The Official Publication of the Passenger Vessel Association • March 2014

FOGHORN

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FOGHORN Focus:

PVA CONVENTION REVIEW

PVA Annual Convention at MariTrends 2014 in Houston Provides Energy to Boost Vessel Operators this Year

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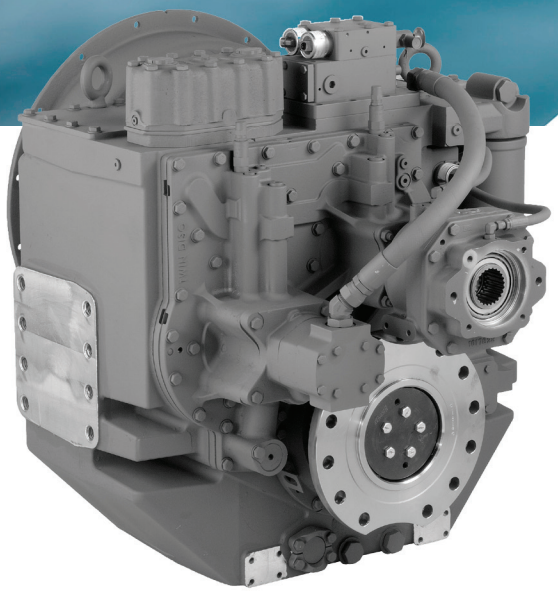

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FOGHORN

Passenger Vessel Association

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Casco Bay Lines, Portland, ME, has taken delivery of its newest vessel, the *M/V Wabanaki*. Built by Blount Boats Inc., Warren, RI, and named by local school children, the new 399-passenger ferry has an overall length of 110 feet and is powered by Caterpillar engines. Casco Bay Lines operates passenger, vehicle and freight service year-round to six islands. Photo Credit: Photographer, Paul Cronin.

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A New Year Brings a New Vision and Opportunities

Terri Bernstein

I first want to thank everyone for electing me as your new President. As a young girl, I grew up in PVA by coming to many conventions and meetings with my parents and realized early on how important PVA was to our dinner boat organization. Now as an active member of PVA, I feel even more strongly about it.

I thought I would first start by giving a little background about where I come from and our family business. The Bernstein family got into the restaurant business in 1963 with the opening of Gregory's Steakhouse in downtown Cincinnati. Soon after opening, they moved to Quito, Ecuador where my grandfather was there working under a Peace Corps operation. After the four-year stint was over, they returned home and purchased the El Greco Restaurant. After a couple of successful years, they expanded with the purchase of the Mike Fink floating restaurant in 1977 on the banks of the Ohio River. As customers would come and eat lunch or dinner, they would always ask my Grandfather Ben when the boat would go out on a cruise. The frequent question made him think that maybe he should purchase a boat that people could eat dinner while on a cruise. He reached out for some assistance to Betty Blake, who was the President of the Delta Queen Steamboat Company, about starting a riverboat business. So in 1979, we leased our first vessel from Gateway Clipper Fleet in Pittsburgh and opened BB Riverboats (BB for Ben Bernstein and Betty Blake).

Today, BB Riverboats has three vessels: *Belle of Cincinnati*, a 1000-passenger H boat; *River Queen*, a 500-passenger K boat; and the *Mark Twain*, a 150-passenger T boat. We operate in Newport, KY directly across the river from downtown Cincinnati. We also run Benson's Catering, our off-premise catering company and the *USS Nightmare*, which is a haunted attraction open during the Halloween season. My brother Ben and I have been trying to take the reins from our parents and run the company ourselves. However, as in most family businesses, that is easier said than done. My brother is in charge of all the accounting and marketing while I am in charge of the sales and operations. My mother is a huge help to my brother on the accounting side and my dad is a huge thorn in my side on the operations side. With all kidding aside, it is a great family business and I would not ever want to do anything else!

Have you noticed that there are more and more of us from the younger generation coming up in our companies who, like our parents, are very involved in the passenger vessel industry and at the same time are also becoming active in PVA? The future of PVA looks extremely bright. As an organization, we are stronger than ever and I plan on strategically strengthening PVA so that we can continue to provide the excellent service that is so important to our members.

I want to continue growing our membership ranks through new and innovative new members marketing programs, recognizing that there is truly strength in numbers.

I will also look to strengthen our relationship and partnership with the U.S. Coast Guard and other key regulatory agencies with the understanding that strong relationships and greater understanding will benefit us all.

We have made great progress in developing and fine-tuning the PVA FLAGSHIP safety management system. I will ensure that we continue to develop this program through the efforts of our PVA member beta-testers and cooperation with the Coast Guard to ensure that this important new program is successfully implemented.

I want to place more resources and greater energy on publicizing our industry's far reaching safety record. After all, if regulators and the travelling public continue to have confidence in our abilities to maintain and improve safety then again, we all benefit.

As you know, the FOGHORN magazine is very well received and respected by our members, Coast Guard, and other who receive it monthly. I am pleased to announce that since the beginning of this year, the FOGHORN will be available to you in an electronic format, in addition to the printed version that you will continue to receive. Now you can read your FOGHORN magazine on your laptop, Smartphone, or tablet. I am thrilled with this new feature and hope that you will be as well.

I am pleased to welcome retiring Coast Guard CAPT. Eric Christensen to the PVA staff this May. Eric will certainly augment the expertise and talent of our PVA staff.

I will work to broaden legislative and regulatory outreach as these activities are at the core of PVA's advocacy efforts on behalf of our industry. Along these lines, I encourage you to take part in the PVA Congressional Fly-In in Washington, DC this spring. I can tell you from personal experience that this is an

LETTER FROM THE PRESIDENT, CONTINUED ON PAGE 30

Carrying the Message Forward

John Groundwater

We were extremely fortunate last month to have hosted a very successful PVA Annual Convention at MariTrends 2014 convention in Houston. Attendance was strong and the program of sessions and events was very diverse. Our keynote speakers discussed everything from tourism trends to understanding the economy; from Coast Guard priorities to taking your business to the next level.

We were particularly pleased to have RADM Joseph A. Servidio, Assistant Commandant for Prevention Policy, U.S. Coast Guard, join us again as a keynote speaker. We appreciated his words of praise and encouragement about the passenger vessel industry's stellar safety record. RADM Servidio underscored PVA's strong safety orientation and culture and recognized PVA's efforts to develop the new safety management program, FLAGSHIP.

Our loyal MariTrends 2014 exhibitors and sponsors offered a broad array of products, services and just plain advice. These individuals and their companies are so important to the success of our convention because their presence establishes yet another important resource for members to tap into to solve current operational problems and to explore future opportunities.

Needless to say, those in attendance at the PVA Annual Convention at MariTrends 2014 were able to learn, share ideas and discuss important industry issues. It is very important that PVA members gather together in this way and the PVA convention provides an important platform for passenger vessel industry progress.

Immediately following the PVA Annual Convention at MariTrends 2014, PVA members and staff participated in the 2014 Great Lakes Waterways Conference in Cleveland, OH. This highly respected annual industry event brings together important players from the United States and Canada who are involved in shipping, the towboat and barge industry, the passenger vessel industry and a wide-array of maritime industry vendors. In addition, the event involves key leaders in the U.S. Coast Guard, the U.S. Army Corps of Engineers, the U.S. Maritime Administration, the National Oceanographic and Atmospheric Administration (NOAA), the Canadian Coast Guard and Transport Canada. PVA members participated as speakers on the program and shared their knowledge and expertise on topics relating to passenger vessel and marine operations.

During the conference, PVA hosted a special government affairs luncheon, which included Vice Admiral Robert C. Parker, Commander of the Atlantic Area and Commander of Defense Force East, Rear Admiral Fred M. Midgette, Commander, Ninth Coast Guard District and nearly 30 PVA members. This lunch provided an excellent opportunity for PVA and its members to discuss issues of importance with them. It also gave us a chance to better understand the challenges and positions facing these two Coast Guard leaders.

