

Minutes January 24, 2008

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun regular meeting was held in the Board of Pilot Commissioners office, Pier 9 Suite 102, San Francisco, Ca commencing at 9:30 a.m. on Thursday January 24, 2008, Commissioner Miller presiding. A quorum was present including Commissioners Johnston, Osen, Soares, Tate, Wagner and Wainwright. Also present were SFBP Acting Port Agent Captain Hurt, Board Counsel Paetzold, Executive Director Moloney and Secretary Alice Evans.

Commissioner Miller welcomed and introduced Commissioner RAdm Frank Johnston. Commissioner Johnston gave an overview of his vast maritime experience and said he is looking forward to working with the Board to help preserve the Board's mission to ensure safe pilotage in the Bays of San Francisco, San Pablo, Suisun and tributaries.

Request approval of Minutes of the December 13, 2007 regular Board meeting. The minutes were unanimously approved.

Correspondence and Activities since the December meeting -- Executive Director Moloney said there is no correspondence to report.

Other Pilot Matters -- Executive Director Moloney

1. The Board issued license renewals to SFBP Captains Anderson, Carlier, Carlson, Coppo, Gates, Kelso, Maclachlan, McIsaac, Ridens, Robinson, L. Teague, and S. Teague during the month of January 2008.
2. The Board received manpower reports and statements for Pilotage fees and surcharges collected from SFBP through November and Inland Pilot Captain Slough through December 2007.

Port Agent's Report -- SFBP Acting Port Agent Captain Hurt

1. NFFD: Captain Simenstad is out with a shoulder injury since 12/19/07 and his return date is unknown; Captain Atthowe is out with a back injury since 1/9/08 and is expected to return to duty 1/25/08 Captain F. Hoburg is out with pneumonia since 1/7/08 and is expected to return to duty 1/30/08; Captain M. Hoburg is out with an illness since 1/22/08 and his return date is unknown.
2. Heavy Weather: On January 4, 2008 high winds and strong ebb current forced the port agent to close the bar for five hours resulting in two arrivals being delayed approximately one hour. There were three sailings delayed by the on-board pilots. One vessel dragged out of Anchorage 9 and had to be re-anchored.

3. Pilot Vessels: P/V GOLDEN GATE - unplanned maintenance 12/4 and 12/5/07 for cylinder head replacement on the stbd generator and again on 1/6 - 1/18/08 on stbd main engine failure due to faulty parts. All of the work will be warranty.

Ongoing projects: Life Extension Modifications to P/V GOLDEN GATE - this project is on schedule to begin March 31, 2008

New Build: The RFP's are scheduled to be delivered within the next two weeks. Construction is still planned to begin in June of 2008 and delivery May/June 2009.

3. MRP - 14 total in December: December 24 and 26 had the highest number of exceptions with 5 on the 24th and 4 on the 26th. There were a number of pilots off the board each day including 2 NFFD and 1 on Administrative leave. The minimum rest period was 7.9 hours.

MRP - 7 total to date for January 2008: January 16 -- 3 and January 19 -- 4; the minimum rest period was 7.2 hours.

4. Short roster: Currently the SFBP are working with 53 pilots, less those NFFD. On December 31, 2007 six pilots retired and only one new pilot was appointed. One pilot's license has been suspended. One pilot is on administrative leave.

5. Vessel Moves compared to 3-year average:

Bar Crossings 7,240	+5.5%
Bay Moves 1,672	+0.5%
River Moves 384	-6.3%
Total Moves 9,296	+4.0%

Compared to 2006

Bar Crossings	-1.7%
Bay Moves	-17.0%
River Moves	-9.7%
Total Moves	-5.2%
GRT	-1.2%

In general bulkers and passenger vessel calls were down, tanker and container vessel calls flat and car carrier calls were up.

Commissioner Miller inquired on how the pilots were dealing with the decrease in the number of pilots. Captain Hurt said various areas were evaluated to minimize SFBP participation in administrative activities and reschedule training dates to remain flexible.

