

## I N D E X

### THE BOARD OF PILOT COMMISSIONERS OF THE PORTS OF HARRIS COUNTY, TEXAS

January 9, 2020

Minute No.	Event/Action
	General
	Chairman Campo convened the meeting of the Board of Pilot Commissioners
	<b>Minutes</b>
(PB-2020-0109-01)	Approve the Minutes of the Board of Pilot Commissioners Meeting – December 11, 2019
	<b>Appearances</b>
(PB-2020-0109-02)	Captain Robert Thompson, Presiding Officer, Houston Pilots Association, addressed the Pilot Board
	<b>Staff Reports</b>
(PB-2020-0109-03)	
(PB-2020-0109-03a)	Captain Tyler Gavis, Pilot Board Compliance Coordinator, provided a briefing on the Application Review Committee (ARC)
(PB-2020-0109-03b)	Captain Marcus Woodring provided a briefing on the Pilot Board Investigation Review Committee (PBIRC)
(PB-2020-0109-03c)	Erik Eriksson, Secretary and General Counsel, discussed Pilot Board transition items
	<b>Pilot Matters</b>
(PB-2020-0109-04)	Appointment of Secretary and resignation of incumbent Secretary
(PB-2020-0109-05)	Appointment of four member Pilot Board Transition Committee
(PB-2020-0109-06)	Chairman Campo recognized Niels Aalund, West Gulf Maritime Association, who addressed the Pilot Board
	<b>Adjourn Meeting</b>

**Board of Pilot Commissioners for Harris County Ports  
Public Meeting**

**Houston, Texas  
January 9, 2020**

A public meeting of the Board of Pilot Commissioners for Harris County Ports (the “Pilot Board”) was convened on January 9, 2020 at 10:00 a.m., at the Houston Pilots Office, at 203 Deerwood Glen Dr., Deer Park, Texas 77536. The following Commissioners and others were present:

Ric Campo, Chairman  
Michel Bechtel, Commissioner  
Frances Castañeda Dyess, Commissioner  
Roland Garcia, Commissioner  
Brenda Hellyer, Commissioner  
Capt. Reginald McKamie, Commissioner  
Darrell Morrison, Commissioner  
Chad Burke, President and Chief Executive Officer, Economic Alliance Houston Port Region  
Michael Lawson, Houston Pilots, retired  
Erik Eriksson, Secretary and General Counsel  
Capt. M. Tyler Gavis – Vice Chairman, Application Review Committee (ARC)  
Capt. Marcus Woodring, Chairman, Pilot Board Investigation and Recommendation Committee (PBIRC)

Chairman Campo convened the meeting of the Pilot Board and advised that the first order of business was to administer the Oaths of Office as well as proceed with execution of the Statements of Officer for the appointees. He then deferred to Mr. Eriksson.

Mr. Eriksson noted that he had given each of the appointees a copy of the Oath of Office as well as the Statement of Officer, adding that both were required under Texas law. He then asked Chairman Campo to lead the recital of the Oath of Office. Chairman Campo remarked that the only exceptions were the two prospective gubernatorial nominees who had not yet been appointed by the governor, and then led the Oath of Office. Afterwards, he congratulated and welcomed the commissioners to their new roles.

(PB-2020-0109-01) Minutes

Chairman Campo called for a motion to approve the minutes of the December 11, 2019 Pilot Board meeting, noting that he vouched that the minutes were true and correct. Commissioner Bechtel moved for approval. The minutes were approved as written.

(PB-2020-0109-02) Appearances

Chairman Campo presented Capt. Robert Thompson, Presiding Officer, Houston Pilots, who addressed the Pilot Board. Capt. Thompson welcomed everyone to the Houston Pilots office and added that he was honored to host the first meeting of the newly-

formed Pilot Board. He introduced himself as the 2020 Presiding Officer, stated that he had been a pilot for 32 years, and advised this was his third term as Presiding Officer, after previous service for a total of five years.

Captain Thompson observed that he had seen a number of significant changes over the course of his career, including better navigation equipment, improvements to the ship channel, and construction of many new docks. He noted that the Houston Pilots had enjoyed working with the Pilot Board in the past and looked forward to working with the new commissioners towards the mutual goal of a safe Houston Ship Channel. Safe navigation was the reason there were pilots, and safety was the number one priority of the Houston Pilots.

Captain Thompson provided a quick update on where the Houston Pilots stood on manpower for 2020, including the “on the channel” workload for 2019 as well as safety-related impacts to industry. He reiterated that safety was the number one priority and noted that he would keep the Pilot Board updated on situations that arose that could and would impact navigation safety on the Houston Ship Channel.

Looking ahead to 2020, Captain Thompson advised that there were 79 Branch Pilots, with 18 Deputy Pilots currently in the training program. He added that two applicants were still testing and would soon be brought before the Pilot Board for approval. By the end of the year four Deputy Pilots would become Branch Pilots, raising the Branch Pilot total to 83. Captain Thompson reported that three pilots retired at the beginning of the year and the Houston Pilots plan on taking on additional Deputy Pilots later in the year.