PVA members and staff also played a visible role in the program of the 2014 Inland Waterways Conference which was held this month in New Orleans. This event involves most maritime operators on the Nation's inland waterways along with key federal government agencies. PVA 2014 President Terri Bernstein joined Rear Admiral Kevin Cook, Commander of the Eighth Coast Guard District and Major General John Peabody, Deputy Commanding General for Civil and Emergency Operations, U.S. Army Corps of Engineers in opening the event with a welcome speech.

In her remarks, Terri drew attention to the fact that PVA was founded in 1971 in the Inland Rivers and that the small group of passenger vessel operators who started the association were equally passionate about the inland river system and their riverboats. She emphasized the importance of organizations such as PVA in bringing operators together to discuss issues of common concern while also engaging representatives of government to build greater understanding and trust. Terri highlighted the passenger vessel industry's strong safety record and discussed PVA's ongoing commitment to continuous improvement in the safety and risk management arenas as the industry carries more than 200 million passenger each year. She further stressed the importance of continuing to work toward achieving further TWIC relief for passenger vessel operators, the need to reduce the negative impact of uncoordinated regulation on small business, the importance of passing the Water Resources Development Act to ensure the maintenance, improvement and dredging of our waterways and the need to make permanent the small vessel exemption from the Vessel General Permit.

PVA will also participate in the 2014 Mid-Atlantic Waterways Conference, scheduled April 8-10 at the Renaissance Portsmouth Hotel & Waterfront Conference Center in Portsmouth, VA. We will join with others in the broader maritime industry in the Mid-Atlantic region to discuss issues and share ideas. Leaders

LETTER FROM THE EXECUTIVE DIRECTOR, CONTINUED ON PAGE 24

PVA Annual Convention at MariTrends 2014 in Houston Provides Energy to Boost Vessel Operators this Year

Photos courtesy of Steve Terry

Hundreds of passenger vessel owners, operators and suppliers converged on Houston, TX, January 18-21, to attend the PVA Annual Convention at MariTrends 2014. For most, the time and location couldn't have been better. After experiencing a harsh winter throughout much of the nation with arctic temperatures and frequent snowfalls, a few days in energy-charged Houston, near the Gulf of Mexico, was a welcome respite.

Of course, Houston's milder climate wasn't the only draw. Dozens of educational sessions, a multi-day trade show, four renowned general session speakers, and a myriad of networking opportunities attracted passenger vessel operators of all types, size, and regions to come together to learn the latest in maritime business.

A pre-convention workshop opened the event. Lessons Learned: The PVA FLAGSHIP Safety Management System Beta Test and How FLAGSHIP Can Improve Your Safety Program was led by Dione Lee, QSE Solutions, Woodinville, WA, and presented by a panel of vessel operators and a U.S. Coast Guard officer. Panelists were Dave Anderson, Fire Island Ferries, Bay Shore, NY; Don Fromm, Bridgeport/Port Jefferson Steamboat, Port Jefferson, NY; Gus Gaspardo, Padleford Packet Boat Company, St. Paul, MN; Steve Jones, Gateway Clipper Fleet, Pittsburgh, PA, and Lt. Commander John Taylor, U.S. Coast Guard, Washington, DC.

Exhibitors having fun in the exhibit hall and Zerve attracts a crowd.

Educational Sessions Receive Stellar Grades

Educational sessions were well attended and convention attendees found the content informative and helpful for their operations. Sales and marketing sessions generated a positive buzz. Business management-related sessions spurred spirited discussions about employment laws, recruitment and retention, safety culture, health insurance, financial management, technological challenges, legal issues, contracts, and launching ancillary services.

Regulatory and operational sessions were highly regarded for their informative content and the expertise of the speakers. Sessions on fuel procurement, sound dampening, vessel security, Coast Guard inspection preparation, ferry challenges, vessel stability, waterways conflicts, and marine causality statistics attracted attendees throughout the convention.

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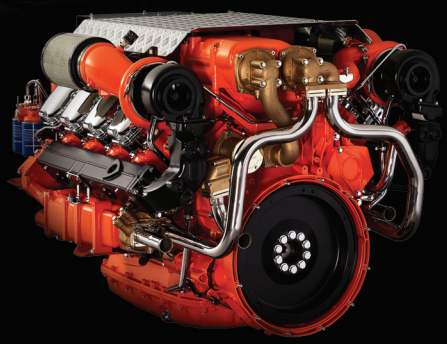

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The exhibit hall was a hubbub of activity with a trade show featuring dozens of exhibitors, educational sessions, luncheons, team-building events, prize drawings, and "lunch and learn" roundtable discussions.

Vessel operators rubbed shoulders with suppliers and vendors in an informal setting, which allowed them to discuss vessel operational challenges and view new products, guidance, and services.

Above: PVA Rivers Region won the Passenger Vessel Foundation competition, which raised money for the Foundation. Left: Keith Sherwood, Carus, speaks on technology challenges and passenger vessel diversity.

Long-time PVA Associate member and MariTrends exhibitor Keith Sherwood, Carus, from the UK, indicated that he was "very satisfied" with the convention and trade show saying, "The thing that always strikes me most about the delegates at MariTrends is the way they embrace the Associates [members] and are prepared to have open and frank discussions about their operations and their requirements."

Many members – Vessel and Associate – enjoyed the camaraderie in the exhibit hall, especially while watching the NFL play-off games, with fans from opposing teams jovially slighting each other's teams while cheering for their favorites. An enterprising new Associate member, Bytemark, New York, NY, attracted attendees by demonstrating its tech-

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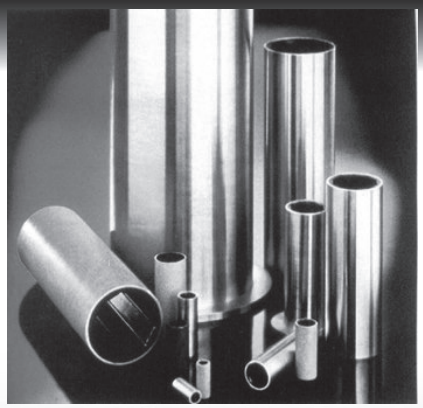

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nological prowess by projecting the game onto a screen in its booth and inviting prospective customers to sit and enjoy the game.

New members and first time PVA convention attendees discover benefits that PVA and convention offers.

Building Relationships through Networking

A number of networking opportunities abounded. The Leadership Dinner—an invitation-only event held annually to thank volunteers for their time and commitment to PVA—was held at the Petroleum Club in Houston. Sponsored by All American Marine, Bellingham, WA, this dinner brought together the Association's present and future leaders and encouraged them to mingle and get to know each other better.

The Katica Klassic Golf Tournament was a fun activity that also served as a fundraising event for the Passenger Vessel Foundation. Vessel and Associate members played together in spirited competition that honored the late Tom Katica, a long-time PVA Associate member and staunch PVA supporter.

The Partner/Spouse Coffee and Networking Function allowed family and friends of convention attendees to meet one another and learn about attractions in the host city of Houston.

The "New Attendee 'Get Acquainted'" orientation was well attended, as were the receptions and food events were held on the trade show floor, which allowed attendees to mingle and talk to one another while enjoying the variety of cuisine and beverages offered throughout the meeting.

