---

February 12, 2003

The Honorable  
Senator Gene Therriault  
Senate President  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

**Re: Changes in marine pilotage laws re: foreign flagged yachts**

Dear Senator Therriault:

The City and Borough of Sitka would like to join other SE communities in supporting a statutory change that would allow certain pleasure yachts to travel in Alaska without marine pilots. Facilitating a boost to our economy while maintaining safety and environmental standards is what I feel most residents of Sitka could support.

As you know, Sitka is still in the process of redefining itself after many decades with a primarily resource-based economy. Fortunately for us, as the timber industry was receding in our area, the tourism industry in Alaska was developing. Although we are taking a very deliberate look at how this industry should progress in our community and how any changes may affect our citizens and their way of life, it is generally agreed that many opportunities for local businesses and residents may be tied to the tourism industry.

As a port community, we realize the positive financial impact visitors aboard these large yachts can have in Sitka. Some yachts currently use our port as their home base during their summers in Alaska. It makes sense to allow these vessels, and their foreign flagged counterparts, to travel freely in Alaska without another marine pilot aboard, as long as competent and experienced masters are in charge. As this pilotage law has never been enforced, it only makes common sense to change the law to reflect the actual reality of today's yacht cruising public.

I would appreciate your support for legislation that removes this barrier to commerce in Sitka and other coastal communities of Southeast. Thank you for your consideration of this issue.

Sincerely,

Fred Reeder  
Mayor



# City and Borough of Sitka

## HARBOR DEPARTMENT

617 Katlian Street • Sitka, Alaska 99835  
(907) 747-3439 • Fax (907) 747-6278

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senator Therriault:

I too received the letter from Amy Wachmann, owner of Alaska Yacht Services and Provisioning regarding the restrictions for foreign flagged yachts entering Alaskan waters and the requirement for a pilot to be aboard each vessel when in our state's coastal waters.

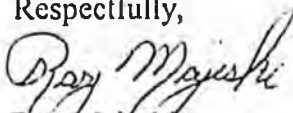
Being the Harbor Master for the City and Borough of Sitka I must deal with these yachts on a daily basis during the summer months. I can assure you they bring a huge amount of business to our state and to our city. They spend lots of money not only because they have lots to spend, but because they often base out of communities like Sitka for the entire summer. When they do this, they spend huge amounts of money on food, supplies, and fuel in our city.

I can assure you if the rules requiring a pilot aboard each of these vessels is not deleted from the statutes, these yachts will not comply and simply will not come into our state's waters.

This is a prime example of our own laws working against us. The Captains and crews of these vessels are more than familiar with our waters and there is truly nothing to be gained by enforcing such requirements. I cannot think of any valid reason or justification for telling these potential visitors to our awesome state by way of our own laws that they are not welcome.

Anything you can do to correct this situation will reap many financial benefits for our state now and in the future.

Respectfully,

  
Ray Majeski  
Harbor Master

**SEDA****SITKA ECONOMIC DEVELOPMENT ASSOCIATION**  
320 Harbor Drive, Suite 212 \* Sitka, Alaska 99836 \* (907) 747-2880 \* fax (907) 747-7888 \* www.sitkaal.net

February 12, 2003

Senator Gene Theriault  
Senate President  
State Capitol  
Juneau, AK 99801-1182Senator Con Bunde, Chair  
Senate Labor & Commerce  
State Capitol  
Juneau, AK 99801-1182**RE: Senate Bill 20 - Alaska Board of Marine Pilots**

Dear Senators Theriault and Bunde:

The Sitka Economic Development Association would like to encourage your amendment of Senate Bill 20 to allow an exemption of private boats up to 500 tons from requiring a pilot be aboard the boat.

Over the last 10 years, Sitka has made a concerted effort to build the number of visits of private yachts to Sitka. This is good economic development and has provided needed dollars to Sitka's economy. Without the exclusion, these boats have made it quite clear they won't travel Southeast Alaska waters if they have the heavy expense of having a pilot aboard for the voyage. In addition, many boats of this size don't have the space for a pilot.

Placing a pilot on a private pleasure yacht for safety reasons would be duplicating what insurance companies are already doing to assure the safe operation of a boat. Insurance companies require the owner of a large yacht to name the captain of the vessel and then evaluate the experience and/or skills this person has to operate such a boat. Once the insurance company has sufficient confidence the named captain can indeed operate the boat, the policy will then name that person as the only master of the boat.

The importance of the private yacht industry to Sitka can't be overstated. Please give serious consideration to the exemption being requested.

