

<p>Meeting Date: August 26, 2021</p>	<p>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</p> <p>BOARD MEETING MINUTES</p>	<p>Page 1 of 16</p>
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Board Members Present

Joanne Hayes-White, President, Public Member
Jennifer Ferrera Schmid, Vice President, Public Member
Captain Robert Carr, Pilot Member
Captain Einar Nyborg, Pilot Member
Karen Tynan, Public Member
Captain Oscar Prada, Tanker Company Industry Member
Avital Barnea, Designee of the Secretary of the California State Transportation Agency (CalSTA)

Board Members Absent

Vacant, Dry Cargo Industry Member

Board Staff Present

Allen Garfinkle, Executive Director
Dennis Eagan, Board Counsel
Alethea Wong, Administrative Assistant II

Identified Public Present

Captain John Carlier, San Francisco Bar Pilots (SFBP) President and Port Agent; Captain Anne McIntyre, SFBP Business Director; Captain Zachary Kellerman, SFBP; Mike Jacob, Pacific Merchant Shipping Association (PMSA) Vice President and General Counsel; and John Schneider, Marathon Petroleum.

OPEN MEETING AGENDA

1. Call to Order and Roll Call (President Hayes-White)

President Hayes-White called the meeting to order at 9:30 a.m. Administrative Assistant II Wong called the roll and confirmed a quorum.

President Hayes-White noted that Commissioner Carr is present but is encountering technical difficulties.

2. Review and approval of Board meeting minutes (President Hayes-White)

Board action to approve the minutes from the Board meeting held on July 22, 2021.

Board members were presented with the draft minutes from the July 22, 2021, meeting. Executive Director Garfinkle reported that Board Counsel Eagan requested non-substantive edits to the minutes. There was no further discussion.

MOTION: Vice President Schmid moved to approve the draft minutes of the meeting held on July 22, 2021, as amended. Commissioner Nyborg seconded the motion.

VOTE: YES: Hayes-White, Schmid, Carr, Nyborg, and Tynan.
NO: None.

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ABSTAIN: Prada.

ACTION: The motion was approved.

3. Public comment on matters on the agenda or not on the agenda.

There were no public comments.

4. President Announcements and Activities (President Hayes-White)

President Hayes-White announced that there was a request to move agenda item 12 to after agenda item 7.

President Hayes-White reported that she was on a trip and was unable to attend several committee meetings that were scheduled since the July Board meeting.

President Hayes-White noted that the Board had previously discussed possibly meeting in person during the fall but due to the COVID-19 variants, it may be better to wait until later, and to continue with the Webex meetings at this time. Commissioners Nyborg, Tynan, and Prada agreed.

5. Board Member Announcements and Activities (Board Members)

There were no announcements.

6. Director's Report (Executive Director Garfinkle)

A) Correspondence and activities since the Board meeting held on July 22, 2021.

Executive Director Garfinkle reported on the following:

- On July 27, 2021, he issued a subpoena to Michael Andrews of Everport Terminal in the Port of Oakland, for documents related to the incident involving the THALASSA AVRA on May 21, 2020.
- On July 30, 2021, he received a letter from the Department of Resources Recycling and Recover (CalRecycle) that the BOPC complied with the recycling content purchase requirements for the Fiscal Year 2019 – 2020.
- On July 30, 2021, he went to the California State University Maritime Academy to preview the progress of the simulation for the Pilot Trainee Training Program Selection Examination. Staff Services Manager I (SSM I) Pugh, retired SFBP pilot Captain Dave Gates, retired Long Beach Pilot Captain Vic Schisler, and several members from the Pilot Evaluation Committee attended the meeting. The attendees viewed a newly created geographic area and a new simulator exam scenario. SSM I Pugh drove her first ship through the scenario, and did a great job with some mild coaching.
- On August 2, 2021, he received a response email from the next candidate from the 2019 Pilot Trainee Training Program Selection Examination candidate. The candidate is currently working on a ship until mid-September. Board staff will try to have the candidate enter the Pilot Trainee Training Program as soon as possible.