The hilarious Passenger Vessel Foundation Region Competition brought together teams from each of the five PVA regions to "compete" in a timed life raft drill by entering and exiting a life raft on the MariTrends trade show floor. The life raft was provided by PVA Associate member Survitec, who sponsored the event along with Photogenic. Judged by Courtney Jones, PVA

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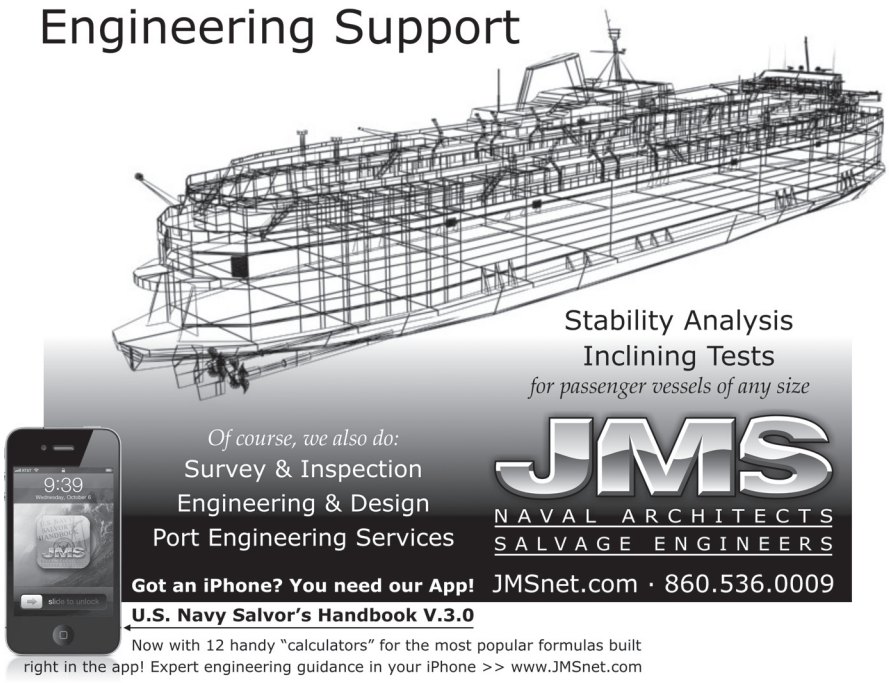
Associate member and Endorsed Insurance Program Aon Risk Services Northeast, Inc., and Noah Kingston, Great American Insurance Company, the winning team was Rivers Region, followed by Western Region, Original Colonies Region, Great Lakes, Region, and Southeast Region.

At the Captain's Brunch, a moving tribute of Captain Beth Gedney brought tears to the eyes of many as the late PVA Director of Safety, Security and Risk Management was inducted into the PVA Hall of Fame for her countless contributions to the betterment of the passenger vessel industry through the years. Speakers included Carolyn Horgan, Gary Frommelt, and Beth's husband Bert Brehm.



This year's President's Closing Dinner was a delightful departure from the usual closing dinner. A Texas-style barbeque complete with a country band brought people to feet and enjoying the buffet filled with fare typical for a casual, light-hearted dinner with good friends. Incoming PVA President Terri Bernstein, BB Riverboats, Newport, KY, thanked outgoing PVA President Carolyn Horgan, Blue and Gold Fleet, San Francisco, CA, for her service and presented her with a parting gift.

Recognition and Appreciation Awards

Along with several dozen learning opportunities that abounded in Houston, the PVA Annual Convention at MariTrends 2014 was a wonderful venue for recognizing and rewarding the best of the passenger vessel industry.

With Vice Admiral Joseph Servidio, U.S. Coast Guard, on hand, two PVA Vessel members were honored for their dedication to safety during a special presentation at the PVA Annual Convention at MariTrends 2014.

Blue and Gold Fleet, San Francisco, CA, received the Roger Murphy National Marine Safety Award for its significant efforts to improve the safety of its 19 vessels through the training of its employees and the implementation of a company-wide safety management system (SMS). By reporting hazards and determining effective control measures to reduce risk, Blue and Gold Fleet employees have reduced claims by 30 percent, while ridership has increased by 18 percent. This impressive accomplishment was shared with PVA in the development of FLAGSHIP, an adaptable SMS program for the passenger vessel industry. This award was presented by PVA Safety and Security Committee Chair Dave Anderson, Fire Island Ferries, Bay Shore, NY, and Passenger Vessel Foundation President Rob McMahon, Pinnacle Marine, Stoddard, WI.

The new Captain Elizabeth J.

"[The] annual PVA gathering was well attended and yet intimate enough – housed completely at the Hyatt Hotel in downtown Houston – to give all attendees the opportunity to meet, greet and discuss the issues and business of the day. And, in between meaty breakout sessions that addressed key operational, business and regulatory issues, that's exactly what they did."

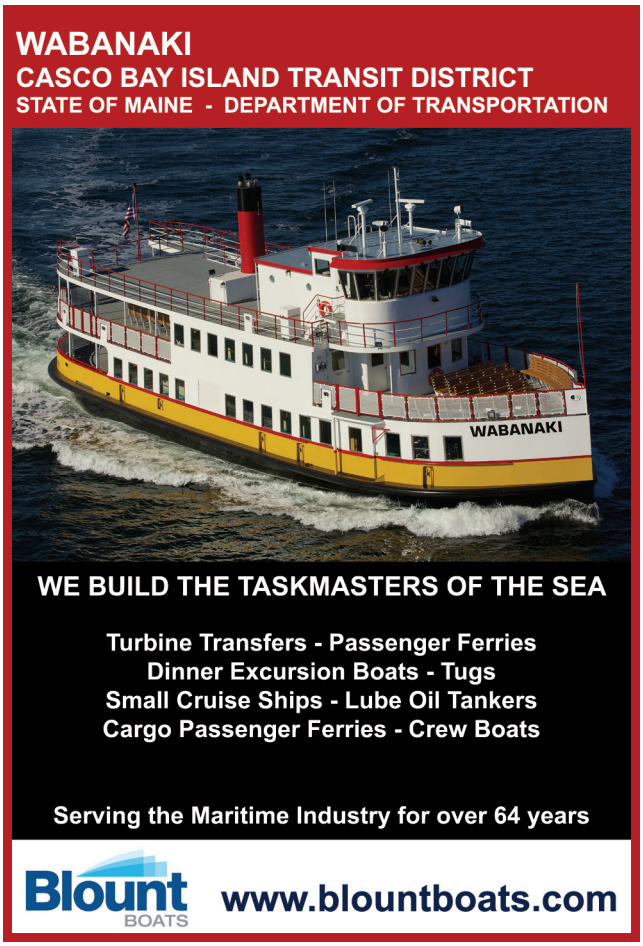
– Joseph Keefe, Maritimeprofessional.com, "PVA Gets Down to Business in Houston," January 23, 2014.

Gedney Passenger Vessel Safety Award, named for the late Captain Beth Gedney, PVA's Director of Safety and Security who passed away in June, recognizes and rewards the heroic efforts of a PVA Vessel member who has taken positive, safety action in a single event. The award was given to Capt. Tiffany Thomas, Alaska Heritage Tours/ Kenai Fjords Tours of Seward, AK, which was accepted by the operation's General Manager Ron Wille.

On August 26, 2013, the captain and crew of Kenai Fjords Tours' *Glacier Explorer* came to aid of a crippled fishing vessel in the cold Alaskan waters near Natoa Island located in the Alaska Maritime National Wildlife Refuge, adjacent to Kenai Fjords National Park. Due to the location, a U.S. Coast Guard helicopter was unable to evacuate the crew of the disabled vessel, however, Kenai Fjord Tour's Capt. Thomas and her crew were able to get close enough to rescue the two fishermen.

In addition, four PVA members received the David Clark Excellence in Editorial Award. Each won for their editorial contri-

Top: LCDR John Taylor participated in sessions to share Coast Guard regulations with convention attendees. Bottom: Ralph Diehl presents at New Technology Conference.



butions to FOGHORN Magazine in which they shared valuable and informative information about operating passenger vessels. The four winners were:

Craig Wenokur, Wendella Sightseeing Boats, Chicago, IL, for his article, *"The New Normal on our Waterways,"* published March, 2013;

Mark Stillman, Hedge Solutions, Manchester, NH, for his article, *"Take Control of Your Fuel Costs,"* published May, 2013;

Capt. Richard Goben, Hornblower Cruises and Events, San Diego, CA, for his article, *"The ABC's of AED's," published August, 2013;* and,

Amy Alton, Star Fleet, Kemah, TX, for her article, *"More than Just a Board,"* published November, 2013.

