

**MINUTES
NOME PORT COMMISSION
REGULAR MEETING
December 20th, 2018**

The Regular Meeting of the Nome Port Commission was called to order at 6:57pm by Chairman West in Council Chambers at City Hall, located at 102 Division Street.

ROLL CALL

Members Present: Smithhisler; Lean; West; Henderson; Rowe; Sheffield; McLarty;

Also Present: Joy Baker, Port Director (telephonically); Lucas Stotts, Harbormaster;

In the audience: Sandra Medearis, Arctic News; Doug Johnson, Mark Johnson, Brandon Ahmasuk, Shawn Pomrenke, Monica Gomez

APPROVAL OF AGENDA

Chairman West asked for a motion to approve the agenda, with one change to allow Brett Farrell with the Marine Exchange to speak on the Old Business item after Citizens Comments:

Motion was made by Rowe and seconded by Sheffield.

At the Roll Call:

Ayes: Lean, West, Henderson, Rowe, Sheffield, McLarty, Smithhisler

Nays:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

Nov 15, 2018 Motion was made by Lean, seconded by Rowe to approve the minutes:
Regular Meeting

At the Roll Call:

Ayes: West, Henderson, Rowe, Sheffield, McLarty, Smithhisler, Lean

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

Brandon Ahmasuk w/Kawerak - spoke about marine mammal hunting in and around the port area; to be cautious while considering making any rules in the new tariff to disallow hunting in the port as there is already federal and state law allowing Alaska Natives to take marine mammals in federal and state waters. He believes that from a very young age, subsistence hunters are raised to be responsible hunters, and some rely on the native subsistence foods to feed their families. He explained an arrangement made in 2015 with the City Manager, Mayor and Chief of Police to have hunters call NPD when they intended to shoot an animal in the port. He recommends doing some outreach education rather than trying to stop marine mammal hunting that is already allowed by federal law through the Marine Mammal Protection Act.

Discussion:

Lean recalled an unsafe incident with whales being hunted offshore, with shooting back towards town.

Henderson asked Brandon what he recommended to address safety concerns. Brandon repeated doing the outreach and having those that are unfamiliar to contact his office for additional information

Gay suggested revisiting the previous protocols to bring the discussion back to the forefront.

PD Baker agreed to reach out to Brandon for additional information and bring in NPD and CM Handeland.

Shawn Pomrenke w/Northwest Gold Diggers raised the issue regarding his request to the USCG to gain a temporary 2 year extension for his mining barge to meet the necessary compliance. He does not disagree with the regulations, just needs time to be able to bring his vessel into compliance. His vessel has been inspected by a qualified marine surveyor that the majority of his barge is built beyond the scaling strength required by the USCG. The level of compliance required by the USCG means that I have to re-plate the entire barge, but this will take about 3 years. He believes with his knowledge and experience that he can achieve this requirement and meet the USCG requirement, but needs the extension timeline to secure his investor funding and move forward with the project. He's requesting joint support from both the Port Commission and City Council, combined with support from the Chamber of Commerce and private sector to submit to the USCG.

(DISCUSSION FOR OLD BUSINESS ITEM):

Brett Farrell w/Marine Exchange of Alaska – PD Baker briefly reminded the group of the white paper request regarding the pros and cons surrounding potentially relocating the USCG maritime boundary line at Nome. Brett laid out the specific USCG regulations as a Certificate of Inspection (COI), Load Line Certificate (LLC) and Operator Licensing Requirement (OLR) that currently apply to large mining vessels working beyond the boundary line. He then described how these same vessels would be exempt from these regulations if the boundary line were moved to a location further seaward, with all mining operations happened inside that line. The boundary line movement would not exempt vessels from carrying all required safety equipment or from being boarded by the USCG, but they would no longer be inspected vessels. Brett indicated that whether or not that lack of USCG inspection for the COI/LLC/OLR would result in a less safe vessel would depend heavily on the operator, their maritime experience and vessel condition. It is also quite possible that with less stringent regulations, more mining operations may develop to take advantage of the lighter regulatory opportunity.