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- Also, on August 2, 2021, he invited the next candidate from the 2019 Pilot Trainee Training Program Selection Examination to join the Pilot Trainee Training Program.
- On August 3, 2021, he attended a virtual meeting of the Ad Hoc Committee on Pilot Diversity.
- On August 4, 2021, he attended a virtual meeting of the Ad Hoc Committee to Review the Pilotage Rate-Setting Process.
- On August 5, 2021, he received an email from Sunshine Duffy, California Department of Human Resources (CalHR), who is the Board’s contact for the Pilot Trainee Training Program Selection Examination preparation. She reported that her legal team is reviewing the interview portion of the Pilot Trainee Training Program Selection Examination prior to submitting a cost proposal that will include the interview. At this time, CalHR has a signed cost proposal that does not include the interview process, but will enable them to start work on the Pilot Trainee Training Program Selection Examination.
- Also, on August 5, 2021, Ms. Duffy referred him to CalHR’s Chief Psychologist to explore the concept of adding a psychological element to the medical assessment to be conducted prior to a candidate entering the Pilot Trainee Training Program. The discussions are preliminary, and the assessment may be similar to the Peace Officer Standards and Training’s (P.O.S.T.) psychological test.
- On August 9, 2021, he received a response from the next candidate from the 2019 Pilot Trainee Training Program Selection Examination, who accepted the invitation to join the Pilot Trainee Training Program.
- On August 17, 2021, he attended a virtual meeting of the Ad Hoc Committee on Pilot Diversity.
- Also, on August 17, 2021, he received an email from Commissioner Nyborg requesting that he inquire of the University of California of San Francisco (UCSF) why a particular medical assessment caused 22 days of lost pilot time while waiting for the Medical Review Officer’s signature. Commissioner Nyborg also requested that Board staff consider developing a spreadsheet to track and report to determine how long UCSF is taking to respond regarding pilots who are NFFD over the last 18 months. This type of reporting would assist the Board in understanding the extent of the issue and help find a solution, as delays in returning pilots to work affect pilot fatigue and safety.
- On August 18, 2021, he attended a funeral for Art Thanash, a long-standing member of the Sailors Union of the Pacific (SUP). Many mariners who sailed on SUP ships, and those who volunteered on the JEREMIAH O’BRIEN, will remember Art as a fine Bosun and shipmate.
- On August 18, 2021, Board staff received an electronic copy of the San Francisco Bar Pilots Newsletter, which mentioned Assembly Bill 807; introduced Captain McIntyre; had a section on Oakland’s new giant cranes; and discussed the recent-supply chain challenges.
- On August 19, 2021, Board staff received the PMSA *West Coast Trade Report*, which reported on the trade numbers and included a Jock O’Connell’s article titled “Where’s the Juice?” about the impending power-grid shortfalls associated with the growing mandates to electrify.
- On August 20, 2021, he participated in a phone interview with Michael Andrews of Everport Terminal, in response to the subpoena issued in support of the investigation of

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the THALASSA AVRA incident on May 21, 2020.

- Also, on August 20, 2021, he attended a virtual meeting of the Finance Committee.
- On August 24, 2021, Board staff received a *Journal of Commerce* article about the possible impacts of West Coast longshore labor negotiations.

B) Report on pilot licensing matters since the Board meeting held on July 22, 2021.

Executive Director Garfinkle reported that since the July Board meeting, the Board renewed the licenses of Captains Laakso and Starnitzky.

C) Report on Board surcharges.

Executive Director Garfinkle reported that the SFBP wired to the Board the surcharges collected in July 2021 in the amount of \$240,693.92, itemized as follows:

- Board Operations Surcharge: \$131,953.92
- Continuing Education Surcharge: \$ 29,930.00
- Pilot Trainee Surcharge: \$ 78,810.00

D) Report on outstanding requirements of Board actions in response to Board determination and direction on Incident Review Committee reports.

Executive Director Garfinkle reported that there were no outstanding items to report.

E) Report on legislative activities and contractual matters.