Plan Ahead! Mark Your Calendars Now for the PVA Annual Convention at MariTrends 2015, January 31-February 3, 2015. in Beautiful Long Beach, CA! ■

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FOGHORN award winners Amy Alton (top), Richard Goben (bottom left), and Craig Wenokur (bottom right).

Rave Review!

Learn more about the PVA Annual Convention at MariTrends 2014: http://www.maritimeprofessional.com/Blogs/The-Final-Word-with-Joseph-Keefe/January-2014/PVA-Gets-Down-to-Business-in-Houston.aspx

Plan Ahead! Mark Your Calendars Now for the PVA Annual Convention at MariTrends 2015, January 31-February 3, 2015. in Beautiful Long Beach, CA!

Travel Industry Is "Nearly Fully Recovered" Travel Expert Tells PVA Convention Attendees

The U.S. travel industry has nearly fully recovered from the recession, an industry expert said in January. "In terms of employment, the U.S. travel industry is almost back to pre-recession levels," Jamie Faulker, Director of Research Products at the U.S. Travel Association in Washington, DC told convention attendees adding that the travel and tourism industry has rebounded faster than many other industries.

In her presentation "What Is Trending in Travel and Tourism," Faulkner cited the fact that unlike industries, tourism jobs cannot be outsourced.

Faulkner also said that while domestic travel is growing, the international travel market is expanding faster with travelers coming to the U.S. from Asia, South America and Europe. "International travel represents 17 percent of total travel spending," she said, with visitors from China, Brazil and Argentina heading the list. Growth is expected to come from emerging countries, rather than European visitors in the coming years.

Faulkner's research demonstrates that vessel operators should find that domestic travelers will continue to enjoy sightseeing and family-related trips, particularly for special occasions.

Learn more at https://www.facebook.com/photo.php?v=1015374 9231825643&set=vb.424848115642&type=3&theater ■

Economist Tells Business Owners to Monitor Economic News for Tell-tale Indicators

Jim Zitek, Founder and CEO of Harbor Capital Group, Inc. told PVA convention attendees that business owners need to be diligent in finding and interpreting news reports regarding the economy, paying close attention to economical growth and inflation and deflation.

"You can't just go to one source, you have to consult a variety of sources – news broadcasts, newspaper reports, blogs, etc. – to get the full picture of what is happening in the domestic and foreign economy," Zitek explained saying that there a variety of indicators that impact economic health and it's rare that one resource will accurately assess them all.

Zitek lectured vessel owners and operators on the difference between the "real" economy versus the "pretend" one.

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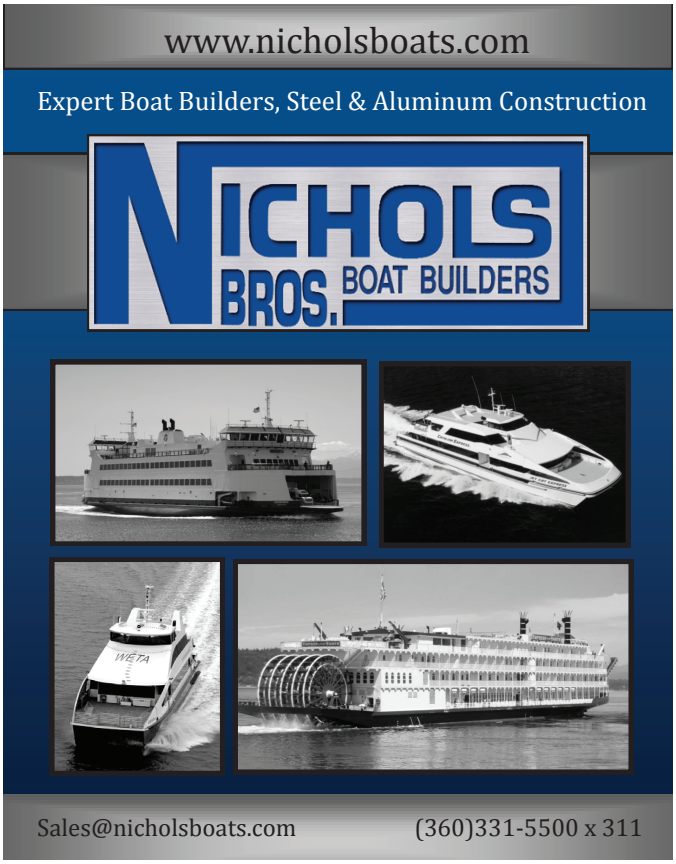

"The 'real' economy is based on production of wealth, meaning that growth is based productivity. Whereas the 'pretend' economy, the gross domestic product or GDP, is based on consumption."

He said that important indicators for a healthy economy include new jobs added monthly and a two percent growth in consumer spending.

Zitek also stressed the importance of savings, saying that the average American worker saves just 6.8 percent of his or her income, while Asians tend to save about 30 percent of their wages.

Learn more at https://www.facebook.com/photo.php?v=10153754785260643&set=vb.424848115642&type=3&theater ■

Safety awards winners Ron Wille (2nd from left) and Patrick Murphy (2nd from right) are recognized by Dave Anderson (far left), VADM Joseph Servidio (center) and Carolyn Horgan (far right).

Coast Guard Rear Admiral Applauds Passenger Vessel Operators Strong Safety Record

Rear Admiral Joseph A. Servidio, Assistant Commandant for Prevention Policy for the U.S. Coast Guard praised the "strong safety record" as well as the environmental stewardship record of the U.S. passenger vessel industry in a presentation delivered on January 20, 2014, in Houston at the PVA Annual Convention at MariTrends 2014.

RADM Servidio also applauded the "good relationship" between the Coast Guard and PVA, as well as the industry's positive inspection and prevention practices.

However, he also said he sees "challenges" ahead. "We face fiscal challenges and will have a smaller Coast Guard with some billets vacant. We face risk management challenges and need to look at leading indicators when incident planning."

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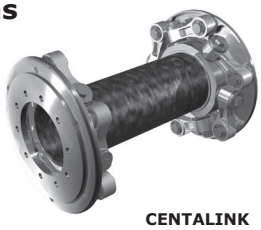

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He also acknowledged that the National Marine Centers are "strained" but there is training to meet demand.

While he praised PVA's new FLAGSHIP safety management system calling it "excellent," he cautioned that the offshore and cruise ship industries also had SMS and experienced incidents. "These plans are hard to develop, but they must be done," Servidio said.

The Rear Admiral discussed marine environmental stewardship. "There will be a greater focus on environmental standards with the direction headed toward zero discharge. And, regarding liquefied natural gas (LNG), we recognize the push for environmental technologies."

Finally, RADM Servidio said that he is a proponent of the distinction between domestic and international regulations and does not want to meld the two.

"We are doing pretty well, but I see room for improvement moving forward," he said. ■

Getting Businesses to the Next Level Starts from Within the Company

In his presentation, "Taking Your Business to the Next Level," Larry Taylor, President of the Taylor Performance Group, stressed that corporate success comes from within the company.

A strong business culture is critical, he said. Organizational behaviors that meet the metrics as defined by corporate management's business plans are essential for the operation to advance.

A unified approach to meeting the business plan goals and objectives is vital, he emphasized, explaining that all employees—from all levels—must understand and buy-in to the plan for it to succeed.

For passenger vessel operators, these goals and objectives may be a focus on customer service or safety. And, everyone from ticketing sales agents to deckhands, to engineers and senior staff have to fully understand what is expected of them to reach the corporate goal and then do what is required to achieve it.