Sincerely,

Jonathan D. Krebs, CEcD  
Executive DirectorCc: SEDA Board of Directors  
John Litten



# SOUTHEAST CONFERENCE



*Working for strong economies, healthy communities, and a quality environment in Southeast Alaska*

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol, Room 107  
Juneau, AK 99801-1082

Re: Exemptions from Marine Pilotage Statutes for Large Yachts

Dear Senator Therriault:

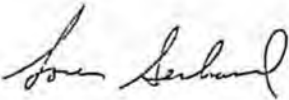
On behalf of the Southeast Conference we would like to voice our support for changes to state pilotage laws to allow private foreign flagged yachts up to 200 feet in length to cruise in Alaskan waters without a marine pilot aboard. Current law requires foreign vessels over 300 tons to employ a state licensed marine pilot from one of the pilot associations. These associations are quite busy in the typical summer season servicing the large contingent of cruise ships that deploy in Alaska. It is appropriate for these ships to have state licensed pilots aboard as they are quite large, operate principally at night, and have a much greater potential for significant damage to other vessels and the environment. We believe that the language in the current law reached too far down in size to a ship type for which the perceived protection to state waters is out of scale related to its costs and inconvenience to the vessels. Adding the pilotage requirement on a 300-ton motor yacht in the same fashion as on a 100,000 ton cruise ship, adds about \$1800 per day in fees, plus the costs to carry an extra unfamiliar person on what is usually a pleasure charter. On these yachts, a pilot is typically underutilized as these vessels operate with a much more relaxed itinerary, daytime cruising, and with longer stays on anchor and in port calls. Because of the added costs, and especially the burden of eliminating a berth in very limited capacity vessels, charters' are motivated to cruise elsewhere around the world, to the detriment of our port communities and businesses who could benefit from this traffic. The state of Washington currently allows waivers to state pilotage requirements for this type of vessel, so they are getting some of the business that would otherwise come to our state.

Southeast Conference members include representatives from most Southeast community governments, Chambers of Commerce, visitor's bureaus, non-profits, utilities, businesses, and concerned citizens. (We currently have over 100 members, including 28 communities, 9 Chambers of Commerce, 9 Native Organizations, 18 non-profits and community organizations, and 9 transportation organizations.) Our goals include developing strong economies, improving the region as a good place to live and work, and encouraging and assisting in responsible development in the tourism sector.

Page 2 of 2  
Senator Gene Therriault  
February 7, 2003

We would appreciate it if you could review the language in the Alaska Marine Pilotage Act passed in 1995, with a mind to possible changes that could resolve what we think was an unintended consequence. We believe it is in the best interests of our member communities and for commerce in our state with minimal impact on the level of protection to our waters. We are hopeful you can initiate legislation to either change this law or allow the relevant agencies to grant waivers. We stand ready to support these changes in whatever manner you consider appropriate.

Sincerely,

A handwritten signature in cursive script, appearing to read "Loren Gerhard".

Loren Gerhard  
Projects & Policy Director  
cc: Amy Wachman, Kate Tesar

# City of Ketchikan



334 Front Street  
Ketchikan, Alaska 99901  
Phone 907-225-3111  
Fax 907-225-5075

February 7, 2003

Senator Gene Therriault  
Senate President  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

Re: Statutory change regarding requirement for marine pilots on large yachts

Dear Senator Therriault:

I am writing regarding the above-referenced subject. I am generally in support of a statutory change, which would allow large noncommercial private yachts to travel in Alaska without marine pilots to the extent that safety and other issues are not compromised. I would, however, want to see specific legislative language prior to endorsing a particular concept.

As you know, Ketchikan's economy has been hard hit by the decline in the timber industry, as well as by the challenges currently facing the fishing industry. Fortunately, on the other hand, our tourism industry is continuing to provide economic opportunities for local businesses and residents.

Ketchikan is in the process of completing a comprehensive development plan for our port and harbor facilities. I believe that this will result in a number of improvements in our infrastructure to better accommodate various classes of vessels, particularly including large yachts, and thereby enhance our economy. I also believe that, in addition to the goods and services that yacht passengers and crew might typically spend while visiting a community, we will be in a unique position to perform routine vessel maintenance/repair as the capacity of our shipyard increases.

In closing, I would appreciate your support for legislation that removes barriers to vessel traffic through an appropriate mechanism which can be supported by concerned parties, including marine pilots and yacht owners.

Thank you for your consideration of this issue.

Sincerely,

Bob Weinstein  
Mayor



**CITY/BOROUGH OF JUNEAU  
ALASKA'S CAPITAL CITY**

**OFFICE OF THE MAYOR**

Telephone: (907) 586-5240; Facsimile: (907) 586-5545  
[Sally\\_Smith@ci.juneau.ak.us](mailto:Sally_Smith@ci.juneau.ak.us)

February 10, 2003

The Honorable Gene Theriault  
President of the Alaska State Senate  
State Capitol  
Juneau, AK 99801-1182

Re: SB 20

Dear Mr. President:

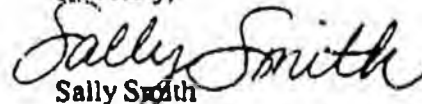
Over the past few years Juneau has invested heavily to upgrade our docks and harbors. Part of that effort has included the development of a more hospitable welcome to private yachts. As a longtime tourist destination, we understand the economic opportunity derived from these vessels. Benefits accrue both to the city, through docking fees, and to many small businesses that offer goods and services to the owners, passengers, and crewmembers.

It is my understanding that there is currently a proposal to change state law to allow large, foreign flagged private yachts to travel in Alaska without marine pilots. Juneau endorses that change, believing it will encourage more yacht traffic.

Given the current situation, we are losing a portion of potential business from this affluent group, all because of a basically unenforceable state law. We just cannot afford to lose such lucrative business to other coastal states.