Executive Director Garfinkle reported that on August 24, 2021, Assembly Bill 807, authored by Grayson, was sent to the Consent Calendar for a floor vote in the Senate.

Executive Director Garfinkle reported the following on contractual matters:

- The current manned model contract ends on June 30, 2022. A non-competitive bid contract justification is being developed for a sole-source contract with the current vendor. As a contingency, the California Highway Patrol (CHP) and Board staff will continue to work on the request for proposals, which will go out to all vendors for response.
- The amendment to the current San Francisco Bar Pilots contract requires justification for non-competitive bid (NCB) per the attorneys at the Department of General Services, the NCB justification is currently being reviewed by CHP.
- A new interagency agreement with the Regents of the University of California for continued pilot and trainee medical assessments from physicians at the UCSF campus is still under review by UCSF staff.
- Two contracts (FedEx 11/2021 and Citibank 10/2021) will expire this year and Board staff have submitted requests for new contracts.

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7. Port Agent’s Report (Port Agent Carlier)

A) Monthly report on San Francisco Bar Pilots (SFBP) pilot availability and absences.

Acting Port Agent Kellerman reported that the following pilots were absent for medical reasons (AFMR):

- Captain Kasper – June 11, 2020
- Captain McCloy – April 20, 2021
- Captain Pyne Mercier – April 25, 2021
- Captain Alden – April 30, 2021
- Captain Haggerty – June 14, 2021

Executive Director Garfinkle reported that Captains Pyne Mercier and Haggerty have returned to work.

Acting Port Agent Kellerman reported that the SFBP continually monitors the dispatch list for possible 12-hour minimum rest period (MRP) exceptions. For any potential exception that is likely to result in a rest period of less than 10 hours, SFBP will ensure that mitigating measures are enacted. He reported that mitigating measures include, but are not limited to, suspending continuing professional development protocols, canceling scheduled meetings, canceling previously granted compensated time off requests, suspending SFBP internal working rules, and calling in off-watch pilots.

He reported that there are currently 53 licensed pilots. There were 22 MRP exceptions in July, and the shortest rest period was 10 hours.

B) Monthly report on SFBP ship piloting business activity.

For the month of June 2021, Acting Port Agent Kellerman reported normal operations for P/V CALIFORNIA, P/V PITTSBURG, P/V DRAKE, and P/V GOLDEN GATE. P/V SAN FRANCISCO was not in service on June 22, 2021, due to topside paint and generator rebuilds.

Acting Port Agent Kellerman reported that the billed vessel moves for June 2021 were as follows:

- Bay Crossings: 435 moves
- Bay Moves: 139 moves
- River Moves: 66 moves
- Total Moves: 640 moves

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- Gross Registered Tons (GRT): 22.1 million

He also reported that when comparing 2021 year-to-date vessel move data with the same period in 2020, total moves were down 1.8% and GRT was down 16.3%.

C) Monthly confidential written report of SFBP pilots who have been absent for medical reasons (AFMR). The Board may go into closed session to discuss contents of the Port Agent’s confidential report as authorized by Harbors and Navigation Code § 1157.1.

Port Agent Kellerman clarified for Commissioner Prada that pilots can be absent for any illness and after a year of absence, the pilot will not receive pay. He also added that when a pilot has been off from work for a duration of time (after 90 days and 180 days), the pilot is required to review routes and go on re-familiarization trips. Executive Director Garfinkle added that the statutes specify that pilots cannot renew their pilot license if the pilot has not sailed within the past year and the only exceptions are when the pilot is acting as the Port Agent, or when the pilot is absent for medical reasons. There was no closed session discussion of this item.

12. Ad Hoc Committee on Pilot Diversity Meeting (Committee Chair Schmid)

A) Report on the Ad Hoc Committee on Pilot Diversity meetings held on August 3, 2021, and August 17, 2021.

Committee Chair Schmid reported that the Committee met on August 3, 2021, and on August 17, 2021. She thanked the Committee and Board staff for being able to meet twice within the month, to clarify several minimum criteria changes in a timely manner. The Committee consists of Commissioners Schmid, Prada, Carr, and Tynan. She expects that the Committee will be successful in enhancing the diversity of the pilot candidate pool.