Taylor shared several real-world examples of companies that have been able to take their businesses to the next level through the concerted efforts of management working in alignment with its employees. ■

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Pump Solutions Group Americas
Delran, NJ
Mr. Ryan Holak
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Mr. Randy Lee
Vessel Member

Liberty Belle Cruises
Ft. Lauderdale, FL
Mr. James Campbell
Vessel Member

Sound Experience
Port Townsend, WA
Capt. Joshua Berger
Vessel Member

By Peter Lauridsen,
PVA Regulatory Affairs Consultant

Comments Needed on Coast Guard 2692 Report of Marine Casualties NVIC

On January 14, 2014, the Coast Guard published a *Federal Register* notice announcing a Draft Guidance for Interpreting Regulations for Marine Casualty Reporting was available for public comment. This draft of a proposed Navigation and Vessel Inspection circular (NVIC) is a long-planned attempt to aid the industry and the Coast Guard field forces in consistent interpretation of and compliance with the marine casualty reporting regulations.

The draft NVIC consists of four pages of purpose, background, discussion and process of marine casualty reporting with emphasis on Coast Guard procedures and industry responsibilities. The draft NVIC also includes a 12-page enclosure that highlights words and phrases of the marine casualty reporting regulations with accompanying interpretations. The three main sections of the enclosure are entitled Reporting Exclusions, Notice of Marine Casualties and Incidents Involving Foreign Tank Vessels. The sector of most interest to our membership is

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the Notice of Marine Casualties.

PVA, through its Quality Partnership with the Coast Guard, has over the years stressed the industry's frustration with the wide differences between Coast Guard commands in interpretation, enforcement and consequential actions of marine incident reporting. It is with great anticipation that we now have received a proposal that hopefully resolves that long standing frustration.

As we begin our review of the proposed NVIC, it is unsettling that readers have had three distinctly different reactions. Some see resolution of some concerns, some see no change from the status quo and others are very disappointed that hoped for improvement is absent.

This indicates to us that it was not interpretation of current regulation that was needed but an analysis of the purpose, process and authorities of the casualty reporting system itself. The current uses as cited in the draft NVIC are "Information and data collected during marine casualty investigations are used by a wide audience for many purposes from enforcement of laws to enhancement of prevention activities (i.e. safety alerts) and standards. In addition, even minor incidents provide valuable leading indicator and trend analysis information critical for an effective prevention program." Nice words without substance. Who in the audience is served, for what purposes are they served, why is it industry's responsibility, what are the enhancements of standards that have evolved, what are the leading indicators that have improved effectiveness and in whose programs?

And, after those questions are answered, do the benefits justify the cost? Can the cost even be accurately estimated since it is a government and industry burden of people, paper, process, a pyramid of command, investigators, attorneys, legislators, administrators and mariners to name a few. The periodic reauthorization of the CG 2692 form is rudimentary and focuses on mere handling of the form and not the broad investigative process supported directly and indirectly.

We do need some form of ongoing program assessment of effectiveness and enforcement, but is it the one that has grown up in long forgotten ad hoc steps and as new missions were added to the Coast Guard inventory (i.e. pollution control and response)? Probably not.

Recent history has shown that the existing data pool has been ignored in passenger weight, carbon dioxide (CO2) regulation, nontank vessel

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response, out-of-water survival craft, automatic identification systems (AIS) and other regulatory initiatives. The Coast Guard has either ignored its own analysis or failed in its duty to those undefined other users in its "wide audience" with other "purposes."

The request for comments in this notice, unfortunately, is far more limited to the specific content of the draft NVIC, so that is our immediate concern. To that end, it bears a close reading and critical content comment by all members.

The NVIC tracks the authority of the casualty investigation program to its legislative roots and, in fact, quotes that legislation in part. The regulatory requirement to require reporting "loss of life" in regulation tracks the legislative mandate of "death of an individual." The regulatory requirement for "injury that requires professional medical treatment (treatment beyond first aid)" tracks the legislative mandate of "serious injury to an individual." The regulatory requirement of "property damage" follows the legislative mandate of "material loss of property." The regulatory requirement of "seaworthiness or fitness for route" follows the legislative mandate of "material damage affecting the seaworthiness or efficiency of the vessel." The regulatory requirement of "significant harm to the environment" follows the legislative mandate of "significant harm to the environment."

Two reporting criteria do not appear as specific terms in the legislation, "grounding" and "loss of main propulsion, primary steering, or any associated component or control system that reduces the maneuverability of the vessel." Grounding has incorporated into its definition intentional and unintentional grounding and within unintentional grounding there is recognition of touch and go. Neither intentional grounding or touch and go are reportable absent another identified reportable condition.

The system loss is treated far more radically. It is frustrating to operators in that its rationale is counterintuitive, overly restrictive and will continue to be a point of interpretive contention. Loss should indicate something other than a transitory condition. Loss should mean something other than momentary. Loss should mean something other than the use of redundant systems installed for reliability of continued operation. Loss should mean something other than investigation of alarms or indicators showing other than expected readings. Loss should mean something other than reduced output. Loss should mean something other than prudent and precautionary

actions. Loss should mean something other than a reduction, however minor, of vessel maneuverability.

The reduction of maneuverability begs to be argued ad infinitum since the expected or even required maneuvering is often a matter of industry's experience and environment. Beyond the senses, even if absolutes were known, how much degradation is normal with accumulated marine growth, vessel loading, wear and environmental factors? How many tenths of a knot, how many degrees, and how many seconds change, how much built in mechanical or process lag time is degradation? We are left with potentially competing opinions where the mariner can be put at risk if he/she fails to meet the Coast Guard's after-the-fact definition.

In short, Congressional intent expected some reasonable judgment in defining degrees or consequences of a reportable incident. The loss definition is arbitrarily absolute and shows no understanding of reality. To use the same reasoning on other definitions is to report damage of one dollar, injury from a paper cut, the spill of a drop of oil and so on. It is bad enough that the current reporting criteria are founded on needs or perceptions from decades ago without being scaled to cost, experience, an evaluation of need, or relevance.

The draft NVIC is addressing primarily symptomatic improvement, not the problem of a coherent program founded on need and an efficient understandable process. So we go back to why, what and how would you collect and use data if reported?

Your comments are needed. The comment period is open until April, 14, 2014. Go to regulations.gov and enter USCG-2013-1047 in the search space. The docket contains the draft NVIC, the ability to enter your comments and access to all earlier comments. ■

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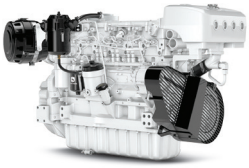

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Ed Welch,
PVA Legislative Director

EPA's Tier 4 Emission Standards Will Affect Some, But not all, PVA Members

How will the U.S. Environmental Protection Agency's Tier 4 emissions standards for commercial marine diesel engines affect PVA members? Will every newly purchased engine have to be Tier 4-compliant, and if so, as of when? What engine must be used when a vessel is repowered? If an existing engine is rebuilt or remanufactured, must its emissions performance be upgraded, and if so, to what standard? These were questions of concern frequently expressed by attendees at the PVA Annual Convention at MariTrends 2014 in Houston this past January.

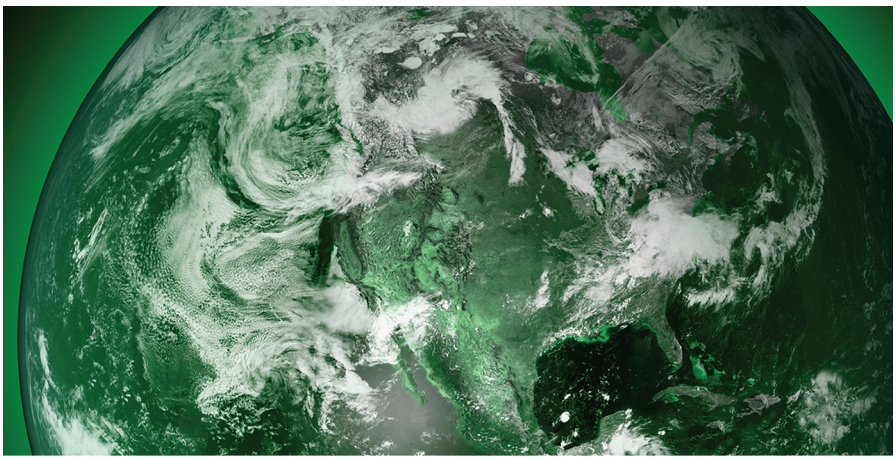
The short answer is that Tier 4 standards will be applicable to some PVA vessels and engines, while other PVA members will not be affected.

