

GREAT LAKES PILOTAGE ADVISORY COMMITTEE

**Summary Record
September 26, 2017
USCG National Maritime Center
100 Forbes Dr
Martinsburg, WV 25404**

On the call of the Sponsor, a meeting of the Great Lakes Pilotage Advisory Committee was held on September 26, 2017, at Coast Guard National Maritime Center in Martinsburg, WV. This record is a summary of the meeting and transcript taken during the session and summarizes the committee's deliberations, conclusions, and actions. Documents are available for public inspection and printing online at www.facadatabase.gov.

The Great Lakes Pilotage Advisory Committee held a meeting on September 26, 2017 at Coast Guard National Maritime Center in Martinsburg, WV at the request of the Sponsor. This meeting was called to obtain the Committee's input and feedback on several agenda items including reporting out on subcommittees, the Martin and Associates Study, Pilot Compensation Study, compensation practices, staffing and dispatch, weighting factors discussion, authorized pilot charges, 2016 audits, working capital fund, Coast Guard communication to external stakeholders, general updates, Klein migration update, working rules, pilot association training plans and reports on ongoing projects by district. Ultimately, the Committee forwarded 8 recommendations for consideration.

MEMBERS IN ATTENDANCE

Mr. John Tanner, Great Lakes Maritime Academy (Retired), Chairman
Capt. Dan Gallagher, Lakes Pilots' Association
Capt. John Boyce, St. Lawrence Seaway Pilots' Assoc.
Capt. John Swartout, Western Great Lakes Pilots Association
Mr. John Baker, Jr, President Great Lakes District Council, ILA

Tuesday, September 26, 2017

The transcript can be viewed at the public FEDERAL ADVISORY COMMITTEE ACT database:

www.facadatabase.gov

WELCOME AND INTRODUCTION

The meeting was opened by the Designated Federal Official, Mr. Rajiv Khandpur, giving a welcome and introduction. Mr. John Baker, Jr was sworn in. This can be found on page 5 of the transcript.

OPENING AND INTRODUCTIONS OF GREAT LAKES PILOTAGE ADVISORY COMMITTEE MEMBERS

The Great Lakes Pilotage Advisory Committee meeting convened at 8:00 a.m. The Designated Federal Official opened the meeting with introductions of all who were

present and gave a review of the agenda. Mr. Khandpur then turned the meeting over to Chairman John Tanner. This can be found on page 17 of the transcript.

APPROVAL OF MINUTES

The minutes of the June 24, 2016 meeting were approved without discussion. This can be found on page 17 of the transcript.

REPORTS FROM SUBCOMMITTEES

Captain Dan Gallagher reported out on the Change Point Subcommittee. **The subcommittee unanimously recommends that the following change points remain the same with a few exceptions: Eliminating Gros Cap and replace it with Buoy 33 and add Iroquois Lock as a change point.** Measure passed. The discussion begins on Page 21 of the transcript.

Captain Dan Gallagher also discussed MacArthur Lock and opening it up to allow full-sized ships to transit through it. **Recommendation for the committee to write a letter to the Corps of Engineers recommending that the Soo Locks allow a 78-foot-wide ship in and out of the MacArthur Lock.** Measure passed. The discussion begins on Page 23 of the transcript.

Captain John Boyce reported that there have been no actions from the Regulatory Review Subcommittee. There are no recommendations. The discussion begins on Page 28 of the transcript.

COAST GUARD STUDIES

Mr. Ali Gungor from CG-REG-1 provided a report out on the Coast Guard funded Martin Associates Study. The board shared a number of concerns it had for the study. **The committee recommended that the Coast Guard not take into account the Martin Study during the formulation of any future Great Lakes Pilotage rates.** Measure passed. This can be found on Page 39 of the transcript.

Mr. Ali Gungor also presented on the ongoing Pilot Compensation Study. There were no recommendations presented. This can be found on Page 94 of the transcript.

COMPENSATION PRACTICES

Captain John Swartout gave an overview of the Western Great Lakes Pilots Association compensation practices. This discussion begins on page 99 of the transcript.

Captain Dan Gallagher gave an overview of the Lakes Pilots Association, Inc compensation practices. This discussion begins on page 108 of the transcript.

Captain John Boyce gave an overview of the St. Lawrence Seaway Pilots Association compensation practices. This discussion begins on page 111 of the transcript.

INDIVIDUAL PILOT COMPENSATION

This agenda item was requested by board member Mr. Steve Fisher, who was not present. Since Mr. Fisher was not there, this agenda items was passed over.

STAFFING AND DISPATCH

Mr. Vince Berg presented an overview of staffing and dispatch practices on the Great Lakes. There were no recommendations. This can be found in the transcript on Page 112.

