The Operating Committee of United States Power Squadrons met on 9 December 2000 at the national headquarters in Raleigh, N.C.

Members present:

C/C Lance J. Jensen, SN  R/C Elmer F. Dreier, AP
V/C Theodore H. Smith, SN  R/C Daniel Stein, SN
V/C James E. Roeber, SN  R/C C.A. Miller Jr., JN
V/C G. Leslie Johnson, SN  R/C John P. Wilson, AP
V/C Ernest G. Marshburn, SN  R/C Kenneth D. Link, JN
V/C Doug Kerr, SN  P/C/C Arthur H. Farr, SN

Guests present:  Stf/C Creighton C. Maynard Jr., SN
                 Stf/C Maurice G. Rice, AP
                 Mary Catherine Berube

Report of the Chief Commander

C/C Jensen called the meeting to order at 0830, and P/C/C Arthur H. Farr, SN, delivered the invocation.


Report of the National Executive Officer

V/C Theodore H. Smith, SN, announced that he received a request from a group in Michigan requesting provisional squadron status and that they had met all requirements for provisional status except for adopting and
submitting their provisional squadron bylaws to the Chairman of the Committee on Rules for approval. He made a motion to authorize provisional squadron status for Tip of the Mitt Provisional Squadron, subject to ComRules approving its provisional squadron bylaws and that it be assigned to D/9 for administrative purposes. The OCom ADOPTED the motion. (01-OC-122)

V/C Smith reported that the ad hoc New Squadron Development Committee is following leads for possible areas for new provisional squadrons, monitoring approved provisional squadrons to ensure that they submit their provisional squadron bylaws to the Committee on Rules, assisting provisional squadrons that are working toward a squadron charter, finalizing the new manual “How to Develop a New Chartered Squadron Using the Provisional Squadron Approach” and working on a rewrite of Chapter 21 for the 2000 Operations Manual.

The NExO reported that the Committee on Rules had chartered two new squadrons since the November Operating Committee Meeting. The OCom ADOPTED a motion to recommend to the Governing Board that the Norman Sail and Power Squadron be assigned to D/31 and that the North Strand Sail and Power Squadron be assigned to D/26. (OC-00-123)

V/C Smith announced that he will assign the responsibility of working with troubled squadrons to the ad hoc New Squadron Development Committee.

V/C Smith reported that he had received a resolution from D/29, requesting that the USPS Bylaws be amended to allow squadrons to charge boating course students any or all costs associated with the course presentation. He will assign the resolution for study and recommendation to the Operating Committee at the January 2001 Annual Meeting.

The NExO reported on activities of the Vessel Safety Check Program. The ad hoc VSC Committee is working with the USCGAux to complete the VE training manual. The 2001 VSC decals have been ordered from the USCGAux.

In response to a request of a D/5 squadron commander, a letter will be published stating the USPS official position on a member’s liability when making vessel safety checks and the amount of liability insurance that USPS has presently in force ($20 million) along with any special precautions VEs should keep in mind to limit any USPS or personal liability exposure.

The Cooperative Charting Committee is producing an instructional video entitled “How to Work on the Tide and Current Project,” which should be completed by the 2001 Annual Meeting. The video must be approved by NOAA who will then make copies available for distribution to each district. The entire project is being produced at no cost to USPS.

The Legislative Committee reported that 31 Memorandums of Understanding (MOUs) have been signed with various states and four others are pending.
The NExO reported that the Public Relations and Boating committees will share a booth at the 2001 Annual Meeting Expo. The electronic boating course and the new 2001 Boat Smart and The Squadron Boating courses will be featured, and the Public Relations Committee will share information on how to promote these courses.

V/C Smith announced that filming is complete for the National Safe Boating Test, which will be aired during National Safe Boating Week in 2001. The completed test video will be shown during the Denver Governing Board Meeting.

Report of the National Educational Officer

V/C James E. Roeber, SN, reported on the Educational Department’s study on how to best update approximately 6,000 Jet Smart manuals in order to meet NASBLA standards. To bring the existing Jet Smart materials up to the latest NASBLA standards, a single card stock insert will be printed and two correction stickers applied to the manual and slip-case. The OCom ADOPTED a motion to print 6,000 Jet Smart manual inserts and repackage only 3,000 now, at an approximate cost of $4,000, and to increase the wholesale price of the Jet Smart video and manual to $10. (OC-00-124)

V/C Roeber reported that courseware development for the electronic boating course is on schedule and progressing well.