B) Discussion of a committee mission statement. Possible Board action to accept the committee mission statement.

Committee Chair Schmid reported that the Committee wanted to establish a mission statement, but a written version was not available during the Committee meetings. She notes that the Committee members reached verbal agreement on the mission statement, but have not officially voted, and this item is pending.

The following is a draft of the Committee’s mission statement:

The Ad Hoc Committee on Pilot Diversity is convened to review and evaluate training candidate eligibility and testing requirements and determine if changes in requirements

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might serve to broaden the diversity of the candidate pool while still maintaining experience requirements necessary for success in the training program.

C) Discussion of methods available to the Board to increase diversity in the Pilot Trainee Training candidate pool. Possible Board action to approve recommendations for regulatory policy changes that may increase diversity of the Pilot Trainee Training candidate pool.

Committee Chair Schmid reported that Board staff prepared a staff report that contains the Committee’s discussion of the four specific criteria changes to the Pilot Trainee Training Selection Examination Regulations, and one process addition, which were addressed in SFBP’s June 17, 2021, proposal of recommended changes to the pilot trainee candidate requirements.

Criteria 1: That in addition to the minimum eligibility requirement for “one year in command of a self-propelled vessel in navigation of not less than 1600 gross tons,” we add an opportunity for a candidate to qualify by demonstrating “two years sailing in the capacity of Chief Mate of vessels not less than 1600 gross tons and holds an Unlimited Masters License.”

Commissioner Prada suggested to not use “while holding”. Commissioner Nyborg clarified that for an applicant to be eligible to apply, he or she must hold an Unlimited Masters License. Commissioner Carr suggested that adding more to clarify this criterion may be needed.

Criteria 2: That the Board add eligibility, currently not in regulation, for a commercial pilot in another jurisdiction to qualify for our exam. The proposal is as follows: 365 working days as a full-time commercial pilot, not a member of the crew, directing and controlling the movement of vessels of not less than 1600 gross tons in waters in which a pilot is required by state, federal or foreign law and holds, at minimum, a 1600-ton Masters License.

Committee Chair Schmid noted that this criterion is currently not in regulation.

Criteria 3 (and 4): That the eligibility for towing experience be relaxed from the current standard – “while holding, at minimum, a current, valid federal license as master of vessels of not more than 1600 gross tons, two years in command of either (1) a towing vessel of not less than 99 gross tons engaged in ship assist or in bay or ocean towing, or (2) a towing vessel of less than 99 gross tons in which the combined gross tonnage of the towing vessel and the vessel(s) towed is not less than 1600 gross tons,” to “In command of a towing vessel greater than 50 gross tons engaged in ship assist, or in command of a towing vessel greater than 50 gross tons engaged in towing where the tug and tow are combined to be greater than 1600 gross tons.” This eliminates the “while holding” requirement, wherein the candidate would have to have obtained a 1600-ton master’s License prior to accumulating the two-

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years’ experience, and reduces the required tonnage of the tug to “greater than 50 tons.”

Committee Chair Schmid noted that criteria 3 and 4 are combined because they are related.

Criteria 5: Applicants who pass the written and simulator exam will be interviewed by a panel comprised of one public Board member, one industry Board member, one pilot Board member and a representative of CalHR. Interview results will account for 25% of the total score (25% written exam score, 25% simulator exam score, 25% experience score, and 25% interview score).

SFBP had suggested how much each portion would count towards the total score. The Committee suggested that CalHR should make the final decision, and also decide on the questions to ask during the interview.

Commissioner Nyborg noted that these modifications are not unusual, and the minimum criteria has changed as the generations go by. He commented that when he entered the Pilot Trainee Training Program, his exam didn’t include a simulator exam due to limitations with technology at the time. About 1994 when he applied, a 1600-ton license was required, and there was no requirement of sea time on that license. He had taken a written examination and did an oral interview containing technical questions, including but not limited to, ship handling, rules of the road, and what-if scenario situations. The interview process helped evaluate whether a candidate understood ship handling, could think on their feet, had a clear understanding of concepts for rules of the road, and how they went about being a mariner in general. He noted that reverting to including an interview in the process may allow the Board to find a more diverse pool of candidates. He understands that the inclusion of an interview may introduce some biases, but he is confident that CalHR will be able to ensure that the interviews be objective, help guide the Board, and will give proper oversight to this process.

