

**ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672**  
**7588 SENATE LABOR & COMMERCE**

1 15 percent of the gross income derived from activities under this chapter.

2 \* Sec. 14. AS 05.15.112(a) is amended to read:

3 (a) Each municipality or qualified organization that applies for [RECEIVES] a permit  
4 under this chapter shall designate a member in charge. Municipalities and qualified  
5 organizations that jointly apply for a multiple-beneficiary permit under AS 05.15.145 shall  
6 establish a board consisting of one member from each municipality and qualified  
7 organization, and the board shall designate one of its members as the member in charge for  
8 the multiple-beneficiary permittee.

9 \* Sec. 15. AS 05.15.112(a) is repealed and reenacted to read:

10 (a) Each municipality or qualified organization that applies for a permit under this  
11 chapter shall designate a member in charge and at least one alternate member in charge.  
12 Municipalities and qualified organizations that jointly apply for a multiple-beneficiary permit  
13 under AS 05.15.145 shall establish a board consisting of one member from each municipality and  
14 qualified organization, and the board shall designate one of its members as the member in charge  
15 for the multiple-beneficiary permittee and at least one other of its members as an alternate  
16 member in charge. The member in charge and alternate members in charge designated under this  
17 section, and the members of the boards for multiple-beneficiary permittees, must have passed a  
18 test formulated by the department on the contents of this chapter and the regulations adopted  
19 under this chapter. The department shall administer the test at least four times a year and shall  
20 arrange that persons in remote locations be able to take the test in those locations.

21 \* Sec. 16. AS 05.15.112(b) is amended to read:

22 (b) The member in charge is responsible for preparation, maintenance, and transmittal  
23 of all records and reports required of the permittee and, if the permittee has entered into a  
24 contract with an operator under AS 05.15.115, for monitoring the operator's performance  
25 under and compliance with that contract. The member in charge shall be a member of the  
26 qualified organization or the board of directors of the qualified organization or an employee of  
27 the municipality. In the case of a multiple-beneficiary permit, the member in charge shall  
28 be a member of one of the qualified organizations or the board of directors of one of the  
29 qualified organizations or an employee of one of the municipalities.

30 \* Sec. 17. AS 05.15.112(b) is repealed and reenacted to read:

31 (b) The member in charge is responsible for preparation, maintenance, and transmittal

1 of all records and reports required of the permittee and, if the permittee has entered into a  
2 contract with an operator under AS 05.15.115, for monitoring the operator's performance under  
3 and compliance with that contract. The alternate members in charge are responsible for the  
4 duties of the member in charge in the absence of the member in charge. The member in charge  
5 and the alternate members in charge shall be members of the qualified organization or the board  
6 of directors of the qualified organization or employees of the municipality. In the case of a  
7 multiple-beneficiary permit, the member in charge and the alternate members in charge shall be  
8 members of one or more of the qualified organizations or the board of directors of one or more  
9 of the qualified organizations or employees of one or more of the municipalities.

10 \* Sec. 18. AS 05.15.112(d) is amended to read:

11 (d) The municipality or qualified organization, or the holders of a multiple-beneficiary  
12 permit, shall designate alternate members in charge who are responsible for the duties of the  
13 member in charge in the absence of the member in charge.

14 \* Sec. 19. AS 05.15.112 is amended by adding a new subsection to read:

15 (e) If a permittee's designated member in charge or sole alternate member in charge  
16 resigns or is no longer able to serve as member in charge or alternate member in charge, the  
17 permittee has six months to replace the member in charge or alternate member in charge with  
18 a person who meets the requirements of this section, and to notify the department of the  
19 replacement. If after six months the permittee has not replaced the member in charge or alternate  
20 member in charge with a person who meets the requirements of this section, or has not notified  
21 the department of the replacement, the permittee's permit is suspended until the requirements of  
22 this subsection are met. In this subsection, "permittee" includes a multiple-beneficiary permittee.

23 \* Sec. 20. AS 05.15.122(b) is amended to read:

24 (b) The department may issue an operator's license to a natural person, municipality, or  
25 qualified organization that

26 (1) applies on the form provided by the department;

27 (2) pays the annual fee of \$500;

28 (3) discloses the identity of persons employed by the applicant in a managerial  
29 or supervisory capacity;

30 (4) submits proof of liability insurance satisfactory to the department; [AND]

31 (5) posts a bond or security satisfactory to the department in the amount of

1 \$25,000 for each permit under which the operator operates up to a maximum of \$100,000; and  
2 (6) if a natural person, has passed a test formulated by the department on  
3 the contents of this chapter and the regulations adopted under this chapter and  
4 administered by the department at least four times a year; or, if a municipality or qualified  
5 organization, has designated a municipal employee or member of the organization who has  
6 passed this test.

7 \* Sec. 21. AS 05.15.122(d) is amended to read:

8 (d) A licensee may not employ a person in a managerial or supervisory capacity, or  
9 engage a person to act as an independent contractor in a managerial or supervisory  
10 capacity, if the person has been convicted of, in prison for, or on parole for a felony within the  
11 preceding five years, or convicted of a crime involving theft or dishonesty or of a violation of  
12 a municipal, state, or federal gambling law.

13 \* Sec. 22. AS 05.15.124 is amended to read:

14 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A municipality may  
15 by ordinance prohibit all operators or all vendors, or both, [AN OPERATOR] from conducting  
16 activities under this chapter within the municipality.

17 \* Sec. 23. AS 05.15.128(a) is amended to read:

18 (a) The department shall revoke the license of an operator who does not

19 (1) report an adjusted gross income of at least 15 percent of gross income for  
20 each quarter [TWO CONSECUTIVE QUARTERS] based on the total operation of the operator,  
21 or

22 (2) pay to each authorizing permittee each quarter [FOR TWO CONSECUTIVE  
23 QUARTERS] at least

24 (A) 20 [15] percent of the adjusted gross income [, AS DETERMINED  
25 UNDER (1) OF THIS SUBSECTION,] received from bingo activities and 20 percent  
26 of the adjusted gross income received from pull-tab activities conducted on behalf of  
27 the authorizing permittee, if the operator's primary method of conducting activities  
28 on behalf of the permittee is through a bingo hall;

29 (B) 40 percent of the adjusted gross income received from all activities  
30 conducted on behalf of the authorizing permittee, if the operator's primary method  
31 of conducting activities on behalf of the permittee is through the sale of pull-tabs at

1 a retail outlet whose primary purpose is the sale of pull-tabs; or  
2 (C) 50 percent of the adjusted gross income received from all activities  
3 conducted on behalf of the authorizing permittee, if the operator's primary method  
4 of conducting activities on behalf of the permittee is through the sale of pull-tabs by  
5 contract with vendors or by another means other than those described in (A) or (B)  
6 of this paragraph.

7 \* Sec. 24. AS 05.15.128 is amended by adding a new subsection to read:

8 (c) Within ~~10~~<sup>30</sup> calendar days of the end of each calendar quarter, each operator shall  
9 submit to the department documentation adequate to allow the department to ascertain whether  
10 the operator has complied with the requirements of (a) of this section. If an operator conducts  
11 activities through a bingo hall, the documentation must be sufficient to enable the department to  
12 ascertain whether the operator has complied with (a)(2)(A) of this section for each activity  
13 conducted by the operator. If an operator has not submitted adequate documentation within 10  
14 calendar days of the end of the quarter, the department shall suspend the operator's license until  
15 the operator has submitted the necessary documentation.

16 \* Sec. 25. AS 05.15.140(b) is amended to read:

17 (b) In an application for a permit, a municipality or qualified organization shall disclose  
18 the name and address of each person responsible for the operation of the activity and whether  
19 any person named

20 (1) has been convicted of, in prison for, or on parole for a felony within the  
21 preceding 15 [FIVE] years, or convicted of a crime involving theft or dishonesty or of a violation  
22 of a municipal, state, or federal gambling law; or

23 (2) has a prohibited financial interest, as defined in regulations adopted by the  
24 commissioner, in the operation of the activity.

25 \* Sec. 26. AS 05.15.140(c) is amended to read:

26 (c) The commissioner may not issue a permit for an activity operated by a person who  
27 has been convicted of, in prison for, or on parole for a felony within the preceding 15 [FIVE]  
28 years, or convicted of a crime involving theft or dishonesty or of a violation of a municipal, state,  
29 or federal gambling law.

30 \* Sec. 27. AS 05.15 is amended by adding a new section to read:

31 Sec. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (a) Two to six municipalities

1 or qualified organizations, or a combination of two to six municipalities and qualified  
2 organizations, may jointly apply for a multiple-beneficiary permit under AS 05.15.100(d). The  
3 commissioner may not issue or renew a permit except upon satisfactory proof that each joint  
4 applicant is a municipality or qualified organization, the activity may be permitted under this  
5 chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon  
6 request of the commissioner, the joint applicants shall prove conclusively each of these  
7 requirements before a permit may be issued or renewed.

8 (b) The provisions of AS 05.15.140(b) - (d) apply to multiple-beneficiary permits and  
9 applications for them.

10 (c) A municipality or qualified organization that is among the holders of a multiple-  
11 beneficiary permit may not hold another permit under this chapter.

12 (d) A municipality or qualified organization that is among the holders of a multiple-  
13 beneficiary permit may withdraw from the permit by giving written notice of intent to withdraw  
14 to the department and to the other holders of the permit. The effective date of the withdrawal  
15 is 30 days after the department receives written notice of intent. A municipality or qualified  
16 organization that withdraws from a multiple-beneficiary permit may apply for a permit under  
17 AS 05.15.100(a), but the total of its share of the prizes awarded under the multiple-beneficiary  
18 permit and the prizes it awards under its own permit are subject to the maximums established in  
19 AS 05.15.180(g).

20 (e) The holders of a multiple-beneficiary permit shall jointly file reports with the  
21 department that comply with the reporting requirements imposed on operators under  
22 AS 05.15.083.

23 (f) The department shall revoke a multiple-beneficiary permit if the permittee does not

24 (1) meet the requirements of AS 05.15.100(e); or

25 (2) pay each quarter to each holder of the multiple-beneficiary permit an equal  
26 share of the amount of the adjusted gross income remaining after expenses are deducted; if a  
27 holder withdraws from the multiple-beneficiary permit during a quarter, that holder is entitled to  
28 a pro rata share based on the percentage of the quarter that the withdrawing entity was a holder.

29 (g) No more than six municipalities, qualified organizations, or a combination of  
30 municipalities and qualified organizations may be holders of a multiple-beneficiary permit during  
31 the year for which the permit is issued.

1 \* Sec. 28. AS 05.15.170 is repealed and reenacted to read:

2 Sec. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT, LICENSE, OR  
3 VENDOR ENDORSEMENT. (a) The commissioner may suspend or revoke a permit, license,  
4 or vendor endorsement, after giving notice to and an opportunity to be heard by the permittee,  
5 licensee, or vendor, if the permittee, licensee, or vendor

6 (1) violates or fails to comply with a requirement of this chapter or of a regulation  
7 adopted under this chapter;

8 (2) breaches a contractual agreement with a permittee, licensee, or vendor;

9 (3) is convicted of a felony, of a crime involving theft or dishonesty, or of a  
10 violation of a municipal, state, or federal gambling law; for the purposes of this paragraph, a  
11 permittee, licensee, or vendor that is not a natural person is considered convicted if an owner or  
12 manager of the permittee, licensee, or vendor is convicted;

13 (4) knowingly submits false information to the department or, in the case of a  
14 vendor, to a permittee or operator when the vendor knows that the false information will be  
15 submitted to the department as part of an application for a vendor endorsement; or

16 (5) is required to collect a sales tax on charitable gaming activity under a  
17 municipal ordinance and fails to collect that tax or to transmit the proceeds of the tax to the  
18 municipality in the manner and in the time required by municipal law.

19 (b) If the department revokes a permit, license, or vendor endorsement under this section,  
20 it may prohibit the permittee or licensee from reapplying for a permit, license, or vendor  
21 endorsement for a period of up to five years.

22 (c) An aggrieved party may appeal the suspension or revocation to the superior court.

23 \* Sec. 29. AS 05.15.180(b) is amended to read:

24 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics,  
25 goose classics, mercury classics, salmon classics, contests of skill, and other activities authorized  
26 under AS 05.15.100(b), an activity may not be licensed under this chapter unless it existed in the  
27 state in substantially the same form and was conducted in substantially the same manner before  
28 January 1, 1959.

29 \* Sec. 30. AS 05.15.180(d) is amended to read:

30 (d) The total value of door prizes offered or awarded under authority of a permit issued  
31 to a municipality or qualified organization under this chapter or under authority of a multiple-

1 beneficiary permit may not exceed \$10,000 [\$20,000] a month or \$120,000 [\$240,000] a year.

2 \* Sec. 31. AS 05.15.180(e) is amended to read:

3 (e) The total value of all door prizes offered or awarded at a single facility or bingo hall  
4 or parlor by an operator on behalf of authorizing permittees [OR BY A PERMITTEE IN  
5 CONJUNCTION WITH OTHER PERMITTEES] may not exceed \$10,000 [\$20,000] a month or  
6 \$120,000 [\$240,000] a year.

7 \* Sec. 32. AS 05.15.180(g) is amended to read:

8 (g) A municipality or a qualified organization may award a maximum of \$1,000,000 in  
9 prizes each year in activities authorized under this chapter. The holders of a multiple-  
10 beneficiary permit under AS 05.15.145 may award a maximum in prizes each calendar year  
11 of \$1,000,000 times the number of holders of the permit for activities authorized under this  
12 chapter [; HOWEVER, IF A MUNICIPALITY OR A QUALIFIED ORGANIZATION  
13 CONTRACTS WITH AN OPERATOR TO CONDUCT ON ITS BEHALF ACTIVITIES  
14 AUTHORIZED UNDER THIS CHAPTER, THE MUNICIPALITY OR QUALIFIED  
15 ORGANIZATION MAY AWARD A MAXIMUM OF \$500,000 IN PRIZES EACH YEAR].  
16 In this subsection "activities authorized under this chapter" means all activities subject to this  
17 chapter other than bingo.

18 \* Sec. 33. AS 05.15.181(a) is amended to read:

19 (a) A person may not manufacture pull-tabs in the state, and may not sell or supply a  
20 pull-tab that the person has manufactured outside of the state to persons in the state, unless  
21 the person has received a pull-tab manufacturer's license issued by the department.

22 \* Sec. 34. AS 05.15.181(b) is amended to read:

23 (b) The department may issue a pull-tab manufacturer's license to a person who pays an  
24 annual fee of \$1,000 [\$500].

25 \* Sec. 35. AS 05.15.183(d) is amended to read:

26 (d) A pull-tab distributor shall report to the department by the last business day of each  
27 month on each pull-tab series distributed in the preceding month. The report must include the  
28 name of the permittee, operator, or pull-tab distributor to whom each series of pull-tabs is  
29 distributed and the serial number of each series.

30 \* Sec. 36. AS 05.15.133 is amended by adding a new subsection to read:

31 (e) A distributor may not

- 1 (1) take an order for the purchase of a pull-tab series from a vendor;  
2 (2) sell a pull-tab series to a vendor; or  
3 (3) deliver a pull-tab series to a vendor location, except as permitted by  
4 AS 05.15.185.

5 \* Sec. 37. AS 05.15.184 is amended to read:

6 Sec. 05.15.184. PULL-TAB TAX. At the time of the distribution of a pull-tab series  
7 to a permittee, an operator, or another distributor, a [A] pull-tab distributor shall collect a  
8 tax of three percent of the ideal net for [AN AMOUNT EQUAL TO THE GROSS RECEIPTS  
9 LESS PRIZES AWARDED ON] each series of pull-tabs distributed. The pull-tab distributor shall  
10 pay to the department the tax collected in the preceding month at the time that the report under  
11 AS 05.15.183(d) is filed with the department.

12 \* Sec. 38. AS 05.15.185 is amended to read:

13 Sec. 05.15.185. DISTRIBUTION OF PULL-TAB GAMES. Each series of pull-tabs  
14 distributed in the state must be sealed and have a serial number label issued by the National  
15 Association of Fundraising Ticket Manufacturers or other serial number label approved by the  
16 department and may be distributed only to

17 (1) a municipality or a qualified organization that has obtained a permit issued  
18 under this chapter;

19 (2) [OR TO] an operator on behalf of an authorizing permittee; or

20 (3) a vendor registered under this chapter when

21 (A) a permittee or operator has received payment from the vendor in  
22 the amount and form set out in AS 05.15.188(i), and the permittee or operator has  
23 authorized the distributor to distribute the series to the vendor; and

24 (B) the permittee or operator has paid to the distributor the pull-tab  
25 tax under AS 05.15.184; or

26 (4) a distributor licensed under this chapter.

27 \* Sec. 39. AS 05.15.187(f) is amended to read:

28 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION] that had  
29 gross receipts exceeding \$100,000 during the preceding year from activities conducted under this  
30 chapter or that is required to report under AS 05.15.080(a), that conducts a pull-tab game shall  
31 maintain records for two years of each prize of \$50 or more, the first day and last day that each

1 series was distributed, the serial number of each series, and the distributor from whom each series  
2 was purchased. In this section "permittee" includes municipalities and qualified  
3 organizations that jointly hold a multiple-beneficiary permit.

4 \* Sec. 40. AS 05.15.187 is amended by adding new subsections to read:

5 (h) An owner, manager, or employee of a person holding a permit or license under this  
6 chapter, or registered under this chapter as a vendor, may not purchase a pull-tab from any pull-  
7 tab series manufactured, distributed, or sold by the permittee, licensee, or vendor.

8 (i) An operator may not purchase a pull-tab series from a distributor that is owned in  
9 whole or in part, directly or indirectly, by the operator, unless more than 50 percent of the  
10 distributor's sales of pull-tab series are made to permittees, operators, or distributors that are  
11 wholly independent from the distributor.

12 (j) A permittee, operator, or registered vendor may not turn over a prize of \$50 or more  
13 to a person with a pull-tab card entitling the person to that prize unless the person signs a receipt  
14 for the prize and returns the receipt to the permittee, operator, or vendor. The pull-tab card  
15 entitling the person to the prize may be signed as the receipt.

16 (k) A permittee, operator, or registered vendor may sell pull-tabs only at a fixed location,  
17 and may not sell pull-tabs from a cart, vehicle, or similar location that is capable of mobility.  
18 Pull-tab sales may be made only when the person purchasing the pull-tab is physically present  
19 at the sale location.

20 \* Sec. 41. AS 05.15 is amended by adding a new section to article 2 to read:

21 Sec. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF PERMITTEES  
22 AND OPERATORS; VENDOR ENDORSEMENT. (a) A permittee or operator may contract  
23 with a vendor to sell pull-tabs on behalf of the permittee or operator, if the permittee or operator  
24 first applies for a vendor endorsement from the department on a form prescribed by the  
25 department and submits an endorsement fee of \$100 for each location at which the vendor  
26 intends to sell pull-tabs. The endorsement fee shall be paid by the vendor by check, and the  
27 vendor may not be reimbursed for the fee by the permittee or operator. If a vendor location is  
28 within the boundaries of a municipality, the permittee or operator shall, concurrently with  
29 applying for a vendor endorsement with the department, submit a copy of the application form  
30 to the governing body of the municipality.

31 (b) A permittee or operator may contract with more than one vendor under this section,

1       except that

2                   (1)    a permittee, other than a multiple-beneficiary permittee under  
3       AS 05.15.100(d), may not enter into contracts that result in pull-tabs being sold under the  
4       permittee's permit at more than five vendor locations;

5                   (2)    a multiple-beneficiary permittee may not enter into contracts that result in  
6       pull-tabs being sold under the permittee's permit at more than 20 vendor locations; and

7                   (3)    an operator may not enter into contracts with vendors that result in pull-tabs  
8       being sold under the permits of permittees who have contracted with the operator at more than  
9       20 vendor locations.

10                  (c) The department shall approve or disapprove an application for a vendor endorsement  
11       within 30 working days of receipt of the application from a permittee or operator.