Pursuant to a 2008 EPA rule, air emission standards for commercial marine engines have become increasingly strict. Engines are classified into "tiers." Most commercial vessel engines now sold on the market must meet Tier 3 standards.

As the required engine emissions standards have progressed from Tier 1 through Tier 2 to the current Tier 3, engine companies have achieved compliance by making changes internal to the engine itself. However, a new approach will be necessary to achieve the Tier 4 requirements. It is anticipated that most engine companies will accomplish compliance by means of catalytic aftertreatment technology external to the engine.

The 2008 EPA rule applies to commercial marine engines with a per-cylinder displacement below 30 liters; almost all engines and generators used by PVA members fall within this category. The rule's purpose is to cut particulate matter (PM) emissions by up to 90 percent and nitrogen oxides (NOx) emissions by up to 80 percent from levels produced by Tier 2 levels.

Tier 4 standards are beginning to phase in this year and will be fully implemented as of the year 2017. However, not every new marine engine will have to conform to the Tier 4 standards. They will apply only to those engines above 600 kW (805 hp). Some engines used by PVA members, particularly those operating larger or high-speed vessels, will be affected by Tier 4. However, Tier 3 standards will continue to apply to new marine engines below this threshold, so many PVA members will not have to worry about Tier 4.



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The EPA standards are prospective in application; that is, the requirement to use a higher tier engine customarily comes into play when one is purchasing and installing a new engine. An exception exists when one is repowering an existing vessel. Even if replacement engine is above 600 kW, a Tier 3 (not a Tier 4 with aftertreatment) engine may possibly be used.

Sometimes, so much work may be undertaken to modify an existing vessel that the EPA will consider it to be "new" for purposes of the engine air emission rule. Then one must install an engine that conforms to the highest tier then in effect. This requirement kicks in when the value of the modifications exceeds 50 percent of the value of the modified vessel.

As a general rule, there is no federal requirement that an existing engine of a lower tier must be removed and replaced with a newer engine with lower emissions. However, the EPA rule does impose new emission standards on a larger marine engine (larger than 600 kW, or 805 hp) already in operation if it is "remanufactured." The purpose is to achieve a reduction in PM emissions of 25 percent.

The remanufacture requirement applies if the marine engine was built starting in 1973 and includes Tier 1 and Tier 2 marine engines. In that case, the vessel owner is required to use a certified remanufacture system (or "kit"), if one is available. It is important to note that this rule does not require the owner of a vessel with an older engine to undertake a remanufacture, but if the decision is made to remanufacture, then the rule comes into play.

What exactly constitutes a "remanufacture?" It is the removal and replacement (including "requalifying") of all cylinder liners, either during a single maintenance event or over a period of five years or less. As used here, "requalifying" means to inspect a cylinder that may have been recently replaced due to a failure, to make sure it qualified for continued use. If the cylinder replacement/requalifying schedule takes longer than five years, EPA does not consider this to be remanufacturing, and the rule does not apply.

It's important to note that an engine "rebuild" and a "remanufacture" are not necessarily the same thing. An engine rebuild may include extensive maintenance that increases the service life of the engine, but it will not be considered to be remanufactured unless all of the cylinder liners are replaced, either at once or over a period of five years. Thus, not all rebuild events and not all maintenance events will trigger the remanufacture requirement.

If an EPA-certified remanufacture kit does not exist or cannot be

obtained in a timely manner, then the vessel owner is excused from the requirement. Also, the requirement to use a kit is waived if the company's gross revenue for the calendar year does not exceed a certain amount (about $5.4 million in 2014). The EPA maintains a web page of approved kits at www.epa.gov/otaq/certdata.htm.

The discussions above describe the situation in every state other than California. The Golden State has even stricter requirements issued by the California Air Resources Board. They include a schedule by which some older engines with poorer emissions performance must be upgraded or replaced. Contact PVA's staff for more information about the California rules.

PVA's membership includes several companies that manufacture and market marine propulsion engines and generators. Their representatives are conversant with the EPA emissions requirements, especially with regard to their particular products, and are an excellent source of information for vessel operators. Also, more information is available on a special EPA web page at www.epa.gov/otaq/marine.htm. ■

Carl Micu, John Deere Power Systems, Waterloo, IA, contributed to this article.

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EXECUTIVE DIRECTOR, CONTINUED FROM PAGE 5

from Coast Guard, U.S. Army Corps of Engineers, NOAA and others will be actively involved in the program. In addition, the Honorable Aubrey L. Layne, the new Secretary of Transportation for the Commonwealth Virginia will be a luncheon keynote speaker during the event.

As you can tell, PVA members and staff are working hard to represent the interests of the passenger vessel industry before a wide range of maritime industry groups and government entities. We believe strongly that this work will not only help increase our visibility and credibility but it will also advance our industry's interests.

Finally, I hope that you will join us next month on April 29 for the PVA Annual Congressional Fly-In. Your presence and participation will add greatly to our success in communicating with key Members of Congress. Watch your email for emerging details.

In the meantime, please let me know whenever we may be of assistance to you.

Sincerely,

John R. Groundwater
Executive Director ■

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FLAGSHIP and Why a Safety Management System Makes Sense

By Dione Lee, QSE Solutions

For over 25 years, we have been helping companies develop, implement, maintain and improve their management systems to achieve zero incidents, including zero customer complaints. We have seen companies reduce their incidents by half in less than two years by putting in place the basic continual improvement processes to identify opportunity for incident and develop control measures to mitigate risk. It is truly an amazing experience to see a well-intentioned company make the leap from reacting to events, to being empowered to prevent things from happening through proactive measures – they control the outcome versus the outcome controlling them. The transformation is great and only continues to make them better. In other words, they have discovered the system for managing safety that makes sense.

Over the past year, I have had the pleasure to work with PVA, John Taylor from the U.S. Coast Guard and the nine Beta Test companies in helping to introduce and test run FLAGSHIP, a Safety Management System (SMS) developed by PVA for small passenger vessel operators. There have been many lessons learned, great leadership and support along the way, from past PVA President Carolyn Horgan. Carolyn and her team at Blue & Gold Fleet, San Francisco, CA, is a testiment to management systems at their best and has realized the benefits firsthand of how a management system can work for you to reduce incidents, save money and empower employees.

9 FLAGSHIP BETA TESTERS

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3. Entertainment Cruises
4. Padelford Packet Boat Co.
5. River Cruises
6. Fire Island Ferries
7. Bridgeport/ Port Jefferson Steamboat
8. Gateway Clipper Fleet
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What PVA is trying to do for its members with FLAGSHIP is truly admirable, starting with Beth Gedney's vision in 2009 to develop an alternative and scalable SMS to benefit all members. From 2010 to 2012, FLAGSHIP started taking shape as documents were being developed for both shoreside and vessel personnel to effectively implement an SMS for continual process improvement and achieve an enhanced level of safety and environmental compliance.

In doing so, the FLAGSHIP Code meets the functional requirements of 33 CFR Part 96, *Rules for the Safe Operation of Vessels and Safety Management Systems* and provides guidance in the following areas:

- A safety and environmental protection policy;
- Instruction and procedures to ensure safe operation of the vessels and protection of the environment in compliance with relevant rules and regulations;
- Levels of authority and lines of communication between, and among, shore and vessel personnel
- Procedures for reporting accidents and non-conformities;
- Procedures to prepare for and respond to emergencies; and
- Procedures for internal audits and management reviews.

In 2013, selected PVA member Beta Test companies were introduced to

FLAGSHIP. The purpose of the Beta Test program was to provide feedback on the implementation process of FLAGSHIP to determine whether or not FLAGSHIP:

1. Is scalable based on the company's size and makeup of operation, so that every PVA member company can adopt, with elements to continually improve safety performance;
2. Provides documented best practices to plug into the companies' SMS; and
3. Ensures a manageable and not overly complicated SMS.