Commissioner Tynan noted that the Board generally refers to captains as male, and wanted to remind the Board that some are female. She wanted the public to be confident in the Board’s efforts for inclusion and diversity. She thanked the Board’s leadership for their efforts to address diversity issues, and stated that she may be able to help arrange for additional trainings that address this topic.

President Hayes-White suggested the Board to move forward by making a motion to accept the Committee’s mission statement. Executive Director Garfinkle noted that the Committee members have ample time to review the mission statement, but suggested that the Board take action on agenda item 12C, which would allow Board staff to move forward with changes to the regulations. He added approval of the mission statement was not integral to the regulatory process.

MOTION: Commissioner Carr moved that the Board approve the

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recommendations of the Committee on policy changes that may increase diversity of the Pilot Trainee Training candidate pool.

Vice President Schmid seconded the motion.

VOTE: YES: Hayes-White, Carr, Nyborg, Prada, and Tynan.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

D) Discussion of Pilot Trainee Training Exam scheduling and possible modification of exam schedule to accommodate changes to the minimum eligibility requirements and exam format. Possible Board approval to modify exam schedule to accommodate regulatory changes to the minimum qualifications to sit for the Trainee Training program exam and/or possible changes to the exam format.

Committee Chair Schmid reported that the Committee is awaiting CalHR's input on the timing of the exam. The Committee decided not to make changes to the exam schedule at this time, which is tentatively scheduled for June 2022. Executive Director Garfinkle noted that there are not many options to reschedule the Pilot Trainee Training Examination due to curriculum schedule at the California State University Maritime Academy, and there are reasonable concerns why the Pilot Trainee Training Examination should not be held concurrent with classes in session. Board staff will continue to maintain open communication with the California State University Maritime Academy about a potential exam schedule change.

Vice President Schmid left the meeting at 10:17 a.m.

8. Pilot Evaluation Committee (Captain Robinson)

A) Report on the Pilot Evaluation Committee (PEC) meeting held on August 18, 2021.

PEC Chair Captain Robinson was unavailable. Port Agent Carlier reported on the following:

- The PEC met on August 18, 2021, and in attendance were Captains Aune, Ruff, Slack, Wehr, and Robinson.
- The PEC provided Executive Director Garfinkle with a report of trainee activity over the past month.
- The PEC Committee discussed the new regulation proposed by the Ad Hoc Committee on Pilot Diversity.
- Executive Director Garfinkle informed the PEC that he has contacted the next candidate from the 2019 Pilot Trainee Training Examination.
- The PEC members are tentatively scheduled to meet with Captain Gates at the California State University Maritime Academy on October 15, 2021.

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- Trainees were interviewed and individually counseled on their progress in the Pilot Trainee Training Program in closed sessions with the PEC members.
- There are currently eight trainees: Captains Adams, Barnum, Murney, Olmsted, Pascucci, Sappington, Snap, and Weber. The trainees' range of time in the program is 4 months to 23 months.
- Captains Murney and Weber were issued First-Class pilotage endorsements for unlimited tonnage on San Francisco Bay by the U.S. Coast Guard (USCG). Captain Weber was placed in the evaluation stage of the Pilot Trainee Training Program. Captain Murney is in his third month of the evaluation stage of the Pilot Trainee Training Program. Both are handling vessels as much as possible along with the occasional observation trip to watch a licensed pilot.
- Captain Adams is handling in all areas with the occasional observation trip to watch a licensed pilot.
- Captains Barnum, Olmsted, Pascucci, Sappington, and Snapp are acquiring route trips and are handling vessels in all areas where they meet the present requirements.
- All trainees are presently meeting the recommended benchmarks in the program and are progressing at their own rate.
- The next PEC meeting is scheduled for September 15, 2021, at 7:30 a.m. at the Board office.