12                  (d) Upon approval of the vendor application, the department shall issue an endorsement  
13       to the permittee's permit or the operator's license that authorizes the conduct of pull-tab sales at  
14       that vendor location.

15                  (e) The endorsement issued under (d) of this section is an extension of the permittee's  
16       or operator's privilege under AS 05.15.100 to conduct pull-tab sales. A vendor may not sell a  
17       pull-tab series until the endorsement for the new vendor location has been posted at the vendor  
18       location for which the endorsement was issued. The endorsement and the permit or license must  
19       be clearly visible to the gaming public.

20                  (f) A separate endorsement shall be issued for each vendor location. The permittee or  
21       operator shall inform the department and the governing body of the municipality in which the  
22       vendor operates when a vendor with whom the permittee or operator is contracting changes the  
23       physical location at which pull-tabs are sold, and shall apply for and obtain another endorsement  
24       before the vendor may sell pull-tabs on behalf of the permittee or operator at the new vendor  
25       location. A permittee or operator shall return to the department the endorsed permit or license  
26       of a vendor that is no longer selling pull-tabs on behalf of the permittee or operator. Failure to  
27       inform the department of a change in vendor location, or to return a permit or license to the  
28       department that contains the endorsement of a vendor that is no longer selling pull-tabs on behalf  
29       of the permittee or operator, constitutes grounds for the suspension or revocation of a permittee's  
30       permit or an operator's license under AS 05.15.170.

31                  (g) At the time that a permittee or operator annually renews its permit or license, it shall

1 also renew the endorsement for each location of each vendor that is selling pull-tabs on the  
2 permittee's or operator's behalf. The permittee or operator shall pay an endorsement renewal fee  
3 of ~~\$50~~<sup>\$100</sup> for each vendor location. The endorsement renewal fee shall be paid by the vendor by  
4 check, and the vendor may not be reimbursed for the fee by the permittee or operator.

5 (h) A permittee or operator that uses a vendor to sell pull-tabs on its behalf shall enter  
6 into a written contract with that vendor, and a copy of the contract must be submitted to the  
7 department for approval. If the contract contains provisions that violate this chapter or the  
8 regulations adopted under it, the department may refuse to issue the vendor endorsement for that  
9 location.

10 (i) Except as provided in AS 05.15.185, a person, other than a permittee's member in  
11 charge or an operator, may not directly supply a pull-tab series to a vendor for sale by that  
12 vendor on behalf of the permittee or operator.

13 (j) If a permittee or operator contracts with a vendor under (a) of this section, the  
14 contract must provide that the permittee or operator shall receive no less than 70 percent of the  
15 ideal net.

16 (k) An amount equal to the ideal net less the compensation paid to the vendor shall be  
17 paid by the vendor to the permittee or operator at the time that the member in charge or operator  
18 delivers a pull-tab series to the vendor for sale. The amount required to be paid by the vendor  
19 under this subsection shall be paid by check and shall be deposited by the permittee or operator  
20 directly into its gaming checking account.

21 (l) A vendor may not contract under this section with more than one permittee or  
22 operator at a time.

23 \* Sec. 42. AS 05.15 is amended by adding a new section to read:

24 Sec. 05.15.195. ORDER PROHIBITING ACTION IN VIOLATION OF CHAPTER. (a)  
25 If the commissioner determines that a person has engaged in an act or practice in violation of this  
26 chapter or a regulation adopted under this chapter, the commissioner may, after giving reasonable  
27 notice to the person and an opportunity for the person to be heard, issue an order prohibiting the  
28 violation by the person. The order remains in effect until the person has submitted evidence  
29 acceptable to the commissioner showing that the violation has been corrected.

30 (b) If the public interest requires, the commissioner may issue an emergency order  
31 prohibiting an act or practice in violation of this chapter or a regulation adopted under this

1 chapter without notice to or an opportunity to be heard by the person affected by the order. The  
2 commissioner shall immediately serve the person with a copy of the emergency order. An  
3 emergency order expires 60 days after the date it is issued, if the person affected by the order  
4 requests a hearing within 15 days of receipt of the order. If the person does not request a hearing  
5 within 15 days of receipt of the emergency order, the order becomes permanent. Following a  
6 hearing, the commissioner may rescind, modify, or make permanent the emergency order.

7 (c) A party aggrieved by an order under this section may appeal to the superior court.

8 \* Sec. 43. AS 05.15.200(b) is amended to read:

9 (b) A person who, with the intent to mislead a public servant in the performance of the  
10 public servant's duty, submits a false statement in an application for a permit, license, or vendor  
11 endorsement under this chapter [,] is guilty of unsworn falsification.

12 \* Sec. 44. AS 05.15.210(7) is amended to read:

13 (7) "contest of skill" means a contest or game that is conducted to benefit a  
14 municipality or qualified organization and in which prizes are awarded for the demonstration  
15 of human skills in rifle, pistol, archery, or dart matches, or in similar matches involving  
16 marksmanship; in [,] races or other tests of physical endurance performed by individual  
17 contestants; in bowling and billiards matches; [,] and in other physical [ATHLETIC] events  
18 that include generally recognized field and track events based on personal physical ability  
19 or skill;

20 \* Sec. 45. AS 05.15.210 is amended by adding new paragraphs to read:

21 (35) "bingo hall" means a facility owned or managed by an operator and used for  
22 the playing of bingo, and which meets the following requirements:

23 (A) at least 70 percent of the floor space of the facility must be devoted  
24 to the playing of bingo;

25 (B) at least 70 percent of the expenses incurred by the operator, excluding  
26 prize payouts, are connected with the conducting of bingo games;

27 (C) at least 30 percent of the gross receipts of the operator at the facility  
28 are derived from bingo; and

29 (D) the facility, if located in a municipality with land use ordinances,  
30 complies with all such ordinances, including those relating to parking requirements for  
31 facilities that attract large numbers of the public at one time;

1 (36) "ideal net" means an amount equal to the total amount of receipts that would  
2 be received if every individual pull-tab ticket in a series were sold at face value, less the prizes  
3 to be awarded for that series;

4 (37) "managerial or supervisory capacity" means that the employee

5 (A) is responsible for gaming receipts;

6 (B) has the authority to hire employees or to dismiss or otherwise  
7 discipline them;

8 (C) prepares financial reports required under this chapter;

9 (D) is responsible for keeping the accounts for activities under this  
10 chapter;

11 (E) is responsible for conducting activities under this chapter, including  
12 the arranging for locations at which those activities will occur; or

13 (F) is a fund raiser or a consultant;

14 (38) "parole" has the meanings given in AS 33.16.900(6) and (7);

15 (39) "permittee" means a municipality or a qualified organization that holds a  
16 valid permit under AS 05.15.100, or a group of municipalities or qualified organizations that hold  
17 a valid multiple-beneficiary permit under AS 05.15.145;

18 (40) "vendor" means a business whose primary activity is not regulated by this  
19 chapter but that is engaged in the sale of pull-tabs on behalf of a permittee or operator, holds a  
20 business license under AS 43.70, and is

21 (A) a retail establishment;

22 (B) an eating establishment; or

23 (C) an establishment licensed under AS 04.11.

24 \* Sec. 46. AS 05.15.060(6), 05.15.112(d), 05.15.122(c), and 05.15.122(d) are repealed.

25 \* Sec. 47. TRANSITIONAL PROVISION. The Department of Commerce and Economic  
26 Development shall prepare the tests required by AS 05.15.112(a), as amended by sec. 15 of this Act, and  
27 by AS 05.15.122(b), as amended by sec. 17 of this Act, so that they may first be offered no later than  
28 January 1992.

29 \* Sec. 48. Sections 2, 4, 5, 7, 15, 17, 19, 20, 25, 26, and 46 of this Act take effect January 1, 1993.

30 \* Sec. 49. Except as provided in sec. 48 of this Act, this Act takes effect immediately under  
31 AS 01.10.070(c).

HB

187

Revision Date: 02/21/92 Department Affected: Commerce & Economic Development  
 Title: An Act relating to the definition of contest of skill in the charitable gaming statutes. BRU: Occupational Licensing  
 Component: Administration  
 Sponsor: Reps. Kubina, Navarre, et al  
 Requestor: Rep. Kubina COMPONENT SERIAL NO. 

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

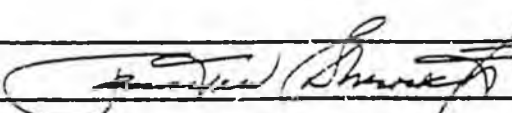
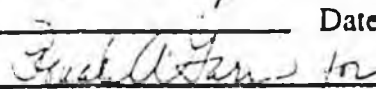
GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Jennifer Strickler  Phone: 465-2144  
 Division: Occupational Licensing Date: 02/21/92  
 Approved by Commissioner: Glenn A. Olds   
 Agency: Commerce & Economic Development Date: 2/24/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

# Alaska State Legislature



Representative Eugene Kubina

During Session:  
State Capitol  
P.O. Box 1  
Juneau, Alaska 99811  
(907) 465-4859

During Interim:  
P.O. Box 2463  
Valdez, Alaska 99686  
(907) 835-2111

Chairman  
State Affairs  
Committee

Legislative Council

Transportation  
Committee

## SPONSOR STATEMENT

**Sponsor:** Representative Gene Kubina

**Subject:** CS for House Bill 187

**Date:** 2 April 1992

---

CS for HB187 is intended to amend AS 05.15.180(b) in order to make dart matches and other contests of skill, permissible forms of charitable gaming.

In order to keep the code consistent throughout, CS for HB187 also amends 05.15.210(7) to extend the definition of contests of skill.

Rationale: this amendment clarifies the current laws in order to make certain such charitable activities, involving contests of skill, are within the proper constructs of state law.

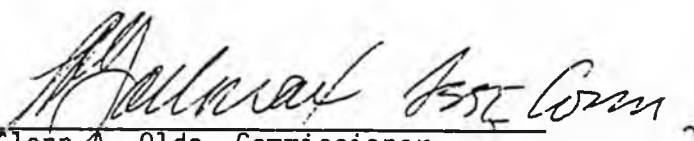
Discussions with John Hanson, head of the charitable gaming section of the Division of Occupational Licensing, Department of Commerce and Economic Development, have resulted in the development of this bill.

— DISTRICT SIX —

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •

HB 187 An Act relating to the definition of contest of skill in the charitable gaming statutes.

The Department of Commerce and Economic Development supports passage of House Bill 187.

  
Glenn A. Olds, Commissioner

Date: 3-18-91

TO: ALASKAN LEGISLATORS  
PO BOX V  
JUNEAU, AK 99811

ATTN: Representative Tom Kultima

FROM: CONCERNED ALASKAN DART PLAYERS

IN REGARD: REGULATIONS GOVERNING DART PLAY IN ALASKA

Recent actions by the Alcohol Beverage Control Board have brought dramatic attention to the sport of darts. Please help dart players by supporting or changing legislation which would allow tournaments to be held without violation of Alaskan statutes. The following facts and examples will illustrate why darts need and deserve your support.

Approximately 2500 Alaskan dart players participate in local and national league play. Darts is a sport like bowling and marksmanship where skill and technique are critical factors in determining the outcome of the game. Under AS 11.66.280 Dart Associations have been threatened with violations of the gambling laws. By prosecuting darts under this statute, the ABC and Gaming commission is defining darts as a game of chance. This is not the case. By adding the word "Dart" to the definition of marksmanship in Alaska Administrative Code 15 AAC 150.160, darts would be immune from prosecution and placed in the category where they belong.

Dart Associations in this state are run as non-profit organizations. Positions on the Board of Directors and Executive Board are voluntary positions whose sole purpose is to manage and formulate league play and tournaments, not unlike softball, bowling, and pool. Dart Associations throughout the state host many charitable tournaments such as; Darts for Diabetes, Hospice of Tanana Valley, Jerry's Kids (MS), Youth League, Child Abuse and Youth Scholarship Programs.

Thank you for the opportunity to explain why dart players need changes made if the sport is to continue to grow and flourish in Alaska. Please inform me of actions needed to correct this inappropriate persecution. Dart players and their supporters are more than willing to advocate and support any legislator or agency that will benefit the sport of darts.

Thank you for your support.

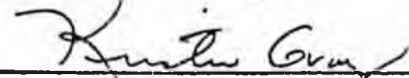
Sincerely,

*Alaska W. Hughes*  
PO Box 156  
Juneau AK 99801

**ALASKA STATE LEGISLATURE**  
**HOUSE BILL NO. 187**

**HISTORY IN THE HOUSE**

**HISTORY IN THE SENATE**

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HB

194

*Statutes and Regulations*

# **Board of Marine Pilots**

September 1990

**ALASKA**

**DEPARTMENT OF COMMERCE  
AND ECONOMIC DEVELOPMENT  
DIVISION OF OCCUPATIONAL LICENSING**

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4. Occupational Licensing Regulations and Fees (12 AAC 02) . . . . .	37
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**CHAPTER 62.  
MARINE PILOTS.**

**Article**

1. Board of Marine Pilots (§§ 08.62.010—08.62.040)
2. Licensing (§§ 08.62.080—08.62.150)
3. General Provisions (§§ 08.62.160—08.62.200)

**ARTICLE 1.  
BOARD OF MARINE PILOTS.**

**Section**

10. Creation and membership of board
20. Appointment and term of office
30. Meetings
40. Powers and duties

**Sec. 08.62.010. Creation and membership of board.** There is created the Board of Marine Pilots. It consists of two pilots licensed under this chapter who have been actively engaged in piloting on vessels subject to this chapter, two agents or managers of vessels subject to this chapter, two public members in accordance with AS 08.01.025, and the commissioner or the commissioner's designee. Not more than one pilot and one agent or manager shall be from any one judicial district. All members of the board shall be residents of the state.

**Sec. 08.62.020. Appointment and term of office.** The governor shall appoint the pilot and agent or manager members of the board, subject to confirmation by a majority of the members of the legislature in joint session, for terms of four years, or until their successors are appointed. A person, with the exception of the commissioner or the commissioner's designee, may not be appointed to the board for more than two consecutive terms.

**Sec. 08.62.030. Meetings.** The board shall hold a regular annual meeting. The board may hold special meetings at the call of the chairman with prior approval of the governor.

**Sec. 08.62.040. Powers and duties.** (a) The board shall

- (1) provide for the maintenance of efficient and competent pilot service on all waters covered by this chapter to assure protection of shipping and the safety of human life and property;
- (2) consistent with the law, adopt regulations, subject to the Administrative Procedure Act (AS 44.62), establishing the qualifications of pilots and providing for the examination of pilots and the issuance of original or renewal pilot licenses to qualified persons;
- (3) keep a register of licensed pilots, and agents;

(4) adopt regulations under the Administrative Procedure Act (AS 44.62) establishing standards by which pilotage fees may be established, and pay for audits whenever an audit is necessary to collect information needed to apply the standards in the regulations;

(5) make available, upon request, copies of this chapter and the regulations adopted under it.

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

## ARTICLE 2. LICENSING.

### Section

80. License requirement

90. Application

100. Qualifications

120. Renewal

130. Lapsed license

140. Fees

150. Denial, revocation or suspension

155. Disciplinary sanctions

**Sec. 08.62.080. License requirement.** A person may not pilot a vessel subject to this chapter unless the person is licensed under this chapter.

**Sec. 08.62.090. Application.** (a) A person who desires to be licensed under this chapter shall apply in writing to the department.

(b) The application shall provide the information and be made on a form prescribed by the board.

**Sec. 08.62.100. Qualifications.** A person is entitled to a license under this chapter if the person

(1) is of good moral character;

(2) is a citizen of the United States;

(3) passes the examination given by the board; and

(4) qualifies under the regulations adopted under

AS 08.62.040(a)(2) and (b).

**Sec. 08.62.120. Renewal.** A license shall be renewed without examination upon the payment of the license fee.

**Sec. 08.62.130. Lapsed license.** A lapsed license may be reinstated without examination if it has not remained lapsed for more than two years. However, if the license is lapsed for less than two years and the board has reason to believe that the person applying for reinstatement of a license is incapable or incompetent

to carry out the duties of a licensed marine pilot, the board may require the applicant to take and pass the examination given by the board.

**Sec. 08.62.140. Fees.** The department shall set fees under AS 08.01.065 for applications, licenses, and agent registrations.

**Sec. 08.62.150. Denial, revocation or suspension.** (a) The board may impose a disciplinary sanction on a person licensed under this chapter when the board finds that the person

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

(2) is habitually intoxicated;

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

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

(5) violates a provision of this chapter or a regulation adopted under it;

(6) is guilty of misconduct during the course of employment;

or

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

(b) [Repealed, § 4 ch 60 SLA 1987.]

**Sec. 08.62.155. Disciplinary sanctions.** (a) The board may impose the following sanctions singly or in combination:

(1) permanently revoke a license or permit to practice;

(2) suspend a license for a stated period of time;

(3) censure a licensee;

(4) issue a letter of reprimand;

(5) impose limitations or conditions on the professional practice of a licensee;

(6) impose peer review;

(7) impose professional education requirements until a satisfactory degree of skill has been attained in those aspects of professional practice determined by the board to need improvement;

(8) impose probation and require the licensee to report regularly to the board upon matters involving the basis for the probation;

(9) accept a voluntary surrender of a license.

(b) The board may withdraw probation status if it finds that the deficiencies that required the sanction have been remedied.

(c) The board may summarily suspend a license before final hearing or during the appeals process if the board finds that the licensee poses a clear and immediate danger to the public health and safety. A person whose license is suspended under this section is entitled to a hearing by the board within seven days after the effective date of the order. If, after a hearing, the board upholds the suspension, the licensee may appeal the suspension to a court of competent jurisdiction.

(d) The board may reinstate a license that has been suspended or revoked if the board finds, after a hearing, that the applicant is able to practice with skill and safety.

(e) The board may return a license that has been voluntarily surrendered if the board determines that the licensee is competent to resume practice and that applicable renewal fees are paid.

(f) The board shall seek consistency in the application of disciplinary sanctions. A significant departure from prior decisions involving similar situations shall be explained in the findings of fact or order.

### ARTICLE 3. GENERAL PROVISIONS.

#### Section

- 160. Mandatory employment of licensed pilots
- 170. Pilot's lien for compensation
- 180. Exemptions
- 185. Certain licensed pilots required for oil tankers
- 187. Registration of agents required
- 190. Penalty
- 200. Definitions

**Sec. 08.62.160. Mandatory employment of licensed pilots.** A vessel subject to this chapter navigating the inside coastal waters of Alaska as determined by regulation shall employ a pilot holding a valid license under this chapter.

**Sec. 08.62.170. Pilot's lien for compensation.** Each vessel, its tackle, apparel and furniture and the owner of the vessel are jointly and severally liable for the compensation of a pilot employed on the vessel and the pilot has a lien on the vessel, the vessel's tackle, apparel and furniture for the pilot's compensation.

**Sec. 08.62.180. Exemptions.** This chapter does not apply to (1) vessels under enrollment, except as provided in AS 08.62.185;

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

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

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

(A) on the rivers of Alaska; or

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

- (5) vessels of Canada, including Canadian cruise ships, engaged in frequent trade between British Columbia and Alaska, if reciprocal exemptions are granted by Canada to vessels owned by the State of Alaska and those of United States registry; and
- (6) pleasure craft.

**Sec. 08.62.185. Certain licensed pilots required for oil tankers.** (a) Any oil tanker, whether enrolled or registered, of 50,000 dead weight tons or greater, shall, when navigating in state waters beyond Alaska pilot stations either

- (1) employ a pilot licensed by the state under this chapter; or
- (2) utilize a federally licensed pilot whose duty station has been on that tanker throughout that specific voyage.

(b) The pilot required in (a) of this section shall control the vessel during all docking operations.

**Sec. 08.62.187. Registration of agents required.** A person may not act as an agent of a vessel subject to this chapter unless the person's name appears on the register of agents kept under AS 08.62.040(a)(3).

