



SAN FRANCISCO BAR PILOTS ASSOCIATION

Pier 9 East End
San Francisco, CA 94111

BOPC RECEIVED
10/2/2020

October 1, 2020

Commissioner Dave Connolly
President, California Board of Pilot Commissioners

Subject: Necessity Determination for Replacement of Pilot Vessel GOLDEN GATE

Dear Commissioner Connolly,

Please accept this letter and supporting documentation as SFBP's request for a necessity determination to replace the PV Golden Gate under CCR Title 7 Division 2 236.1 (d).

As you are aware the PV GOLDEN GATE was delivered in 1993 and currently serves as our 24/7 high speed run boat. She is a critical operational component of the San Francisco Bay pilotage system infrastructure and, for 27 years, the PV GOLDEN GATE has operated at a continuous high tempo making pilot transfers inside the bay as well as to and from the offshore pilot station.

In 2007, after BOPC review and approval, service life extension modifications were performed to extend the vessel's life to a total of 25 to 30 years. The service life extension modifications have performed as anticipated and the vessel is well within her end of service life range of 2018 – 2023. In recent years, due to her age, shipyard and maintenance periods have increased in length requiring the vessel to be out of service for excessive periods of time. This impacts normal, efficient, and timely pilot boardings on ships calling in our ports. It is now time to begin the authorization process to commission a new high speed run boat.

For your review, submitted is a Condition and Valuation Survey / Appraisal Report performed on 09/21/2020 denoting the condition of the vessel and her effective age of 27 years. Please note the following:

Notes from Appraisal:

Item H. The subject vessel has undergone extensive work in the past 4 years including deck, shell plate and fuel and ballast tanks being cropped and renewed, ballast tank piping and sea valve replacement, stern tube replacement, engine and gearbox rebuilding, generator replacement, tailshaft and propeller replacement and electrical ground fault repairs. Normally these types of repairs could affect the vessel's effective age in relation to the cost approach calculations. However, in this case the repairs were necessary just to keep the vessel running so that it could continue to operate until a new replacement vessel is constructed and available.

Of particular importance, regardless that condition warrants replacement, the vessel will be out of emissions compliance in 2024 because of new proposed California Air Resource Board engine requirements for in-service vessels (Reg Order: Amendments to the Regulation to Reduce Emissions from Diesel Engines on Commercial Harbor Craft p.67). Items E. and F. of the notes from appraisal on the 9/21/20 C&V survey also reflect this issue.

On the PV GOLDEN GATE there is not adequate space on board the vessel to house OEM Tier 4 equipment or to retrofit aftertreatment equipment (Evaluation of the Feasibility and Costs of Installing Tier 4 Engines and Retrofit Exhaust Aftertreatment on In-Use Commercial Harbor Craft p.112) Furthermore, even if the vessel were able to accommodate such equipment, the cost is estimated to be \$1.38M (p.118 Table 84) and would be difficult to justify given the age and overall condition of the vessel. Item G of the notes from appraisal on the 9/21/20 C&V Survey address this issue as well.

SFBP has done extensive research over the last few years and is in the final stages of preparing analysis, replacement vessel design, cost proposals and project timeline for submission to the Board for preliminary authorization to recover costs. The timeline to finalize design, BOPC review/authorization, arrange financing and complete construction is estimated to be 2 years. We, therefore, respectfully request that the Board make the determination that a new pilot run boat is necessary. Any interested parties are welcome to arrange for a tour of the vessel, and, we remain, as always, available to answer any questions or provide additional information.

Respectfully submitted,

Capt. Joseph Long
Port Agent

Attachments:

1. Condition and Valuation Survey / Appraisal Report. (20052_C&V.pdf)
2. Appraisal Certification (20052_APPRAISAL_CERTIFICATION.pdf)
3. Reg Order: Amendments to the Regulation to Reduce Emissions from Diesel Engines on Commercial Harbor Craft (draftreglanguage09302020.pdf)
4. Evaluation of the Feasibility and Costs of Installing Tier 4 Engines and Retrofit Exhaust Aftertreatment on In-Use Commercial Harbor Craft (cmafeasibilityreport09302019.pdf)