The NEO announced that he has asked the Advanced Grades and Elective Course divisions to initiate a course pricing study.

V/C Roeber reported that after the current inventory of Boating Course kits, which include a plastic pouch, a plotter, a divider and a pencil, is exhausted the plastic pouch and pencil will no longer be provided. Boating Course packages will then include only a manual, a plotter and a divider.

Following discussion of protecting potential names and identities for USPS, the OCom ADOPTED a motion to authorize LawCom to obtain appropriate trademark searches and Internet domain name searches to determine the availability, for USPS use, of the phrases “America’s Boating Clubs” and “America’s Boating Course[s]” at a cost not to exceed $300. (00-OC-125)

The law officer then offered a motion upon the condition that the above searches reveal an absence of registration, reservation and or rights thereto being held by others. The motion provides for the Secretary’s Department to immediately seek to reserve unto USPS such phrases as Internet domain names in each of the variants available at a total cost not to exceed $200, and that the Educational Department and Marketing Committee immediately develop and implement a structured campaign of actual use of such phrases in association with the name and identity of USPS and the existing and planned boating courses. The OCom ADOPTED the motion. (OC-00-126)
The NEO reported that he and a representative from the USCGAux would present a paper on the joint USPS/USCGAux electronic boating course at the International Boating and Water Safety Summit in Nashville, Tenn., in April 2001.

Report of the Administrative Officer

V/C G. Leslie Johnson, SN, reported that he had received a request to develop insignia for certified vessel examiners. He has referred the request to the Flag and Etiquette Committee. The Flag and Etiquette Committee is currently working on revisions to the How to Fly Flags learning guide.

V/C Johnson reminded all members that merit mark tabs may also be worn by family members who earn merit marks.

The Member Involvement Committee reports that it is working closely with district member involvement chairmen to increase member retention. The committee also reports that the Member Involvement Chairman Training Guide is being updated and will be available on the USPS Web site.

The Operations Training Committee will present awards at the 2001 Annual Meeting to districts that support the OT program.

V/C Johnson reported that FirstUSA® (FUSA) will provide a booth to USPS for use in promoting the FUSA credit card at national meetings and boat shows. Representatives from FUSA will attend the Annapolis and Miami boat shows. The NAO announced that FUSA is not permitted to issue credit cards in Puerto Rico.

Report of the National Secretary

V/C Ernest G. Marshburn, SN, reported that the headquarters print shop operator had opted for early retirement effective 30 November. The possibility of closing the headquarters print shop has been studied during the past year due to decreasing staffing and rising equipment maintenance costs. As a result, there are no plans to fill the position in the print shop and all print jobs that cannot be printed on a copier will be outsourced.

The national secretary reported that he had been working with an interior design firm on how to combine the Chapman and Memorial libraries into a common facility that will better showcase historical items as well as uplift the appearance of both libraries.

V/C Marshburn reported that USPS had paid dues to these outside organizations during 2000: 1) Western States Boating Administrators Association - $100; 2) National Safe Boating Council - $100; 3) National Boating Federation - $200; 4) U.S. Sailing - $100; 5) Radio Technical Commission for Maritime Services - $460; 6) United Safe - 4 - OCom 9 December 2000
Boating Institute - $100; 7) Southern States Boating Law Administrators - $100 and Northern Association of Boating Administrators - $100.

The Information Technology Committee is working on a new interface to the USPS Web site for review at the Annual Meeting. ITCom is also working with LawCom to create a template for copyright protection for software developed by members for USPS.

The Ship’s Store Committee is working on an update of the Ship’s Store business plan with completion anticipated by the 2001 Annual Meeting. V/C Marshburn reported that Ship’s Store sales are continuing to increase due to the success of the flexible district conference kits, Internet orders and increased telephone orders. These increased sales have created supply shortages. In response, the Ship’s Store Committee and headquarters are investigating solutions to ensure that adequate quantities of all ship’s store products are maintained.

The Publications Committee is finalizing the 2000 Excellence in Journalism (EIJ) Awards and reported an increase in the number of EIJ recipients this year as a result of efforts to develop a more uniform evaluation method. The committee has created an appeals committee for those district or squadron publications chairmen who believe that their publication was not given a fair review.