Your consideration of this issue will be greatly appreciated. The commerce is important to all coastal communities.

Sincerely,

  
Sally Smith  
Mayor



---

3100 Chennel Drive, Suite 300 • Juneau AK 99801  
(907) 463-3488 • Fax (907) 463-3489

February 12, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Dear Senator Therriault:

As the Executive Director of the Juneau Chamber of Commerce, I would like to add the support of our organization for a change in Alaska statutes that will allow additional private yachts to travel into Alaskan waters without a marine pilot aboard.

Although Juneau is enjoying a stable economy at this time based on a combination of government and private employment and summer tourism positions, other areas of Southeast are not as lucky. In communities where timber and fish were once the mainstays, the tourism industry is becoming an important partner. In Juneau, a community which hosts nearly one million visitors a year, we have long understood the value of these independent travelers to our economy.

As you may know, a private sector group in Juneau is in the permitting stage for construction of a new dock to provide additional moorage space for yachts, small cruise ships and lightering vessels. There is no better way to gage business opportunities than by those who are willing to invest in the infrastructure of our community.

The Chamber supports the efforts by Alaska Yacht Services and Provisioning to change this state law which significantly discourages yacht visitation. Without an amendment to the current marine pilot regulation that states that "all pleasure craft foreign flagged must hire a state marine pilot onboard," Southeast Alaska is missing out on a wonderful economic opportunity. Please consider this change in direction that will help stimulate the economy for many small businesses in Juneau, as well as throughout Southeast and coastal Alaska.

Thank you for your consideration of this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Parsons", is written over a large, stylized circular flourish.

Jamie Parsons  
Executive Director  
Juneau Chamber of Commerce

CC: Governor Murkowski



**GOLDBELT**  
SEADROME  
MARINE COMPLEX

February 7, 2003

The Honorable Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Therriault:

I am writing in support of the proposed change to the marine pilotage law concerning foreign flagged yachts. As manager of the Seadrome Marine Complex a docking facility owned by Goldbelt in downtown Juneau, I have observed vessels that become very frustrated with the current regulations and head for friendlier ports. Our customer base is made up of small cruise vessels, day boats and yachts. This past year, approximately 25% of our moorage business came from yachts and transient vessels. Most of these vessels travel from the east coast specifically to visit Alaska while others are on their maiden voyage after leaving one of the boat builders in the Puget Sound area.

We have noticed a steady increase of yachts visiting Alaska over the past five years and hear about many more that decide not to make the trip because of the costly pilotage requirements. Although I have no way of knowing the potential market that is discouraged from visiting Alaska because of the current regulations, my feeling is that it is considerable. The limited availability of pilots is also problematic for vessels such as yachts with an ever-changing schedule.

The independent yacht visitor has a comparably greater positive economic impact by spending days if not weeks in Alaska and spreading their purchasing power over numerous businesses and communities. This positively impacts a wide variety of businesses from groceries to carpet cleaners and flower shops and fuel companies.

I urge you to consider an exemption or similar action to allow this market to reach its potential in Alaska. Many businesses and communities throughout the region will realize the benefits.

Best regards,

Jeff White  
Manager  
Seadrome Marine Complex



Summit Restaurant/Inn at the Waterfront  
455 South Franklin Street  
Juneau, AK 99801  
Phone 907-586-2050 Fax 907-586-2999  
E-mail: AN1898INN@AOL.COM

February 12, 2003

Senator Gene Therriault  
Senate President  
State Capital  
Juneau, AK 99811-3100

Dear Senator Therriault:

As the long time owner of a small hotel and restaurant in downtown Juneau, I am supporting a change in Alaska's Marine pilotage laws to allow large pleasure yachts to operate without additional marine pilots while in Alaska. I cannot stress strongly enough the impact the **private yacht** traffic has on my business.

The Summit Restaurant and the Inn at the Waterfront is one of the few businesses on the South end of Franklin Street that stays open throughout the winter months to better help serve our visitors and legislative friends from all over the state. Many companies in the downtown area enjoy business brought from all sectors of our cruise ship industry. As you may know when passage is booked on one of the larger cruise ships, all meals are included. (As are the midnight buffets the ships are so famous for!). For this reason, the independent visitor traffic is of the utmost importance to my economic viability.

The amount of money that is spent these yachts in a community can be staggering. I have witnessed this first hand on numerous occasions. It would seem that the legislature should do all it can to attract these desirable tourist to Alaska; ones that spend freely and leave no negative impacts behind.

Thank you for your consideration to these charges that will have a very positive impact on my small business.

Sincerely,



Ann B. House  
Owner

# Miss Scarlett's Greenery

124 Seward Street Juneau, Alaska 99801 907-586-1766 Fax: 907-586-6545 800-586-1767

February 10, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Dear Senator Therriault:

As the co-owner of a local, family owned business that depends on Juneau's summer visitors for our economic viability, I would like to add my voice of support to a change in Alaska's marine pilotage laws to allow large pleasure yachts to operate without additional pilots aboard while in our waters.