**Sec. 08.62.190. Penalty.** A master or owner of a vessel required by this chapter to employ a licensed pilot who fails to do so when a licensed pilot is available, unless the perils or hazards of the sea prevent the employment of a pilot, is guilty of a misdemeanor and, upon conviction, is punishable by a fine not less than \$1,000 nor more than \$5,000. A person who violates any other provision of this chapter or a regulation adopted under it is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not less than \$500 nor more than \$1,000.

**Sec. 08.62.200. Definitions.** In this chapter

- (1) "board" means the Board of Marine Pilots;
- (2) "commissioner" means the commissioner of the Department of Commerce and Economic Development;
- (3) "department" means the Department of Commerce and Economic Development;
- (4) "vessel" means all vessels not exempt under AS 08.62.180.

CHAPTER 56.  
BOARD OF MARINE PILOTS

Article

1. Licensing (12 AAC 56.011—12 AAC 56.080)
2. Compulsory Pilotage Waters  
(12 AAC 56.090—12 AAC 56.120)
3. Rates (12 AAC 56.130—12 AAC 56.158)
4. Very Large Crude Carriers (VLCC)  
(12 AAC 56.500—12 AAC 56.510)
5. General Provisions (12 AAC 56.930—12 AAC 56.990)

ARTICLE 1.  
LICENSING

Section

11. Type of licenses and endorsements
21. Licensing areas
25. Applications
27. Dockings, undockings, and observer trips
30. Qualifications for unlimited pilot license
40. Qualifications for limited pilot license
45. Qualification for increased tonnage
50. Qualifications for channel pilot license
53. Qualifications for extension of route endorsement
60. Qualifications for temporary license
70. Examinations
75. Waiver of license qualification requirements
80. Biennial license renewal

12 AAC 56.011. TYPES OF LICENSES AND ENDORSEMENTS. (a) The following licenses are issued by the board for the geographical areas listed in 12 AAC 56.021:

- (1) channel pilot;
- (2) limited pilot, step one;
- (3) limited pilot, step two;
- (4) unlimited pilot.

(b) A licensed pilot is restricted to piloting only in the geographical areas identified in 12 AAC 56.021 in which the pilot has a valid Coast Guard license and has

- (1) passed a local knowledge examination under 12 AAC 56.070 as part of initial licensure; or
- (2) received the appropriate extension of route endorsement under 12 AAC 56.053.

(c) A licensee seeking a license endorsement for an extension of route shall apply under 12 AAC 56.053.

(d) A licensed unlimited pilot seeking a VLCC endorsement shall

apply under 12 AAC 56.500.

**12 AAC 56.021. LICENSING AREAS.** (a) To facilitate relevant examination and administration, pilot's licenses will be issued for specific geographical areas as follows:

(1) Southeastern Alaska — covering the compulsory pilotage waters of Alaska commencing at the southern border with Canada then west and north along the coast to Cape Spencer;

(2) Southwestern Alaska — covering the compulsory pilotage waters of Alaska commencing at the eastern boundary of Prince William Sound then west, north, and east to the northern border with Canada.

(b) Exemptions to a basic Southeastern or Southwestern license will be listed on the license for areas in which the license is not qualified to pilot. Additions to a basic Southeastern or Southwestern license will be listed on the license for the compulsory pilotage waters of Alaska between Cape Spencer and Prince William Sound in which the licensee is qualified to pilot.

**12 AAC 56.025. APPLICATIONS.** (a) An applicant for any category pilot license shall apply on a form provided by the Department of Commerce and Economic Development and submit

(1) the required fee;

(2) evidence that the applicant is at least 25 years of age;

(3) a full-sized, certified copy of the applicant's valid Coast Guard license, with radar endorsement, as first-class pilot of vessels of any gross tons upon the waters for which the applicant is applying;

(4) a full-sized, certified copy of the applicant's valid Coast Guard license for master of steam or motor vessels of 1,000 gross tons or greater, including tow boat or freighting vessels, but excluding fishing vessels;

(5) the names and addresses of three Coast Guard licensed master mariners who may be contacted for a recommendation attesting to the applicant's professional qualifications and good moral character;

(6) documentation of the applicant's education, employment record, and other special qualifications, including, if possible, copies of discharges, certificates, and letters;

(7) a notarized statement by the applicant that within five years before the application, he or she has not been convicted of a felony and has not been convicted of any repeat minor offenses involving excessive use of drugs or alcohol;

(8) evidence of a satisfactory physical examination with 90 days before the date of application, demonstrating that the appli-

grant is in all respects physically fit to perform the duties of a pilot and including an examination of eyesight, hearing and blood pressure.

(b) *Repealed 7/26/90*

**12 AAC 56.027. DOCKINGS, UNDOCKINGS, AND OBSERVER TRIPS.** (a) All supervised dockings and undockings required to be done by an applicant for licensure under this chapter must have been

(1) executed while the applicant held a Coast Guard license as first-class pilot of vessels of any gross tons upon the waters for which the applicant is applying;

(2) executed while the applicant held a Coast Guard license as master of steam or motor vessels of 1,000 gross tons or greater, including tow boat or freighting vessels but excluding fishing vessels;

(3) executed within the two years before the date of application;

(4) completed with no more than five of the dockings and five undockings made under the supervision of the same pilot; and

(5) certified by the supervising pilot as having been satisfactory and must have included a full briefing and debriefing by the supervising pilot.

(b) A licensee holding a channel pilot license or a temporary license of any kind may not supervise the dockings and undockings required by 12 AAC 56.030(c)(2) and 12 AAC 56.040(c)(2).

(c) In addition to the requirements for licensure under 12 AAC 56.030, 12 AAC 56.040, or 12 AAC 56.050, six trips as a pilot observer are required in order to be licensed in those areas identified by the board, in regulation, which are not specifically tested for by the U.S. Coast Guard and, which the board has determined are areas where the difficulty of the route and the volume of shipping make additional observer trips necessary to adequately judge a pilot's competency in that area. At least one observer trip must be made within the three years preceding the date of application. All observer trips required under this section must be made on vessels equipped with working radar, fathometer, and compass.

(d) Compliance with (c) of this section is required for all west coast waters of Prince of Wales Island inside a line drawn from Point Marsh to Cape Muzon; then directly to the southern extremity of Warren Island; then to Black Rock. The applicant must have completed enough observer trips to have transitted each of the following areas six times:

(1) Warren Channel;

(2) Boca de Finas;

- (3) San Christoval Channel;
- (4) Tlevak Narrows;
- (5) Hydaburg.

**12 AAC 56.030. QUALIFICATIONS FOR UNLIMITED PILOT LICENSE.** (a) An unlimited pilot license will only be granted to a licensed master who has extensive local knowledge with a wide range of experience handling a variety of ship types and sizes.

(b) An applicant for an unlimited pilot license shall have practical knowledge of the navigation of vessels and of the conditions of navigation in the waters for which applying, which will be determined by oral and written examination before the board from topics listed in 12 AAC 56.070(b) and (c).

(c) An applicant for an unlimited pilot license shall comply with 12 AAC 56.025 and shall submit evidence that the applicant

(1) has been a Coast Guard licensed master or pilot on the waters for which the applicant is applying for a minimum of one year; and

(2) has executed a minimum of 10 dockings and 10 undockings under the supervision of a state licensed pilot, at least half of which must have been on vessels requiring an Alaska license pilot and at least half of which must have been on vessels in excess of 20,000 gross tons.

**12 AAC 56.040. QUALIFICATIONS FOR LIMITED PILOT LICENSE.** (a) An applicant who does not qualify for an unlimited pilot license may qualify for a limited pilot license. The board will determine the appropriate step of an initial limited pilot license based on the applicant's experience, training, tonnage of dockings and undockings, tonnage of observer trips, limitations upon Coast Guard license and other information the board considers relevant. There are the following two categories of limited licenses:

Step 1, not more than 20,000 gross tons; and

Step 2, not more than 40,000 gross tons.

(b) An applicant for a limited license shall have practical knowledge of the navigation of vessels and of the conditions of navigation in the waters for which applying, which will be determined by oral and written examination before the board from topics listed in 12 AAC 56.070(b) and (c);

(c) An applicant for a limited pilot license shall comply with 12 AAC 56.025 and shall submit evidence that the applicant either

(1) has been a Coast Guard licensed master or pilot on the waters for which the applicant is applying for a minimum of one year, and has executed a minimum of 10 dockings and 10 undockings under the supervision of a state licensed pilot, at least half

of which must have been on vessels in excess of 2,000 gross tons;  
or

(2) has executed a minimum of 20 dockings and 20 undockings under the supervision of a state licensed pilot, at least half of which must have been on vessels in excess of 2,000 gross tons.

**12 AAC 56.045. QUALIFICATIONS FOR INCREASED TONNAGE.** (a) A pilot with a step one limited license wishing to increase the license to a step two license shall

(1) apply on a form provided by the Department of Commerce and Economic Development, not less than one year after the date the step one license was issued;

(2) submit evidence of 20 vessel movements while serving as a licensed State of Alaska pilot, at least 10 of which must have been on vessels in excess of 10,000 gross tons; and

(3) submit evidence of having performed five dockings and five undockings of vessels in excess of 10,000 gross tons.

(b) A pilot with a step two license wishing to increase the license to an unlimited license shall

(1) apply on a form provided by the Department of Commerce and Economic Development, not less than one year after the date the step two limited license was issued;

(2) submit evidence of 20 vessel movements while serving as a step two licensed State of Alaska pilot, at least 10 of which must have been on vessels in excess of 20,000 gross tons; and

(3) submit evidence of having performed five dockings and five undockings of vessels in excess of 20,000 gross tons.

(c) A pilot with either step limited license who subsequently satisfies the requirements of 12 AAC 56.030 for an unlimited license, may apply for an unlimited license. This application shall comply with the requirements of 12 AAC 56.025(a)(1), (3) and (4).

**12 AAC 56.050. QUALIFICATIONS FOR CHANNEL PILOT LICENSE.** (a) A channel pilot license is a license to pilot vessels of 20,000 gross tons or less in main ship channels only, and to perform dockings and undockings only under the supervision of a pilot with an Alaska limited or unlimited license

(b) The board will issue a channel pilot license to an applicant who has practical knowledge of the navigation of vessels and of the conditions of navigation in the waters for which applying, and verifies that knowledge and experience by

(1) complying with the application requirements of 12 AAC 56.025;

(2) passing an oral and written examination before the board from topics listed in 12 AAC 56.070(d).

(3) providing documentation of all maritime experience in the waters for which he or she is applying.

**12 AAC 56.053. QUALIFICATION FOR EXTENSION OF ROUTE ENDORSEMENT.** (a) An extension of route endorsement will, in the board's discretion, be issued to a pilot holding a permanent pilot license who has practical knowledge of the navigation of vessels and the conditions of navigation in the specific waters for which the pilot is applying for endorsement.

(b) A pilot seeking a license endorsement for an extended route shall

(1) comply with the application requirements of 12 AAC 56.025(a)(1), (3) and (4);

(2) take and pass a written, local knowledge examination in accordance with (c) of this section; and

(3) document the observer trips required by 12 AAC 56.027(c).

(c) An extension of route examination is the applicable written local knowledge section of the licensure examination identified in 12 AAC 56.070(b)(6). The examination will be conducted by two members of the board, one of which must be a pilot member, unless the requirement for a pilot is waived for cause by the chairman of the board. A pilot must receive a score of 75 percent to pass the extension of route examination.

(d) An extension of route endorsement will be added to the license of a pilot who successfully passes the extension of route examination. If a pilot fails an extension of route examination the pilot cannot retake that same examination for at least 30 days.

**12 AAC 56.060. QUALIFICATIONS FOR TEMPORARY LICENSE.** (a) The board will, in its discretion, issue a temporary license to a person applying for a channel pilot license or a step 1 limited license who

(1) applies on a form provided by the department

(2) pays the fee required in 12 AAC 02.240;

(3) meet the requirements of 12 AAC 56.040 for a step 1 limited license or of 12 AAC 56.050 for a channel pilot license, except for passing the oral and written examinations;

(4) passes a written temporary license examination covering

(A) the international rules of the road, with a score of at least 90 percent; and

(B) up to 40 local knowledge questions, with a score of at least 75 percent; and

(5) passes the oral examination required in 12 AAC 56.070.

(b) Except for the rules of the road examination, the oral and written examinations required by (a)(4) and (a)(5) of this section

do not qualify (as part of) the oral and written examinations required by 12 AAC 56.040 and 12 AAC 56.050 for permanent licensure.

(c) A temporary license is valid until the results of the applicant's permanent license examination are determined. The board will, in its discretion, extend a temporary channel pilot license one time only if, for a reason acceptable to the board, the applicant is unable to appear for the scheduled examination and, before the examination, the applicant requests an extension. A second temporary permit will not be issued to a person who fails the examination for a permanent license.

(d) A temporary license examination must be conducted by at least two members of the board, one of whom is a pilot member, unless this requirement is waived for cause by the chairman of the board.

(e) If an applicant fails the temporary license examination in (a)(4) of this section the applicant cannot retake the temporary license examination for at least 30 days.

**12 AAC 56.070. EXAMINATIONS.** (a) The examinations required by 12 AAC 56.030(b), 12 AAC 56.040(b) and 12 AAC 56.050(b) for permanent licensure will be given at least once a year at a meeting of the board. An application for examination must be received by the board at least 60 days before the date of the scheduled examination.

(b) Both the written and the oral examination will cover the following topics:

(1) international rules of the road;

(2) seamanship, including shiphandling underway, docking and undocking, including use of tugs and anchors, and emergency procedures;

(3) chart navigation, including aids to navigation, chart symbols and abbreviations, and use of charts in piloting;

(4) rules and regulations, including all federal and state statutes and regulations, affecting the piloting of vessels in compulsory pilotage waters of Alaska;

(5) pilot responsibilities, including duties of a pilot, relationship between master and pilot, practical operation of marine radar including plotting, and engine order and rudder commands for U.S. naval vessels, and foreign merchant vessels; and

(6) local knowledge of individual geographical areas, including routes from sea to port and port to port, change of course points and distances passed abeam, names and locations of landmarks, waterways and aids to navigation, tides and currents, weather, restricted areas and explosive anchorages, dredged channels, cable areas, and other anchorages, docks, and dangers.

(c) An applicant must pass the international rules of the road examination topic in (b)(1) of this section with a score of at least 90 percent and the examination topics in (b)(2)-(5) of this section with a score of at least 75 percent on each subject. After passing the topics in (b)(1)-(5) of this section, the applicant will be tested on local knowledge of individual geographical areas under (b)(6) of this section. A license will be issued only for those geographic areas regarding which the applicant passed with a score of at least 75 percent.

(d) In addition to the other topics listed in this section, an applicant for licensure will be orally examined by the board on the

- (1) information provided with the license application;
- (2) the applicant's conduct as a mariner; and
- (3) the applicant's past safety record as a mariner.

**12 AAC 56.075. WAIVER OF LICENSE QUALIFICATION REQUIREMENTS.** (a) The board will, in its discretion, waive a qualification requirement of 12 AAC 56.030 — 12 AAC 56.070 if it determines that the satisfaction of the purpose of the provisions is otherwise assured and that the applicant has been prevented from meeting the requirement by circumstances beyond the applicant's control.

b) Application for a waiver must be made in writing and must include

- (1) identification of the requirement for which the waiver is requested;
- (2) documentation of why the requirement cannot be satisfied; and
- (3) a description of an alternative method, if any, proposed for meeting the purpose of the requirement to be waived.

**12 AAC 56.080 BIENNIAL LICENSE RENEWAL.** (a) All licenses expire on December 31 of even-numbered years. In order to renew the biennial license, a licensee must submit:

- (1) a renewal application;
- (2) evidence of a satisfactory physical examination within 90 days of the renewal date;
- (3) payment of the biennial license renewal fee established in 12 AAC 02.240; and
- (4) evidence of compliance with (b) of this section.

(b) A licensee who has not piloted in the compulsory pilotage waters of Alaska during either of the last two biennial license periods cannot be granted a license renewal until the board has determined that the licensee has sufficient knowledge and recent experience to pilot safely in the areas for which the licensee is licensed.

**ARTICLE 2.  
COMPULSORY PILOTAGE WATERS**

**Section**

- 90. General rule for determining boundaries of the compulsory pilotage waters of Alaska
- 100. Established boundaries of compulsory pilotage waters of Alaska
- 110. Exclusions for entering compulsory pilotage waters of Alaska
- 120. Pilot stations or pickup points .

**12 AAC 56.090. GENERAL RULE FOR DETERMINING BOUNDARIES OF THE COMPULSORY PILOTAGE WATERS OF ALASKA.** At all entrances from seaward to Alaska bays, sounds, rivers, or other estuaries for which specific boundaries are not otherwise described in this chapter, compulsory pilotage waters are those waters inshore of a line drawn approximately parallel with the general trend of the shore through the outermost aid to navigation, or if no aid to navigation exists, then a line drawn from headland to headland across the mouth of the entrance.

**12 AAC 56.100. ESTABLISHED BOUNDARIES OF COMPULSORY PILOTAGE WATERS OF ALASKA.** Specific boundaries of the compulsory pilotage waters of Alaska are as follows:

(1) all waters inside a line drawn from Cape Spencer Light due south to a point of intersection which is due west of the southern extremity of Cape Cross; then to Cape Edgecumbe Light; then through Cape Bartolome Light and extended to a point of intersection which is due west of Cape Muzon Light; then due east to Cape Muzon Light; then to a point which is one mile, 180° true, from Cape Chacon Light; then to Barren Island Light; then to Lord Rock Light; then to the southern extremity of Garnet Point, Kanagunut Island; then to the southeastern extremity of Island Point, Sitklan Island; then from the northeastern extremity of Point Mansfield, Sitklan Island, 40° true, to the mainland;

(2) all waters of Prince William Sound and environs inside a line drawn from Cape Puget to Point Elrington; then to Cape Clear; then Zaikof Point to Cape Hinchinbrook Light; then Point Bentinck Light to Okalee Spit;

(3) all waters of Resurrection Bay inside a line extending from the southern tip of Aialik Cape to the southern tip of Cape Resurrection;

(4) all waters of Cook Inlet inside a line extending from Cape Douglas to the western tip of Perl Island then northward to the shoreline of the Kenai Peninsula;

(5) all waters of Chiniak Bay inside a line extending from Cape Chiniak to the eastern tip of Long Island then to Spruce Cape;

(6) all waters of Marmot Bay and environs including eastern approaches, inside a line extending from Spruce Cape to the southern tip of Pillar Cape and western approaches, inside a line extending from Cape Nuniliak to the northern tip of Raspberry Island and also inside a line extending from Raspberry Cape to Miners Point;

(7) all waters of Chignik Bay inside a line extending from the eastern tip of Castle Cape to the western tip of Nakchamiik Island thence to the eastern tip of Cape Kumhun;

(8) all waters of Unalaska Bay inside a line extending from the tip of the west headland of Constantine Bay to Eider Point;

(9) all waters of Port Moller and Herendeen Bay inside a line extending from Lagoon Point to Cape Kutuzof;

(10) all waters of Bristol Bay inside a line extending from Cape Newenham to Cape Pierce, then to Cape Constantine, then to the southern extremity of Egegik Bay;

(11) all waters of Kuskokwim Bay inside a line extending from Cape Newenham to Cape Avinof;

(12) all waters of Norton Sound inside a line extending from the western tip of Stuart Island to Cape Darby, then to Cape Nome;

(13) all waters of Port Clarence inside a line extending from Pt. Spencer Lt. North to the Seward Peninsula shore; and

(14) all waters of Kotzebue Sound inside a line extending from Cape Espenberg to Cape Krusenstern.