Captain Thompson informed the Pilot Board that there were 18,748 vessel movements at the end of 2019, which included sailings, arrivals, and shifts of all types. In response to Chairman Campo’s inquiry, Captain Thompson advised that movements were almost steady, down less than one half percent from last year. A breakdown of the 18,748 transits by vessel types reflected that crude tankers made up 55% of transits, with the return of large (wide-body) tankers in 2019.

There was an increase in Aframax and Suezmax tankers, and Suezmax tankers reached an all-time high number of transits in the Houston Ship Channel last year. Likewise, liquid propane gas (LPG) and container vessels both reached a yearly record of approximately 2,100 transits each. LPG transits have been trending up for the past couple of years as Enterprise Products increased its loading rate in outputting ships with the addition of ethylene exports from its Enterprise Morgan’s Point Terminal, and as the “shale gale” continues to blow, the number of gas vessel transits could possibly increase in 2020.

Based on the hard work of the Port of Houston Authority, Barbours Cut and Bayport Terminals have been very busy not only with the number of container vessels but also with the increased size of these vessels.

Captain Thompson noted a few current impacts, and advised that the U.S. Army Corps of Engineers (Corps) was working hard to catch up with maintenance dredging on the Houston Ship Channel. He advised there were shoal areas that required draft restrictions: Bayport at 43 feet, with restrictions in place since June 10, 2019; Barbours Cut Terminal at 41 feet, with restrictions in place since June 20, 2019; Battleground Oil Specialty Terminal Company (BOSTCO) at 41 feet; and the upper Turning Basin at 32 feet.

Captain Thompson remarked that the best way to understand the job of a ship pilot was to take a ride with the pilots as they navigated through the challenging channel. He invited Pilot Board members to give him a call when time permitted to schedule a ride, then opened the floor up for questions. In response to Commissioner Morrison's request, Mr. Eriksson advised that a copy of the entire presentation could be given to the Pilot Board.

Commissioner McKamie inquired whether the expansion of the Panama Canal and arrival of post-panamax vessels impacted transits. Chairman Campo responded that those had and detailed the matter further, concluding that the expanded Panama Canal had allowed larger ships to come to the Houston Ship Channel. He added that the Port of Houston was unable to receive some of those vessels, as a result of the legislative restriction on vessels over 1,100 feet.

Commissioner McKamie also inquired as to how the Corps was addressing the issue, and Captain Thompson advised that this matter was part of the Section 216 study the Corps was conducting and the channel-widening project that the Houston Pilots were involved with, noting he thought people were looking to the Corps to address the issue in the future. Chairman Campo added that it was a two-part process and began a discussion on the deepening and widening as well as explaining the process which began with that "mega-study" and which was expected to be completed by the end of the first quarter.

Chairman Campo also noted that the Chief's Report was one of the key elements in the process and was expected to be issued by the Corps in April or early May. Following a further explanation of that process, he advised that Congress had to vote on deepening and widening as part of Water Resources Development Act (WRDA) legislation, which in turn raised the question of how the project would be financed. Further discussion ensued on funding, and Chairman Campo advised that if the process did not take a "business as usual" approach and if everything worked out, the deepening and widening would begin in

2021. He added that in the next ninety days the Port Authority would have to come up with a finance plan to fund its portion of the billion-dollar project.

Chairman Campo went on to discuss maintenance issues, and explained that [import cargos on] ships that enter the channel pay a fee into the Harbor Maintenance Trust Fund. Houston Ship Channel payments annually total approximately \$100 million of the \$12 billion-dollar fund held in Washington, from which the region receives approximately \$30 million for dredging. Further discussion ensued regarding this process.

In response to Commissioner Garcia's comment, Chairman Campo advised that the industry and Port Authority would fund the project, noting that the "selling point" for Congressional approval of the project was that the federal government would not have to pay for it. He further advised that there was no "point person" in Washington on the matter, but the key committee in Congress was the House Transportation and Infrastructure Committee. A number of local representatives were members of that committee, including Congressman Brian Babin and Congresswoman Lizzie Fletcher. Our elected representatives have assisted the Port Authority regularly, for example in scheduling meetings with industry and with the Chairman of the Transportation and Infrastructure Committee.

Chairman Campo noted the Port Authority took four to five trips to Washington last year and was scheduled to do much more over the next ninety days, adding that he thought the Port Authority was well covered in working with different people, including Senator Ted Cruz and Senator John Cornyn, who were the leads on the Senate side advocating for the project. Mr. Eriksson commented that it was good to have a united delegation behind the project.

Chairman Campo remarked that people often asked him about the likelihood of approval of the deepening and widening project, since it was not a partisan issue but rather a commerce, infrastructure, and investment matter. In response to an inquiry regarding moving the bill during an election year, Chairman Campo noted that it was an unusual election cycle and advised that the politicians he had spoken with predicted a 60-40 chance of the bill passing. Mr. Eriksson commented that the latest update he heard was that the measure would most likely be acted on after the election.

Chairman Campo added that the good news was that the Port Authority had already begun design work and was doing everything it could to be ready once the project was approved. He did note some things that needed to happen after approval, including "priming" the project by an appropriation to start the flow of capital.