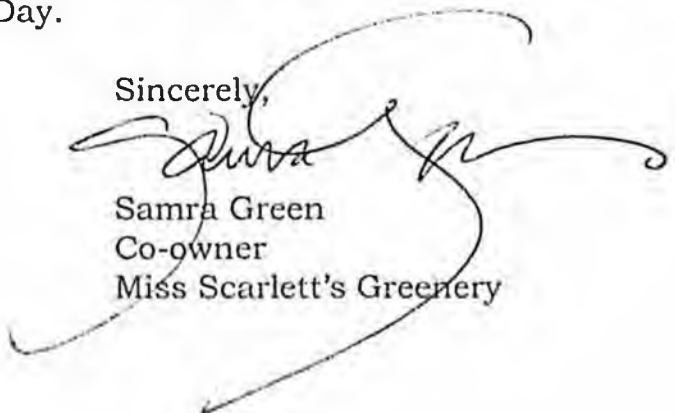
Although Miss Scarlett's Greenery enjoys a steady local business during most of the year, I can truthfully state that the income we derive from independent yacht traffic is crucial to our bottom line. It makes the difference between having a great season and having one in which we wonder how we'll make it through the very slow fall and winter until the legislature arrives.

We are one of many small businesses in Southeast that wouldn't typically come to mind when you think of these affluent visitors. But we supply a product that can only be enjoyed while fresh, not unlike produce, dairy and meat, which must be purchased while in port.

Please bear in mind the impact your decision will have on our livelihood. Alaska is the destination of a lifetime for many of the customers we come in contact with each summer. The government should be doing all it can to attract these desirable visitors to our state, especially during these times of economic uncertainty.

Thank you for your consideration of this issue. Please let me know if you would like any further information regarding our reliance on this important sector of the tourism industry-but please call after Valentine's Day.

Sincerely,



Samra Green  
Co-owner  
Miss Scarlett's Greenery



# Juneau Economic Development Council

February 12, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Re: exemptions from marine pilotage statutes for large yachts

Dear Senator:

I am writing on behalf of the Juneau Economic Development Council (JEDC) to voice our support for changes to state pilotage laws to allow large, private foreign flagged private yachts to cruise in Alaska waters without a marine pilot aboard.

The JEDC works to enhance quality of life by actively promoting economic diversity and sustainable development in all of Southeast Alaska. We assist businesses in creating family-wage jobs with our business counseling and loan programs, as well as serving as the Overall Economic Development Planning agency for the City and Borough of Juneau.

It is a goal of JEDC to work with residents of Juneau and Southeast Alaska to help utilize our natural, cultural and intellectual resources wisely in order for our economy to be competitive in a national and international market place. The challenge is to help create family-wage jobs in a sustainable economy while at the same time maintaining our unique quality of life.

Tourism has now become one of the main economic engines in SE Alaska for communities that had previously relied only on resource development. It is my understanding that many coastal communities are missing out on the economic opportunity brought about by the visitation of independent visitors aboard these yachts. If a change in state law can help stimulate these areas towards an improved economy, we are committed to supporting this effort.

Thank you for addressing this important economic issue.

Sincerely,

Lance Miller  
Executive Director

*Diversifying our Economy • Assisting Business Development • Enriching our Quality of Life*

612 Willoughby Avenue, Suite A • Juneau, Alaska 99801-1742

Tel 907-463-3662 • Fax 907-463-3929 • Toll Free 888-493-3662 • www.jedc.org



**Douglas Island Pink and Chum, Inc.**

2697 Channel Dr. • Juneau, Alaska 99801

Telephone: (907) 463-5114 • Fax: (907) 463-3213

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

February 10, 2003

Dear Senator Therriault:

As the Executive Director of the Douglas Island Pink and Chum Corporation (DIPAC) in Juneau, I am writing to support a change in Alaska law that will allow large private yachts to travel into Alaskan waters without an additional marine pilot aboard.

As the main producer of enhanced salmon for the communities of northern Southeast, we are very aware of and concerned about issues affecting sport fishing in the inside waters. We produce salmon for sport and commercial fishermen, as well as the expanding local salmon charter business. Although most of our operating funds are earned in a traditional manner through cost recovery of our fish, a percentage of our expenses are covered each year by money brought in through the tourism attraction attached to our hatchery. We host over 100,000 visitors at our facility each summer, with a growing number originating from non-cruise ship travel.

We in Juneau understand the economic opportunity associated with independent travelers to Alaska. The cruiseships provide the majority of our client base, but locals, their relatives and other tourists visiting Juneau have a significant impact. The money spent in our community by developing the private yacht industry is welcome and needed. I am in total support of any changes in statute which will increase the traffic to our area by these desirable tourists. It is my understanding that the current law has never been enforced, and this is all the more reason to investigate changes at this time.

Thank you for your consideration of these changes in statute which benefit all the coastal communities in Southeast Alaska

Sincerely,

Jon Carter  
Executive Director



February 5, 2003

Senator Gene Theriault  
Senate President  
State Capitol  
Juneau, AK 99801-1182

Dear Senator,

Delta Marine, located in Seattle, Washington is a manufacturer of custom luxury yachts with a complete refit & repair division. Our operation builds and services yachts of up to 225-foot and 1300 gross tons for a global clientele.