B) Possible PEC recommendation to place one or more Pilot Trainee Training Program trainees on probation, or dismiss one or more trainees from the program. Possible Board action to place one or more Pilot Trainee Training Program trainees on probation, or dismiss one or more trainees from the program.

There was no recommendation.

C) Possible PEC recommendation as to whether a trainee has, or trainees have successfully completed the Pilot Trainee Training Program. Possible Board action whether to award a Certificate of Completion to a trainee who has completed the Pilot Trainee Training Program.

There was no recommendation.

D) Possible recommendation from the Executive Director for the Board to issue a state pilot license to a trainee who holds a Certificate of Completion from the Pilot Trainee Training Program. Possible Board action to accept a recommendation from the Executive Director that a trainee holding a Certificate of Completion from the Pilot Trainee Training Program be licensed as a state-licensed pilot.

There was no recommendation.

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**9. Reported Safety Standard Violations (Executive Director Garfinkle)
(Reported safety standard violations occurring up to the start of the meeting will be reported on.)**

Executive Director Garfinkle stated that there were no safety standard violations to report on.

**10. Incident Review Committee—Reportable Piloting Events (Executive Director Garfinkle)
(Reportable piloting events occurring up to the start of the meeting will be reported on.)**

A) Status report on the event involving an interaction between the M/V HYUNDAI NEPTUNE, the M/V HANOVER EXPRESS and the M/V THALASSA AVRA, causing the M/V THALASSA AVRA to have multiple parted lines and make contact with a container crane at Berth 37 in Oakland, California, on May 21, 2020. Possible Board action to grant the Incident Review Committee an extension to present the M/V HYUNDAI NEPTUNE and the M/V HANOVER EXPRESS report at the Board meeting to be held on September 23, 2021.

Executive Director Garfinkle reported that the Incident Review Committee (IRC) received new evidence, obtained through the Freedom of Information Act from the U.S. Coast Guard, which prompted the IRC to re-open the investigation. The IRC issued a subpoena to the Everport Terminal, where the damaged gantry crane is located, and the response to the subpoena led to the IRC and the Department of Justice attorney amending the subpoena, which will be issued soon. He reported that the IRC is still investigating the incident and that the damage amounts are considerable. The Incident Review Committee requests an extension to present the report. There is no danger to the public safety due to the delay in presenting the report.

B) Status report on the M/V GLOBE PEGASUS allision with several pilings at Levin Terminal in Richmond, CA, on April 8, 2021. Possible Board action to grant the Incident Review Committee an extension to present the M/V GLOBE PEGASUS report at the Board meeting to be held on September 23, 2021.

Executive Director Garfinkle reported that the 90-day statutory deadline was on July 6, 2021, and that the investigation is still ongoing. The Incident Review Committee requests an extension to present the report. There is no danger to the public safety due to the delay in presenting the report.

MOTION: Commissioner Prada moved that the Board grant an extension to the Incident Review Committee to present its report on the M/V THALASSA AVRA and M/V GLOBE PEGASUS at the Board meeting to be held on September 23, 2021. Commissioner Carr seconded the motion.

VOTE: YES: Hayes-White, Carr, Nyborg, Prada, and Tynan.

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NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

11. Significant Port Safety and Security Cases Report (Executive Director Garfinkle)

Report on marine casualties, navigational safety, and significant incident management cases relevant to the Board as reported by the U.S. Coast Guard in its Prevention / Response – San Francisco Harbor Safety Statistics report.

Executive Director Garfinkle reported that the July 2021 Prevention/Response – San Francisco Harbor Safety Statistics report is not available, and that the Harbor Safety Committee does not usually meet in August. He expects the July and August reports will be available at the September Harbor Safety Committee meeting.

13. Ad Hoc Committee to Review the Pilotage Rate-Setting Process meeting (Committee Chair Captain Carr)

Report on the Ad Hoc Committee to Review the Rate-Setting Process meeting held on August 4, 2021.