To give a sense of the urgency applied to the process, Mr. Eriksson pointed out that the Port Authority received WRDA approval for "Project 10" in 1996 though it was not

completed until 2005, and there were many ports around the country which had received project authorization through WRDA legislation but had not yet begun work. Chairman Campo commented that the difference was that industry stood side by side with the Port Authority, knowing we could not wait until 2030 to 2032 for the project to be completed, and that it would be in the best interest of all, from a financial and economic perspective, to get the work done sooner rather than later.

Chairman Campo commented that as a direct result of its container business, the Port Authority was one of the most financially-sound ports in America. He pointed out that its budget for 2020 called for generating approximately \$190 million in cash flow, not including the funds to service its general obligation bonds, its only debt. The Port Authority had amazing resources to be able to invest in the ship channel to get the project done sooner rather than later, adding that he believed the Port Authority was in a strong position to allow the project to move forward without a federal donor, as industry has said that it would put up half the money. He advised that the Port Authority should be careful to communicate effectively to Washington to ensure people understood that this was about America and not just about Houston and energy.

Mr. Eriksson commented on another challenge: Port Authority staff was engaged in a situation in which the Corps, with its own way of operating, had never been before. He further explained that in the normal process, after authorization and federal appropriation, the Port Authority would contribute funds to the Corps, which actually performed the design work and dredging. The proposal here was for the Port Authority to carry out both design and construction.

In response to an inquiry, Captain Thompson advised that part of the reason the total of vessel movements was down was because ships were larger, but the pilot count was up due to the extremely large vessels.

In response to Commissioner Garcia's inquiry, Chairman Campo confirmed that ships over 1,100 feet were not allowed in the Port of Houston since the legislation passed last summer required "efficient" two-way traffic. He further explained that the Houston Pilot protocol was that ships larger than 1,096 feet could only enter the channel with one-way traffic, which in turn limited other traffic.

Chairman Campo asked Captain Thompson to describe other limitations that caused one-way traffic.

Captain Thompson explained that there were limitations on certain ship beam sizes and that all limitations were determined by the width of the channel, in order to provide for safe navigation and two-way traffic. He deferred to Captain Mark Mitchem, former Presiding Officer, to further explain the beam-size limitations. Captain Mitchem advised

there was a 310-foot combined-beam rule below Beacon 75 at Bayport. He provided, as an example, that two Suezmax vessels, each at 165 feet wide, could not meet because together they equaled 330 feet. He added that traffic was scheduled so as not to violate these safety rules.

Chairman Campo summarized that one-way traffic did exist in the channel, even with the 1,100-foot ship legislative limitation. He further explained that under the legislation an 1,105-foot ship could not enter the channel unless the Houston Pilots approved two-way traffic, and if the Houston Pilots got comfortable with navigating 1,100-foot or larger ships, they would have to advise the Pilot Board that they believed they could take, for example, 1,105-foot ships, as opposed to 1,096-foot ships. 80% of the Houston Pilots would have to approve that rule, bring it to the Pilot Board, and then two public hearings would be held to allow all constituents in the channel to understand what the pilots were proposing. After the two public hearings, then vessels over 1,100-feet would be approved to enter the channel. Mr. Eriksson noted that these rules were provided for in S.B. 2223.

In response to Commissioner McKamie's inquiry, Captain Thompson advised of a study that was performed to support the widening of the ship channel, on what he believed was one of the best vessel simulators in the country, if not the world. He noted that the simulator, located at San Jacinto College, had Houston Ship Channel information and was the practice location; vessel sizes and channel sizes could be adjusted to determine what was needed to move ships adequately.

Chairman Campo provided a brief overview of how the 1,100-foot issue arose and how it resulted in tensions and ultimately legislation. He added that limiting any ships in the channel would constrict business and economic opportunity over the long term, and the key was to get the channel widened.

Mr. Eriksson added as an aside that larger vessels were more efficient and environmentally beneficial.

Following further discussion, Mr. Eriksson reiterated that while the Corps would still have work that it could only do after authorization, he was hopeful that all the construction contracts would start to go out next year. Chairman Campo contrasted that with the normal process, which took longer and drove up costs, and summarized that if the Port of Houston wanted to keep growing, better throughput in the channel was needed, and moreover a wider channel was a safer channel.

Chairman Campo recognized Captain Woodring, to provide an overview of the PBIRC.

Captain Woodring introduced himself as the chairman of both the PBIRC and ARC, noted there were several inquiries during the transition briefings as to how the PBIRC and ARC worked, and added that the duties of the Pilot Board were identified in state law, which listed approximately nine to ten required tasks. Captain Woodring informed the Pilot Board that he had extended an invitation to members of the PBIRC and ARC to attend today's meeting, to give them an opportunity to meet the new commissioners. Captain Woodring then asked them to stand up and introduce themselves:

Captain Gilbert Martinez (ARC)  
Captain Robert Thompson (ARC and PBIRC)  
Captain Michael Curtiss, Houston Pilots (PBIRC)  
Paul Caruselle, Moran Shipping Agency (PBIRC)  
Captain Stephen Polk, Seamans Church Institute (ARC)  
Captain Richard Russell, AET Inc. Ltd., (PBIRC)

Commissioner McKamie thanked them for their attendance and for volunteering.