Many of our customers look forward to cruising Alaska when departing from Delta. However, several recent customers have decided to cancel their Alaska trips due to the stringent pilotage requirements of the State of Alaska. This affects Delta and our community as well as the waterfront communities of Alaska.

The following are three cases in particular that I wanted to bring to your attention:

- The 151' *Sally Ann* (498 gross international tonnage), after completing a five-year circumnavigation in 2001, returned to Delta for some routine maintenance work. The last leg of their amazing journey was to take them to Alaska. However, due to the rigorous pilotage requirements of the State of Alaska they canceled their trip and headed south instead.
- The 165' *Georgla* (381 gross international tonnage), is yet another a foreign flagged yacht that had plans to cruise Alaska. This story is unique, as this yacht sailed from the Mediterranean for a complete re-paint at Delta in 2002, as well as the opportunity to cruise the beautiful waters of the North Pacific. Once here, they were made aware of the strict pilotage requirements and too, canceled their plans to cruise to Alaska.
- Finally, the 126' *Andrea* (456 gross international tonnage), is a tough, seaworthy expedition yacht due to be delivered by Delta late this spring. Delta has quickly become known around the world for building these types of yachts and this client has come from Europe to Seattle to build. Although they would like to spend the summer cruising Alaska, taking this yacht to the far places it was built to see, they are planning to cancel their cruise to Alaska, again due to the strict Alaska pilotage requirements.

This is an issue that will continue to affect Delta, our customers, and the coastal communities of Alaska. We believe that changes to the law should be addressed as part

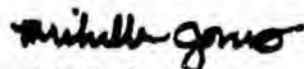
DELTA MARINE INDUSTRIES  
1608 SOUTH 96TH STREET  
SEATTLE, WASHINGTON 98108 USA  
T: 206.763.1383 F: 206.762.1627

of your current work on SB 20, the Board of Marine Pilots extension legislation. The requirement for pilotage of yachts should be thoroughly reviewed, with a goal of eliminating or narrowing this requirement.

The large yachts Delta builds and services are well maintained and well run. As a group, these yachts have an outstanding safety record. Removal of the pilotage requirement for these private pleasure craft is consistent with both maintaining environmental protection and encouraging economic opportunity, as well as standardizing marine pilotage law along the entire coastline from Washington to Alaska.

Your attention and efforts are appreciated. If I can be of any further assistance or answers any questions please let me know.

Sincerely,



Michelle Jones  
Marketing Manager



## M/Y ALLIANCE

PACCAR Inc  
P.O. Box 151E  
Bellevue, WA 98005  
(425) 453-2529

Skip Sethmann, Captain

Lloyd Harris, Engineer

February 6, 2003

Senator Gene Therriault  
Senate President  
State Capitol  
Juneau, AK 99801-1082

Dear Senator Therriault:

I am writing to you in my position as the captain of the M/Y Alliance, a 135ft American flagged private yacht homeported in Seattle. Although my vessel is exempted from the current Alaska marine pilotage laws, I would like to add my support to the effort underway to expand this exemption to allow larger foreign flagged yachts into Alaska waters without an additional marine pilot.

I have two years of experience cruising in Alaska, and have sailed in nearly every body of water in the world. With a crew of four and eight guests, the economic impact of a visit from our yacht is a significant one. We regularly take on 12,500 gallons of fuel during a typical season. Our crew and guest eat in local restaurants on an average of 5 nights during a 3 week trip and shop heavily whenever we are in port. I would estimate our spending during a normal cruising season to be in excess of \$100,000. in the communities visited by our vessel.

I have recently had contact with other captains and owners who are in the process of making alternative cruising plans because of the restrictive pilotage regulations in Alaska. It is unreasonable to expect them to accommodate an additional and unknown crewperson for the length of time they generally spend on a cruise in Southeast. Owners typically keep their yacht and crew on 24 hour standby, as to be available to ship out within a period of a few days or less. This also contributes to the impracticality of hiring a marine pilot. It is my understanding that the pilot organization in Southeast prefers to schedule their trips many weeks, if not months, in advance. It must be very hard to accommodate our yachts that are required to notify them only 48 hours in advance of entering a pilotage region.

As this law has never been enforced, it is serving only to impede commerce in Alaska. Thank you for your consideration of these changes. I look forward to visiting your beautiful state again in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Skip Sethmann', written over a horizontal line.

Captain Skip Sethmann



DAVID L. SOKOL  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

January 28, 2003

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

Re: SB20 – Board of Marine Pilots

Dear Senator Therriault:

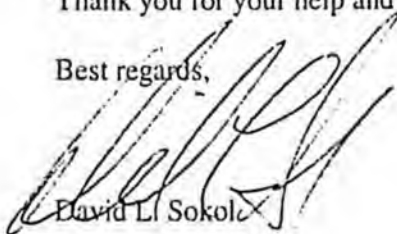
The purpose of this letter is to offer my strong support in regard to an amendment to SB20 – Board of Marine Pilots that would provide an exemption for pleasure craft of foreign registry of less than 200 feet in length.

I, and several other boat owners who used to cruise the Southeastern Alaskan waters, have been unable to do so in recent years due to an inadvertent change in the statute in 1995.