**12 AAC 56.110. EXCLUSIONS FOR ENTERING COMPULSORY PILOTAGE WATERS OF ALASKA.** Vessels are excluded from the use of a licensed marine pilot in compulsory pilotage waters only when proceeding directly from points outside Alaska to an established pilot station or pickup point for the express purpose of embarking or disembarking a pilot. These exclusions are as follows:

(1) travel via Clarence Strait to Guard Island Pilot Station;

(2) travel via Clarence Strait to Point McCartney Pilot Station;

(3) travel via Cape Bartolome in Bucareli Bay to Cabras Island Pilot Station;

(4) travel via Cape Ommaney in Chatham Strait to Point Retreat Pilot Station;

(5) travel via Sitka Sound to Sitka Sound Pilot Station;

(6) travel via Revillagigedo Channel to Twin Islands Pilot Station; this exclusion applies to ships proceeding to and from Behm Canal only during the period May 1 through September 30; in transmitting Revillagigedo Channel, ships must stay west of Longitude 131° 05.0';

- (7) travel via Prince William Sound to the Cordova Pilot Station;
- (8) travel via Prince William Sound to the Valdez Pilot Station;
- (9) travel via Prince William Sound to the Whittier Pilot Station;
- (10) travel via Resurrection Bay to Seward Pilot Station;
- (11) travel via Cook Inlet to the Homer Pilot Station;
- (12) travel to the Kodiak City or Womens Bay Pilot Station; and
- (13) travel by the most direct safe route to a pilot station or to a pickup point arranged under in 12 AAC 56.120(b).

#### 12 AAC 56.120. PILOT STATIONS OR PICKUP POINTS. (a)

The established pilot stations for Alaska are as follows:

(1) Guard Island — 1.0 miles  $315^\circ$  true from Guard Island Light; approximate position  $55^\circ 27.5'$  north latitude,  $131^\circ 53.9'$  west longitude;

(2) Point McCartney — 1.0 miles  $090^\circ$  true from Point McCartney Light; approximate position  $55^\circ 06.8'$  north latitude,  $131^\circ 40.5'$  west longitude;

(3) Cabras Island — 1.0 miles  $315^\circ$  true from Cabras Island; approximate position  $55^\circ 22.0'$  north latitude,  $133^\circ 24.8'$  west longitude;

(4) Sitka Sound — 0.25 miles  $000^\circ$  true from the Eckholms Light; approximate position  $57^\circ 00.9'$  north latitude,  $135^\circ 21.4'$  west longitude;

(5) Point Retreat — 1.0 miles  $315^\circ$  true from Point Retreat Light; approximate position  $58^\circ 25.4'$  north latitude,  $134^\circ 58.5'$  west longitude;

(6) Twin Islands — 2.0 miles  $045^\circ$  true from Twin Islands Light; approximate position  $55^\circ 10.0'$  north latitude,  $131^\circ 10.4'$  west longitude; this is a seasonal station open only during the period May 1 through September 30;

(7) Yakutat — 1.0 miles  $315^\circ$  true from Yakutat Bay Lighted Whistle Buoy 4; approximate position  $59^\circ 36.3'$  north latitude,  $139^\circ 52.5'$  west longitude;

(8) Icy Bay — 9.0 miles  $180^\circ$  true from Clay-bluff Point Light; approximate position  $59^\circ 49.0'$  north latitude,  $141^\circ 35.0'$  west longitude;

(9) Cordova — 2.0 miles  $180^\circ$  true from Sheep Point; approximate position  $60^\circ 35'$  north latitude,  $146^\circ 00'$  west longitude;

(10) Valdez and Whittier:

(A) oil tanker traffic — approximately 3.6 miles  $246^\circ$  true from Bligh Reef Buoy; approximately position  $60^\circ 49'$  north latitude,  $147^\circ 01'$  west longitude; or

(B) nonoil-tank traffic — 2.3 miles  $000^\circ$  true from Busby Island Light; approximate position  $60^\circ 56'$  north latitude,  $146^\circ 49'$  west longitude;

(11) Seward — 1.1 miles  $152^\circ$  true from Caines Head Light; approximate position  $59^\circ 58'$  north latitude.

148° 22' west longitude;

(12) Cook Inlet — 1.0 miles 180° true from Lands End Light; approximate position 59° 35' north latitude, 151° 25' west longitude;

(13) Kodiak (City) or Womens Bay — 2.0 miles 100° true from St. Paul Harbor Entrance Light; approximate position 57° 44' north latitude, 152° 22' west longitude;

(14) Discoverer Bay — 2.0 miles 000° true from Posliedni Point; approximate position 58° 28' north latitude, 152° 20' west longitude;

(15) Port Wakefield — 1.0 miles 298° true from Kekur Point; approximate position 57° 52' north latitude, 152° 49' west longitude;

(16) Port Bailey — 1.5 miles 000° true from Dry Spruce Bay Light; approximate position 57° 59' north latitude, 153° 06' west longitude;

(17) Uganik — 2.0 miles 284° true from East Point; approximate position 57° 51' north latitude, 153° 32' west longitude;

(18) Larsen Bay — 1.0 miles 090° true from Harvester Island; approximate position 57° 39' north latitude, 153° 57' west longitude;

(19) Alitak — 2.4 miles 131° true from Cape Alitak Light; approximate position 56° 49' north latitude, 154° 15' west longitude;

(20) Old Harbor — 1.0 miles 082° true from Cape Liakik; approximate position 57° 07' north latitude, 153° 25' west longitude;

(21) Chignik — 1.5 miles 020° true from Chignik Spit Light; approximate position 56° 20' north latitude, 158° 22' west longitude;

(22) Sand Point-Squaw Harbor — 2.7 miles 235° true from Popof Head; approximate position 55° 13' north latitude, 160° 24' west longitude;

(23) King Cove — 1.5 miles 157° true from Morgan Point Light; approximate position 55° 01' north latitude, 162° 19' west longitude;

(24) Cold Bay — 4.3 miles 177° true from Kaslokan Point Light; approximate position 55° 02' north latitude, 162° 31' west longitude;

(25) False Pass — 1.5 miles 315° true from Ikatan Point; approximate position 54° 48' north latitude, 163° 13' west longitude;

(26) Akutan — 1.0 miles 073° true from Akutan Point Light; approximate position 54° 09' north latitude, 165° 42' west longitude;

(27) Dutch Harbor-Captains Bay — 1.0 miles 060° true from Ulakta Head Light; approximate position 53° 56' north latitude, 166° 29' west longitude;

(28) Adak — 2.0 miles 092° true from Gannet Rocks Light; approximate position 51° 52' north latitude, 176° 33' west longitude:

(29) Attu — 1.5 miles 180° true from Murder Point; approximate position 52° 46' north latitude, 173° 11' east longitude:

(30) St. Paul Island — 4.0 miles 263° true from Reef Point; approximate position 57° 06' north latitude, 170° 25' west longitude:

(31) Port Moller — 4.8 miles 048° true from Walrus Island; approximate position 56° 05' north latitude, 160° 43' west longitude:

(32) Port Heiden — 5.0 miles 340° true from Strongonof Point; approximate position 56° 58' north latitude, 158° 55' west longitude:

(33) Ugashik Bay — 6.2 miles 291° true from Smoky Point Light; approximate position 57° 38' north latitude, 157° 52' west longitude:

(34) Egegik — 7.0 miles 285° true from Red Bluff Light; approximate position 58° 16' north latitude, 157° 42' west longitude:

(35) Naknek — 9.0 miles 248° true from Naknek Light; approximate position 58° 39' north latitude, 157° 21' west longitude:

(36) Nushagak Bay — 0.6 miles 180° true from Nushagak Bay Entrance Lighted Bell Buoy; approximate position 58° 33' north latitude, 158° 24' west longitude:

(37) Kulukak Bay — 3.0 miles 180° true from Kulukak Point; approximate position 58° 47' north latitude, 159° 39' west longitude:

(38) Togiak — 1.0 miles 180° true from Summit Island; approximate position 58° 48' north latitude, 160° 12' west longitude:

(39) Goodnews Bay — 7.5 miles 228° true from Platinum; approximate position 58° 55' north latitude, 162° 00' west longitude:

(b) For those areas not having an established pilot station, pickups will be made only by specific arrangement with the ship's agent and pilots.

**ARTICLE 3.  
RATES****Section**

- 130. General rule for determining rates
- 140. Consent to rate deviation
- 150. Rate adjustment
- 152. Notice of audit
- 154. Standards for rate adjustment
- 156. Modifications
- 158. Effective date

**12 AAC 56.130. GENERAL RULE FOR DETERMINING RATES.** If no rate for an area has been established, the rate mutually agreed on by the parties will be used until a rate is established by the board.

**12 AAC 56.140. CONSENT TO RATE DEVIATION.** If parties to a piloting contract are dissatisfied with the rates established for an area, the parties may agree to a higher rate. This rate mutually agreed upon must be submitted to the board for approval. No deviations from the published rate may be used until approved by the board.

**12 AAC 56.150. RATE ADJUSTMENT.** A party having a material interest in the rate structure desiring a rate change for an area may file a request for a rate adjustment. A request must be filed at least 90 days before the next meeting of the board.

**12 AAC 56.152. NOTICE OF AUDIT.** Upon receipt of a request from party seeking a rate adjustment under 12 AAC 56.150, the board will notify all parties having a material interest in the proceeding of the request and will, upon its own motion or at the request of an interested party for good cause shown, immediately schedule and pay for an audit of the information required in 12 AAC 56.154 to be submitted to the board. An interested party may request an audit at his or her own expense within 10 days after submission of the information required in 12 AAC 56.154(a). Audits must be submitted to the board at least 10 days before the meeting.

**12 AAC 56.154. STANDARDS FOR RATE ADJUSTMENT.** (a) The party seeking a rate adjustment under 12 AAC 56.150 shall, at least 40 days before the meeting, submit the following information to the board:

(1) historical cost data showing the actual costs of the party for a period of not less than 10 months preceding the date notice was given for the request of the rate adjustment;

(2) data projecting the costs for the remaining two months of the year in which the request is made;

(3) cost projections of the party for 12 months following the one-year period described in (2) of this subsection;

(4) a statement of the difference between the historical annualized 12-month cost data described in (1) and (2) of this subsection and the projected cost data for the following 12 months, including a statement explaining reasons for the difference in the costs;

(5) supporting documentation for the figures required in (1) — (4) of this subsection, including a statement of the average change in the consumer price index for Anchorage, Alaska for the five quarters preceding the date of the request as reported by the U.S. Bureau of Labor Statistics;

(6) balance sheet and profit and loss statement;

(7) schedule showing pro forma adjustments to expenses;

(8) schedule showing pro forma adjustment to revenues;

(9) statement showing the number of pilots providing services in the test year and showing

(A) travel days;

(B) standby days;

(C) piloting days;

(D) any other time category necessary to show the total number of hours the pilot was considered in service during the year, identifying by footnotes the purpose of the time category;

(E) the actual salary each pilot received during the test year; and

(F) any pro forma adjustment of pilot travel, standby, piloting, or other time, identifying in footnotes the reason for the adjustments;

(10) any other information requested in writing by the board.

(b) A party having a material interest in the rate structure opposing the request for rate adjustment shall, at least 10 days before the meeting of the board at which the request will be considered, submit to the board and to the party seeking the rate adjustment a statement, including supporting documentation, of the reasons for opposing the adjustment, which may include an analysis of the effect of the adjustment upon the cost structure of the shippers affected by the adjustment.

(c) At the meeting, the board will consider the evidence filed by the party seeking the adjustment and any opposition statements filed in accordance with (a) or (b) of this section. The board will accept, reject or modify the proposed tariff adjustment after consideration of all the evidence, including but not limited to cost projections and the effect of the cost adjustment on the cost structure of the shippers. Nothing in this section may be construed as a presumption that proposed tariff adjustments are valid or are

to be granted by the board.

**12 AAC 56.156. MODIFICATIONS.** Time periods specified in 12 AAC 56.150, 12 AAC 56.152, and 12 AAC 56.154 will, at the discretion of the board for good cause shown, be shortened or lengthened at the request of an interested party.

**12 AAC 56.158. EFFECTIVE DATE.** Rate adjustments granted by the board under 12 AAC 56.154 take effect in accordance with AS 44.62.180.

**ARTICLE 4.  
VERY LARGE CRUDE CARRIERS (VLCC)**

**Section**

**500. VLCC endorsement required**

**510. Qualifications for VLCC license endorsement**

**12 AAC 56.500. VLCC ENDORSEMENT REQUIRED.** (a) Due to the great mass, windage, and ship-handling peculiarities of very large crude carrier (VLCC) class vessels, only pilots holding a VLCC endorsement may pilot those vessels in waters covered by this chapter.

(b) A pilot wishing to get a VLCC endorsement must

- (1) apply on a form provided by the department;
- (2) pay the fee required in 12 AAC 02.240; and
- (3) provide documentation of compliance with 12 AAC 56.510.

**12 AAC 56. 510. QUALIFICATIONS FOR VLCC LICENSE ENDORSEMENT.** (a) An applicant for a VLCC endorsement must hold a current unlimited pilot license and demonstrate special training or experience by documenting

(1) 20 round trips on a VLCC class vessel as a pilot observer over a pilotage route;

(2) 10 round trips on a VLCC class vessel as a pilot observer over a pilotage route and completion of a VLCC ship handling course at a facility approved by the board;

(3) at least 15 dockings and 15 undockings as a pilot on VLCC class vessels; or

(4) 365 days of experience as master of a VLCC class vessel and completion of a VLCC ship handling course at a facility approved by the board.

(b) Under (a)(1) and (2) of this section, a round trip of a VLCC class vessel as a pilot observer must include two trip segments that

either begin with an undocking or terminate with a docking. The dockings and undockings may be observed or actually performed by the applicant.

## ARTICLE 5. GENERAL PROVISIONS

### Section

- 930. Quorum
- 940. Professional conduct
- 950. Current address
- 960. Duties of pilots
- 965. Accident report
- 970. Physical incapacitation
- 980. Registration of operators
- 990. Definitions

**12 AAC 56.930. QUORUM.**(a) For the purpose of approving applications for examination and administering the examination for a license, two members of the board constitute a quorum.

(b) For the purpose of board meetings, hearings, and conducting all other board business, except examinations, a majority of the board constitutes a quorum.

**12 AAC 56.940. PROFESSIONAL CONDUCT.** (a) A pilot may not consume alcohol or a controlled substance anytime between 12 hours before going on duty and the conclusion of duty. A violation of this subsection is misconduct under AS 08.62.150(6).

(b) The board will, in its discretion under AS 08.01.075 and AS 08.62.155, revoke the license of any pilot found to be under the influence of alcohol or a controlled substance as defined by AS 28.35.030 while on duty or while in the employment of a vessel.

(c) A pilot shall report to the board any conviction of a crime involving that pilot's personal consumption of alcohol or a controlled substance. The department will, in its discretion, investigate each report and recommend to the board whether disciplinary action should be considered. Failure of a pilot to file a report with the board within 30 days after such a conviction is grounds for disciplinary action under AS 08.62.150.

(d) In this section, "on duty" means on the navigating bridge of the vessel, at the conn, or assisting the master or navigating officer.

**12 AAC 56.950. CURRENT ADDRESS.** A licensee shall maintain a current, valid mailing address on file with the division at all times. The latest mailing address on file for an active, inac-

tive, or lapsed license is the address of the licensee for official communications, notifications and service of legal process.

**12 AAC 56.960. DUTIES OF PILOTS.** (a) A pilot shall be on duty piloting the vessel at all times when the vessel is in transit in pilotage waters.

(b) Passenger vessels in transit of the inside waters of Southeast Alaska except as set forth in 12 AAC 56.110 are required to carry two pilots on board for continuous alternating duty.

(c) If a vessel piloted by a state licensed pilot goes aground, collides with another vessel or dock, meets with any casualty, or is damaged in any way, the pilot shall, no later than 10 days after the incident, file with the board an accident report as described in 12 AAC 56.965. If a vessel is damaged in the incident, the pilot shall file the report as soon as possible after returning to shore. The board will, in its discretion, ask the Department of Commerce and Economic Development to investigate the reported incident.

(d) Pilots shall report to the Aids to Navigation office of the United States Coast Guard, all changes in lights, range lights, buoys, and any dangers to navigation that may come to their knowledge.

(e) A pilot who fails to make a report to the board as required by this chapter within 10 days after the date the report is required, is subject to license suspension at the discretion of the board.

(f) Pilots when so notified in writing shall report in person to the board at any meeting specified in the notice.

(g) A pilot summoned to testify before the board shall appear in accordance with the summons and shall answer, under oath, any questions asked which deal with any matter connected with piloting or the pilotage waters over which the pilot is licensed to act. The pilot is entitled to have an attorney or advisor present during any such appearance and testimony.

(h) A pilot on boarding a ship, if required by the master, shall exhibit his or her state license or photostatic copy of it.

(i) Pilots on board passenger vessels must be provided access to an operable radio on the bridge at all times to use on channel 16 VHF for security purposes.

(j) Repealed 5/12/78.

(k) All pilots shall report on a quarterly basis the names of all vessels served that were subject to the services of a licensed pilot.

**12 AAC 56.965. ACCIDENT REPORT.** The written accident report required by 12 AAC 56.960(c) must be in writing on the form provided by the Department of Commerce and Economic Development and must include

- (1) identification of the pilot;
- (2) date and time of the incident.

- (3) identification and description of the piloted vessel and its cargo;
- (4) identification of the vessel's master and agent;
- (5) a detailed description of the location of the incident;
- (6) a description of the weather and sea conditions at the time of the incident;
- (7) identification of all other persons and vessels involved in the incident;
- (8) identification of witnesses; and
- (9) an illustrated and narrative description of the incident.

**12 AAC 56.970. PHYSICAL INCAPACITATION.** A pilot who is physically incapacitated as a pilot for a period of 90 days or more shall not return to active pilot service until submitting evidence to the board of a satisfactory physical examination.

**12 AAC 56.980. REGISTRATION OF OPERATORS.** All agents of owners and agents of operators whose vessels are subject to AS 08.62 must register with the board and keep the board advised of any changes of name and address.

**12 AAC 56.990. DEFINITIONS.** In this chapter

- (1) "agent" means a person residing within the state who acts on behalf of the owner or operator of a vessel with actual or apparent authority for the purposes of securing pilotage services;
- (2) "incompetent" means the exercise of pilotage duties in a manner which endangers life or property or failure to exercise the requisite knowledge and skill required of a pilot;
- (3) "misconduct" means the knowing violation of a provision of AS 08.62 or regulations adopted under it by a person during the course of his employment;
- (4) "compulsory pilotage waters" means those inside coastal waters of Alaska defined in 12 AAC 56.090 and 12 AAC 56.100 where Alaska pilotage is required;
- (5) "fishing vessel" means a vessel primarily engaged in the harvesting of fish, shellfish, marine animals, pearls, shells, or marine vegetation for commercial purposes;
- (6) "area" means any port, restricted passage, cruise area, or pilotage waters of the inside or coastal waters of Alaska for which a pilot license is required and a pilotage rate is established under AS 08.62 and 12 AAC 57;
- (7) "docking" means the entire approach from a navigation channel, anchorage, or mooring to a dock or anchored vessel until the command "finished with engines" has been given;
- (8) "undocking" means the entire procedure beginning with the command "standby engine" to the movement of a vessel to a navigation channel, anchorage, or mooring;
- (9) "very large crude carrier" or "VLCC" is any tank vessel of 60,000 gross tons or greater.