Captain Woodring asked Captain Gavis to provide an overview of the ARC process, and added he would follow with an overview of the PBIRC process.

(a) Captain Gavis introduced himself as the Pilot Board Compliance Coordinator/Assistant Secretary and Manager, Pilot Administration for the Port Authority. He highlighted a few of his credentials in education and licensing, noting he sailed for ten years before accepting his current position.

Captain Gavis referred to the slide "What is the ARC" and advised that it was formed to support the Pilot Board in carrying out the pilot application requirements set forth in Texas Transportation Code Chapter 66, as well as the Rules and Regulations Governing Pilots and Pilotage on the Houston Ship Channel between the Galveston Bar and Turning Basin (Rules). He noted that the ARC does the "leg work" to make recommendations to the Pilot Board, with monthly meetings held to formally review pilot applications in four categories.

Mr. Eriksson advised that the Rules required that the Pilot Board be notified of those meetings, and Captain Gavis added that agendas for upcoming ARC meetings were posted one month prior to each meeting, and meeting minutes were posted shortly after the meetings, at [www.houstonpilotboard.com](http://www.houstonpilotboard.com). Chairman Campo commented that the commissioners were welcome to attend these meetings and added that if there was a quorum, the meeting would need to be posted.

In response to Commissioner Garcia's inquiry, Chairman Campo advised that the Houston Pilots Association, which consisted of 79 pilots, would analyze the issue of allowing larger ships to enter the ship channel, and 80% of the Houston Pilots would be required to authorize the measure. Further discussion ensued on the separation of the Pilot Board and Port Commission.

Mr. Eriksson commented that generally in the past the Pilots had periodically updated their protocols by announcing to the community and the Pilot Board when a rule would become effective. Chairman Campo pointed out that the legislation only dealt with 1,100-foot ships. He detailed that the dispute and attention surrounding one-way traffic began after energy industry members felt they were not communicated with effectively, and this was why the legislation added the two public hearing requirement. Further discussion ensued.

Captain Gavis moved to the slide listing the 2020 ARC members. He advised that he was a non-voting member but in the absence of the chairman he would typically vote. The only new member on the committee this year was Captain Thompson.

In response to an inquiry, Mr. Eriksson advised that the Pilot Board appointed the members of the ARC, and the Rules provide for the ARC's licensing functions. He gave a brief historical background of the group, noting that in the mid-1990's the Pilot Board determined that the ARC was the means to open up the licensing process and make it more transparent. Since that time, the ARC has met monthly to ensure not only that a wide net was cast for pilot membership, but also to confirm that pilots had the required qualifications, in addition to a federal license, and perform criminal background checks and health checks. In response to Commissioner Garcia's inquiry, it was explained that if an opening on the ARC became available, it would be posted as an agenda item, and a recommendation made. Mr. Eriksson commented that the Rules required that a certain number of community members, industry members, and Pilots in the ARC.

Captain Gavis moved on to discuss the application process and advised that the ARC reviewed Pilot Pool, Deputy Pilot, original Branch Pilot, and Branch Pilot renewal applications.

A Pilot Pool application was the first step in the process: sailing and merchant mariners who aspired to become a Houston Pilot submitted applications. Pilot Pool applications were the most thoroughly reviewed category, with double to triple the pages of the other applications.

Captain Gavis remarked that over 70 applications were reviewed in 2019 for all four categories, and 31 of these were Pilot Pool applications, or 44% of the total. He

explained that the “Pilot Pool” was the collective group of Houston Pilot applicants approved by the ARC. If the Houston Pilots sought to add Deputy Pilots, they would go to the Pilot Pool to pull applicants who had already been vetted.

In response to Commissioner McKamie’s inquiry, Captain Gavis advised that anyone could be notified of positions available within the Houston Pilots, that he mentioned the application process at events, and that the procedures were also available on the web.

Following another inquiry, Captain Gavis advised that he had not gone to maritime academies to recruit, as he could not speak for the Houston Pilots, and noted his understanding that there were also some ways in which the Pilots have handled this exposure. Captain Thompson added that some years ago the Pilots visited approximately 200 high schools in the Houston area to work with San Jacinto College for its Maritime College. He noted that since the Houston Pilots picked from this industry, every college around that offered that field of study was supported by the Houston Pilots with donations and was aware of who they were and what they did.

Commissioner Hellyer commented that a significant amount of awareness as to jobs available in the maritime industry was highlighted at the Maritime Youth Expo, which hosted about 400 students from across the city. Captain Thompson cautioned however that a student would not be able to come straight from college and enter the Pilot Pool, as at least seven years of experience and certain licenses were needed to qualify.

In response to Mr. Burke’s inquiry, Captain Gavis advised that an applicant needed to reapply every five years and added that the ARC required applicants to reapply periodically at each step as well, as circumstances might arise such as criminal or health issues. Commissioner Bechtel asked if the Pilot Pool was a cumulative group that keeps rebuilding every five years; Captain Gavis confirmed that and added that some applicants chose to reapply, while others chose not to.