We are hopeful to enjoy your beautiful state this summer if such an amendment could be approved. I have attached some prior correspondence that may be of use to your staff as they consider this request.

Thank you for your help and consideration.

Best regards,



David L. Sokol

Encl.  
:bt

**MIDAMERICAN**

ENERGY HOLDINGS COMPANY

302 SOUTH 36TH STREET • SUITE 400 • OMAHA, NEBRASKA 68131-3845 • 402-341-4500 • FAX: 402-231-1403

DAVID L. SOKOL  
302 SOUTH 36TH STREET  
SUITE 400  
OMAHA, NEBRASKA 68131

RECEIVED  
JUN 19 2002  
DIVISION OF  
OCCUPATIONAL LICENSING  
JUNEAU

June 14, 2002

The Honorable Tony Knowles  
State Capitol  
P. O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Knowles:

I would like to bring to your attention a situation which I believe may have been caused inadvertently; however, it has the potential to significantly impact the economy of several southeastern communities in Alaska.

Several years ago I had the privilege of being a guest on a private motor yacht that cruised the waterways of southeastern Alaska, primarily in the areas between Ketchikan, Sitka and Juneau. I, and the other seven guests, had a wonderful time shopping in Sitka and Juneau, fishing and sightseeing in some of America's most beautiful waterways. Following on this experience, two years ago I had the opportunity to purchase my own boat and it was our intention to spend this summer in southeastern Alaska. Unfortunately, when my captain was preparing the cruise this spring he came across *Alaska Statute 08.62.180* which deals with marine pilotage requirements in Alaska. While we are familiar with typical pilotage requirements in other states and countries, this law is unique, in our understanding, in that it essentially requires full time pilotage not just in and out of harbors, but also throughout the waterways. Further, there are no qualification exemptions for demonstrated captain proficiency.

As such, pursuant to this statute we must essentially hire a pilot from one of the two companies providing this service for the entirety of our cruise. I contacted both of these firms in Ketchikan and was informed that the cost would be \$1,400.00 to \$2,200.00 per day depending on our schedule. This would equate to approximately \$72,000.00 for our summer cruise. Because of this requirement we have altered our plans and we are going to spend the summer in British Columbia. This is obviously a severe disappointment given that I am an American citizen.

I do fully understand the need for appropriate pilotage requirements under certain circumstances; however I believe that this statute's lack of flexibility is unreasonable. By way of example, our boat is approximately 135 feet in length and we have three licensed captains as part of our seven-person crew. Our captain is fully licensed to 1600 gross

Page Two  
Governor Tony Knowles  
June 14, 2002

RECEIVED  
JUN 19 2002  
DIVISION OF  
OCCUPATIONAL LICENSING  
JUNEAU

tons and is intimately familiar with the Alaskan waterways. Under *AK 08.62.180* those qualifications are irrelevant; however, in British Columbia we received a pilotage exemption in less than two weeks.

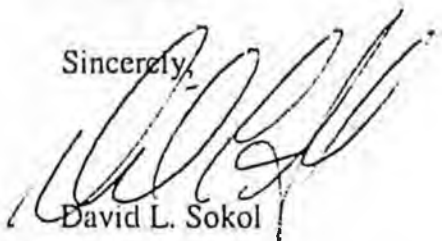
We would recommend to you a change in *AK 08.62.180* to either allow an exemption process for qualified captains or to place a reasonable length limitation (possibly 200 feet or less) exemption for pleasure craft with properly licensed captains. While the statute currently has gross tonnage limitations, I believe you will find such measurements inconsistent and difficult to administer due to the many tonnage conventions utilized in the United States and Internationally.

The real damage caused by making these pilotage requirements unreasonable is to the small towns of southeast Alaska. I have become aware of eleven vessels that have chosen to not cruise in Alaskan waters this summer. I am certain there are others as well. In our own case we would have had 48 guests (6 cruises with 8 guests) over the summer, seven crew living with the boat all summer, fuel, food, fishing licenses, tackle, airline traffic, souvenir shopping, restaurants, cabs, etc. Just our boat alone would have generated over \$250,000 in economic activity in Ketchikan, Sitka and Juneau. If we assume 20 boats avoid Alaska because of unnecessary pilotage requirements, \$5,000,000 of economic activity will be lost.

Please understand, we are fully in favor of proper safety and environmental standards, and we wish for Alaskan waterways to be kept clean and safe for all future generations. Providing reasonable exemptions, as is done throughout the rest of the United States and around the world, will not require these standards to be lessened.

I recognize that since this will require a legislative solution, you cannot resolve this situation for this summer. I hope that something can be done before next spring. Please call me if I can provide additional information, or if I can help you in dealing with this situation.

Sincerely,



David L. Sokol

CC: Peter Christensen, Pilot Coordinator  
Board of Marine Pilots  
P. O. Box 110806  
Juneau, AK 99811-0806



# ALASKA STATE LEGISLATURE

SPEAKER OF THE HOUSE BRIAN PORTER

OCT 21 2002

October 16, 2002

Mr. David Sokol  
302 S 36<sup>th</sup> St Ste 400  
Omaha, NE 68131-3845

Dear Mr. Sokol,

Thank you for your letter regarding marine pilotage and suggested changes. It is rare that I receive letters containing such detail and insight, and I genuinely appreciate your input.