Unfinished Business

1. Board office lease -- Executive Director Moloney reported that he and Commissioner Miller held a conference call with Sacramento Real Estate office. The Real Estate office is currently working with Signature to secure a 3-year lease for the current space. The process is taking

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longer than anticipated but it is moving forward. Commissioner Osen inquired about State office space. It was noted that other spaces were considered, but none matches the current location's convenience for the public, Board members and pilots. Historically in 1950 the office was located in a State building the Civic Center. It was determined at that time to move to the waterfront, where it has been ever since.

2. Open Incidents -- Executive Director Moloney

- a. M/V COSCO BUSAN, allision Bay Bridge, November 7, 2007, SFBP Captain John Cota - report on status of scheduling hearing -- Executive Director Moloney reported that an ALJ has been assigned and that the hearing is currently scheduled for April 28, 2008. A pre-hearing conference between counsel and the administrative judge is scheduled for January 25, 2008 in Oakland and that it is not open to the public.

Commissioner Miller reported that he has appointed Commissioner Johnston to chair the Incident Review Committee to fill the vacancy left by departing Commissioner Lundeberg. Commissioner Miller will act as the public member of the IRC for any remaining role that the IRC has with regard to that incident to avoid disqualifying Commissioner Johnston from hearing the case involving the COSCO BUSAN.

3. Pilot Ladder reportable incidents -- Executive Director Moloney said there is no report.

4. Rules and Regulations Committee -- Commissioner Wainwright reported on the status of the Pension Regulation Rulemaking, proposed Section 238. He noted that, though the SFBP was generally satisfied, there remained unresolved issues, in particular the relationship between service and licensure, fiscal analysis and the relationship of the proposed regulations to existing pensions. Commissioner Wainwright recommended that formal rulemaking not continue until these issues can be addressed and hopefully resolved.

Commissioner Miller thanked Commissioner Wainwright for his report and noted that action by the Board is not required at this time.

Commissioner Miller noted that Board staff sent the RFO Request for Offer to six actuarial qualified small businesses for quotes. The quotes are due by February 28, 2008.

5. Finance Committee -- Commissioner Osen reported on January 24, 2008 Committee meeting; possible recommendations to increase Board operations surcharge to meet anticipated increased expenses; **possible Board action re same**

Commissioner Osen reported that the Committee met today and will re-convene after today's Board meeting to continue its review of the various agenda items including possible recommendations to increase Board operations surcharge, to meet anticipated increased expenses due to the COSCO BUSAN incident.

6. Pilot Training Curriculum Committee -- Commissioner Wagner said there is no report.

7. Pilot Evaluation Committee -- Capt. Roberts -- report on January 23, 2008 meeting

Acting Port Agent Captain Hurt gave the following report:

On December 31st, 2007 the PEC held a new Pilot trainee orientation for 3 new Trainees. Welcomed aboard were Capt's Drew Aune, Thom Evans, and Don Cloes. They began training on January 1st 2008.

Pilot Trainee Status: The Pilot Evaluation Committee met on January 23, 2008, @ 0930. All 13 trainees were interviewed individually, their trip cards examined, and their progress with all elements of the program monitored. In addition to the 3 new trainees mentioned above, the trainees range in time in the program from (3) at 6 months, (3) at 9 months, and (4) at 1 year. All continue their progress satisfactorily, and at their own speed. There are no recommendations at this time.

8. Pilot Power Committee -- Commissioner Wagner reported that a retirement survey was sent with return dated of February 8, 2008. It is anticipated that a Committee meeting will be held before the next Board meeting.

9. Pension Committee -- Commissioners Miller/Tate -- Report on status of requests for offer/proposals by third party contractors to provide fiduciary services, for actuarial study and for audit; **possible Board action re same**

Commissioner Miller reported that Board staff is in the process of drafting a contract with the selected fiduciary, Ghirardo, CPA, a Bay Area firm. This is the result of a Request for Bid sent out by Department of Consumer Affairs to qualified small businesses.