Captain Gavis presented an overview of the requirements for acceptance into the Pilot Pool as posted on the Pilot Board website. He advised that many of the requirements could be found in the Texas Transportation Code, noting the ARC pulled from those requirements to ensure the applicants were meeting them from the start. Following a comment, Captain Gavis noted that the statute required that a pilot retire at 68 years of age.

He shared that he often received emails and phone calls as to the process to become a pilot from those who were not yet of age but interested; he provided the information required to steer them on the right path, as well as keep them in the loop after submitting their application.

Captain Gavis advised that applications were vetted for accuracy and completeness; an important requirement was whether the applicant has met sea time requirements. In addition, Coast Guard requirements must be met, including a first-class pilotage endorsement. Additional vetting measures included a criminal background check and Coast Guard Marine Information for Safety and Law Enforcement (MISLE) database search. Employment and education histories were also verified, and reference calls conducted. Pilot Pool applicants who have not been on the Houston Ship Channel or have two years of experience on the channel were required to provide hand-drawn navigational charts which were reviewed by the ARC.

Following the vetting process, the application would go before the ARC. If an applicant met the requirements, an email and formal letter provides notice of acceptance into the Pilot Pool. The same notice process applied if an applicant was not accepted, and an explanation was provided as to why the applicant did not qualify. Applicants were encouraged to reapply if the basis for disqualification changed, and Captain Gavis added that not many applicants were deemed non-qualified. Finally, qualified applicants were referred to the Houston Pilots.

Captain Gavis moved on to discuss the Deputy Pilot process, noting that at this level, the applications went before the Pilot Board. He advised that the Deputy Pilot was the first step in the pilot program, with applicants selected from the Pilot Pool by a majority vote of the Houston Pilots. Captain Gavis directed the Pilot Board to the checklist for Deputy Pilots, noting a significant number of state forms were required, including a bond and power of attorney. The Houston Pilots office staff prepared the documentation required in the checklist and forwarded it for his review. In 2019, eight Deputy Pilot applications were reviewed, 11% of the year's total.

Deputy Pilot applications were reviewed at the ARC level in the same manner as Pilot Pool applications. Captain Gavis added that typically applications were approved contingent upon meeting Coast Guard requirements for a first-class pilot endorsement, as the Coast Guard required all applicants to have a specified number of round trips and pass a series of exams. He explained that because some applicants took longer than others to meet the requirements, rather than have them wait two to three months to become official, the ARC approved the applications on a contingent basis. Following the ARC's approval, Deputy Pilot applications would go to the Pilot Board, who were also asked to provide approval subject to satisfaction of the Coast Guard endorsement contingency. Once that was received, the Deputy Certificate was issued.

Captain Gavis advised that Deputy Pilot applications were not reviewed at the state level, though Deputy Pilots were mentioned in the statute. He directed the Pilot Board to a sample certificate that was given to the Deputy Pilot after approval. Following that, the three-year deputy term began; the Deputy Pilot is in effect an apprentice or training pilot.

Captain Gavis moved to the original Branch Pilot stage. He advised that the application was treated in the same manner as others; however, the original Branch Pilot application goes to the Governor's Appointment Office for gubernatorial approval. There were seven original Branch Pilot applications in 2019, 10% of the total applications for the year. After the ARC approves an application, it would go before the Pilot Board for review. Captain Gavis advised that he tries to allow approximately two to four months for processing before a Deputy Pilot certification expires, to avoid expiration of the credential, which could put a Deputy Pilot out of work.

Following ARC approval and recommendation, and Pilot Board approval, the original application was sent to the state recommending that the governor issue the Branch Pilot commission. Captain Gavis added that the commission cannot be issued unless both the governor and Secretary of State are in the state at the same time, and he had seen instances where delays had occurred due to this requirement, which was a reason for the two-to-four month time frame.

He added that commissions, which were valid for four years, were returned by the state to the Pilot Board to review and archive before the original was distributed.

Following issuance of an original Branch Pilot commission, the process went to a continuous four-year renewal cycle. These were treated in the same manner as Branch Pilot applications. There were 24 renewal applications in 2019, 34% of the total.

Mr. Eriksson observed that the maximum number of full Branch Pilots was set by the Pilot Board.

Captain Gavis referred to an agenda from the busiest ARC meeting in 2019, which included all four categories: two Branch Pilot renewals, one original Branch Pilot, four Deputy Pilots, and two Pilot Pool applicants. He noted that the ARC averaged about ten meetings per year, with a quorum of four of the total of seven members required for official meetings.

Commissions took priority as the goal was to keep the pilots working. Deputy Pilots were the next priority, with efforts taken to get them pre-approved as soon as possible after they had been accepted. Pilot Pool applications were then fit into the agenda as time allowed.

Captain Gavis advised that ARC meetings were held during lunchtime and typically lasted less than an hour. He explained that he was thankful for the volunteer support and that the reward for this support was lunch provided during the meetings! Mr. Eriksson

commented that ARC members were provided with iPads during the meetings to handle the high volume of paper work and to make applications easier to review.