For your review, I have enclosed a response to your suggestions from our legislative legal office. As you will note, the changes you suggest could create some significant new issues and would signal a substantial deviation from our current approach to vessel pilotage. I am sure you are aware of how sensitive this topic is, given the grandeur of Alaska's waterways and considering the terrible results that may ensue when marine vessels encounter trouble. At the same time, it is of course important to continue to encourage positive economic development for Alaska.

Therefore, I will provide copies of your letter to key legislators who may wish to consider spearheading an effort toward some of your suggestions. You may not be aware, but I will not be returning to public office after the first of the year, and will therefore not be present during the next legislative session. Again, thank you for your comments and I wish you good luck and safe travels.

Sincerely,

A handwritten signature in cursive script that reads "Brian S. Porter".

Brian S. Porter  
Speaker of the House

Enclosure

**LEGAL SERVICES**

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 8th St., Rm. 329

**MEMORANDUM**

July 10, 2002

**SUBJECT:** Marine Pilotage Requirements (Work Order No. 23-LS0015)

**TO:** Representative Brian Porter  
Attn: Jennifer Strickland

**FROM:** George Utermohle *GU*  
Legislative Counsel

This memorandum is in response to your request for comments on a proposal to amend the requirement that certain vessels employ marine pilots when present in certain waters of Alaska.

The State of Alaska has adopted the policy 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." Section 1(a), ch. 89, SLA 1991.

All vessels navigating certain waters of Alaska are required to employ a state licensed marine pilot.<sup>1</sup> The Board of Marine Pilots has defined the mandatory pilotage waters of the state (waters where a vessel is required to employ a marine pilot) in regulations set out under 12 AAC 56.090 - .100. The inland and near shore waters of Southeast Alaska are mandatory pilotage waters. 12 AAC 56.100(1).

Under AS 08.62.180, several classes of vessels are exempt from the marine pilot requirement. The following vessels are not required to employ a state licensed marine pilot:

- (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;

<sup>1</sup> AS 08.62.160 states:

**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.

Representative Brian Porter  
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(4) vessels of United States registry of less than 300 gross tons and towboats 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 or north coast of the United States including Alaska and Hawaii, and including British Columbia, Yukon Territory, and Northwest Territories, Canada;

(5) vessels of Canada, built in Canada and manned by Canadian citizens, engaged in frequent trade between

(A) British Columbia and Southeastern Alaska south of 58 degrees, 10 minutes North latitude, if reciprocal exemptions are granted by Canada to vessels owned by the State of Alaska and those of United States registry; or

(B) northern Alaska north of 68 degrees, 7 minutes North latitude and Yukon Territory or Northwest Territories;

(6) pleasure craft of United States registry; and

(7) pleasure craft of foreign registry of less than 300 gross tons as measured under 46 C.F.R. 69.51 - 69.75.

AS 08.62.180.

In his letter to you, Mr. David L. Sokol has stated that the marine pilotage requirements place a substantial economic burden on a vessel that he owns and would like to operate in Southeast Alaska. Mr. Sokol would like to use his vessel to make six cruises to Alaska annually with a total of 48 guests on those cruises. The vessel is approximately 135 feet in length and has a crew of seven. The cost of employing a marine pilot is estimated to be about \$72,000 for the six cruises. In order to exempt his vessel and other similarly situated vessels from the marine pilot requirement, Mr. Sokol proposes that AS 08.62.180 be amended to "either allow an exemption process for qualified captains or to place a reasonable length limitation (possibly 200 feet or less) exemption for pleasure craft with properly licensed captains."

Either approach proposed by Mr. Sokol could be made to work so that his vessel would be exempt from the marine pilot requirement. An exemption based solely on the qualifications of the vessel's captain would be a significant departure from the current policy of exempting classes of vessels based on vessel characteristics. Also, it may be difficult to establish workable criteria that could be used to exempt vessels from the pilotage requirement based on the qualifications of the vessel's captain. All of the vessels subject to the marine pilotage requirement are required to have qualified officers on board the vessel. If a qualified officer was all that is necessary to exempt a vessel from the pilotage requirement then how would that exemption not be applicable to small pleasure vessels such as Mr. Sokol's as well as to large cruise ships, merchant ships, and tankers.

Any exemption from the mandatory pilotage requirement would best be tied to the characteristics of the vessel. Exemptions based on the use of the vessel and the length or

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tonnage of the vessel would seem to be most appropriate. Additional requirements as to the licensure, training, experience, or skills of the captain of the vessel may also be appropriate.

Additional information would be required before language could be drafted to exempt Mr. Sokol's vessel from the marine pilotage requirement. State law already wholly exempts pleasure craft of United States registry from the pilotage requirement. See AS 08.62.180(6). If the vessel in question does not qualify for this exemption, then it is either not a pleasure craft or it is not a United States registered vessel. State law also exempts a foreign registered vessel from the pilotage requirement if it is a pleasure craft of less than 300 gross tons. See AS 08.62.180(7). If the vessel does not qualify for this exemption for foreign registered pleasure craft then it either is not a pleasure craft or is larger than 300 gross tons.