**CHAPTER 01  
CENTRALIZED LICENSING.**

**Section**

- 10. Applicability of chapter
- 20. Board organization
- 25. Public members
- 30. Quorum
- 35. Appointments
- 40. Transportation and per diem
- 50. Administrative duties of department
- 60. Application for license
- 65. Fees established by regulation
- 70. Administrative duties of boards
- 75. Disciplinary powers of the boards
- 80. Department regulations
- 87. Powers and duties of department
- 90. Applicability of the Administrative Procedure Act
- 100. License renewal, lapse and reinstatement
- 102. Citation for unlicensed practice or activity
- 103. Procedure and form of citation
- 104. Failure to obey citation
- 105. Penalty for improper payment
- 110. Definitions

**Sec. 08.01.010. Applicability of chapter.** This chapter applies to the

- (1) Board of Public Accountancy (AS 08.04.010);
- (2) State Board of Registration for Architects, Engineers and Land Surveyors (AS 08.48.011);
- (3) Athletic Commission (AS 05.05 and AS 05.10);
- (4) Board of Barbers and Hairdressers (AS 08.13.010);
- (5) Board of Chiropractic Examiners (AS 08.20.010);
- (6) Board of Clinical Social Work Examiners (AS 08.95.010);
- (7) Board of Dental Examiners (AS 08.36.010);
- (8) Board of Dispensing Opticians (AS 08.71.010);
- (9) Board of Electrical Examiners (AS 08.40.011);
- (10) Big Game Commercial Services Board (AS 08.54.300);
- (11) Board of Marine Pilots (AS 08.62.010);
- (12) Board of Mechanical Examiners (AS 08.40.220);
- (13) State Medical Board (AS 08.64.010);
- (14) Board of Nursing (AS 08.68.010);
- (15) Board of Nursing Home Administrators (AS 08.70.010);
- (16) Board of Examiners in Optometry (AS 08.72.010);
- (17) Board of Pharmacy (AS 08.80.010);
- (18) State Physical Therapy and Occupational Therapy Board (AS 08.84.010);

- (19) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010);
- (20) Real Estate Commission (AS 08.88.011);
- (21) Board of Veterinary Examiners (AS 08.98.010);
- (22) regulation of audiologists under AS 08.11;
- (23) regulation of business license under AS 43.70;
- (24) regulation of collection agencies under AS 08.24;
- (25) regulation of concert promoters under AS 08.92;
- (26) regulation of construction contractors under AS 08.18;
- (27) regulation of professional geologists under AS 08.02.011;
- (28) regulation of hearing aid dealers under AS 08.55;
- (29) regulation of morticians under AS 08.42;
- (30) regulation of the practice of naturopathy under AS 08.45;

**Sec. 08.01.020. Board organization.** Board members are appointed by the governor and serve at the pleasure of the governor. Unless otherwise provided, the governor may designate the chair of a board, and all other officers shall be elected by the board members. Unless otherwise provided, officers of a board are the chair and the secretary. A board may provide by regulation that three or more unexcused absences from meetings are cause for removal.

**Sec. 08.01.025. Public members.** No public member of a board may:

- (1) be engaged in the occupation which the board regulates;
- (2) be associated by legal contract with a member of the occupation which the board regulates except as a consumer of the services provided by a practitioner of the occupation; or
- (3) have a direct financial interest in the occupation which the board regulates.

**Sec. 08.01.030. Quorum.** A majority of the membership of the board constitutes a quorum unless otherwise provided.

**Sec. 08.01.035. Appointments.** Members of boards subject to this chapter are appointed for staggered terms of four years. A member of a board serves until a successor is appointed. An appointment to fill a vacancy on a board is for the remainder of the unexpired term. A member who has served all or part of two successive terms on a board may not be reappointed to that board unless four years have elapsed since the person has last served on the board.

**Sec. 08.01.040. Transportation and per diem.** A board member is entitled to transportation expenses and per diem as set out in AS 39.20.180.

**Sec. 08.01.050. Administrative duties of department.** (a) The department shall perform the following administrative and budgetary services when appropriate:

- (1) collect and record fees;
  - (2) maintain records and files;
  - (3) issue and receive application forms;
  - (4) notify applicants of acceptance or rejection as determined by the board or as determined by the department under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;
  - (5) designate dates examinations are to be held and notify applicants;
  - (6) publish notice of examinations and proceedings;
  - (7) arrange space for holding examinations and proceedings;
  - (8) notify applicants of results of examinations;
  - (9) issue licenses or temporary licenses as authorized by the board or as authorized by the department under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;
  - (10) issue duplicate licenses upon submission of a written request by the licensee attesting to loss of or the failure to receive the original and payment by the licensee of a fee established by regulation adopted by the department;
  - (11) notify licensees of renewal dates at least 30 days before the expiration date of their licenses;
  - (12) compile and maintain a current register of licensees;
  - (13) answer routine inquiries;
  - (14) maintain files relating to individual licensees;
  - (15) arrange for printing and advertising;
  - (16) purchase supplies;
  - (17) employ additional help, when needed;
  - (18) perform other services that may be requested by the board;
  - (19) provide inspection, enforcement, and investigative services to the boards and for the occupations listed in AS 08.01.010, regarding all licenses issued by or through the department;
  - (20) retain and safeguard the official seal of a board and prepare, sign, and affix a board seal, as appropriate, for licenses approved by a board;
  - (21) issue business licenses under AS 43.70.
- (b) The form and content of a license, authorized by a board listed in AS 08.01.010, including any document evidencing renewal of a license, shall be determined by the department after consultation with and consideration of the views of the board concerned.

**Sec. 08.01.060. Application for license.** All applications for examination or licensing to engage in the business or profession covered by this chapter shall be made in writing to the department.

**Sec. 08.01.065. Fees Established by Regulation.** (a) Except for business licenses, the department shall adopt regulations that establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by this chapter.

(b) The department may not adopt a regulation under (a) of this section unless the board responsible for regulating the affected occupation concurs.

(c) A fee established under (a) of this section should reflect, but should not exceed, the actual costs to the department of the activity for which the fee is charged except that the department may establish a fee that is less than the cost of the activity for which the fee is charged if the department determines that it is not reasonable to impose the full cost of the activity on the applicant or licensee.

(d) The license fee for a business license is set by AS 43.70.030(a). The department shall adopt regulations that establish the manner of payment of the license fee.

(e) The commissioner of administration shall separately account for business license and occupational licensing fees deposited in the general fund by the department. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out the activities of the division of occupational licensing.

**Sec. 08.01.070. Administrative duties of boards.** Each board shall perform the following duties in addition to those provided in its respective law:

- (1) take minutes and records of all proceedings;
- (2) hold a minimum of one meeting each year;
- (3) hold at least one examination each year;
- (4) request, through the department, investigation of violations of its laws and regulations;
- (5) prepare and grade board examinations;
- (6) set minimum qualifications for applicants for examination and license;
- (7) forward a draft of the minutes of proceedings to the department within 20 days after the proceedings;
- (8) forward results of board examinations to the department within 20 days after the examination is given;
- (9) notify the department of meeting dates and agenda items at least 15 days before meetings and other proceedings are held.

(10) submit before the end of the fiscal year an annual performance report to the department stating the board's accomplishments, activities, and needs.

**Sec. 08.01.075. Disciplinary powers of boards.** (a) A board may take the following disciplinary actions, singly or in combination:

- (1) permanently revoke a license;
- (2) suspend a license for a specified period;
- (3) censure or reprimand a licensee;
- (4) impose limitations or conditions on the professional practice of a licensee;
- (5) require a licensee to submit to peer review;
- (6) impose requirements for remedial professional education to correct deficiencies in the education, training, and skill of the licensee;

(7) impose probation requiring a licensee to report regularly to the board on matters related to the grounds for probation;

(8) impose a civil fine not to exceed \$5,000.

(b) A board may withdraw probationary status if the deficiencies that required the sanction are remedied;

(c) A board may summarily suspend a licensee from the practice of the profession before a final hearing is held or during an appeal if the board finds that the licensee poses a clear and immediate danger to the public health and safety. A person is entitled to a hearing before the board to appeal the summary suspension within seven days after the order of suspension is issued. A person may appeal an adverse decision of the board on an appeal of a summary suspension to a court of competent jurisdiction.

(d) A board may reinstate a suspended or revoked license if, after a hearing, the board finds that the applicant is able to practice the profession with skill and safety.

(e) A board may accept the voluntary surrender of a license. A license may not be returned unless the board determines that the licensee is competent to resume practice and the licensee pays the appropriate renewal fee.

(f) A board shall seek consistency in the application of disciplinary sanctions. A board shall explain a significant departure from prior decisions involving similar facts in the order imposing the sanction.

**Sec. 08.01.080. Department regulations.** The department shall adopt regulations to carry out the purposes of this chapter including but not limited to describing

- (1) how an examination is to be conducted;
- (2) what is contained in application forms;
- (3) how a person applies for an examination or license.

**Sec. 08.01.087. Powers and duties of department.** (a) The department may, upon its own motion, conduct investigations

(1) to determine whether a person has violated a provision of this chapter or a regulation adopted under it, or a provision of AS 43.70, or a provision of this title or regulation adopted under this title dealing with an occupation or board listed in AS 08.01.010; or

(2) to secure information useful in the administration of this chapter.

(b) If it appears to the commissioner that a person has engaged in or is about to engage in an act or practice in violation of a provision of this chapter or a regulation adopted under it, or a provision of AS 43.70, or a provision of this title or regulation adopted under this title dealing with an occupation or board listed in AS 08.01.010 the commissioner may, if the commissioner considers it in the public interest, and after notification of a proposed order or action by telephone or telegraph to all board members, if a board regulates the act or practice involved, unless a majority of the members of the board object within 10 days.

(1) issue an order directing the person to stop the act or practice; however, reasonable notice of and an opportunity for a hearing must first be given to the person, except that the commissioner may issue a temporary order before a hearing is held; a temporary order remains in effect until a final order affirming, modifying, or reversing the temporary order is issued or until 15 days after the person receives the notice and has not requested a hearing by that time; a temporary order becomes final if the person to whom the notice is addressed does not request a hearing within 15 days after receiving the notice; the commissioner or the commissioner's designee shall be the hearing officer at the hearing and shall issue a final order within 10 days after the hearing;

(2) bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter, a regulation adopted under it, an order issued under it, or with a provision of this title or regulation adopted under this title dealing with business licenses or an occupation or board listed in AS 08.01.010;

(3) examine or have examined the books and records of a person whose business activities require a business license or licensure by a board listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010; the commissioner may require the person to pay the reasonable costs of the examination; and

(4) issue subpoenas for the attendance of witnesses, and the production of books, records and other documents.

**Sec. 08.01.090. Applicability of the Administrative Procedure Act.** The Administrative Procedure Act (AS 44.62) applies to regulations adopted and proceedings held under this chapter, except those under AS 08.01.087(b).

**Sec. 08.01.100. License renewal, lapse and reinstatement.**

(a) Licenses shall be renewed biennially on the dates set by the department with the approval of the respective board.

(b) A license subject to renewal shall be renewed on or before the date set by the department. If the license is not renewed by the date set by the department, the license lapses. In addition to renewal fees required for reinstatement of the lapsed license, the department may impose a delayed renewal penalty, established by regulation, that shall be paid before a license that has been lapsed for more than 60 days may be renewed. The department may adopt a delayed renewal penalty only with concurrence of the appropriate board.

(c) When continuing education or other requirements are made a condition of license renewal, the requirements shall be satisfied before a license is renewed.

(d) Except as otherwise provided, a license may not be renewed if it has lapsed for five years or more.

**Sec. 08.01.102. Citation for unlicensed practice or activity.**

The department may issue a citation for a violation of a license requirement under this chapter or AS 43.70 if there is probable cause to believe a person has practiced a profession or engaged in business for which a license is required without holding the license. Each day a violation continues after a citation for the violation has been issued constitutes a separate violation.

**Sec. 08.01.103. Procedure and form of citation.** (a) A citation issued under AS 08.01.102 must be in writing. A person receiving the citation is not required to sign a notice to appear in court.

(b) The time specified in the notice to appear on a citation issued under AS 08.01.102 shall be at least five days, not including weekends and holidays, after the issuance of the citation, unless the person cited requests an earlier hearing.

(c) The department is responsible for the issuance of books containing appropriate citations, and shall maintain a record of each book issued and each citation contained in it. The department shall require and retain a receipt for every book issued to an employee of the department.

(d) The department shall deposit the original or a copy of the citation with a court having jurisdiction over the alleged offense. Upon its deposit with the court, the citation may be disposed of only by trial in the court or other official action taken by the magistrate, judge or prosecutor. The department may not dispose of a citation, copies of it, or of the record of its issuance except as required under this subsection and (e) of this section.

(e) The department shall require the return of a copy of every citation issued by the department and of all copies of a citation that has been spoiled or upon which an entry has been made and not issued to an alleged violator. The department shall also maintain, in connection with each citation, a record of the disposition of the charge by the court where the original or copy of the citation was deposited.

(f) If the form of citation includes the essential facts constituting the offense charged, and if the citation is sworn to as required under the laws of this state for a complaint charging commission of the offense alleged in the citation, then the citation when filed with a court having jurisdiction is considered to be a lawful complaint for the purpose of prosecution.

**Sec. 08.01.104. Failure to obey citation.** Unless the citation has been voided or otherwise dismissed by the magistrate, judge, or prosecutor, a person who without lawful justification or excuse fails to appear in court to answer a citation issued under AS 08.01.102, regardless of the disposition of the charge for which the citation was issued, is guilty of a class B misdemeanor.

**Sec. 08.01.105. Penalty for improper payment.** An applicant shall pay a penalty of \$10 each time a negotiable instrument is presented to the department in payment of an amount due and payment is subsequently refused by the named payor.

**Sec. 08.01.110. Definitions.** In this chapter

(1) "board" includes the boards and commissions listed in AS 08.01.010;

(2) "department" means the Department of Commerce and Economic Development;

(3) "commissioner" means the commissioner of commerce and economic development;

(4) "license" means a business license or a license, certificate permit, or registration or similar evidence of authority issued for an occupation or board listed in AS 08.01.010;

(5) "licensee" means a person who holds a license;

(6) "occupation" means a trade or profession listed in AS 08.01.010.

## CHAPTER 02. MISCELLANEOUS PROVISIONS.

### Section

- 10. Professional designation requirements
- 11. Professional geologist
- 20. Limitation of liability for members of licensing boards
- 30. Courtesy licenses

**Sec. 08.02.010. Professional designation requirements.** (a) An audiologist licensed under AS 08.11, a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a medical practitioner or osteopath under AS 08.64, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered pharmacist under AS 08.80, a registered physical therapist or occupational therapist under AS 08.84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95, shall use a professional identification appropriate letters or a title after that person's name which represents that person's specific field of practice. The letters or title shall appear on all signs, stationery or other advertising in which the person offers or displays person professional services to the public. In addition, a person engaged in the practice of medicine or osteopathy under AS 08.64.380(2), or a person engaged in any manner in the healing arts who diagnoses, treats, tests, or counsels other persons in relation to human health or disease and uses the letters "M.D." or the title "doctor" or "physician" or another title that tends to show that the person is willing or qualified to diagnose, treat, test, or counsel another person, shall clarify the letters or title by adding the appropriate specialist designation, if any, such as "dermatologist", "radiologist", "audiologist", "naturopath", or the like.

(b) A person subject to (a) of this section who fails to comply with the requirements of (a) of this section shall be given notice of noncompliance by that person's appropriate licensing board. If, after a reasonable time, with opportunity for a hearing, the person's noncompliance continues, the board may suspend or revoke the person's license or registration, or administer other disciplinary action which in its determination is appropriate.

**Sec. 08.02.011. Professional geologist.** The commissioner of commerce and economic development shall certify an applicant as a professional geologist if the applicant is certified as a professional geologist by the American Institute of Professional Geologists.

**Sec. 08.02.020. Limitation of liability.** An action may not be brought against a person for damages resulting from

(1) the person's good faith performance of a duty, function, or activity required as

(A) a member of, or witness before, a licensing board or peer review committee established to review a licensing matter;

(B) a member of a committee appointed under AS 08.64.336(c);

(C) a contractor or agent of a contractor under AS 08.64.101(b); or

(2) a recommendation or action in accordance with the prescribed duties of a licensing board, or peer review committee established to review a licensing matter, committee appointed under AS 08.64.336(c), or contractor or agent of a contractor under AS 08.64.101(6) when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person, board, peer review committee, committee appointed under AS 08.64.336(c), contractor or agent of the contractor under AS 08.64.101(6) after reasonable efforts to ascertain the facts upon which the action or recommendation is made.

**Sec. 08.02.030. Courtesy Licenses.** (a) A board established under this title and the Department of Commerce and Economic Development, with respect to an occupation that is regulated under this title, may by regulation establish criteria for issuing a temporary courtesy license to nonresidents who enter the state so that, on a temporary basis, they may practice the occupation regulated by the board or the department.

(b) The regulations adopted under (a) of this section may include limitations relating to the

- (1) duration of the license's validity;
- (2) scope of practice allowed under the license; and
- (3) other matters considered important by the board or the department.

### CHAPTER 03, TERMINATION, CONTINUATION AND REESTABLISHMENT OF REGULATORY BOARDS.

#### Section

10. Termination dates for regulatory boards
20. Procedures governing termination, transition and continuation

**Sec. 08.03.010. Termination dates for regulatory boards.**

(a) *[Repealed]*

(b) *[Repealed]*

(c) The following boards have the termination date provided by this subsection:

- (1) Board of Nursing (AS 08.68.010)—June 30, 1991.
- (2) Board of Chiropractic Examiners (AS 08.20.010)—June 30, 1992.
- (3) Board of Examiners in Optometry (AS 08.72.010)—June 30, 1992.
- (4) Board of Pharmacy (AS 08.80.010)—June 30, 1993.
- (5) Board of Dispensing Opticians (AS 08.71.010)—June 30,

- 1992.
- (6) Board of Dental Examiners (AS 08.36.010)—June 30, 1991.
  - (7) Board of Veterinary Examiners (AS 08.98.010)—June 30, 1993.
  - (8) State Physical Therapy and Occupational Therapy Board (AS 08.84.010)—June 30, 1993.
  - (9) Board of Nursing Home Administrators (AS 08.70.010)—June 30, 1993.
  - (10) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010)—June 30, 1991.
  - (11) State Medical Board (AS 08.64.010)—June 30, 1991.
  - (12) Board of Marine Pilots (AS 08.62.010)—June 30, 1991.
  - (13) *[Repealed]*
  - (14) *[Repealed]*
  - (15) State Board of Registration for Architects, Engineers and Land Surveyors (AS 48.011)—June 30, 1993.
  - (16) Board of Barbers and Hairdressers (AS 08.13.010)—June 30, 1993.
  - (17) Board of Public Accountancy (AS 08.04.010)—June 30, 1992.
  - (18) Real Estate Commission (AS 08.88.011)—June 30, 1992.
  - (19) Board of Governors of the Alaska Bar Association (AS 08.08.040)—June 30, 1989.
  - (20) Big Game Commercial Services Board (AS 08.54.300)—June 30, 1993.
  - (21) Board of Mechanical Examiners (AS 08.40.220)—June 30, 1992.
  - (22) Board of Electrical Examiners (AS 08.40.011)—June 30, 1991.
  - (23) Board of Clinical Social Work Examiners (AS 08.95.010)—June 30, 1992.

**Sec. 08.03.020. Procedures governing termination, transition and continuation.** (a) Upon termination, each board listed in AS 08.03.010 shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs. During this period, termination does not reduce or otherwise limit the powers or authority of each board. One year after the date of termination, a board not continued shall cease all activities.

(b) The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS 44.66.050.

(c) A board scheduled for termination under AS 08.03.010—08.03.020 may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period under AS 03.010.



and shall pay one-half of the prescribed renewal fee at the time of renewal or

(3) more than 12 months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay the entire prescribed renewal fee at the time of renewal.

(b) A quadrennial license issued before July 1, 1987 shall be renewed by the department as a biennial license upon payment of the entire prescribed biennial license renewal fee.

(c) The department will not prorate renewal fees if the initial licensing fee is \$100.00 or less.

(d) The department will not prorate fees for applications, examinations, reexaminations, credential review or investigations, temporary or emergency permits, locum tenens permits, certificates or other such fees established in AS 08 or this chapter.

**ARTICLE 2.  
OCCUPATIONAL LICENSING FEES.**

**Section**

- 100. Fees established by department
- 105. Administrative fees
- 240. Board of marine pilots

**12 AAC 02.100. FEES ESTABLISHED BY DEPARTMENT.** The fees established in this chapter have been adopted by the department with the concurrence of the applicable board or commission listed in AS 08.01.010.

**12 AAC 02.105. ADMINISTRATIVE FEES.** Except as otherwise provided in this chapter for a particular board or occupation, the following fees apply to all boards and professions listed in AS 08.01.010.