Following an inquiry, Captain Gavis advised that older records were archived at the Port Authority and newer records housed in his office, adding both hard copies and electronic files were archived. Mr. Eriksson noted that the Pilot Board was subject to state rules on maintaining records.

Captain Gavis advised that once or twice a year he met with staff at the Governor's Appointments Division as well as the Secretary of State's office, to discuss revisions to the forms and the process. He noted that those relationships also helped during the process. Captain Gavis added that he also visited the Coast Guard Regional Exam Center to ensure all applicants complied with changing Coast Guard requirements for licensing.

Captain Gavis concluded by advising that meeting agendas and minutes were always posted on the Pilot Board website and all documentation properly archived.

He expressed his appreciation for the support of the ARC volunteers, adding that he answered numerous inquiries regarding the ARC from other pilot boards and associations as to how to replicate the ARC, adding that in his opinion the ARC worked well. Finally, he shared that the state staff members who handled pilot applications have complimented on how easy the Pilot Board was to work with, despite its pilot group being by far the largest in the state.

(b) Captain Woodring then presented an overview of the PBIRC. He began with some background information how the two industry representative committees were born, noting the PBIRC was formed in 1976, and the ARC in the early 1990's.

Captain Woodring covered the steps that the PBIRC followed when an incident occurred, noting that it was codified in the Rules and the law. He advised that the Rules stated that the pilot must notify the Compliance Coordinator within seven days of an incident. A new draft of the Rules restated this to "as soon as practical," and he added this draft needed to be on the Pilot Board agenda in the near future.

Following an overview of how the Compliance Coordinator responded to the notification, Commissioner Garcia inquired whether the Pilot Board had subpoena power. Mr. Eriksson advised that staff had worked with the Legislature twice in recent years in attempts to obtain that subpoena power, but it had yet to happen. Separately, he observed that the cooperative process with the Coast Guard to obtain incident materials had improved considerably since Captain Woodring became Chairman of the PBIRC.

Captain Woodring moved on to discuss PBIRC subcommittee review and explained that the subcommittee consisted of himself, the Presiding Officer of the Houston Pilots, and others, who review the cases. The subcommittee did not attempt to “solve” the cases but rather to determine whether the incident was a mechanical failure or a human error. If it was determined to possibly be a pilot error, then a full hearing was scheduled. Captain Woodring reiterated that the subcommittee did not dig into details, as it only determined if the matter should be closed to file or needed further review. He advised that the subcommittee reviewed an average of twelve cases a year, with only three going to a full hearing, which indicated that 99.99% of the vessel movements were good. The unfortunate cases were incidents such as big collisions or fires, and the vast majority did not require further investigation.

Captain Woodring walked through the steps of a full hearing and directed the Pilot Board members to a script that was developed as a guide throughout the hearing. He noted that a court reporter was present, and then highlighted memberships, remarks, rules, potential actions, and findings. In response to an inquiry, Mr. Eriksson advised he believed that pilots do not have individual liability insurance, as the statute limited their liability, adding that vessels owners would be responsible if an incident did occur. He also confirmed that an attorney for the pilots was provided by the Houston Pilots Association, and typically two attorneys handled most of the matters, Jim Brown and Keith Letourneau. He believed that the attorney was hired at the pilot’s expense.

Following Commissioner Garcia’s inquiry, Mr. Eriksson advised there was no statutory limit to liability for Pilot Commissioners, adding that he had raised an interesting point. He noted the Port Authority had provided “directors and officers” coverage for the Pilot Board, and this coverage would need to be an expense to add to the budget. Mr. Eriksson advised that he would follow up on, this as further discussion ensued.

Captain Woodring returned to his overview of the script used by the PBIRC and noted that the bottom line was to make recommendations to attempt to prevent an incident from reoccurring. Chairman Campo added that the worst-case recommendation was to revoke the pilot’s license. Captain Woodring confirmed that and walked through the potential outcomes provided under the Rules, noting that the most severe step was to recommend to the governor that a pilot’s commission be revoked. He further noted that a “Letter of Commendation” was the first step of potential outcomes, followed by “Take No Action,” the requirement that the pilot affected to take additional training, or issuance of a “Letter of Caution” or “Letter of Reprimand.” During his seven years, the PBIRC had not recommended any suspensions or revocations.

Captain Woodring advised that following the potential outcomes, the pilot had the right to appeal. In general, the pilot would ask the PBIRC to reconsider and if the PBIRC rejected that, the pilot could ask the Pilot Board to conduct a hearing. If the pilot still felt

aggrieved after the Pilot Board hearing, he or she could appeal to district court. Captain Woodring noted that a pilot had never gone to the Pilot Board for a hearing nor appealed to district court during his tenure.

Captain Woodring noted that it took two to three weeks to complete the paperwork and process once the hearing was over, and then an official letter was given to the pilot which started the appeal clock. If the pilot appealed the PBIRC would go through the appeal process, and if not the PBIRC would go to the Pilot Board with proposed findings and recommendations, including evidence, vote tallies, and transcripts, to ask for Pilot Board approval.