Commissioner Carr noted that the Board agenda normally has an agenda item that discusses the pilots’ revenue loss due to a reduction in ship traffic, and he requested that SFBP Business Director Captain McIntyre provide a report.

SFBP Business Director Captain McIntyre reported that not much improvement has been made. Vessel movements are still low compared to 2019, and are down 24%. Year-to-date bar crossings are down 17%, and GRT is down 28%. The revenue year-to-date compared to 2019 is down 24%, or almost \$6 million.

SFBP continues to meet with industry members to know more about the forecast. At the Port of Oakland, the backlog has been cleared, but there is congestion in Los Angeles, with a backlog of 37 ships. In the Bay, there are 4 ships drifting and one at anchor. She added that the Port of Oakland generally has 128 vessel calls per month, but currently they expect about 81 vessel calls. The Port of Oakland projects about 90 vessel calls per month for September and October. The reduction of ship movements is expected to continue in 2022.

From 2011 to 2020, there has been a continuous decline of ship movements and the ships are getting bigger, but during these years there has been a 41% decline in vessel calls. The Bay may receive cruise ships toward the end of September, and one of the Princess Cruise Ships may be coming in October. She notes that having some cruise ship traffic will help with the pilots’ revenue loss, but the primary source of revenue is from container ships, and for the ship movements for container ships to decline this much is concerning.

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Mr. Jacob confirmed that the backlog at the Port of Oakland has been resolved, but it is possible that ships are bypassing the Port of Oakland. He thanked SFBP for their work to reduce the backlog at the Port of Oakland. He agreed with SFBP Business Director Captain McIntyre, that the ship movement numbers will continue to be reduced into 2022. He noted that it is ideal to keep the ship traffic coming to the West Coast, which benefits all, but preferably with less congestion and with more certainty.

SFBP Business Director Captain McIntyre responded to Commissioner Prada that the Port of San Francisco wants to see more cruise-ship movement, and they are actively searching for solutions to minimize issues with the spread of COVID-19.

SFBP Business Director Captain McIntyre responded to Commissioner Tynan’s question about benchmarks used other than the “TEUs “ (twenty-foot equivalent units) numbers from the Port of Oakland, and said that the rate is based on the gross registered tonnage for the vessel calls. She also reported that the Port of Oakland receives the most vessel calls, but SFBP is seeing more vessels calling in the Ports of Stockton and Sacramento.

Committee Chair Carr reported that the Ad Hoc Committee to Review the Pilotage Rate-Setting Process met on August 4, 2021, to continue the discussion on rate-setting processes. The Committee received additional documents on how Hawaii conducts their rate-setting process, which is overseen by the Department of Commerce and Consumer Affairs Director. Hawaii does not have a Board of Pilot Commissioners. Hawaii uses an administrative law judge, who makes the recommendation to the Department of Commerce and Consumer Affairs Director. He added that Hawaii’s process is simple, but doesn’t cover the different factors from the Board’s current regulations.

He reported that after the Committee had discussed Hawaii’s rate-setting process, the Committee began moving past the research phase, and onto evaluating the Board’s future processes by weighing the pros and cons of the processes in other jurisdictions. The next Committee meeting is scheduled for August 31, 2021, and he expects it to be structured like a workshop. Committee Chair Carr expects the Committee to have recommendations available for the Board by the October Board meeting.

14. Finance Committee meeting (Committee Chair Captain Nyborg)

A) Report on the Finance Committee meeting held on August 20, 2021.

Committee Chair Captain Nyborg reported that the Finance Committee met on August 20, 2021, and reviewed the Board’s financial statements for the last fiscal year, the itemized budget for the fiscal year 2020-21, and financial information on surcharges set by the Board.