- (1) duplicate license fee, \$5;
- (2) fee for verification or certification to another state of Alaska license, registration, or examination, \$5;
- (3) name change, except for construction contractors, \$5;
- (4) photocopy fee, \$.25 per page;
- (5) returned check fee, \$20;
- (6) penalty for reinstatement of a registration, license, permit or certificate which remains lapsed for more than 60 days, \$20;
- (7) exam postponement fee, \$20; and
- (8) wall certificate fee, \$20.

**12 AAC 02.240. BOARD OF MARINE PILOTS.** The following fees are established for all license categories of marine pilots and vessel agents:

- (1) application fee initial license, \$30;
  - (2) pilot license fee for all or part of the initial biennial license period, \$180;
  - (3) biennial pilot license renewal fee, \$180;
  - (4) vessel agent license fee for all or part of the initial biennial period, \$60;
  - (5) biennial vessel agent renewal fee, \$60;
  - (6) examination fee, \$100;
  - (7) extension of route or tonnage upgrade application fee, \$20
- and
- (8) temporary permit fee, \$20.

**ARTICLE 3.  
EXAMINATION REVIEW PROCEDURES.****Section****400. Examination review**

**12 AAC 02.400. EXAMINATION REVIEW.** (a) For nationally prepared and administered examinations, the examination review procedures established by the national examination organization will be used in conjunction with the procedures established in this section. National examinations which have no provision for examination review are not available for review under this section.

(b) An applicant who wishes to review a failed examination shall submit a written request to the division within 30 days after the notice of examination results was mailed to the applicant.

(c) All examination reviews will be conducted in the presence of division staff at the time and location determined by the division. An examination review will not be conducted within 30 days of the next examination the applicant is scheduled to take.

(d) Only an applicant who has failed an examination may participate in the examination review and the applicant may review only his or her own examination.

(e) An applicant may use the same reference materials during an examination review that were allowed during the examination itself, but applicants may not use other materials or take notes or make copies of any kind. All materials brought to an examination review are subject to inspection by the division staff.

**ARTICLE 4.  
GENERAL PROVISIONS.****Section****900. Current address****910. Abandoned applications****990. Definitions**

**12 AAC 02.900. CURRENT ADDRESS.** A person licensed, registered, or certified by a board or commission listed in AS 08.01.010, or in an occupation listed in AS 08.01.010, shall maintain a current valid mailing address on file with the division at all times. The latest mailing address on file with the division is the address that will be used for official communications, notifications, and service of legal process.

**12 AAC 02.910. ABANDONED APPLICATIONS.** (a) An application is considered abandoned when

(1) 12 months have elapsed since correspondence was last received from or on behalf of the applicant; or

(2) the applicant has failed to appear for two successive examinations.

(b) An abandoned application is denied without prejudice and the application fee forfeited.

(c) At the time an application is considered abandoned, the division will send notification of abandonment to the last known address of the applicant. An applicant may request a refund of all unused examination and licensing fees credited to the application by submitting a written request for refund within 30 days from the date notification of abandonment was mailed by the division. If no request for refund is received, all fees are forfeited.

**12 AAC 02.990. DEFINITIONS.** As used in this chapter

(1) "department" means the Department of Commerce and Economic Development:

(2) "division" means the division of occupational licensing, Department of Commerce and Economic Development:

(3) "license" means a license, certificate, permit, registration or similar evidence of authority issued by the division or by one of the boards listed in AS 08.01.010;

(4) "licensee" means person who holds a license issued by the division or by one of the boards listed in AS 08.01.010.

APPENDIX A.

**PILOTAGE TARIFFS AND CHARGES FOR  
SOUTHEASTERN ALASKA (U.S. FUNDS)**

**I. TARIFF AND CHARGES APPLICABLE TO ALL SHIPS  
EXCEPT PASSENGER VESSELS:**

**A. Basic Port charges for Pilotage in or out of Port,  
each Entry or Departure Constituting a Separate  
Chargeable Event:**

Port	Port Charge
Ketchikan . . . . .	\$547.00
Metlakatla . . . . .	547.00
Klawock . . . . .	667 00
Ward Cove . . . . .	547.00
Wrangell* . . . . .	596.00
Shoemaker Bay* . . . . .	596.00
Petersburg . . . . .	596.00
Duncan Canal . . . . .	739.00
Sitka . . . . .	547.00
Juneau . . . . .	547.00
Juneau Oil Docks . . . . .	639.00
Haines, Chilkoot . . . . .	639.00
Lutak . . . . .	639.00
Skagway . . . . .	639 00
Skagway Ore Dock . . . . .	739.00
Yakutat** . . . . .	600.00
Icy Bay** . . . . .	600.00

\*On movements between these ports following an initial entry, each entry or departure except the initial entry and the final departure, will be at the rate of \$547.00.

\*\*Based on Southwestern Alaska pilotage tariffs and charges for this port.

**B. Charges for Restricted Passage Pilotage, Entry,  
Transit, and Departure from Each Listed Area Con-  
stituting a Combined Single Chargeable Event:**

Area	Port Charge
Wrangell Narrows . . . . .	\$156.00
Sergius Narrows . . . . .	79.00
Whitestone Narrows . . . . .	79.00

NOTE: Pilot boat charges are not included in pilotage tariff.

**PILOTAGE TARIFFS — SOUTHEASTERN**

**C. Unlisted Port and Restricted Passage Charges:**  
 These charges to be negotiated according to risk and time.

**D. Overtime:**  
 If one pilot exceeds six hours continuous running time without a six-hour rest period, overtime will be charged at the rate of \$50.00 per hour or portion of an hour. On runs anticipated to be over eight hours duration, two pilots are required and, in addition to the basic port charge, 50% of that charge shall be paid.

**E. Anchoring Charges:**

1. Anchoring or laying to for loading cargo or discharging cargo shall be considered as a regular port charge, and all fees and tariffs shall be assessed the same as if the vessel has moored.
2. Anchoring, waiting for berth, or for weather shall be at the rate of \$177.00.

**F. Other Charges:**  
 As applicable under the terms of Section III.

**II. TARIFF AND CHARGES APPLICABLE ONLY TO PASSENGER VESSELS:**

**A. Basic Port Charge for Pilotage in or out of Port, Each Entry or Departure Constituting a Separate Chargeable Event:**

Port	Port Charge
Ketchikan .....	\$547.00
Wrangell .....	596.00
Petersburg .....	595.00
Sitka .....	547.00
Juneau .....	547.00
Haines, Chilkoot .....	639.00
Haines, Lutak .....	639.00
Skagway, White Pass .....	639.00

**B. Charges for Restricted Passage and Cruise Area Pilotage, Entry Transit and Departure for Each Listed Area Constituting a Combined Single Chargeable Event:**

**NOTE:** Pilot boat charges are not included in pilotage tariff.

## PILOTAGE TARIFFS — SOUTHEASTERN

Area	Port Charge
Cruise Areas	
Glacier Bay.....	\$1,563.00
Tracy Arm.....	780.00
Endicott Arm.....	780.00
Restricted Passages	
Wrangell Narrows.....	\$156.00
Sergius Narrows.....	79.00
Whitstone Narrows.....	79.00

**C. Unlisted Port, Restricted Passage and Scenic Cruise Areas:**

To be negotiated according to risk and time.

**D. Passenger Charges:**

In addition to any charges otherwise applicable under Section II A and II B, passenger charges apply as follows:

The number of saleable passenger berths on board times the number of miles run in the inside waters Alaska (excluding miles run in scenic areas) times the mileage rate of 5.67 mills. The saleable passenger berths shall range from a minimum charge for 200 berths or a maximum charge for 1,000 berths.

**E. Anchoring charges:**

1. Anchoring or laying to for loading passengers or discharging passengers shall be considered as a regular port charge and all fees and tariffs shall be assessed the same as if vessels moored.
2. Anchoring, waiting for a berth or for weather shall be at the rate of \$177.00.

**F. Other Charges:**

As applicable under the terms of Section III.

### III. OTHER CHARGES APPLICABLE TO ALL VESSELS IN ADDITION TO ALL OTHER TARIFFS AND CHARGES.

**A. Tonnage and Draft Charges:**

1. Tonnage charges will be made on a tonnage unit system at the rate of \$1.66 per unit for all units in excess of 163 units in or out of a port or cruise area. These are separate event charges and are

NOTE: Pilot boat charges are not included in pilotage tariff.

## PILOTAGE TARIFFS — SOUTHEASTERN

computed separately for each entry and each departure.

2. "Tonnage Units" shall be determined as expressed by the following formula:

$$\frac{\text{Overall Length X Extreme Breadth X Depth}}{10,000}$$

3. Definitions:

"Overall Length" is the distance between the forward and after extremities of the vessel.

"Extreme Breadth" is the maximum breadth to the outside of the shell plating of the vessel.

"Depth" is the vertical distance of amidships from the top of the keel plate to the uppermost continuous deck fore and aft and which extends to the sides of the vessel. The continuity of a deck shall not be considered to be affected by the existence of tonnage opening, engine space or a step in the deck.

All measurements shall be in feet and inches (U.S.)

4. All draft in excess of 32 feet will be charged at the rate of \$14.48 per foot or portion thereof, in or out of a port or cruise area. These are separate event charges and are computed separately for each entry and each departure.

### B. Shifting Charges:

1. For a dock to dock commercial movement within an incorporated harbor, the charge will be one-half the regular port charges.
2. Shifting of ship from dock to dock, dock to anchorage, anchorage to anchorage, or anchorage to dock for bunkering or other non-commercial reasons, within an incorporated harbor, will be \$213.00 per movement. A dock-to-dock shift constitutes two separate movements.

NOTE: Pilot boat charges are not included in pilotage tariff

## PILOTAGE TARIFF — SOUTHEASTERN

### C. Dead Ships and Stern-First Dockings:

Docking and undocking dead ships and stern-first dockings will be charged at fifty percent increase over the regular pilotage fee.

### D. Emergency:

In case of dire emergency for safety of ship, crew, or passengers, there will be no pilotage charges except for transportation and subsistence.

### E. Transportation and Subsistence:

1. Vessels, owners, agents and/or charterers shall pay pilotage fees, pilots' travel expenses such as: plane and ferry fares, meals, lodging, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.

Per diem rates charged shall correspond to those published by the Internal Revenue Service of the U.S. Federal Government. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch, and 10% to breakfast; rounded to the nearest dollar, but in no instance will it be more than the total daily allowance.

2. When adequate meals and rooms are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. It shall be understood that accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.

### F. Travel Day, Detention Day, Standby Time, Cancellation Charges and Out-of-Area Charge:

1. When due to weather and transportation difficulties, a pilot has to leave in advance to insure meeting a vessel upon its arrival or departure or is delayed returning from an assignment, that time will be charged at a rate of \$50.00 per hour up to a maximum of \$400.00 per day for each day a pilot is in transit or on standby. This charge does not include an actual work day.
2. Detention time on board ship when no other charges accrue during the day will be at the rate of \$50.00 per hour per pilot, not to exceed

NOTE: Pilot boat charges are not included in pilotage tariff.

## PILOTAGE TARIFFS — SOUTHEASTERN

\$400.00 per pilot in any one day. Pilots carried to sea will be paid the same rate for each day they are detained plus first class passage and subsistence back to Ketchikan.

3. Cancellation charges will be \$177.00 plus transportation and subsistence.
4. Travel, standby and work days begin and end at midnight.
5. An out-of-area charge, in lieu of detention and travel time (not applicable within 100 miles of Southeast Alaska), shall be charged equal to 1½ times the detention rate.

### G. Notice of Ship Arrival and Departure:

1. When vessels, owners, or agents do not correct their ETA within four hours of the ETA last given, compensation in the amount of \$50.00 per hour will be charged until actual arrival of the vessel at a pilot station, not to exceed \$400.00 for any one day.
2. When sailing time is set by an agent, owner or master of a vessel, any delay over one hour will be charged at the rate of \$50.00 per hour or portion of an hour, not to exceed \$400.00 for any one day. If a pilot is detained for one hour or less, no detention will be charged. If a pilot is detained for more than one hour, detention for the first hour and succeeding hours will be charged.

- H. **Vessel at Rest Charge:** When an agent, owner or master requests a pilot to stay on board a vessel on a continuous basis while the vessel is docked or anchored at a port or anchorage, the rate will be \$355.00 per day. Days begin and end at midnight.

NOTE: Pilot boat charges are not included in pilotage tariff.

APPENDIX B

PILOTAGE TARIFF AND CHARGES FOR  
SOUTHWESTERN ALASKA (U.S. FUNDS)

I. COOK INLET PILOTAGE RATES:

Following rates are one way only:

Homer Pilot Station to Port of Anchorage . . .	\$709.00
Homer Pilot Station to Nikiski . . . . .	531.00
Homer Pilot Station to Drift River . . . . .	531.00
Homer Pilot Station to North Foreland/Point Possession/Tyonek . . . . .	625.00
Anchorage to Drift River (North of Kalgin Island) . . . . .	531.00
Anchorage to Drift River (South of Kalgin Island) . . . . .	709.00
Anchorage to Nikiski . . . . .	467.00
Nikiski to Drift River (North of Kalgin Island) . .	421.00
Nikiski to Drift River (South of Kalgin Island) . .	531.00
Homer Pilot Station to Kasitsna Bay . . . . .	428.00
Homer Pilot Station to Homer . . . . .	417.00
Homer Pilot Station to Port Chatham . . . . .	750.00

II. OTHER ALASKA PORTS:

Following rates are one way only:

Valdez . . . . .	521.00
Cordova . . . . .	521.00
Whittier . . . . .	521.00
Ocean Entrances of Prince William Sound to Designated State Pilot Stations for Valdez, Whittier and Cordova . . . .	750.00
Ocean Entrances of Prince William Sound to Knowles Head Anchorage . . . . .	500.00
Knowles Head Anchorage to Valdez or Whittier Pilot Station . . . . .	500.00
Seward . . . . .	521.00
Kodiak — City Harbor . . . . .	521.00
Kodiak — Womens Bay . . . . .	521.00
Cold Bay . . . . .	677.00
King Cove . . . . .	600.00
Dutch Harbor, Unalaska, Iliuliuk Harbor and Captain's Bay . . . . .	625.00
Adak . . . . .	677.00
Discoverer Bay and Kazakov Bay . . . . .	750.00
Yakutat and Icy Bay . . . . .	600.00

Charges for unlisted ports negotiated to time and risk.  
Minimum charge will be \$417.00

## PILOTAGE TARIFF — SOUTHWESTERN

### III. CHARGES ADDITIONAL TO PORT TARIFF

1. A tonnage surcharge of \$.02 (2 cents) per gross ton is made for all tonnage in excess of 14,000 gross tons. In all the preceding cases any gross tonnage in excess of 50,000 gross tons will be charged for at \$.01 (1 cent) per gross ton.
2. All rates remain the same whether piloting is to or from sea, or, to or from a pilot boarding or debarking point.
3. Standby/travel fee: When standing by to pilot, or traveling to or from distant pilot ports and not actually piloting, such time shall be charged for at a rate of \$50.00 per hour up to a maximum of \$600.00 per day.
4. Transportation and Subsistence:
  - A. Vessels, owners, agents and charterers shall pay pilotage fees; pilots' travel expenses such as plane and ferry fares, per diem allowances, cab fares, telegrams, telephone calls, and all other expenses pertaining to ship's business.
  - B. Per diem rates for pilots shall correspond to those published by the Internal Revenue Service of the U.S. Treasury Department. These rates shall be adjusted on April 1 of each year. Total rates shall be distributed 60% to hotel, 20% to dinner, 10% to lunch, and 10% to breakfast, rounded to the nearest dollar, but in no instance will the distribution exceed the total daily allowance.
  - C. When adequate meals and rooms are not furnished to the pilot when on ship, a charge will be made in accordance with the above rates. Accommodations for the pilot must be at least comparable to the accommodations of the vessel's officer personnel.
5. Travel, standby, and work days begin and end at midnight. Each category occurring at any point within a midnight to midnight time period will be charged for according to the category involved.
6. If one pilot exceeds eight hours continuous running time without a six hour rest period or presence of a relief pilot (i.e., a second pilot) while transiting compulsory pilotage

## PILOTAGE TARIFF — SOUTHWESTERN

waters, overtime shall be charged for at the rate of \$75.00 per hour or portion thereof.

7. Shifting of ship from dock to harbor or harbor anchorage; from harbor or harbor anchorage to dock; from anchorage within a harbor to another anchorage within the same harbor, will be charged at \$250.00 per each movement. A dock to dock shift comprises two movements and will be charged for accordingly. Anchoring or laying to for loading cargo or discharging cargo shall be considered as a regular port charge and all fees and tariffs shall be assessed the same as if the vessel moored.
8. On each occasion of hauling ship alongside a dock or mooring to position tanks, holds, manifolds, loading arms, towers, or hoses comprises a single movement and will be charged for accordingly at \$250.00 per movement.
9. Movement of a ship in the absence of availability of the ship's own propulsion system even though assisted by tugboats will be charged for at twice the prevailing rate for each evolution engaged.
10. Docking/Undocking vessels over 2,000 gross tons without the use of a tugboat, if a tugboat is available, at Anchorage, Seward, Whittier, Valdez, Cordova, Kodiak, Womens Bay, will be charged for at the rate of \$300.00 per movement. It will remain pilot's option whether or not to proceed without use of a tug.
11. Carried to sea detention on board; off duty detention on board, intentional or otherwise, or off duty standby on board at the request of the master will be charged for at the rate of \$400.00 per day, or portion thereof. If disembarked at a position other than the base station from which dispatched, first class return passage and subsistence will be charged.
12. Bridge watch time rendered while ship is anchored or moored will be charged for at the rate of \$50.00 per hour or portion thereof. In cases where one pilot has exceeded 8 hours continuous working time without a 6 hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.

## PILOTAGE TARIFF — SOUTHWESTERN

13. Bridge watch time rendered underway at the Master's request not otherwise provided for under the tariff will be charged for at \$50.00 per hour or portion thereof. In cases where one pilot has exceeded 8 hours continuous working time without a 6 hour rest period or presence of a relief pilot (i.e., a second pilot) \$75.00 per hour will be charged.
14. Pilots will furnish VHF transceivers for vessels not so equipped and in working order such that compliance will be made with the provisions of the Vessel Bridge-to-Bridge Radiotelephone Act. The charge for the use of this equipment will be charged for at the rate of \$10.00 per day or portion thereof.
15. The rate for a Second Pilot, when used, will be charged for at the rate of 50% of the rate for the first pilot (all applicable charges to apply).
16. Mooringmaster — Services and rates are negotiable on application.
17. Agents, owners or masters shall advise pilots of vessel movements at least 24 and 36 hours prior to such movements in order to allow sufficient time for the pilot to arrive at the vessel via available means of transportation. A pilot will be considered unavailable for services only if the timely notice (24 and 36 hours) is given and a pilot does not show up for services. If a lesser time notice is given and a pilot under such notice is not able to reach the vessel for services, the vessel and the owner thereof shall be liable for the transportation costs incurred by the pilot in attempting to reach the vessel and the pilotage fee equal to the pilotage rate that would have been paid by the vessel for such pilotage services.
18. When the time of movement is set by agent, owner or master of a vessel, any delay over two hours shall be charged at the rate of \$50.00 per hour or a portion thereof, not to exceed \$600.00 per day. If the pilot is detained for two hours or less, no detention will be charged. If the pilot is detained for more than two hours, detention for the first two hours will be charged.
19. Movement is defined as an evolution by a vessel which requires the employment of a licensed pilot as stipulated in AS 08.62.160.

State of Alaska  
Department of Commerce and  
Economic Development  
Division of Occupational Licensing  
Board of Marine Pilots  
P.O. Box D  
Juneau, Alaska 99811-0800

Report of the Alaska Oil Spill Commission  
Executive Summary

# SPILL

The Wreck of the Exxon Valdez  
Implications for Safe Marine Transportation

January 1990

**Recommendation 20**  
**Marine pilot qualifications**

*Training and experience standards for marine pilots in Alaska should be upgraded to require actual experience in Alaska operations of vessels at thresholds of 60,000 and 150,000 deadweight tons.*

Training and experience requirements have been reduced for pilots of large tankers in Prince William Sound and Cook Inlet since the late 1970s, allowing pilots to qualify for very large ship operations on insufficient experience. While no accidents have been caused by this circumstance, a system with multiple thresholds is inherently safer.