In response to Commissioner Garcia's inquiry, Mr. Eriksson confirmed that court reporter fees and the like were Pilot Board costs, and in the first draft of the budget. He added that it amounted to a minimal amount as there are only about three hearings a year. In response to another inquiry, Captain Woodring confirmed that PBIRC members participated voluntarily with no pay. Chairman Campo commented that the committee was voluntary, though the chairman was a Port Authority employee.

Chairman Campo asked how this would work regarding Port Authority employees if the Port Authority did not fund the Pilot Board, and Captain Woodring advised that the answer was in the draft Rules that were pending approval. The current rules required that a Port Authority employee must be chairman of the PBIRC, whereas the draft rules did not. Chairman Campo commented that the Pilot Board could discuss the matter although no decision would be made at the meeting. He added that ultimately the key part of the legislation was about separation, to ensure the Pilot Board was independent of the Port Commission, and noted that issue would be the most significant task for the Pilot Board.

Captain Woodring advised that the goal of the PBIRC was not to discipline a pilot or issue a Letter of Reprimand or Letter of Caution, but to prevent incidents from reoccurring by reviewing them. He covered a list of "takeaways" from PBIRC hearings, including development of the bi-annual bluewater/brownwater seminar, work with the Lone Star Harbor Safety Committee to analyze the need for water current meters along the ship channel and air draft sensors at the 610 bridge, and coordination with the Lone Star Harbor Safety Committee and the U.S. Coast Guard to cut down on slack lines and extinguished navigation lights.

The PBIRC was one of three groups that were often involved incidents, as its mandate was to look at the pilot and pilot actions. The Nation Transportation Safety Board (NTSB) looked at safety, followed by the Coast Guard which used its subpoena powers to review a different set of factors to make recommendations and changes in the law. Captain Woodring cautioned the Pilot Board to be mindful that an incident could have three different outcomes as a result of how each group conducted its assessments and added that

the PBIRC did the best it could with the resources it had under the mandate given it. Mr. Eriksson emphasized however that under federal law the ultimate authority over pilots acting under their state licenses in the Houston Ship Channel was the Pilot Board.

(c) Mr. Eriksson began a discussion of transition items; although his briefing memo covered those issues, he would expand on them during the meeting.

Mr. Eriksson advised that while “secretarial” items such as posting meetings and drafting minutes needed to be addressed, the core function of staff was the work that Captain Gavis and Captain Woodring had described. He estimated that 98% of each month was attributable to the administrative duties that Captain Gavis performed, with the balance secretarial tasks.

Mr. Eriksson emphasized that the Pilot Board must determine who would perform the administrative duties by the end of the transition period. While the secretarial tasks could be performed by an attorney or paralegal, most were currently carried out by Captain Gavis, which is why he recommended in his briefing materials that the Pilot Board accept his resignation as Secretary of the Pilot Board and consider designating Captain Gavis as its Secretary.

Chairman Campo reminded the Pilot Board that the Port Commission authorized an interlocal agreement that Mr. Eriksson would discuss later. He recalled from the last meeting, before the current commissioners became Pilot Board members, that a 90-day plan was created that stated that everything the old Pilot Board did that related to the Port Authority would continue for 90 days beginning January 1, 2020. In addition, a clause was added that stated the current Pilot Board could add another 90 days through the end of June to ensure the same staff would continue performing all the duties and tasks for both 90-day periods. He noted that the agreement was approved by the Port Commission and Pilot Board on December 11, 2019, and was in place for the current Pilot Board. Chairman Campo remarked there was no pressure on the Pilot Board other than to debate it over the next few months to figure out how to move forward long-term.

Chairman Campo advised that he had discussions with both the city and the county (the appointing bodies of the chairman), members of the legislature (including Carol Alvarado), and energy representatives, to inform them that he would be the transition point person, as he continued to sit on the Port Commission. He noted that the goal was to go through the transition with the least number of bumps in the road with respect to the duties of the Pilot Board. It would depend on how the public officials decided they wanted to move forward with Chairman Campo that would determine whether he remained chairman of the Pilot Board until the end of his term in January 2021. Chairman Campo also remarked that Mayor Turner advised that he did not want to have a Joint City Council/County Commissioners meeting to appoint the chairman unless he had to.

Following further discussion, Mr. Eriksson commented that this recommendation had been adequately posted and action could be taken to accept his resignation and appoint Captain Gavis as the new Secretary of the Pilot Board.

(PB-2020-0109-04) RPBA F1 was presented, moved by Commissioner McKamie for approval, seconded by Commissioner Hellyer. Chairman Campo, and Commissioners Bechtel, Dyess, Garcia, Hellyer, McKamie, and Morrison voted Aye. Nays none. RPBA F1 PASSED.

Mr. Eriksson advised that Tom Heidt, the Port Authority's Chief Financial Officer, had also submitted his resignation as Assistant Secretary, which would leave Captain Gavis as Secretary and Captain Woodring as Assistant Secretary.

Commissioner McKamie remarked that he and Mr. Eriksson had discussions regarding counsel for the Pilot Board and noted that he had done his homework in finding two attorneys, Paxton Crew and David McNeal, with good maritime backgrounds. He distributed copies of each attorney's resume to the Pilot Board and added that Mr. Crew was very familiar with open meetings and open records and had experience with the PBIRC and ARC.