Discussion:

Lean stated clarification on the two different strategies being attempted; 1/moving the boundary line, and 2/waive some of the requirements for the grandfathered vessels. There was a historical precedence in Norton Sound with a small time wood hulled freight operation delivering to the region, based out of Nome. As they became uneconomical, they were pushed into the beach and abandoned. He asked if operating inside the boundary line was considered inland waters, and Brett replied yes - outside the line is considered near coastal. Brett mentioned that he thought he'd read that a risk analysis was done on boundary lines in the region, so may be worth making an inquiry with the USCG Sector ANC. He further suggested that anyone seeking a waiver on current regulations, gather and submit support for their argument to the Sector office. Lean tried to reaffirm, so you would not recommend going straight to HQ for the waiver, but direct to the Captain of the Port? Brett confirmed, no, it typically backfires on the applicant to bypass the Sector office.

Sheffield inquired to Brett if the paths to waivers, to extensions, alternative compliance are more likely to be easier to achieve than moving the boundary line? Brett's reply was he couldn't respond specifically but

in his experience he believes that operators approaching the USCG with the desire to ultimately comply would have better reception than those that do not have that intention.

McLarty asked Brett if he knew if there was a difference in the level of inspection between insurance and USCG inspections. Brett indicated he didn't have personal experience with that as he'd never participated in an insurance inspection. McLarty indicated he didn't think an insurance company would actually provide coverage for a \$6M vessel if it wasn't sound. Brett stated, that's a good point, as it's possible the insurance industry would push back against covering vessels that were no longer required to be inspected.

Henderson asked if Brett had any insight on why boundary lines were moved at other locations in Alaska. Brett had no specific information as that was done some time ago.

West summarized that if the desire is to pursue moving the boundary line, we would make that request to the Council, which would need to be addressed directly with the USCG Captain of the Port.

Rowe and Lean concurred that there are two separate issues at play; one is Shawn requesting support from the Port/City for his temporary waiver extension, and the other is contemplating the Port/City pursuing a boundary line move. Lean added that he's confident the last waiver attempt that went directly to HQ was a mistake. There may be something beneficial down the road to considering a boundary line move, but we should probably wait for some time to pass before attempting on approaching the USCG on the issue.

PD Baker reminded the group of the results in April concerning the City's advocacy for that other mining operation's request and also hitting that brick wall regarding the USCG's denial for alternative compliance or waiver/exemption. Although the discussion begins at the Sector level, it will ultimately end up at the same office that gave the denial.

Rowe reiterated that Shawn's request is just to obtain the Port & City's support in an effort he will pursue on his own. As far as the boundary line move, he agrees that's a much larger consideration that will require numerous future work session discussions.

Shawn will finalize his draft letter and return to the Commission in their January 2019 meeting.

COMMUNICATIONS

- 18-11-08 NSEDC to City – Award Notice, Launch Ramp Repair
- 18-11-08 USCG to Port - Facility Security Amendment
- Alaska Sea Grant- Ecosystem-wide Changes in the Bering Sea
- US DOD- USCG Wants Bigger Arctic Presence
- ADN Article- Military Operations in the Arctic
- Arctic Today - USCG Launches First Satellites for Arctic Security and SAR

Discussion:

Kudos to Gay on her Alaska Sea Grant article

HARBORMASTER'S REPORT (Verbal)

HM Stotts provided a brief update – last day is tomorrow as he's going on vacation through the end of the year, then transitioning to Public Works for 3 months to assist with snow removal and maintenance. The new lights are working out very well, and were long overdue for safety for fall-time haul outs.

Discussion: None

PORT DIRECTOR REPORT (Projects Update) (19-01-10 Report)

PD Baker gave a brief report; highlighting figures on the Corps study cost-share budget request for \$654K to balance up to the federal funds that were finally received last week. The spreadsheet also shows funds expended to date and funds remaining.