The Level One Initial Implementation with the Beta Test companies just wrapped-up with a successful and well attended pre-convention workshop in Houston. The goal of the initial implementation was to determine where the Beta Test companies were at in the implementation process through a document review and gap analysis of the key FLAGSHIP Code Sections, which provided the framework for an SMS. The results of the gap analysis were recently compiled and presented to the PVA leadership to help determine next steps moving forward prior to rolling out FLAGSHIP to the PVA Membership at large.

At the pre-convention workshop, Beta Test companies shared Lessons Learned and their experiences implementing FLAGSHIP. This will be utilized to further refine the program so that it best fits PVA member operators.

What was also shared were the benefits the Beta Test companies started to recognize as a result of implementing FLAGSHIP, which included:

- Developing a proactive versus reactive safety culture;
- Continually improving operations;
- Lower insurance rates;
- Documented "Institutional Memory";
- Organized policies and procedures
- Organized forms, checklists and records;
- Everything becomes a circle (closed loop process) versus a straight line; and
- Tools for new employees.

The results are starting to come in, that a Safety Management System does make sense. There is still work that needs to be done prior to rolling out to all members, but FLAGSHIP is well on its way to becoming a reality. ■

About the Author
Dione Lee, President of QSE Solutions, has spent 25 years working with companies to achieve zero incidents. Dione is the developer of the Continual Improvement Workshop SeriesTM, co-author/publisher of Safe Voyage® Magazine and The Regulatory Training Guidebook for the Workboat Industry.

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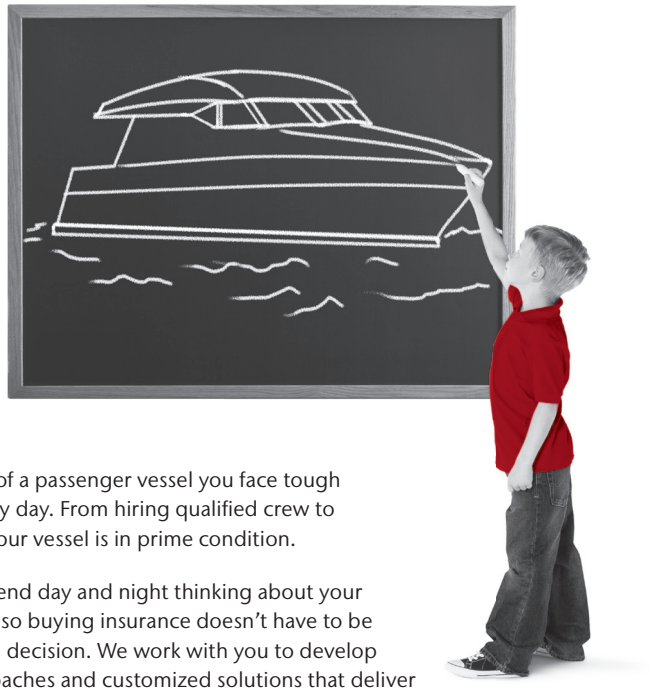

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By Jen Wilk, PVA Manager of Membership & Public Affairs

PVA's Committees Working for You

PVA's Committees are working on the issues that impact your business, advancing the association, and moving the industry forward. Comprised of dedicated volunteers PVA Committee members are maritime professionals representing the diverse regions, operations and waterways that make up PVA's membership. Through PVA's unique collaborative environment these industry experts utilize years of experience and knowledge, to tackle the business and operational challenges facing the industry. The work of PVA's Committees include developing PVA's policy positions on proposed regulations, constructing legislative initiatives, well as identifying emerging issues.

At the PVA Annual Convention at MariTrends 2014 in Houston, PVA's Committees met to advance the Association's work in safety, regulatory affairs, membership and legislative advocacy.

PVA's Safety and Security Committee

Chair: Dave Anderson, Fire Island Ferries, Bay Shore, NY

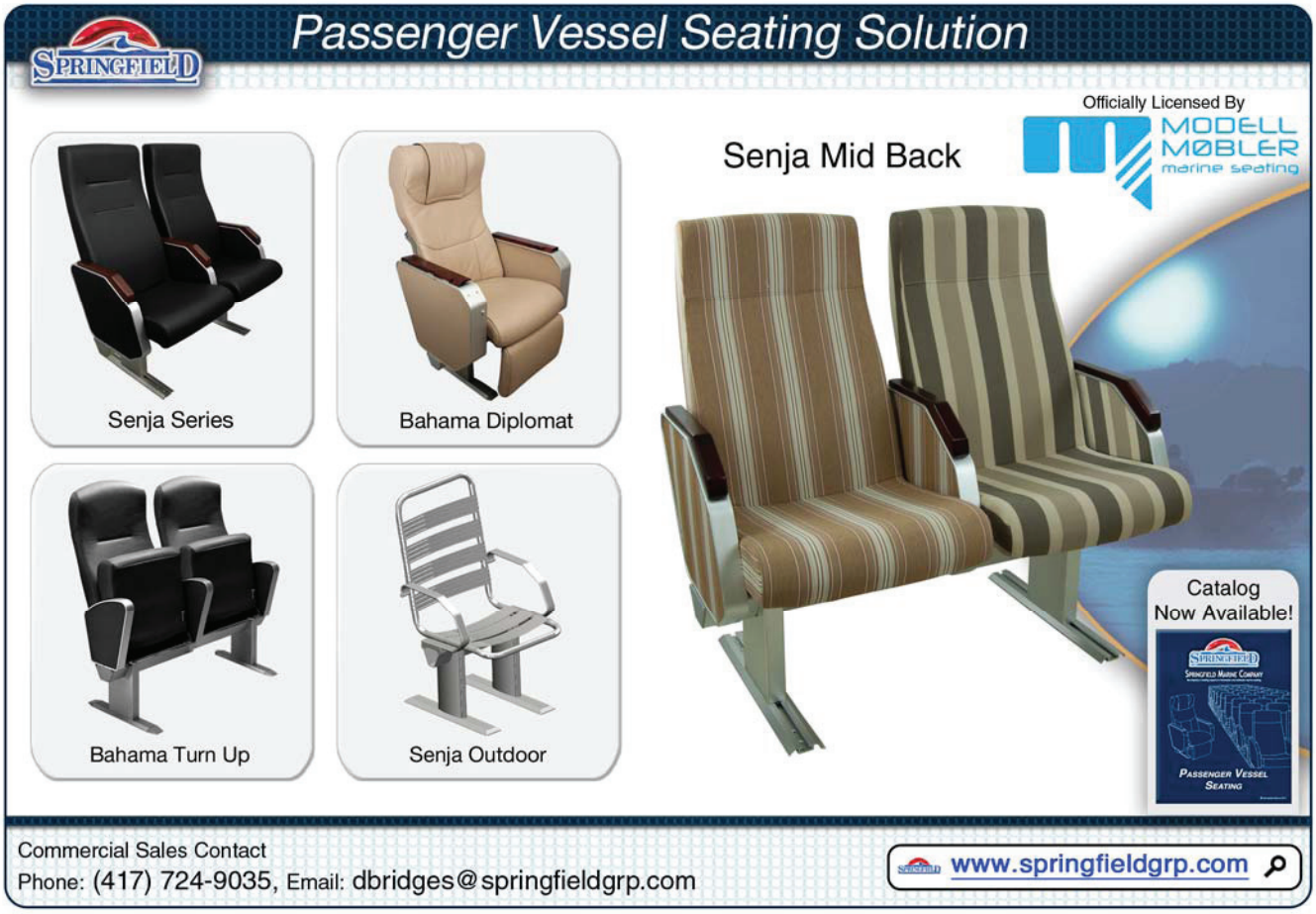
Discussed FLAGSHIP, PVA's safety management system. Beta Test companies said main benefits are developing a proactive safety culture, continual improvement in operations, and new safety tools for employees.