Mr. Eriksson moved on to discuss budget matters and advised that a draft budget was provided based on past Port Authority expenses. He noted that the bottom line was that the Pilot Board would not have the ability to set a final budget until it had a sense of what the administrative costs and legal fees would be. Mr. Eriksson recommended that the Pilot Board, either as a committee or the entire body, consider soliciting proposals to perform those duties, and that once the Pilot Board had those proposals a more precise budget could be determined.

He also recommended that the Pilot Board initiate a rule proceeding to collect funds. He noted that his briefing set out several ways this could be accomplished, which included an assessment on the Pilots, a per-move fee, or a potential arrangement with the Port Authority to perform the tasks, which was suggested by Commissioner Garcia.

Mr. Eriksson advised that once an administrator was in place, duties such as record keeping and website managing could be factored in. He acknowledged the item earlier discussed – insurance – and added banking arrangements. Mr. Eriksson described as examples that management districts in town hired organizations to carry out similar functions, and the Port Bureau managed the Houston Ship Channel Security District.

Chairman Campo began a discussion on how meetings would be held going forward and suggested a number of alternatives, including quarterly meetings as well as

setting up a committee to meet on its own without the whole Pilot Board present. He noted that open meetings would need to be posted.

Chairman Campo inquired if any members were interested in being a part of such a smaller committee, which could bring answers to some of the transition issues to the full Pilot Board. Commissioner McKamie commented that he thought a subcommittee would be a good idea to get work done such as record keeping and other matters. Commissioner Garcia suggested having a transition committee and from that committee, subcommittees could be created. In response to Chairman Campo's inquiry of who wanted to be on the transition committee, Commissioners Dyess, Garcia, Hellyer, and McKamie volunteered to do so.

(PB-2020-0109-05) Chairman Campo called for a motion to create a Pilot Board Transition Committee of four members. Commissioner McKamie moved for approval, seconded by Commissioner Bechtel. Chairman Campo, and Commissioners Bechtel, Dyess, Garcia, Hellyer, McKamie, and Morrison voted Aye. Nays none. MOTION APPROVED.

Chairman Campo advised that all Pilot Board members could attend and reiterated it would be a posted meeting. He also noted that a quorum of three was needed to have the meeting and added that anyone else could attend the open meeting as well. Commissioner McKamie commented that he lived in Panama and scheduling would have to be worked out in order for him to attend. Chairman Campo suggested Commissioner McKamie work out the scheduling on his own and the rest of the committee could decide if they could attend. Mr. Eriksson also commented that once an administrator was in place, meetings could be held at the administrator's office.

In response to Chairman Campo's inquiry, Mr. Eriksson advised that a date needed to be set for the next meeting and suggested a date in March based on prior conversations. He asked that members review their calendars in case of conflict and advised there was no other action to be taken at the current meeting. Chairman Campo remarked that some people may not have had their calendars, suggested circling back to set a date, and Mr. Eriksson volunteered to ask that his assistant coordinate a date.

Following Commissioner Garcia's inquiry, Mr. Eriksson advised that both meetings could be held at the next meeting date. Commissioner Garcia also inquired if a guest could be invited as he had a question for Mr. Eriksson. Chairman Campo remarked that he thought the Pilot Board meetings should continue to have Mr. Eriksson, Captain Gavis, Captain Woodring, and anyone else needed in attendance as a resource.

Mr. Eriksson concluded that a Transition Committee meeting and full Pilot Board meeting would be coordinated by email, and hoped that the two “appointees in waiting” would be in place by then.

Chairman Campo stressed to the Pilot Board not to ever “reply all” to emails, and Mr. Eriksson commented that violation of the open meetings law was a criminal offense.

Chairman Campo then opened the floor for public comment.

Niels Aalund, West Gulf Maritime Association, introduced himself and welcomed and congratulated the new Pilot Board members, as well as those that were pending appointment. He noted that he was going to ask about set dates and times before the committee had agreed to work out scheduling.

Mr. Aalund also inquired if any documents and PowerPoint presentations would remain on the Houston Pilot Board’s website. Mr. Eriksson responded that he was hopeful that the administrator would continue uploading documents and noted that he believed the Pilot Board was mandated by law to do so, adding that it was a good idea. He further noted that the way the statute works, there was no longer a need to post downtown with Harris County if the organization had a website, as well as a front door, to post the meeting agenda. Mr. Aalund noted that his organization could certainly disseminate information with its daily report.

Finally, Mr. Aalund announced that the Ports of the Future would hold a large national conference in Houston on March 10<sup>th</sup> and 11<sup>th</sup>, and noted as the chairman, he wanted to provide complimentary passes to the commissioners if they were interested in attending.

Chairman Campo asked if there were any more comments or questions; there were none.

At 12:08 p.m., Chairman Campo adjourned the Pilot Board meeting.

The above is a correct copy of the Minutes of the January 9, 2020 meeting of the Board of Pilot Commissioners for Harris County Ports.



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Ric Campo, Chairman



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Tyler Gavis, Secretary