THE ENSIGN Committee is developing new advertising strategies to solicit major advertisers. These strategies involve discounts for advertising in consecutive issues, multiple page advertisements in the same issue and the opportunity to schedule different advertising pages in various parts of the country. V/C Marshburn reported that following consultation with LawCom, cancellation notices were mailed to two advertising firms that have not been producing adequate results.

Report of the National Treasurer

V/C Doug Kerr, SN, reported that as of 30 November 2000, overall expenses remain under budget. In spite of this, he noted that end-of-year results show that revenues did not meet expenses; the deficit was $449,000. He contributes the revenue shortfall to three major factors: 1) a significant decrease in investments due to the fact that the stock market took a tremendous dip in November 2000, 2) decreased net educational sales and 3) dues income being less than projected. With respect to the large decrease in investments, he further noted that this is a paper loss and also that it comes after several years of large investment income which supplemented dues income.

V/C Kerr reminded the OCom of the USPS Fiscal Policy that states that Undesignated Funds should remain above $3 million. He said that those numbers are getting close to the control limit. He discussed several options that may be necessary to produce a balanced 2002 budget, including reducing expenses, deficit financing until the stock market recovers, increased income from educational sales or a dues increase.

In response to the bad financial news, the OCom discussed alternatives for reducing expenses during 2001.

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C/C Jensen asked all vice commanders to go to their respective committees and seek ideas and methods for consolidation of committees within their department as one method of not only simplifying and improving efficiency within USPS, but as a way of cutting expenses. He also asked all vice commanders to review their departmental expenses very closely and to look for ways to increase revenue. The chief requested that the headquarters director discuss the need to control expenses with headquarters employees and solicit their input for possible revenue generation.

V/C Kerr reported that he is negotiating with vendors to develop the Web version of the electronic boating course.

The national treasurer continues to work with LawCom to clarify USPS on-the-water insurance coverage. He reported that the USPS insurance policies have been reviewed by an independent expert who said our overall insurance program was excellent.

V/C Kerr discussed LawCom concerns related to USPS Bylaws, Section 18.1, which relates to indemnification of USPS officers. The OCom ADOPTED a motion requesting LawCom to draft an amendment to the USPS Bylaws, Section 18.1, for review by the national treasurer and ComRules, so that such section will be consistent with the insurance policies maintained. (00-OC-127)

Report of the Finance Committee

R/C Dan Stein, SN, chairman, reported that during November, the NASDAQ market was down 22 percent and off its peak in March by 48 percent. He reported that USPS mutual fund investments are high quality and that since 30 November, return on USPS investments have increased by approximately $53,000, through 7 December. He reported that the investment mix is 51 percent equity and 49 percent fixed income. The overall return on investments for the fiscal year is 0.7 percent.

R/C Stein reported little activity in the Members and Endowment funds with balances of approximately $112,500 and $61,000, respectively. He reported that both funds were audited by the USPS Audit Committee and were found to be accurate.

Report of the Committee on Nominations

R/C Elmer F. Dreier, AP, chairman, reported that the Call to the Annual Meeting and Report of the Committee on Nominations was mailed to members of the Governing Board with nominations for the 2001 Governing Board. He said that updates to the nominations will be included in the seat packets at the 2001 Annual Meeting.

The OCom ADOPTED a motion to reimburse a ComNom member $608.89 for travel expenses related to a ComNom project. (00-OC-128)
Report of the Committee on Rules

R/C C.A. Miller Jr., JN, reported that the Committee on Rules chartered Norman Sail and Power Squadron/31 and North Strand Sail and Power Squadron/26 on 29 November 2000.

R/C Miller stated that ComRules published an article in the December THE ENSIGN clarifying the correct procedure for a squadron to change its name. The information will also be posted on the ComRules Web site.

Report of the Law Committee

R/C Jack Wilson, AP, national law officer, reported that LawCom had received or initiated 192 items for legal review or assistance during the period 1 January 2000 to 30 November 2000.

R/C Wilson provided an update to the LawCom's August mailing of an "Information and Request" form to all squadrons, districts and auxiliaries. He reported that completed forms (and some documents) had been received from six districts, 15 auxiliaries, 78 squadrons and three provisional squadrons to date. He stated, that when completed, this legal housekeeping project will directly benefit national, districts and squadrons by 1) fulfilling the needed supporting documentation for each subordinate's written authorization as required by IRS revenue procedures, 2) providing a supporting basis for the various representations required of USPS in its Annual Report to the IRS, and 3) obtaining current information from and focusing the attention of USPS subordinate units on a number of legally significant topics.