<p>Meeting Date: August 26, 2021</p>	<p>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</p> <p>BOARD MEETING MINUTES</p>	<p>Page 14 of 16</p>
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B) Finance Committee recommendations to the Board on the following Board surcharges:

- 1) To adjust or not adjust the Board Operations Surcharge rate (currently at 5% of all pilotage fees), and the revenues, expenditures and reserve balance. Possible Board action to adjust the Board Operations Surcharge rate.**
- 2) To adjust or not adjust the Pilot Continuing Education Surcharge rate (currently at \$50 per move). Possible Board action to adjust the Pilot Continuing Education Surcharge rate.**
- 3) To adjust or not adjust the Pilot Trainee Training Surcharge rate (currently \$15/trainee/move). Possible Board action to adjust the Pilot Trainee Training Surcharge rate.**

Committee Chair Captain Nyborg reported that after reviewing the Board’s financial statements and financial information on surcharges set by the Board, the Committee recommends to make no changes to the Board Operations Surcharge rate, Pilot Continuing Education Surcharge rate, and the Pilot Trainee Training Surcharge rate. The Committee discussed projected tonnage revenue, and how it may affect future surcharges and Board budget. He reported that the next Finance Committee will be in September to review the surcharge rates.

Mr. Jacob added that recent changes to the surcharges became effective on July 1, 2021, and there are no additional changes at this time.

SFBP Business Director Captain McIntyre reported that the Committee also discussed Assembly Bill 807, which may be approved, to allow for two more surcharges, but noted that the Legislature’s response is taking longer, and she suggested that if the Committee were to make recommendations for surcharge changes, the changes should be made by the fourth quarter. AB 807 was collaboratively agreed upon by SFBP, the Cruise Lines International Association (CLIA), the Western States Petroleum Association (WSPA), and PMSA, and the surcharges will assist the pilots to offset the costs for the new dispatch system and pilot boat maintenance expenses. She noted that if the surcharges are implemented soon, the surcharges can be kept low by spreading out over a longer period and more ships. If the Legislature moves quickly, the surcharges may be applied during the fourth quarter, or on January 1, 2022, whichever is sooner.

MOTION: Commissioner Nyborg moved to make no changes to the surcharges, and for the Board Operations Surcharge rate to remain the same at 5% of all pilotage fees, the Pilot Continuing Education Surcharge rate to remain the same at \$50/move, and the Pilot Trainee Training Surcharge rate to remain the same at \$15/trainee/move. Commissioner Prada

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VOTE: seconded the motion.
YES: Hayes-White, Carr, Nyborg, Prada, and Tynan.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

Executive Director Garfinkle confirmed that the next Finance Committee meeting is scheduled for September 17, 2021.

15. Public comment on matters not on the agenda. (President Hayes-White)

There were no comments from the public.

16. Proposals for the next Board meeting agenda. (President Hayes-White)

Commissioner Nyborg and SFBP Business Director Captain McIntyre requested that Board staff add an agenda item to discuss the pilots' revenue loss to the Board agenda.

Commissioner Nyborg wants Board staff to continue to monitor how quickly UCSF completes the FFD evaluation. The delay with pilots returning to work affects pilot power. He added that if the Board is able to understand the problem, then a resolution can be researched. President Hayes-White agreed that some improvements can be made to streamline the process and to ensure that pilots return to work in a timely manner.

Executive Director Garfinkle noted that each case is different and Board staff has some limitations due to the confidential nature of the medical information. He reported that Board staff currently do not track when pilots make their appointments, or when the appointments are scheduled.

Commissioner Nyborg clarified that a pilot completed the needed medical tests and was waiting 22 days before receiving a signed clearance to return to work. He also noted that there were 3 other cases with similar issues within the past 6 months. The 22 MRPs reported earlier would have decreased if the pilot had returned to work sooner. He feels that the process for evaluating when pilots who were NFFD are ready to return to work needs to be made more efficient.

Executive Director Garfinkle cautioned the Board members that the scope of this agenda item is limited to proposals for the next agenda, and should not be used for discussion of issues beyond the proposal.

17. Adjournment.

MOTION: Commissioner Prada moved to adjourn the meeting. Commissioner Tynan seconded the motion.

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VOTE: YES: Hayes-White, Carr, Nyborg, Prada, and Tynan.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved, and the meeting was adjourned at 10:58 a.m.

Submitted by:



Allen Garfinkle
Executive Director