Briefing from Jay Sterne re: CMTS Arctic Shipping & Wilson Center Events

Brief write up from Jay on these conferences attended on our behalf. It's nice to read and hear the Navy making public comments about needing to deploy assets in the Arctic and the infrastructure needed.

Planning Commission Comprehensive Plan Update – Port Section

The update process has just begun, and will include numerous work sessions for discussing content. Perhaps a joint work session is in order with the Planning Commission to discuss the updates to the Port section in the plan concerning long term development.

USDOT/MARAD America's Marine Highway System – M5 Arctic Extension

This is a potential opportunity for the City/Port to sponsor the creation of an Arctic route extension on the M5 Marine Highway section, which currently runs along the Pacific and SE Alaska coastlines. The proposed extension would come through the Aleutians and travel along the west and north coasts of Alaska into the Northwest Passage.

Discussion:**OLD BUSINESS**Boundary Line Summary Report from Marine ExchangeDiscussion: (see pages 2-3)**NEW BUSINESS**Proposed Tariff No. 14 Revisions for Consideration

West clarified that with several pending items from the work session, the tariff is not yet ready for consideration.

Discussion: None**CITIZENS' COMMENTS**

None

COMMISSIONERS' COMMENTS

C. Rowe – thinking about discharging of firearms if we will be allowing more barges to winter in the harbor, we should keep that in mind. On the boundary line move, I don't think it's just the 3 vessels in question, and thinking it would be in the best interest of the small businesses to move the boundary line move. Happy New Year to everyone.

C. McLarty – excellent meeting and not used to seeing this many people in the audience. It's exciting to talk about some things that we have revisited, but it sounds like they might come to fruition. I like to see the Commission doing their duty to back local business and operators that live and work in Nome. Definitely support anything we can do to help our businesses and think that the other advantages to moving the boundary line besides the 3 dredges will be pretty significant on the shipping lines carrying freight to the smaller villages, and the breaks that they can get because of the line move.

C. Henderson – good meeting. I always appreciate the depth of our conversations. We get a lot of expert opinions and perspectives on things. I also support what Shawn's trying to do. I attended a Chamber of Commerce meeting and a common theme was that we don't have enough local businesses to do a lot of things, one being supporting the tax base, so I go on the record saying I support the boundary move as well. Maybe it's a long term solution, and one of the things we struggle with is we don't have a strong natural resources base. We have gold mining, but not on a large scale like the North Slope-Red Dog, so as long as it's safe, I support developing those industry resources.

C. Sheffield – Happy Holidays and Merry Christmas to everyone. Very good meeting, and really thought it was going to go longer. Also, within 90 miles of Gambell, there are long liners fishing for Cod, and she anticipates next spring and summer we will see the rest of the fleet looking for the Cod.

C. Lean – well since everyone captured my comments, I'll say Merry Christmas and Happy New Year.

C. Smithhisler – Merry Christmas and Happy New Year. It was a long meeting but good discussion. I like seeing the Councilmembers coming to the meeting so they can carry the discussion to the Council table.

C. West – thank you Joy and Lucas for your efforts this year, it's been very good. We have come a long way and are progressing down the road.

SCHEDULE OF NEXT MEETING

The next meeting is SCHEDULED to January 17, 2019

ADJOURNMENT

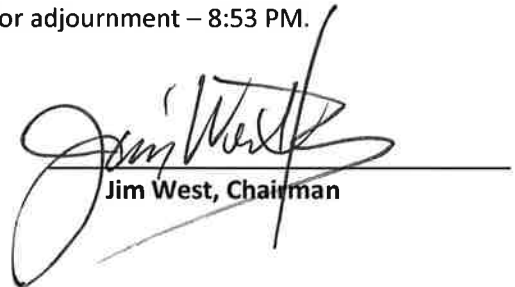
Motion was made by Smithhisler and seconded by Henderson for adjournment – 8:53 PM.

APPROVED and **SIGNED** this 17th day of January 2019.

ATTEST:



Joy Baker, Port Director


Jim West, Chairman