10. Vessel Interactions -- Executive Director Moloney

a. M/V SITEAM ANATAS, possible vessel interaction at Bay Bulk Pittsburg, September 2, 2007, SFBP Captain Ken O'Laughlin

Captain Moloney distributed copies of the Findings of Facts and gave the following report:

Commissioners Soares and Osen expressed their concerns that this incident could have resulted in more serious consequences and felt that additional or corroborating information should be obtained if still available. Discussion continued regarding amount of time to review the Findings of Fact (past and present procedures), investigator's procedure to obtain information from the vessel and VTS and circumstances under which vessel information is withheld or difficult to obtain. The Commissioners discussed various reasons that the terminal continued loading knowing that the M/V SITEAM ANATAS was approaching.

It was moved and seconded to return the report to the IRC to attempt to obtain more information regarding ship location and speed. Commissioner Miller asked for comments from the public and discussion. There were no comments from the public and no further discussion. The motion passed unanimously.

One member of the public, former Board member SFBP Captain Thomas (ret.), commented that under current regulations, the IRC report can be returned to the IRC for further information or additional time can be requested by any Board member before voting on a motion to accept the report.

11. Pilot Security -- Commissioner Miller reported that this item is on the agenda as a placeholder and that Commissioner Johnston will report in the future.
12. Pilot Identification Cards -- Executive Director Moloney -- status of federal proposal for Transportation Worker Identification Credential (TWIC), obtaining a more substantial Pilot I.D. card. Executive Director deferred to Commissioner Osen who gave an overview of the process to obtain the TWIC as he had just completed and obtained his TWIC.
13. Ad Hoc Committee on Pilot Safety -- Commissioner Soares said there is no report. Commissioner Miller distributed copies of "The Officer" regarding an article on "Bird Flu" and its implications for pilot safety, given pilots' contact with foreign crews. It was noted that the SFBP had been in contact with CDC and were given precautions to take and that the SFBP practice these precautions.
14. Pilot Vessel Advisory Committee -- Captain Figari -- Acting Port Agent Hurt said there is no report.
15. UPRR Bridge -- Executive Director said there is no report.
16. Ad Hoc Advisory Committee on Pilot Selection -- Commissioner Tate report on January 15, 2008 Committee meeting -- Commissioner Tate reported that the Committee met January 15, 2008 and continued the fact finding work including survey of other ports and how pilot selection and training is done; reviewed demographic data from other ports; and review of SFBP scholarship and recruiting effects. The Committee plans to write an interim report with possible action items to be presented to the Commission at its March meeting.
17. Navigation and Technology Committee -- Commissioner Frank Johnston reported that Captains Schisler and Hill and SFBP Captain Gabe will be on the Committee and a meeting will be scheduled in early February.

Navigation Technology Committee Mission Statement:

Under the direction of the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, a standing navigation technology committee is established. The purpose of this committee is to investigate the different types of navigation systems generally found on ships calling on the San Francisco Bay Area and the sufficiency of pilot training in the use of such systems; and to evaluate lap top computers, GPS units and other portable electronic chart systems that can be brought aboard ships by pilots to assist in navigation.

This mandate includes, but is not limited to, the evaluation of such portable equipment's availability, reliability and cost, compatibility with shipboard navigation systems and power sources, related safety issues (in recognition that pilots must carry such equipment when embarking and disembarking ships in open ocean conditions) and legal liability issues.

The committee shall develop recommendations to enhance the ability of pilots licensed by the Board to safely navigate ships with an emphasis on the proper and timely use of navigation technology.

The committee shall establish a dialogue with the Harbor Safety Committee of the San Francisco Bay region and its cognizant subcommittees in the exchange of relevant information.

The committee will meet as necessary as directed by the committee chair. Meetings will be open to the public. Notices and agendas of the meetings will be posted on the Board's web site, www.pilotcommission.org. Public comments will be solicited and are encouraged.

A preliminary report including any recommendations warranted by the committee's findings shall be made to the Board not later than June 1, 2008.