**Recommendation 21**  
**State as co-insured**

*Insurance policies should identify the State of Alaska as an additional insured or named beneficiary.*

The shipping industry is responsive to economic incentives. Insurance premiums and premium requirements create incentives. The insurance industry is responsive to the needs of co-insureds. Such practices were required during construction of the trans-Alaska pipeline. There is every reason to revive them.

**Recommendation 22**  
**Remote spill response**

*The state should set rigorous requirements for private oil spill prevention and response capability in remote locations. The state also should develop response plans for major spills and articulate a prevention program from the Aleutian Islands to the Arctic.*

Despite the state's obligation to respond to major spills, only if private resources are committed to prevention systems and response can an acceptable reduction in risk be achieved.

Marine traffic in arctic Alaska already poses unacknowledged risk. Fuel provisions delivered by sea and vessels fueled by oil create risks of damage in these hazardous and environmentally fragile waters. Spills are usually impossible or much more difficult to contain and collect in arctic waters. Immediacy of response is the key to cleanup if a spill occurs.

Measures should be undertaken to reduce spill risk in the arctic, including better vessel tracking and contingency plan requirements for all large vessels transiting the arctic, and for smaller vessels carrying oil or major fuel supplies.

STATE OF ALASKA (
1991 LEGISLATIVE SESSION

No. 3
Bill Version: CSHB 194(FIN)
(H) Publish Date: 5/15/91

Revision Date: Department Affected: Commerce & Economic Dev.
Title: Relating to the Board of Marine BRU: Occupational Licensing
Pilots, marine pilots, .... Component: Administration
Sponsor: Rep. C. Davis, et al
Requestor: House Judiciary COMPONENT SERIAL NO. 0 3 5 6

Expenditures/Revenues: (Thousands of Dollars)

Table with 7 columns: OPERATING, FY 92, FY 93, FY 94, FY 95, FY 96, FY 97. Rows include PERSONAL SERVICES, TRAVEL, CONTRACTUAL, SUPPLIES, EQUIPMENT, LAND & STRUCTURES, GRANTS, CLAIMS, MISCELLANEOUS, and TOTAL OPERATING.

CAPITAL table with 7 columns: CAPITAL, FY 92, FY 93, FY 94, FY 95, FY 96, FY 97.

REVENUE table with 7 columns: REVENUE, FY 92, FY 93, FY 94, FY 95, FY 96, FY 97.

FUNDING: (Thousands of Dollars)

Table with 7 columns: GENERAL FUND, FEDERAL FUNDS, OTHER GF/PR, TOTAL, FY 92, FY 93, FY 94, FY 95, FY 96, FY 97.

POSITIONS:

Table with 7 columns: FULL-TIME, PART-TIME, TEMPORARY, FY 92, FY 93, FY 94, FY 95, FY 96, FY 97.

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)
(SEE ATTACHED)

Prepared By: Jennifer Strickler, Admin. Officer Phone: 465-2144
Division: Occupational Licensing Date: May 14, 1991
Approved by Commissioner: Glenn A. Olds
Agency: Commerce and Economic Development Date: 5-14-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE ANALYSIS

CSHB 194 (JUD)

The bill makes a number of amendments to the Marine Pilotage Act. The expenses identified in this fiscal note result from paying for audits to collect information needed to apply standards as mentioned in Section 2, and the employment of a Marine Pilot Coordinator established by Section 4.

The bill places the Marine Pilot Coordinator in the partially exempt service of State government and is charged with the responsibility to administer and enforce the chapter. The costs identified are based on a similar Executive Director position, Range 22.

Personal Services:

Marine Pilot Coordinator, XE, 12 months, \$72.3  
Range 22A

Travel: 10.0

Funding of \$10.0 will cover travel and per diem expenses for the marine pilot coordinator to conduct audits, review training programs, and to enforce compliance with the marine pilotage act.

Contractual Services: 10.0

This funding will provide for communications, postage, printing, advertising, and auditing costs.

Supplies: 1.0

Funding will provide for daily operating supplies for the Marine Pilot Coordinator position.

Equipment: 10.0

Funding will provide one-time equipment costs for the Marine Pilot Coordinator position. This funding will also provide for on-going office space costs.

TOTAL COSTS: \$103.3

Revenues:

There are approximately 123 licensed marine pilots whose licensing fees must be increased to cover the new costs provided in the bill. In addition, current expenses of the Board of Marine Pilots exceed revenues generated from licensing fees to support its licensing program.

Licensing fees must be raised to cover an additional \$131.7 (an average of the new costs identified in this fiscal note for the first two years, \$98.3, and the current deficit of \$33.4), totalling \$131.7. Therefore, a biennial licensing fee of \$1,070 (\$535 per year) will be necessary to cover the additional program costs (\$1,070 x 123 = \$131.6). Marine Pilot licensees currently pay a biennial fee of \$180 (\$90 per year). If licensing fees are not increased to cover program costs, the program must then be supported by the general fund.

Since marine pilot licenses are due for renewal on December 31, 1992 (FY 93), revenues will not be collected in the first year of operation under provisions of CSHB 194(JUD). Funding in the first year must therefore be covered by general funds, unless a special one time assessment fee is made to licensees in FY 92.

The revenues identified in this fiscal note are based on the assumption that licensees will be willing to increase their fees to fully cover the costs of its licensing program beginning in FY 93 during the license renewal period.

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/19/91

FURTHER:

DATE TURNED INTO OFFICE: 5/21/91

The Finance Committee considered CS FOR HOUSE BILL NO. 194 (FINANCE)

"An Act relating to the Board of Marine Pilots, marine pilots, investigations of marine accidents, and training fees; and extending the termination date of the Board of Marine Pilots."

and recommended:

replace with \_\_\_\_\_ CS  same title  
 or adopt S CS CS HB 194 (L&C)  new title  
 attached amendment(s)  technical title change (HB only)  
 L&C letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:  
 fiscal note(s) DC&ED 5/20/91  
11.5 GF/PR

zero fiscal note(s) \_\_\_\_\_

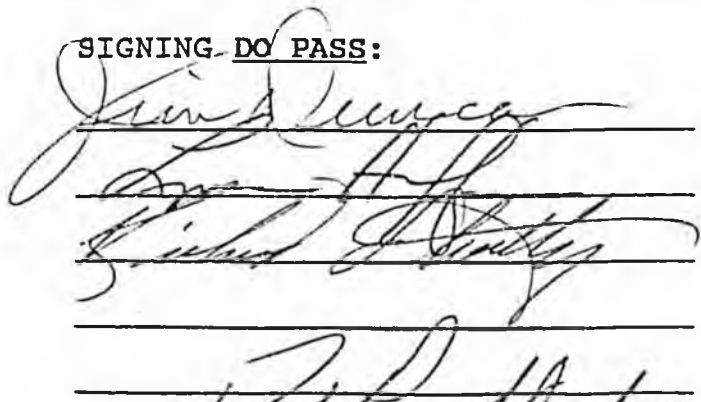
APPROVES PREVIOUS:

Dept/Date:  
 fiscal note(s) \_\_\_\_\_

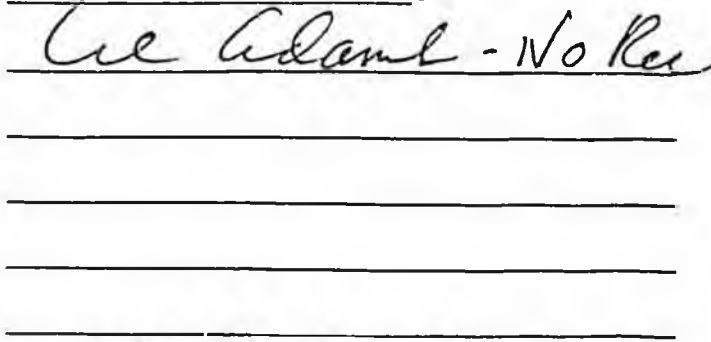
zero fiscal note(s) \_\_\_\_\_

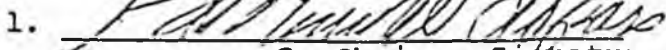
appropriation-no fiscal note

SIGNING DO PASS:



OTHER RECOMMENDATIONS:



1. 

2.  do pass

Co-Chairs: Signatures and Recommendations

DATE: 5/17/91

FURTHER: Finance

DATE TURNED INTO OFFICE: 5-19-91

L&C Committee considered CS FOR HOUSE BILL NO. 194 (FINANCE)

"An Act relating to the Board of Marine Pilots, marine pilots, investigations of marine accidents, and training fees; and extending the termination date of the Board of Marine Pilots."

and recommended:

replace with SENATE CS FOR HS HB 194 (L&C)  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title  
 attached amendment(s)  technical title change (HB only)  
 L & C letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) DCFD (H) Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OTHER RECOMMENDATIONS:

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature] - 10 Pass  
Chair: Signature and Recommendation

AMENDMENT

OFFERED IN THE SENATE

TO: SCS CSHB 194 (L&C)

Page 7, line 29:

Delete "1994"

Insert "1995"

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 194(L&C)

Page 7, line 24, after "LICENSE.":

Insert "(a)"

Page 7, lines 29 - 31:

Delete all material.

Insert "a deputy marine pilot licensed under this chapter; and"

Page 8, following line 2:

Insert a new subsection to read:

"(b) Notwithstanding (a) of this section, a person who holds a marine pilot license of any type on the day before the effective date of this section shall, subject to continued eligibility for the license under this chapter and regulations adopted under this chapter, receive a renewable marine pilot license of the same type and subject to the same qualifications and endorsements as that which the person held on the day before the effective date of this section. A person who receives a license under this section may change the type of marine pilot license and the qualifications and endorsements attached to the license in accordance with regulations adopted by the board."

Page 13, line 30, through page 14, line 12:

Delete all material and insert:

"\* **Sec. 30. TRANSITION; MARINE PILOT LICENSE.** A marine pilot license issued under AS 08.62.100 before the effective date of sec. 12 of this Act is valid for the period for which the license was issued."

AMENDMENT

OFFERED IN THE SENATE

TO: SCS CSHB 194 (L&C)

Page 10, line 21:

Delete "\$5,000"

Insert "\$ 250,000"



AMENDMENT

OFFERED IN THE SENATE

TO: SCS CSHB 194 (L&C)

Page 9, line 28, through page 10, line 7:

Delete all material.



A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 194 (L&C)

Page 10, line 23, following "where":

Insert "(1)"

Page 10, line 24, following "misconduct":

Insert "; or

(2) the error, omission, fault, or neglect of the pilot constitutes an act for which the board shall impose a disciplinary sanction under AS 08.62.150(a)(1) - (3) and (5) - (7)."

X

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 194 (L&C)

Page 4, line 5:

Delete "a new subsection"

Insert "new subsections"

Page 4, following line 8:

Insert a new subsection to read:

"(d) Notwithstanding the exemption from AS 45.50.562 - 45.50.596 granted to pilot organizations under AS 45.50.572(a), the board may not adopt a regulation or take other action resulting in anti-competitive activities that, if the board were subject to AS 45.50.562 - 45.50.596, would violate AS 45.50.562 - 45.50.596."

Alaska Steamship Operators Association

May 19, 1991

The Honorable Cheri Davis  
Representative  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

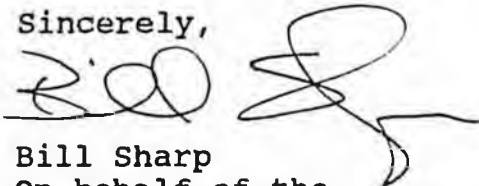
Re: SCS for CSHB 194 (L&C)

Dear Representative Davis:

This is to advise you that the Alaska Steamship Operators Association supports SCS for CSHB 194 (L&C) in the form which passed the Senate Labor and Commerce Committee on May 19, 1991.

Thank you for the opportunity to work with you on this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Sharp", with a stylized flourish extending to the right.

Bill Sharp  
On behalf of the  
Alaska Steamship Operators Association

cc: Senator Drue Pearce

Fax to Dale Collins c. Mike O'Hara



**By Capt. Ed Murphy**

*Founding member of Southwest Alaska Pilots Assn.*

## Attacks are assault on pilot profession

Last year then-Governor Steve Cowper directed his research staff to study Alaska's marine pilot system and report back to him. The staff studied other states' pilot licensing boards and the relationship between other states' boards and pilot associations. In addition, the researchers examined antitrust concerns, legal issues relevant to pilot experience and training and the necessity of state pilots operating independently of shipping industry control.

Nine months of research and study by the Governor's staff resulted in a booklet entitled "Improving Alaska's State Piloting System." This document presents a remarkably thorough and thoughtful look at pilotage in Alaska written by independent researchers who started out hardly knowing a marine pilot from an airline pilot. Notable among their many findings and recommendations are:

- Amend the state pilotage act to establish the fact that marine pilots are independent contractors under state control for the purpose of protecting lives, property, vessels and the marine environment.
- Give the pilot board clear and unambiguous authority to promulgate and enforce more extensive entry level requirements to the profession, now the lowest of any of the maritime states.
- Move to exclusive licensing by regions. The staff determined that the customary practice of pilots holding vast tracts of pilotage on their licenses and piloting throughout such large areas is inappropriate given the local knowledge requirement implicit in providing a pilot service. Hence they recommended exclusive licensing by region to insure local knowledge.
- Establish a formalized deputy pilot training program with substantial training and experience requirements before deputies can be advanced to higher tonnage limits.

## PERSPECTIVES



**By Scott Jones**

*Vice President  
Alaska Maritime Agencies*

## Monopolies do not mean safer transits

The following thoughts concern whether or not competition in marine pilotage will result in safety compromises in Alaska, and is also relevant to the position that industry has shown to the Alaska legislature concerning HB194.

It is apparent to most in the maritime industry that pilotage monopolies do not necessarily equal safer transits for vessels within pilotage waters. In Alaska, which presents some of the widest ranges of piloting requirements, it has been our experience that having a system in which it is possible for licensed pilots to compete based on skill and service is best.

Competition for piloting jobs enhances safety when there is strong regulatory oversight. The same holds true for areas where no competition exists. Without firm discipline in response to instances of poor judgment, safety will suffer, no matter what the competitive situation is. Competition amongst pilot groups does nothing to change this fact. If a state wants good pilots then it should see to it that poor piloting results in economic sanctions through disciplinary action. This is the proper weapon for states to wield in pilotage policy, not monopolies.

In Alaska there has been a need for stronger statutory authority for the pilot board for some time. Industry and pilots are in agreement on this. Uncertainty in its authority and mandate hurts a state's ability to provide the best pilotage possible. Recent events on the Columbia River point out the inherent danger of allowing this to happen. If indeed, as has been reported, radio requests for speed and position are being ignored, then the Oregon board should see to it that the offenders are terminated. The reports should be investigated immediately and thoroughly, including the monitoring of VHF traffic. Perhaps it is time to mandate a single channel for pilotage purposes so that such monitoring is feasible. The real cause for alarm in this case is not that there is competition, but rather that poor

**Murphy** CONTINUED FROM PAGE 10

- Establish better recency criteria; some sort of a "use it or lose it" provision such as a minimum number of ship movements between license renewals.
- Give the pilot board specific authority to establish and enforce pilot tariffs.
- Exempt pilot associations from antitrust exposure. The staff determined that pilot associations provide the core of pilotage service and training in Alaska (as well as in all the other maritime states) and that pilot associations are the most efficient mechanisms for providing comprehensive, 24-hour per day, year-round pilot services.
- Recognize pilot organizations in state law and charter them to provide state approved training for deputy pilots.

As a result of the study and the obvious and glaring ineffectiveness of Alaska's present pilot statute, Ketchikan Rep. Cheryl Davis introduced House

Bill 194, a complete overhaul of the pilotage act. This started some hurried action by the cruise ship industry; apparently led by Holland America Line. Industry has mounted an impressive lobbying campaign in Juneau which Alaska pilots would describe as disinformation. Industry claims to support HB 194 while at the same time offering in committee last minute amendments apparently designed to delay passage until the legislature adjourns and the bill dies. These foreign flag operators have made no bones about their opposition to regional licensing, their desire to contract with their own pilots and their preference for a competitive pilotage system with no fixed tariff where the lowest bidder gets the piloting job.

The lobbying efforts of the cruise industry are being assisted by a small new group of so-called Alaska pilots led by individuals who do not reside in Alaska, do not hold full and unlimited state pilotage licenses, and who were involuntarily disassociated from the

Southeastern Alaska Pilots Association (SEAPILOTS), the former longtime provider of pilot services to Holland America . . .

This is enormously frustrating to Alaska pilot associations because, in the past, representatives of the cruise industry have complained to the state pilot board about the low caliber of some pilots. Yet when associations terminate a pilot for cause . . . that same person shows up as a competitor on the ships of one of the complaining companies! I believe this is a powerful example of bad faith on the part of the industry.

The opposition to the new Alaska pilot act by wealthy and powerful cruise ship companies is viewed by Alaska resident pilots as an assault on their profession, their independence as public pilots and, certainly, their livelihoods. If industry manages to defeat HB 194, a difficult future lies ahead. Alaska pilots face a situation where non-resident, part time pilots

Murphy CONTINUED ON PAGE 12

**PERSPECTIVES****Jones** CONTINUED FROM PAGE 10

piloting is being allowed to continue.

Therefore, under the best scenario, the better the pilot, the more work that pilot gets. This was the situation in San Francisco Bay prior to the forced amalgamation that the California legislature allowed in 1985. There were several inland pilots who were simply better than others and were frequently employed for trickier maneuvers at the request of agents serving vessels headed for such areas. Among them were Capt. Ken Hulme and Capt. Sam Davies, both now deceased, and we made frequent use of their skills. Their ability was such that the Coast Guard would frequently lift fog related shut downs once either captain started moving from anchorage! However, since 1985, the situation has deteriorated significantly which is widely acknowledged in the industry. Since a mandatory rotation system is now used (a frequent result in non-competitive areas), often times pilots are not suitably matched to the task at hand and the risk of an incident is greatly increased.

We won't go into the tremendous cost increases that have resulted because this article is related to safety issues, but I'm sure those whose task it is to approve the extra pilot and tug bills that now occur will be nodding agreement on this point!

*Any system that allows competition for jobs and innovation is innately superior to one that does not.*

Another example of competition benefiting safety is the current situation that exists in the Bering Sea and Bristol Bay. Prior to 1988, there was no competition for piloting jobs in this entire vast region. In that year a group of pilots in the existing organization broke away and formed their own association. Before this, feeder vessels calling Alaska in the fisheries trade often were forced to enter Alaskan

pilotage waters without a pilot at all. Then, when requesting to make the frequent inter-port shifts that the fish processors require of them, they often had to wait the required 36 hours for a pilot before they could proceed, on their own, to deep water destinations, where prudence mandated a pilot regardless of the wait, they were forced to sit idle much longer. In a place where weather, wind and tides are at such extremes, it is not very safe to force vessels to wait 36 hours for anything! It seemed that in the summer, when the salmon were running and the big fisheries push was on, vessels plying the Gulf of Alaska would get preference on available manpower. Despite our repeated protests and innumerable meetings, this went on for years. Into this frustrating void came the new association and now the trade is well served, year round, by a group dedicated to it. Safety is vastly improved. All vessels have a pilot when and where they need them (Alaska weather permitting of course!)

Jones CONTINUED ON PAGE 12



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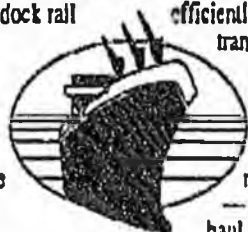
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**Murphy** CONTINUED FROM PAGE 11

come to Alaska in the summer and take the "cream" jobs at a cut rate.