The PVA Regulatory Committee

Chair: Margo Marks, Beaver Island Boat Company, Charlevoix, MI

1) Developed comments to U.S. Access Board's proposed construction standards/accessibility guidelines to comply with the Americans with Disabilities Act;

2) Shaped PVA's response on draft policy guidance for marine casualty reporting on Coast Guard Form 2692; 3) Created a strategy for



elevating the issue of waterways management and interaction with human-powered craft and working with industry partners to promote safe boating practices; 4) Discussed the final rule on Non-Tank Vessel Response Plans, and recommended PVA develop alternative training and exercise plans as required in the regulation; and 5) Debated the impact on domestic licensing regulations as a result of the release of the final rule on amendments to Standards of Training, Certification and Watchkeeping (STCW).

PVA's Legislative Committee

Chair: Charles Moser, EUP Transportation Authority, Sault Ste. Marie, MI

1) Discussed PVA's advocacy and legislative activities of the 113th Congress; 2) Amended the out-of-water survival craft mandate; 3) Considered funding options for U.S. Army Corp dredging/infrastructure maintenance projects; 4) Supported continuing the small vessel exemption from the Vessel General Permit and further TWIC relief; and 5) Developed the agenda of the PVA Congressional Fly-In, scheduled for April 29 in Washington, DC. The Legislative Committee encourages all members to participate in this unique opportunity to take your concerns to Congress.

PVA's Membership Committee

Chairs: Suzanne Krug and Hannah Wirginis, Gateway Clipper Fleet, Pittsburgh, PA

1) Discussed outreach initiatives to advance membership growth; 2) Focused on member retention and growth; and 3) Planned new marketing efforts and outreach to operators at region meetings and events around the country.

If you are interested in getting involved and participating in PVA's committees contact the PVA staff. PVA's committees are working for you. ■

PVA MEMBER CALENDAR

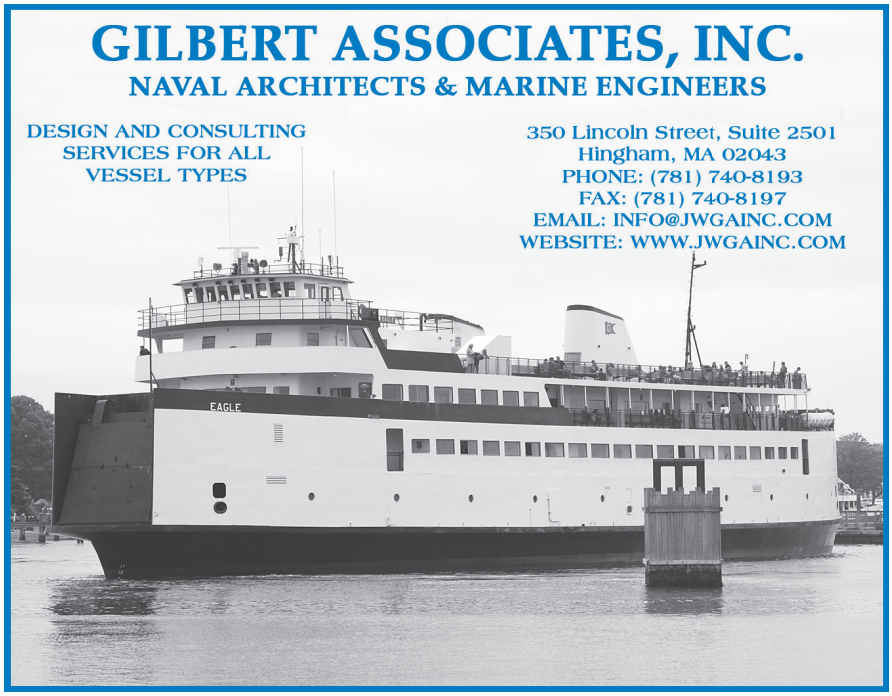
April 8- 10
2014 Mid-Atlantic Waterways Conference
Renaissance Portsmouth Hotel & Waterfront Conference Center
Portsmouth, VA
http://events.r20.constantcontact.com/register/event?oeidk=a07e86jqns32ed393ee&llr=cb9bx7kab

April 29
PVA Congressional Fly-In Breakfast Meeting
Sheraton Suites Old Town Alexandria, VA

April 30
PVA Board of Directors Meeting
Sheraton Suites Old Town Alexandria, VA

May 1
PVA/Coast Guard Quality Partnership Meeting – Tentative (Invitation Only)
Sheraton Suites Old Town Alexandria, VA

Sheraton Suites Old Town Alexandria
801 N. St. Asaph Street, Alexandria, VA 22314
Call 703-836-4700 and mention PVA for the special rate of $199, the cut-off date for this discounted rate is April 9, or click this link to make your reservations online https://www.starwoodmeeting.com/StarGroupsWeb/res?id=1403051755&key=729D8



LETTER FROM THE PRESIDENT, CONTINUED FROM PAGE 4

amazing event. When you participate, you will come away with a new appreciation for what we do as an association and for our democratic process as a whole.

I want to encourage you to get involved in our Association by volunteering. Our strength is rooted in the knowledge, energy and involvement of our members. As the next generation of PVA, I challenge you to join me this year on a PVA committee, as a speaker at one of our meetings, at the Congressional Fly-In or in a variety of other important volunteer positions. Your participation will make a difference.

Once again, I am thrilled to serve as PVA's President this year. I look to you for your support and assistance this year as we work on behalf of all PVA members.

Terri Bernstein
President ■

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For more information contact:
Heath Gehrke at 609-889-7220 or E-mail Heath.gehrke@drba.net

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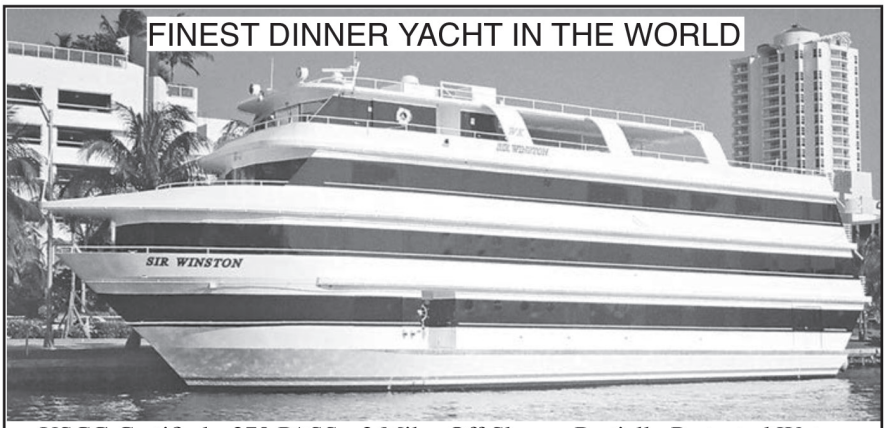

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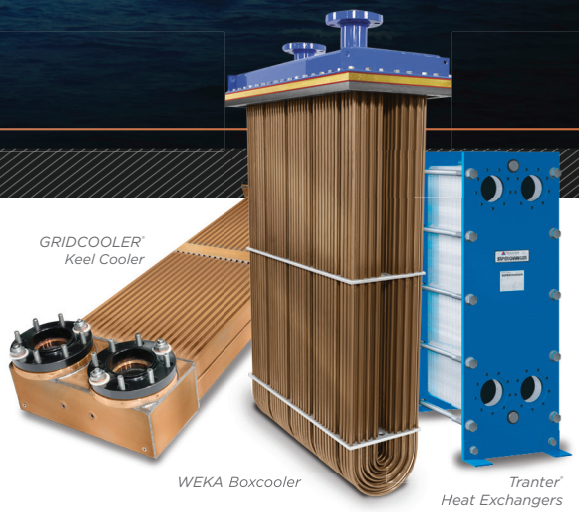

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