Commissioner Miller called for a 10-minute break - the meeting resumed at 11:30 a.m.
New Business

1. M/V BU YOUNG, pilot suffered undetermined physical ailment, January 22, 2008 -- Executive Director Moloney reported that SFBP experienced symptoms requiring medical treatment and is currently being medically evaluated.
2. Election of officers pursuant to Sections 206 and 207 - President, Vice President

Commissioner Miller noted that the term of office for president and vice president is one year. Commissioner Miller moved and it was seconded to appoint Commissioner Tate as Vice President. Commissioner Miller asked for comments from the public and discussion. There were no comments and no discussion. The motion passed unanimously.

It was moved and seconded to re-elect Commissioner Miller as President. Commissioner Miller asked for comments from the public and discussion. There were no comments and no discussion. The motion passed unanimously.

Commissioner Miller thanked the Board for their support and confidence and welcomed Commissioner Tate as Vice President.

3. Authorize Board President and/or Executive Director to amend contracts for legal services with Emard Danoff Port Tamulski & Paetzold LLP and Farbstein & Blackman, APC for FY 07/08. The amendments are due to the increased legal expenses for the investigation of the M/V COSCO BUSAN, allision Bay Bridge, November 7, 2007, upcoming administrative and

legislative hearings and additional legal expenses incurred by the Board to address issues raised by incident and related state and federal inquiries.

Commissioner Miller and Board Counsel Paetzold gave an overview of the current and new committees, upcoming administrative and legislative hearings and additional legal expenses incurred by the Board to address issues raised by COSCO BUSAN incident and related state and federal inquiries and the amounts needed to increase the legal contracts by amounts not to exceed \$275,000 and \$100,000 respectively to ensure the Board's continued representation for such legal matters.

It was moved and seconded to authorize Board President and/or Executive Director to take all necessary steps to amend contracts for legal services for FY 07/08 due to the increased legal expenses for the investigation of the M/V COSCO BUSAN, allision Bay Bridge, November 7, 2007, upcoming administrative and legislative hearings and additional legal expenses that may be incurred by the Board to address issues raised by incident and related state and federal inquiries as follows: Emard Danoff Port Tamulski & Paetzold LLP in the amount not to exceed \$275,000 and Farbstein & Blackman, APC in the amount not to exceed \$100,000.00. Commissioner Miller asked for comments from the public and discussion. There was discussion regarding various agencies that may be involved to recover expenses related to the COSCO BUSAN incident and that may include the Board and the importance of distinguishing between COSCO BUSAN - related expenses and normal Board legal expenses. There were no further comments or discussion. The motion passed unanimously.

4. M/V GOLDEN DREAM, allision with Sacramento Berth 2, December 20, 2007 -- Executive Director said the incident continues to be investigated.
5. Public Comment on matters not on the agenda

Commissioner Miller noted that in the aftermath of the COSCO BUSAN November 11, 2007 the Commission staff and counsel have done very well to keep the public and press advised of circumstances as they developed.

Commissioner Miller noted that an annual report would be informative to the public, press and legislation. This report will include what the Board is doing regarding current issues and COSCO BUSAN incident.

Commissioner Miller reported that the Board is required to give performance review of the Executive Director that a review of service providers will be undertaken. Commissioner Tate, who has vast Human Resource experience, will act as advisor. These items will be addressed by June 1, 2008.

6. Proposals for additions to next month's agenda

Commissioner Osen noted a discrepancy of the pilot ladder boarding arrangements in the SFBP tide book and Chevron's pilot ladder boarding arrangements. He noted that there have been several pilot ladder deficiency reports submitted to the USCG. Commissioner Miller responded that this would be an item for the IRC to review and place on the agenda.

Commissioner noted that Gunnar Lundeborg's term ended 12/31/07. He served on the Commission for eight years and was Chair if the IRC and participated in various committees and served as Vice President; his maritime knowledge was an important asset to the Commission. Commissioner Miller, on behalf of the Board and himself, extended a well-deserved thank you to Gunnar Lundeborg and would extend this thank you to him personally at a later time.

Schedule next meeting -- the next Board meeting is scheduled for 9:30 a.m. February 28, 2008 in the Board office, Pier 9, Suite 102, San Francisco, CA.

Adjournment -- the meeting was adjourned at 12 noon.

Respectfully submitted,

Alice A. Evans
Secretary