Instead, pilots will be forced into inappropriate employer/employee relationships with shipowners where a pilot's independent navigational judgment on the bridge will be clouded by the financial and competitive interests of his shipowner employer. Pilots will worry more about keeping their jobs than performing their proper public service role of insisting that shipmasters follow the rules in Alaska waters. In short, Alaska pilots are worried about industry control of state piloting. Such a scenario is in no way far fetched.

Finally, if Holland America, that fine old company now under new ownership, and others in the cruise ship industry of similar persuasion get their way and realize a short term financial gain by advancing a system of cut rate pilotage with company pilots, they will create a future good for no one. Industry itself will come to regret the days of cut rate pilotage and industry will truly get what it pays for in the pilot profession. When that happens I predict the cruise ship operators will be back in Juneau. But this time they will be the ones asking for a better and safer state pilot system with independent pilots and a fixed tariff. ☐

**Jones** CONTINUED FROM PAGE 11

and the practice of convoying several vessels at a time by a single pilot has stopped. The skill level and requisite familiarity that are so vital in the ever-changing harbors of western Alaska are improved.

In conclusion, the benefits of competition are a positive force toward safety, especially when a strong pilot board is diligently exercising its prerogative. Any system that allows competition for jobs and innovation is innately superior to one that does not. That is why we so strongly favor the maintenance of such a system in Alaska. It is far more responsive to real issues of vessel safety instead of philosophical ones. Those that are opposed to this are either ill-informed or else do not truly have safety at the core of their concern. ☐



TELECOPY COVER SHEET

SENATOR DRUE PEARCE'S OFFICE

VOICE (907) 561-2038 FAX (907) 561-4194

To: SEN. PEARCE Fax: 465.4928

Attn: ROD MOURANT Phone: 465.4993

Transmitted by: STEF U Date: 6.4.91

Re: \_\_\_\_\_

Comments: \_\_\_\_\_

FYI

Number of Pages: FOUR including Cover Sheet.



# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

### DIVISION OF OCCUPATIONAL LICENSING

WALTER J. HICKEL, GOVERNOR

P.O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 485-2534

### ALASKA STATE BOARD OF MARINE PILOTS TENTATIVE AGENDA TELECONFERENCE MEETING

Tuesday, July 9, 1991

<u>TOPIC</u>	<u>LEAD PERSON</u>
1. Call to Order/Roll Call	DOL Staff
2. Elect Chairperson	DOL Staff
3. Review/Amend Agenda	Chair
4. Report on Temporary License Exam	Captain O'Hara
5. Schedule Meeting Date(s) and Establish Agenda	Chair
6. Current Litigation (Executive Session)	Gary Amendola, AAG
7. Adjourn	Chair

Post-It™ brand fax transmittal memo 7671 # of pages 1

To <u>Redoubt</u>	From <u>Chair</u>
Co. <u>Sea Force</u>	Co.
Dept.	Phone #
Fax #	Fax #

PUBLIC NOTICE  
BOARD OF MARINE PILOTS

NOTICE OF FORTHCOMING TELECONFERENCE MEETING

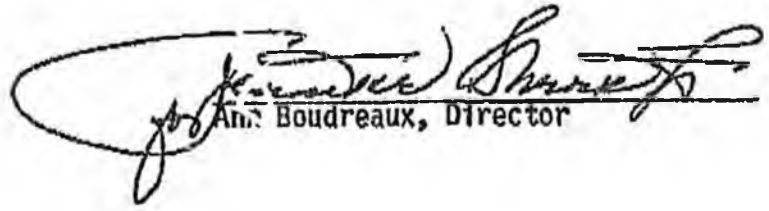
The Department of Commerce and Economic Development, Division of Occupational Licensing, Board of Marine Pilots, announces a teleconference meeting to be held Tuesday, July 9, 1991 starting at 9:00 a.m. via the conference call operator.

The purpose of this teleconference is to schedule a full meeting of the board and to establish the agenda for that meeting. The board will also enter executive session for attorney/client consultation.

Interested parties may participate in Anchorage at the Frontier Building, 3601 C Street, Suite 722; and in Juneau at the Division of Occupational Licensing, State Office Building, Ninth Floor, 333 Willoughby Avenue.

Anyone desiring information may contact the Department of Commerce and Economic Development, Division of Occupational Licensing, P.O. Box D, Juneau, Alaska 99811, telephone (907) 465-3035.

Date: July 2, 1991

  
Ann Boudreaux, Director

JC/bkt4598c  
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JUL 05 1991

*Rod  
Hourenet!*

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To Rod Hourenet	From T. A. [unclear]	
Co. Parent office	Co. [unclear]	
Dept.	Phone #	
Fax #	Fax #	

# Alaska State Legislature

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



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ANCHORAGE, ALASKA 99504  
(907) 561-2018

## SENATE LABOR AND COMMERCE COMMITTEE

### LETTER OF INTENT

### SENATE LABOR & COMMERCE COMMITTEE

IT IS THE INTENT OF THE LEGISLATURE THAT THE PROVISIONS OF SECTION 29 OF SCS FOR CSHB 194(L&C) ARE NOT INTENDED TO PREVENT FAIR AND OPEN COMPETITION BUT RATHER PROVIDE FOR EXEMPTION IN REGARD TO REQUIREMENTS FOR MARINE PILOTAGE ORGANIZATIONS AS STATED IN AS 45.50.572(g).

## SCS FOR CS HB 194(L&C) TRANSITION TIME LINE

### ORGANIZATIONS -

- \* JAN. 1, 1992 - THE BOARD ADOPTS MINIMUM STANDARDS FOR RECOGNITION OF ORGANIZATIONS.
- \* JAN. 1, 1992 - THE BOARD MUST ESTABLISH MAXIMUM TARIFFS THAT MAY BE CHARGED BY PILOTAGE ORGANIZATIONS.
- \* JULY 1, 1992 - ORGANIZATIONS MUST HAVE THEIR ARTICLES, BYLAWS AND RULES APPROVED BY THE BOARD.

### CURRENTLY LICENSED PILOTS -

- \* JULY 1, 1992 - PILOTS MUST BE MEMBERS OF AN AUTHORIZED ORGANIZATION.
- \* PILOTS LICENSED ON THE EFFECTIVE DATE OF THIS ACT ARE "GRANDFATHERED" FOR THEIR LICENSE TYPE, ENDORSEMENTS AND RESTRICTIONS.

### INDIVIDUALS CURRENTLY IN TRAINING PROGRAMS -

- \* INDIVIDUALS RECEIVE CREDIT FOR EXPERIENCE AND TRAINING WHICH TOOK PLACE PRIOR TO THE EFFECTIVE DATE OF THE ACT WHEN SEEKING NEW LICENSES OR ENDORSEMENTS AND MUST MEET LICENSING AND ENDORSEMENT REQUIREMENTS THAT ARE PRESENT IN THE ACT.

### NEW APPLICANTS FOR LICENSES -

- \* APPLICANTS FOR LICENSES MUST MEET ALL PROVISIONS OF THE ACT.

LICENSED FOR A SINGLE REGION AND A PORTION OF ANOTHER REGION WHEN THE BOARD DETERMINES IT TO BE IN THE STATE'S BEST INTEREST. PILOTS ARE REQUIRED TO BE INDEPENDENT CONTRACTORS AND NOT BE EMPLOYEES OF AN OWNER OR OPERATOR OF A VESSEL SUBJECT TO THIS CHAPTER. A MARINE PILOT IS LIABLE FOR \$250,000 PER INCIDENT FOR DAMAGES OR LOSSES CAUSED BY ERROR, FAULT, NEGLIGENCE OR OMISSION. THERE IS NO LIABILITY LIMIT FOR DAMAGES AS A RESULT OF WILFUL MISCONDUCT, GROSS NEGLIGENCE OR WHEN THE ERROR, FAULT, NEGLIGENCE OR OMISSION RESULTS IN DISCIPLINARY SANCTIONS BY THE BOARD.

#### MARINE PILOT ORGANIZATIONS -

PERSONS LICENSED UNDER THIS CHAPTER MUST BE MEMBERS OF A PILOT ORGANIZATION AND MAY FORM PILOTAGE ORGANIZATIONS WITH MEMBERSHIP AS SMALL AS A SINGLE MEMBER. THE BOARD SHALL RECOGNIZE ALL ORGANIZATIONS THAT ARE FORMED IN COMPLIANCE WITH MINIMUM STANDARDS SET BY THE BOARD. THE ORGANIZATIONS, WHOSE PRIMARY GOAL IS TO PROMOTE A SAFE AND RELIABLE SYSTEM FOR MARINE PILOTAGE, SHALL PROVIDE DISPATCH, ADOPT TARIFFS, BE OPEN FOR MEMBERSHIP BY ALL LICENSED PILOTS, OPERATE OR PARTICIPATE IN TRAINING PROGRAMS FOR PILOTS OR DEPUTY PILOTS AND COOPERATE WITH THE BOARD. THESE ORGANIZATIONS ARE REQUIRED TO HAVE BOARD APPROVAL OF BYLAWS, ARTICLES AND RULES. THEY ARE ALSO REQUIRED TO HAVE QUALIFIED PILOTS AVAILABLE FOR DISPATCH FOR A REASONABLE NUMBER OF DAYS EACH YEAR COMMENSURATE WITH THE SIZE OF THEIR MEMBERSHIP.

#### ANTITRUST/ANTI COMPETITION PROVISIONS -

SECTION 6 OF THIS ACT FORBIDS ACTIONS BY THE BOARD THAT MAY RESULT IN ANTI-COMPETITIVE ACTIVITIES. PROVISIONS OF SECTION 29 ALLOW INDIVIDUAL PILOTS TO FORM ORGANIZATIONS AND SET TARIFF RATES THAT MEET THE REQUIREMENTS OF THE BOARD'S ADOPTED MAXIMUM TARIFF. IN ADDITION TO THESE ELEMENTS IN THE LEGISLATION, THE ADOPTED LABOR & COMMERCE LETTER OF INTENT PROVIDES FOR OPEN AND FAIR COMPETITION REGARDLESS OF THE PROVISIONS IN SECTION 29.

#### OIL TANKER PROVISIONS -

CONSISTENT WITH RECOMMENDATIONS OF THE STATE OIL SPILL COMMISSION PILOTAGE STATUTES ARE UPDATED AND REQUIRE ANY OIL TANKER NAVIGATING IN MANDATORY PILOTAGE WATER OF THE STATE TO HAVE A STATE LICENSED PILOT AT THE HELM.

# Alaska State Legislature

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



## SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3844

3111 C STREET, SUITE 150  
ANCHORAGE, ALASKA 99504  
(907) 561-2018

### PROVISIONS OF SENATE CS FOR CS FOR HB 194(L&C)

#### FINDINGS -

THE FINDINGS SECTION STATES THAT MANDATORY MARINE PILOTAGE BY PILOTS WITH EXTENSIVE LOCAL KNOWLEDGE IS REQUIRED IN ORDER TO PROTECT LIVES, PROPERTY AND THE MARINE ENVIRONMENT. IN ORDER TO ACCOMPLISH THAT GOAL, THE BOARD MUST BE GRANTED BROAD AUTHORITY TO ESTABLISH TRAINING PROGRAMS, TARIFFS, PILOTAGE REGIONS AND LICENSING REQUIREMENTS. THE BOARD SHOULD BE GRANTED JURISDICTION OVER PILOTS AND MARINE PILOTAGE AND TO WORK WITH PILOTS AND PILOT ORGANIZATIONS TO ACCOMPLISH ITS GOALS. THE LEGISLATURE FURTHER FINDS THAT PILOT ASSOCIATIONS ARE NECESSARY IN ORDER TO CONTINUE TO ACCOMPLISH AND ENHANCE PAST EFFORTS TO PROVIDE SAFE PILOTAGE.

#### BOARD OF MARINE PILOTS -

THE SUNSET DATE OF THE BOARD IS EXTENDED TO JUNE 30, 1994. THE BOARD IS APPOINTED BY AND SERVES AT THE PLEASURE OF THE GOVERNOR. MEMBERSHIP OF THE BOARD REMAINS UNCHANGED WITH TWO PILOTS, TWO AGENTS/MANAGERS, TWO PUBLIC MEMBERS AND THE COMMISSIONER OF THE DEPARTMENT OF COMMERCE SERVING ON THE BOARD. THE BOARD IS REQUIRED TO HOLD AT LEAST THREE MEETINGS A YEAR. THE BOARD IS GRANTED THE AUTHORITY TO MAINTAIN EFFICIENT AND COMPETENT PILOTAGE ON THE INLAND AND COASTAL WATER OF AND ADJACENT TO THE STATE IN ORDER TO PROTECT SHIPPING, HUMAN LIFE, PROPERTY AND THE ENVIRONMENT.

THE BOARD IS EMPOWERED TO ADOPT REGULATIONS TO ESTABLISH QUALIFICATIONS AND TESTING REQUIREMENTS AND SHALL APPROVE TRAINING PROGRAMS FOR PILOTS AND DEPUTY PILOTS. THE BOARD IS REQUIRED TO COOPERATE WITH THE DEPARTMENT OF ENVIRONMENT CONSERVATION IN THE REVIEW AND APPROVAL OF OIL TANKER PILOT TRAINING PROGRAMS. THE BOARD SHALL ESTABLISH PILOTAGE REGIONS AND SHALL RECOGNIZE PILOT ASSOCIATIONS. THEY MAY CARRY OUT AUDITS OF PILOTS OR ASSOCIATIONS AND SET FEES FOR PILOT

LICENSING, TESTING AND AUDITS. THEY MAY REQUIRE A PILOT TO UNDERGO A PHYSICAL OR MENTAL EXAMINATION.

TAKING INTO CONSIDERATION SUCH FACTORS AS ACTUAL PILOTAGE TIME, WEATHER, RISK, DISPATCH AND TRANSPORTATION EXPENSES, THE BOARD SHALL ESTABLISH MAXIMUM TARIFF RATES. THE BOARD SHALL IMPOSE DISCIPLINARY SANCTIONS FOR A PERSON FOUND INCOMPETENT, CHEMICALLY IMPAIRED, POSSESSING, USING OR SELLING NARCOTICS OR DRUGS, HAVING THEIR COAST GUARD LICENSE SUSPENDED OR REVOKED, OR CHARGING IN EXCESS OF THE MAXIMUM TARIFF OR A RATE DIFFERENT FROM THE ASSOCIATION'S ADOPTED TARIFF

#### MARINE PILOT COORDINATOR -

THROUGH PROGRAM RECEIPTS AND A ONE TIME ASSESSMENT OF PILOTS, THE POSITION OF MARINE PILOT COORDINATOR IS ESTABLISHED TO WORK WITH THE BOARD IN ADMINISTERING AND ENFORCING THIS CHAPTER. THE COORDINATOR MAY NOT BE AN ACTIVE PILOT, AN ACTIVE MEMBER OF A PILOTAGE ASSOCIATION OR HAVE FINANCIAL INTEREST IN AN ASSOCIATION. ADDITIONALLY, THE COORDINATOR SHALL COOPERATE WITH STATE AND FEDERAL AGENCIES IN THE REGULATION OF MARINE PILOTAGE AND IN THE INVESTIGATION OF MARINE ACCIDENTS. THE COORDINATOR SHALL SUBMIT A REPORT ON ESTABLISHED ACCIDENT INVESTIGATION PROCEDURES AND RECOMMEND LEGISLATIVE CHANGES TO THE LEGISLATURE AT THE BEGINNING OF SESSION NEXT YEAR.

#### DEPUTY MARINE PILOTS LICENSE -

DEPUTY MARINE PILOT LICENSING REQUIREMENTS AND TRAINING ARE ESTABLISHED IN THIS LEGISLATION. REQUIREMENTS INCLUDE U.S. CITIZENSHIP, ORAL AND WRITTEN EXAMINATION, EXTENSIVE EXPERIENCE AND POSSESSION OF AN ENDORSEMENT OF FIRST CLASS PILOTAGE ON THEIR USCG LICENSE.

#### MARINE PILOT LICENSE -

THE LEGISLATION MAKES PROVISION FOR THE ISSUANCE OF A MARINE PILOT LICENSE THAT REQUIRES CITIZENSHIP, EXAMINATIONS, THREE YEARS OF EXPERIENCE AS A DEPUTY PILOT AND ADDITIONAL REQUIREMENTS. THE PRIMARY DUTY OF THE PILOT IS TO SAFELY NAVIGATE VESSELS UNDER THEIR DIRECTION AND CONTROL AND TO PROTECT LIFE PROPERTY AND THE MARINE ENVIRONMENT. THE PILOT IS REQUIRED TO REPORT ALL VIOLATIONS OF STATE OR FEDERAL PILOTAGE LAWS TO THE APPROPRIATE AUTHORITY. USE OF LICENSED PILOTS IS MANDATORY ON VESSELS SUBJECT TO THE CHAPTER WHICH ARE NAVIGATING THE INLAND OR COASTAL WATER OF OR ADJACENT TO THE STATE. PILOTS MAY BE

HB

206

FAX #907-349-6438

TELECOPY TRANSMITTAL COVER SHEET

DATE: 19 MARCH 1991  
TO: HOUSE LABOR AND COMMERCE COMMITTEE  
FAX # 907-465-2294  
ATTN: REPRESENTATIVE DAVE CHOQUETTE  
FROM: BILL DUDLEY- ASBC (*Alaska Small Business Conference*)

NUMBER OF PAGES TO FOLLOW: ONE

MESSAGE: REVIEW COMMENTS REQUESTED ON HB #206

HOUSE BILL NO. 206

ALL ASPECTS OF THIS BILL APPEAR TO IMPROVE AIDEA'S  
AUTHORITY TO ASSIST ALASKAN SMALL BUSINESSES.

HOWEVER, TO MY KNOWLEDGE AIDEA HAS NOT BEEN AN ACTIVE  
SUPPORTER OF ALASKAN SMALL BUSINESS FIRMS. IT WOULD BE  
INTERESTING TO KNOW JUST HOW MANY LOANS AIDEA HAS MADE TO  
ALASKA SMALL BUSINESS FIRMS IN AMOUNTS OF \$100,000 OR LESS  
IN THE PAST FIVE YEARS. I BELIEVE NONE.

SUGGESTED IMPROVEMENT TO HB 206 WOULD BE TO INCREASE THE  
\$50,000 to \$100,000 UNDER THE 80% LOAN GUARANTEE.



KENAI PENINSULA BOROUGH

ECONOMIC  
DEVELOPMENT  
DISTRICT, INC.

March 19, 1991

To: House Labor and Commerce Committee  
From: Mike Tagliavento, Executive Director, Kenai Peninsula  
Borough Economic Development District  
RE: HB 206, Act Revising Loan Authority of AIDEA

Our organization is working very closely with local entrepreneurs to create employment through the retention, expansion and creation of small businesses. I applaud the efforts of this bill's sponsors to find creative ways to overcome the problems small businesses are having in accessing capital.

AIDEA has the potential of contributing to the capital needs of small businesses to a greater extent than it has in the past. HB 206 provides new options for AIDEA in this regard, and I would urge your support.

MBT/ss

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2500

April 15, 1991

*Red.*  
*bee file*  
*#B 206*

Mr. Bruce Kendall  
Legislative Liaison  
Office of the Governor  
P.O. Box A  
Juneau, AK 99811-0101

Dear Bruce,

Regarding our meeting today concerning Hydrocarb, I believe we have firmed up everything as follows:

- (1) We will be supportive of the legislative action to extend the cap for AIDEA to \$15 million.
- (2) It is our understanding that the request is for a loan, not a grant, and that all of the funding is in place for an appropriate assessment of a good faith capability on the part of AIDEA when the proposal comes before them on whose board I serve.
- (3) We are agreed that we will have consultation before any final agreement regarding the possibility of some share in whatever profits might come from the technology and the demonstration development here in Alaska to the state for its early support and initiative.
- (4) We are agreed that this should not be conceived narrowly as a pure research indoor demonstration project but should be linked to a wider service function even in the early stages of its development.

I hope very much that this will go well, as the prospect of cleaning up coal and rendering it more comprehensively relevant without environmental pollution is one of the critical tasks of our world and our time.

Cordially,



Glenn A. Olds  
Commissioner