R/C Wilson also reported that LawCom had now finalized and posted to its Web pages a "Road Map to Federal Tax Filings and Related Matters" that should be of significant benefit to squadron and district treasurers and other officers.

Lastly, the national law officer reported that LawCom had drafted a form "Copyright Agreement for a Commissioned Work" to be used by USPS in obtaining a transfer of partial or full rights from our members respecting copyrightable works to be hereafter created. He cautioned that as to works already existing an individualized, fact specific document will be needed.

Report of the Marketing Committee

R/C Kenneth D. Link, SN, reported that as a result of the USPS Partners Program, 22,500 copies of This is USPS and 22,500 copies of a letter from C/C Jensen have been provided to US Marine for distribution with boats sold during the 2001 model year.
R/C Link reported that Blue Water Media filmed an interview with V/C Roeber about USPS boating classes and will air a four-minute segment on Speedvision Network during April or May 2001.

He reported that the Metal Boat Society has offered to print free advertisements for USPS in its quarterly magazine in 2001. The publication targets metal boat owners, builders and buyers.

The Marketing Committee has provided pictures of USPS instructors and boating course students to the USCG for inclusion in its publications both in hard copy and electronic form.
R/C Link discussed the possibility of establishing a library of photographs at headquarters for use in USPS publications and newsletters and also for use by newspapers, magazines, television and other print and video media. The Marketing and Law committees and the Secretary’s Department will study the idea and will present a proposal to the OCom.

R/C Link said that the Marketing Committee will become a resource for the Member Involvement Committee on targeting programs for youth.

The Marketing Committee reports that it has secured an endorsement from the Boating Law Administrator in the state of Oregon to use the USPS Video Boating Course with closed captioning for the hearing impaired.

**Report of the Past Chief Commander**

P/C/C Arthur H. Farr, SN, thanked R/C Jack Wilson, AP, and R/C Elmer F. Dreier, AP, for their outstanding service on the OCom during their terms of office.

**Report of the Planning Committee**

C/C Jensen presented the report of the Planning Committee due to the unavoidable absence of R/C Frank Golle, SN.

The OCom ADOPTED a motion to invite all Governing Board Members Emeritus who attend the 2001 Annual Meeting to attend the New Life Member reception. (00-OC-129)

The OCom reviewed the second draft of the USPS Strategic Plan and offered suggested changes that will be submitted to the Strategic Planning Task Force.

C/C Jensen adjourned the meeting at 1540.

V/C Ernest G. Marshburn, SN
National Secretary
A motion to authorize provisional squadron status for Tip of the Mitt Provisional Squadron, subject to the Committee on Rules approving its provisional squadron bylaws and that it be assigned to D/9 for administrative purposes. (00-OC-122)

A motion to recommend to the Governing Board that the newly chartered squadrons Norman Sail and Power Squadron be assigned to D/31 and North Strand Sail and Power Squadron be assigned to D/26. (OC-00-123)

A motion to print 6,000 Jet Smart® manual inserts and repackage only 3,000 now, at an approximate cost of $4,000, and to increase the wholesale price of the Jet Smart video and manual to $10. (OC-00-124)

A motion to authorize LawCom to obtain appropriate trademark searches and Internet domain name searches to determine the availability, for USPS use, of the phrases “America’s Boating Clubs” and “America’s Boating Course[s]” at a cost not to exceed $300. (00-OC-125)

A motion that the Secretary’s Department immediately seek to reserve, unto USPS, such phrases as Internet domain names in each of the variants available at a total cost not to exceed $200, and that the Educational Department and Marketing Committee immediately develop and implement a structured campaign of actual use of such phrases in association with the name and identity of USPS and the existing and planned boating courses. (OC-00-126)

A motion requesting LawCom to draft an amendment to the USPS Bylaws, Section 18.1, for review by the national treasurer and ComRules, so that such section will be consistent with the insurance policies maintained. (00-OC-127)

A motion to reimburse a ComNom member in the amount of $608.89 for travel expenses related to a ComNom project. (00-OC-128)

A motion to invite all Governing Board Members Emeritus who attend the 2001 Annual Meeting to attend the New Life Member reception. (00-OC-129)