WEIGHTING FACTORS AND USE OF 10 YEAR ROLLING AVERAGE FOR TRAFFIC

Mr. Michael Moyers gave an overview on how use of a 10 year rolling bridge hour average was used to calculate the annual rate. There was discussion of establishing a floor for bridge hours and using that vice a rolling average. **The committee recommended: For the purpose of smoothing and producing adequate rates. The advisory committee recommends divorcing the bridge hours used for staffing and hourly rate calculations. It further recommends exploring the use of a floor for hourly rate calculations.** Measure passed. This can be found in the transcript on Page 139.

Mr. Moyers then went on to explain how weighting factors were used in the calculation of the hourly rate. Each Pilot Captain presented their viewpoints on how weighting factors impacted the rate in their districts. **The committee recommended: For the USCG to remove weighting factors completely or remove step 8 and in step 9 of the rate methodology use a factor of 1.15.** Measure passed. This discussion can be found on page 149 of the transcript.

AUTHORIZED PILOTAGE CHARGES

Mr. Todd Haviland presented a briefing on authorized pilotage charges. Captain Gallagher discussed recouping lost training surcharges. Captain Swartout discussed allowing charges for delays due to traffic, weather and ice. There was some discussion on cancellations of pilots. This discussion begins on Page 172 of the transcript.

The Committee recessed for lunch.

AUDITS

Mr. Michael Moyers spoke briefly about the revenue audits the Coast Guard is conducting. Expense audits are required annually. Discussion took place on the possibility of moving the annual cycle up from three to two years. **The committee recommended: The Pilotage Office (WWM-2) conduct the audits of the associations for rate making purposes.** Motion passed. This discussion begins on Page 176 of the transcript.

WORKING CAPITAL FUND

Mr. Todd Haviland led a discussion on the intent and use of the working capital fund. **The committee recommended: Coast Guard will continue the Working Capital Fund. Motion passed.** The discussion begins on page 204 of the transcript.

COAST GUARD COMMUNICATION WITH EXTERNAL STAKEHOLDERS

Mr. Todd Haviland spoke to the committee about what communication can take place during a rule making. Captain Gallagher voiced some concerns about information getting out before final rules were published. There were no committee recommendations. The discussion begins on page 213 of the transcript.

REPORTS AND UPDATES

GENERAL UPDATE ON THE 2017 SHIPPING SEASON

Captain Boyce gave a brief update on the shipping volume for the season. Generally, the volume of shipping traffic is up. Captain Swartout reported an approximate 20% increase in traffic through August but a slowing in September. Captain Gallagher spoke about an anomaly that created a slight bump up in traffic for 2016. This discussion begins on page 222 of the transcript.

KLEIN MIGRATION UPDATE

Mr. Vince Berg lead a discussion on the Klein system migration. Saab Technologies was contracted in 2016 to upgrade and make improvements on the existing Klein system. The new system is much improved and offers ease of data access along with better record keeping. Captain Boyce offered a different option of a program that his district has developed. This discussion begins on page 225 of the transcript.

WORKING RULES

Mr. Berg continued with a discussion on the working rules. District one's working rules from 2104 are on file and Districts two and three are being worked on. Discussion begins on page 241 of the transcript.

PILOT ASSOCIATION TRAINING PLANS AND COMPLETED TRAINING

Mr. Berg discussed the need to obtain and review each association's training plans. Training has been encouraged as a reimbursable expense in the rate since 2014. Training for applicants is accounted for in the annual rate surcharge. There was some discussion on how the surcharge impacted how new hires were brought into the associations and what training was conducted this year. This discussion begins on page 244 of the transcript.

REPPORTS ON ONGOING ASSOCIATION PROJECTS

DISTRICT 1

Captain Boyce provided an update on district one's purchase of a building on one end of their Area 1 of the river district. In Cape Vincent, the office was moved to a newer building which also houses a boat station. The new facility received a repaving of the

parking lot and future work includes a new break wall in front of the property. Discussion begins on page 261 of the transcript.

DISTRICT 2

Captain Gallagher discussed district two's new facility in Port Colborne. District two also took delivery of a new pilot boat. Captain Gallagher also discussed improvements to their existing boats. Discussion begins on page 263 of the transcript.

DISTRICT 3

Captain Swartout briefed that a ground lease was signed in district three with Cloverland Electric Cooperative to allow dock space and some dredging so the district can move a pilot boat there. This will result in the relocating of the pilot change point to a more favorable location. The district is considering buying a dock in De-Tour. The discussion begins on page 265 of the transcript.

MEETING ADJOURNED AT 1544.