Though there is nothing mentioned in Mr. Sokol's letter about the status of the guests on his vessel, there is a possibility that they may be paying guests. If they are indeed paying guests then the vessel may not qualify as a pleasure craft. Under federal vessel documentation requirements, a vessel that is operating under a recreational endorsement (formerly referred to as a pleasure vessel license) may be operated only for pleasure. 46 U.S.C. 12109(c) and 46 U.S.C. 12110(c). A vessel carrying passengers for hire is not a pleasure vessel. If the vessel at issue here is not a pleasure craft (but is instead a very small cruise ship) then the exemptions for pleasure craft under AS 08.62.180(6) and (7) will not provide a useful starting point and an exemption for the vessel must be created by amending another existing provision of AS 08.62.180 or by creating an entirely new exemption.

If you wish to proceed with developing an exemption to cover vessels such as that owned by Mr. Sokol, it will be necessary to obtain additional specific information regarding the purpose for which the vessel is used, the size of the vessel in length and/or tonnage, the country in which masters of the vessel are licensed, and nation of registry. It would also be useful to involve the marine pilot coordinator in the Department of Community and Economic Development in the development of any exemption from the mandatory pilotage requirement because of the possibility for inadvertent adverse consequences to the pilotage system in the state if the exception is not precisely drafted. The marine pilot coordinator would also be able to provide invaluable expertise and assistance on complicated and arcane federal requirements regarding vessel documentation, master and crew licensing, and vessel measurement conventions and on the degree of skill and knowledge necessary to safely navigate Southeast Alaska.

If I may be of further assistance, please advise.

GU:pjc  
02-112.pjc



DAVID L. SOKOL  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

October 25, 2002

Mr. Briar S. Porter  
Alaska State Legislature  
Speaker of the House  
State Capitol  
Juneau, AK 99801-1182

RE: Marine Pilotage Requirements

Dear Speaker Porter:

Thank you very much for your letter of October 16, 2002 and the attached memorandum from George Utermohle. I appreciate your attention to the matter and I wanted to answer a few questions raised in Mr. Utermohle's memo.

Our vessel is 354 gross tons and is utilized exclusively as a pleasure vessel. All of our guests are friends and no fee of any kind is charged to them. Our vessel is registered in the Cayman Islands.

We are hopeful that an accommodation can be found by the legislature so that we could cruise the beautiful waters of Alaska once again as we have in the past.

I hope your future endeavors are successful and enjoyable.

Sincerely,

David L. Sokol

CC: George Utermohle  
Peter Christensen  
Honorable Rick Halford  
Honorable Frank Murkowski  
Honorable Tony Knowles

**MIDAMERICAN** ENERGY HOLDINGS COMPANY

302 SOUTH 36TH STREET • SUITE 400 • OMAHA, NEBRASKA 68131-3845 • 402-341-4500 • FAX: 402-231-1403

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 1/21/03

FURTHER: Finance

Date of 5-Day Notice: 1-30-03  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 IN TO OFFICE: 2/13/03

Labor and Commerce Committee considered SENATE BILL NO. 20

**SB 20 EXTEND BOARD OF MARINE PILOTS**

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

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
CED	2/5/03	✓		1

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		Do PASS	Do NOT PASS	NO REC	AMEND
Davis	<i>Betty Davis</i>	X			
French	<i>Bob French</i>	X			
Seekins	<i>Joseph Seekins</i>	X			
Bunde	CHAIR: <i>Cliff Bunde</i>	X			

SENATE FINANCE COMMITTEE

SIGN-IN

SB 20 EXTEND BOARD OF MARINE PILOTS

NAME: JOE GEDNOF Subject/Bill No: SB-20  
 Co./Dept./Title: NAVY LEAGUE OF THE UNITED STATES Phone: (907) 586-8199  
 Address: 229 1/4 ST. TNU AK Zip: 99801

Do you wish to testify?  Yes  No  Respond To Questions

NAME: Pat Davidson Subject/Bill No: SB20  
 Co./Dept./Title: Leg Audit Phone: 465-3836  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: Kate Tesar Subject/Bill No: SB20  
 Co./Dept./Title: AK Yacht Sales + Training Phone: 463-5657  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: Don Habeger Subject/Bill No: SB20  
 Co./Dept./Title: Royal Caribbean - Cruise Phone: 789 3570  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: Zach Warwick Subject/Bill No: SB20

Co./Dept./Title: Southwestern's office Phone: 4797

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 20-EXTEND BOARD OF MARINE PILOTS

NAME: EFF Bush Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: 586-3708  
Address: 320 W. 8<sup>th</sup> St. Juneau AK Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Pat Davidson Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: Leg Audit Phone: 465-3830  
Address: P.O. Box 11300 Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Kate Tegar Subject/Bill No: SB 20  
Co./Dept./Title: AK. Yacht Services + Provisioning Phone: 463 5657  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Peter Christensen Subject/Bill No: SB 20  
Co./Dept./Title: DCED - Occ Lic Marine Pilot Coord. Phone: 465-2548  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions