The Operating Committee of United States Power Squadrons met on 13 Dec. 2003 at its national headquarters in Raleigh, N.C.

Members present:

C/C Theodore H. Smith, SN  R/C Frank E. Dougherty Jr., AP
V/C G. Leslie Johnson, SN  R/C Thomas R. Dougherty, SN
V/C Spencer P. Anderson, SN  R/C Maurice G. Rice Jr., AP
V/C Ernest G. Marshburn, SN  R/C Joseph R. Mesenburg, SN
V/C Frank A. Dvorak, SN  R/C Roby Schottke, SN
    V/C John T. Alter, SN  R/C Kenneth D. Link, JN
    P/C/C Lance J. Jensen, SN

Guests present:

P/R/C Creighton C. Maynard Jr., SN  Stf/C Alan F. Wentworth, SN
    Stf/C James D. Richlak, SN  P/R/C Elmer F. Dreier, AP
    Stf/C Glenn Daughtridge, SN  Jean O’Connell
    Stf/D Darrel G. Allison, AP  Mary Catherine Berube

Report of the Chief Commander

C/C Theodore H. Smith, SN, introduced Jean O’Connell, a grant-writing consultant, who then spoke to the OCom about the process used to seek grants. Following discussion, it was decided that O’Connell would present a proposal, on seeking and writing grants, to the OCom prior to the 2004 Annual Meeting.

C/C Smith called the meeting to order at 0830 and gave the invocation.
C/C Smith announced that, hearing no objections, the minutes of the 8 Nov. 2003 meeting were approved as distributed.

The chief invited P/R/C Elmer F. Dreier, AP, to present a proposed business plan about establishing a profit center as a support unit of USPS. P/R/C Dreier presented the ad hoc USPS Enhancement Committee’s recommendation that USPS start the process to form a retail business to market marine-related equipment via the Internet to members, with the expectation that it will be expanded in the future to include sales to nonmembers. A final proposal will be presented to the Operating Committee in the near future for its approval. The OCom APPROVED the recommendation. (12-OC-98)

C/C Smith entertained a motion to reimburse Louis Anderson, JN, who has just received his 66th merit mark, for attending the 2004 Annual Meeting. The OCom ADOPTED the motion. (12-OC-99)

The chief reported that due to homeland security issues, USCGAux members will be required to go through a security check beginning in June 2004. Auxiliarists who choose not to participate and have been members for 15 years will be placed in a retired status. Auxiliarists who have not been members for 15 years will not be allowed to remain in the Auxiliary.

The chief entertained a motion and the OCom ADOPTED the motion to elect the following individuals as 2004 USPS honorary members (12-OC-100): Honorable Jeb Bush, governor of Florida; Mark V. Rosenker, vice chairman, National Transportation Safety Board; Adm. Thomas Collins, commandant, USCG; Rear Adm. Jeffrey J. Hathaway, USCG director of Operations Policy; Maj. Gen. Carl Strock, director of Civil Works for the U.S. Army Corps of Engineers; Timothy R.E. Keeney, deputy assistant secretary for Oceans and Atmosphere, U.S. Department of Commerce; William Gossard, National Transportation Safety Board; Capt. Samuel P. DeBow, executive assistant to the deputy under secretary, National Oceanic and Atmospheric Administration; Dr. Richard W. Spinrad, assistant administrator for NOAA, Oceans and Coasts, NOS; Capt. Roger L. Parsons, director, Office of Coast Survey, NOAA; Capt. James Gardner, chief, Marine Chart Division, NOAA; Ken Forster, Customer Affairs Branch, NOAA; Capt. Scott H. Evans, chief of the Office of Boating Safety, USCG; Cdr. Kim Pickens, Operation Boat Smart project officer, USCG; James P. Muldoon, National Boating Safety Advisory Council chairman; Pamela S. Dillon, executive director, American Canoe Association; Jim Frye, president, American
League of Anglers and Boaters; Ruth Wood, president, Boat U.S. Foundation; Jimmie Homburg, Sea Scouts national commodore, Boy Scouts of America; Fred Messmann, president, National Association of State Boating Law Administrators; Virgil H. Chambers, executive director, National Safe Boating Council; Ronald J. Riberich, president, National Water Safety Congress; Skip Burdon, president, American Boat and Yacht Council Inc.; James Ellis, president, BoatU.S.; Phil Keeter, president, Marine Retailers Association of America; Larry Innis, director of Government Relations, Marine Retailers Association of America; Thomas J. Dammrich, president, National Marine Manufacturers Association; Monita Fontaine, vice president, Government Relations, National Marine Manufacturers Association; Kirsten Rowe, executive director, PWIA; John Edmonson, chief executive officer, West Marine; Rich DeSimone, president, Global Marine, The St. Paul Companies; Steve Gronka, president, Sea Quest Kids of Advance America Foundation; Nick Irons, author of Swim Lessons; and Dwight Morrow of Infocus Incorporation.

C/C Smith discussed a District 3 concern that USPS might sell its course materials directly to other boating associations, governmental agencies, companies and other persons or entities at prices that are less than the prices that USPS sells to squadrons. R/C Rice will address the proposal as related to anti-trust issues.

The chief requested that the soon newly reformed Safety Committee research and recommend to the Operating Committee a possible USPS position statement on mandatory PFD use on small open boats, such as what is being considered by the USCG and the National Safe Boating Council.

The chief reported he had received a request from a member of District 26 that USPS consider a policy statement and lobby for increased maintenance of the Intracoastal Waterway system. The chief stated he would review the status of the continuing maintenance project with the U.S. Army Corps of Engineers during his visit with the Corps during the next week.

Report of the National Executive Officer

V/C G. Leslie Johnson, SN, reported that the revised How to Develop a Provisional Squadron Manual is being printed and will be available at the 2004 Annual Meeting. Portions of the manual will be posted on the Squadron Development Committee’s Web site.
V/C Johnson reported that he received information that Chippewa Valley Power Squadron/10 is disbanding and will merge with St. Paul Sail and Power Squadron/10.

The national executive officer reported that six districts will receive a USPS Squadron Development Certificate during the 2004 Annual Meeting for chartering new squadrons in 2003. These districts and their chartered squadrons are: District 8/Sebastian Inlet Sail & Power Squadron, District 9/Tip of the Mitt Sail & Power Squadron, District 16/Columbia Bend Sail & Power Squadron and Skagit Bay Sail & Power Squadron, District 19/Aroostook Valley Power Squadron, District 27/Albermarle Sail & Power Squadron, and District 32/St. Helens Sail & Power Squadron.

The Vessel Safety Check Committee reported that USPS members performed 29,073 vessel safety checks in 2003.

VSC decals for 2004 will be distributed to districts and squadrons using the same percentages as were used in 2003. Districts will receive 200 percent of the decals issued in the year 2003 by the squadrons in its district and squadrons will receive 125 percent of the decals issued in the year 2003 by its members. V/C Johnson reported that the online VSC test is being updated. He stated that this Web site is the responsibility of the USCGAux.

V/C Johnson presented a Memorandum of Agreement between the USCGAux and USPS regarding the Recreational Boating Safety Visitation Program. The OCom stated some concerns about some of the MOA provisions and wording. The OCom ADOPTED a motion stating that the OCom agrees with the concept on an MOA between the USCGAux and USPS regarding the Recreational Boating Safety Visitation Program and authorized the Chief or his designee to negotiate a favorable MOA. (12-OC-101) Plans are to sign the agreement at the 2004 Annual Meeting if representatives of the USCGAux are available.

The national executive officer discussed the assignment of the Legislative Committee to the ad hoc Government Affairs Committee, which will be accomplished at the 2004 Annual Meeting. He stated that it is important to maintain contact with state agencies, but that it is also important to participate in a broader base of agencies that are involved in promoting and regulating safe boating.
V/C Johnson reported that V/C Marshburn and members of the Cooperative Charting Committee attended the NOAA training weekend to review CCWeb, the new online reporting system.

The national executive officer discussed the procedure used to acknowledge squadrons that are celebrating significant anniversaries. He encouraged squadrons to schedule their anniversary celebrations during district conferences, which would allow the chief or his national representative to participate.

V/C Johnson reported on the progress of the marketing project titled Grand Excursion Navigators, which is being sponsored by District 10. This project will focus on an event that took place more than 100 years ago and will include a motor vessel cruise on the Mississippi River from Dubuque, Iowa, to St. Paul, Minn. USPS will provide escort vessels, will be given publicity and will be allowed to set up booths promoting the VSC and ABC programs. Additional information about this event is available at www.grandexcursion.com.

**Report of the National Educational Officer**

V/C Spencer P. Anderson, SN, reported on the status of various memorandums of understanding. The MOU with the state of Utah was revised and copies have been sent to the chief for his signature. A revision to the MOU with Ohio is being reviewed. He reported that he is working with the American Sailing Association to recognize USPS courses and give classroom credit to members who are seeking more practical training and certification.

V/C Anderson reported on his attendance at a Florida Boating Advisory Council meeting. The purpose of his attendance was to update the group on all USPS boating courses. He stated that the Florida boating law administrator is considering eliminating or substantially reducing the number of copies of Florida’s boating course if boating course materials can be provided by other organizations.

The national educational officer reported receipt of 20 excellent electronic teaching aids. Electronic teaching aids is a new category for evaluation during the 2004 Annual Meeting.
V/C Anderson reported that the new *Cruise Planning* manual is now available at headquarters.

The national educational officer reported that evaluations have been completed and the five 2003 Chapman Award winners have been selected and notified.

V/C Anderson reported that the Educational Department is working with the publishers of the USPS Video Boating Course to update the course and make it available in DVD format.

The national educational officer reported that squadrons can now order boating course gift certificates from headquarters at no charge; however, squadrons must pay shipping and handling fees.

He reported that EDM 1 has been revised and copies are now available at headquarters. A copy will be included in all 2004 SEO kits.

**Report of the National Administrative Officer**

V/C Ernest G. Marshburn, SN, updated the OCom on the USPS national cookbook, *By Land or By Sea*. The Auxiliary Committee reported receipt of 1,421 recipes from all 33 districts. The deadline for submitting recipes is 1 Jan. 2004. To date, more than 223 copies have been presold. Information on the cookbook can be found at www.usps.org/national/auxiliary/cookbook.

The Flag and Etiquette Committee continues to review new district flags and squadron burgees. The committee is also working with the Law Committee to review the language in the vendor licensing agreement. The chief requested that the Flag and Etiquette Committee finish its deliberations and make its recommendation to the Operating Committee on a USPS blazer patch that had been previously reviewed by the Operating Committee.

The Membership Committee reported that articles on the Power of One Campaign were submitted for publication in the January and February 2004 issues of THE ENSIGN. The committee is in the process of procuring pins, hats and jackets for use as campaign incentives. He reported that new pocket membership applications that include Power of One data and a
member’s skills have been designed. These will be available at headquarters prior to the 2004 Annual Meeting.

The national administrative officer reported that the first BoatU.S./USPS Distinguished Civic Service Awards will be presented to the best qualifying district and squadron during the 2004 Annual Meeting.

V/C Marshburn reported that the implementation phase of the Watersmart grant, which included $85,000 from the USCG and $25,000 from the USPS Educational Fund, is under way. Committee members are drafting phase II of the Watersmart grant, which is due to the USCG, Office of Boating Safety, on 15 Jan. 2004.

He reported that several organizations that are also involved with youth safety issues will attend the 2004 USPS Expo, including the Sea Scouts, Boy Scouts of America, Sea Quest Kids, Girl Scouts of America, National SAFE KIDS Campaign and Alexis PlaySafe.

V/C Marshburn reminded committees that no signs, displays or banners may be displayed during national meetings without a hotel’s permission. In addition, no sign, banner or display may be affixed to any part of the hotel. Hotels will provide easels for this purpose.

The Operations Training Committee is working on an abbreviated leadership development program, which will be available for review during the 2004 Annual Meeting.

The Safe Boating Activities Committee reported that all districts achieved Safety Honor Roll Status in 2003. The National Safe Boating Council has designated the week of 22-28 May 2004 as National Safe Boating Week.

The national administrative officer reported that the USPS Ham Radio Net will hold a 90th anniversary special event station during the OCom meeting at headquarters on 20-21 Feb. 2004, allowing OCom members to participate.

V/C Marshburn reported that when he attended the CPS annual general meeting he discussed with C/C Tony Gardiner, N, the possibility of CPS membership chairman Rhonda Jones attending the USPS 2004 Annual Meeting to discuss CPS membership initiatives and to share
ideas. The OCom ADOPTED a motion to authorize spending up to $625 to share expenses with
CPS for Jones to attend the USPS 2004 Annual Meeting. (12-OC-102)

The OCom discussed the finalized MOU with the National Safe Boating Council. The
OCom ADOPTED a motion to authorize C/C Smith to sign and execute the MOU with the
NSBC during the 2004 Annual Meeting. (12-OC-103)

The national administrative officer presented a Memorandum of Mutual Support with the
Boy Scouts of America to the OCom for approval. After discussion and one minor change, it
was ADOPTED. (12-OC-104)

V/C Marshburn reported that the first-timer’s and life member’s receptions would be run
consecutively but with some overlap during the 2004 Annual Meeting. More importantly and
rather than from the general fund, the cost for these receptions is being funded by donations from
vendors who are participating in 2004 Annual Meeting Expo.

Report of the National Secretary

V/C Frank A. Dvorak, SN, reported that the membership database at headquarters has
been updated to include a member’s skills and the name of the member who most influenced a
new member to join. Headquarters has mailed forms OD-1 and OD-2 to districts and squadrons
requesting 2004 officer information. These forms can also be downloaded and submitted
electronically to headquarters.

V/C Dvorak reported that the annual inventory audit has been completed at headquarters.
The audit went was completed with only minor discrepancies reported. The ease and success of
the audit can be attributed to the purchase of additional pallet racks in the headquarters
warehouse, which allowed for a significant warehouse reorganization.

THE ENSIGN Committee and staff is developing a five-year plan for the magazine. One
goal is to make THE ENSIGN a publication where boating manufacturers will place advertising.
The ultimate goal is to generate advertising revenue to cover the cost of production.
The January 2004 issue of THE ENSIGN will include eight pages on the USPS 90th anniversary. The pages will feature guidelines to assist districts and squadrons in hosting anniversary celebrations in their communities.

V/C Dvorak reported that three new columns were published in the December issue of THE ENSIGN: Crew Corner, which is a segment for children written by the Youth Activities Committee, Boat DockTor, which focuses on electronics; and Test your Knowledge, which is a Q &A from USPS courses that was produced in conjunction with the Educational Department in an effort to stimulate interest in courses.

The Information Technology Committee is evaluating the ITCom Web site Awards, which will be announced and displayed at the committee’s Expo booth. Additional updates are being made to DB2000, and a new release will be available online in the near future.

The Operations Manual Committee will update the Operations Manual to include proposed committee changes to be presented for Governing Board approval during the 2004 Annual Meeting.

The Publications Committee reported that 23 districts and 270 squadrons will receive the 2003 Distinction in Journalism Award during the 2004 Annual Meeting. The committee reported that it was successful in achieving its two main goals in 2003, which were evaluating newsletters in Spanish and evaluating electronic newsletters.

The Historian Committee reported receipt of 264 squadron history reports in 2003, which is approximately the same number as the prior year.

**Report of the National Treasurer**

V/C John T. Alter, SN, reported that, as of 31 Oct. 2003, expenses from operations exceeded revenues by $229,778 and by $189,556 from all sources.

V/C Alter discussed some of the basics affecting the current USPS revenue receipts. He said that in 2000 when the dues increase was first discussed the average membership was 52,606 active members. At that time, the best-case scenario was that net membership would grow by 3
percent per year and the worst-case scenario was that membership would not grow at all. However, during the previous three years, membership has decreased by 5,323, or 11.4 percent. There were 47,283 active members as of 30 Nov. 2003, which is 5,323 members less than the average for the year 2000. This translates into a 2003 dues revenue loss of approximately $147,720.

The Planned Giving Committee reported several substantial gifts and potential trust agreements due to their recent mailing to approximately 2,900 members.

V/C Alter reported that the Member Benefits Committee has been working with an insurance carrier to provide a long-term health care benefit for USPS members.

The national treasurer reported that the 2004 insurance renewal had been successfully completed. He reported that the USPS insurance agent was able to locate a new carrier for worker’s compensation at a lower renewal rate. They also negotiated with another carrier for the director’s and officer’s policy and were successful in acquiring coverage that does not contain professional exclusion for lawyers.

**Report of the Finance Committee**

R/C Joseph R. Mesenburg, SN, reported on USPS investments as of 30 Nov. 2003. The total return on investments was $159,505, with a 7.3 percent rate of return. He reported that the asset allocation of USPS investments was 43 percent in equity and 57 percent in debt instruments.

R/C Mesenburg reported that the Finance Committee manages $2,323,252 of USPS funds, of which $963,000 are restricted district and squadron funds that are invested in certificates of deposit.

He reported total contributions to the Members and Endowment Funds of $2,610 in 2003. He said that a significant portion of these funds were contributions in memory of P/C/C William D. Selden, SN, which were deposited in the Members Fund. The balance in the Members Fund was $114,081 and the balance in the Endowment Fund was $129,692 as of 30 Nov. 2003.
R/C Mesenburg discussed the financial alarm test, which was $2,462,000 as of 30 Nov. 2003, as compared to $2,687,920 on 30 Nov. 2002.

Report of the Committee on Nominations

R/C Frank E. Dougherty, AP, reported that the Committee on Nominations has prepared the list of nominees for 2004 officers.

Report of the Marketing and Public Relations Committee

R/C Kenneth D. Link, JN, reported that the Marketing and Public Relations Committee is working with the ad hoc Operation BoatSmart Committee to develop a plan to distribute You’re in Command materials to squadrons in time for their spring boating classes. An order form is available on the Marketing and Public Relations Committee’s Web site.

R/C Link reported on a public relations opportunity for USPS. He reported that NMMA and Genmar are sponsoring a program titled “Women Making Waves” that will be offered at the Miami, Chicago, New York and San Diego boat shows. The program will include some YIC products. USPS has been invited to provide women speakers for a 15-minute segment on rules of the road, rules on operator age or educational requirements, wearing PFDs, and not using alcohol while boating.

He reported that a draft of the new member orientation/member recruiting Power Point® presentation will be available in January 2004 for review.

R/C Link reported that he, C/C Smith and V/C Johnson will meet with representatives from the U.S. Army Corps of Engineers on 16 Dec. to discuss Cooperative Charting, education, the environment, vessel safety checks and Homeland Security initiatives.

R/C Link also reported on a public relations event that will be held at the Montefiori Hospital in New York City on 15 Dec. The event is sponsored by Sea Quest Kids which will host a Christmas party for the children at the hospital. He reported that C/C Smith and other USPS representatives will attend the event and will participate in a new therapy program at the hospital, which involves boat building. USPS will provide USPS/MetLife coloring books and 100 T-shirts
with the USPS kids logo. USPS also received children’s life jackets from Stearns that will have the USPS logo affixed; these will be donated. It is anticipated that NBC television network will be present to film the event.

R/C Link reported that he is working on developing a potential partnership with Allstate Insurance.

He reported that the committee is moving forward with the USPS Annual Report. It is anticipated that copies will be available at the 2004 Annual Meeting and will then be posted to the USPS Web site.

The Marketing and Public Relations Committee is working with P/C/C Jensen to develop a PSA for ABC. Plans are to make the PSA available on CD-rom in user-friendly format.

R/C Link reported that District 5 will participate in the Smithsonian Folklife Festival that will be held from 23 June to 4 July 2004 on the mall in Washington, D.C. The theme is *Water Ways: The Past, Present and Future of Maritime Communities in the mid-Atlantic.* It is anticipated that more than 1 million people will visit the mall during the festival. District 5 will host two booths: one to promote District 5 and its squadrons activities and one to focus on USPS, ABC and VSC. District 5 has requested use of both USPS promotional booths. The OCom ADOPTED a motion to make an exception in the USPS promotional booth policy to provide both booths and to waive the $200 loaner fee. USPS will pay the postage to ship the booths one-way to Norfolk, Va., and District 5 will pay the postage to ship the booths back to headquarters. (12-OC-105)

R/C Link reported that inventory of brochure holders is low at headquarters. The OCom ADOPTED a motion to purchase 2,500 brochure holders at a price of $.83 each and to increase the selling price to squadrons to $.95 each, effective 1 Jan. 2004. (12-OC-106)

He also reported that inventory of blank certificates of appreciation is low at headquarters. The OCom ADOPTED a motion to purchase 5,000 blank certificates of appreciation, at a cost not to exceed $900, and to continue to supply them to squadrons at no charge. (12-OC-107)
R/C Link reported that the committee has prepared a press release to send to selected newspapers and magazines. It features a brief summary of 2004 Annual Meeting events and a photograph and information on the incoming chief, V/C Les Johnson, SN.

Stf/C Darrell Allison, SN, reported that $33,355.18 in cooperative advertising funds were distributed to squadrons in 2003 in comparison to $33,690.93 in 2002. He reminded squadrons that to qualify for these funds they must submit expenses related to promoting public boating classes.

**Report of the Planning Committee**

R/C Roby Schottke, SN, reported that one of the goals of the USPS Strategic Plan is to increase member participation in the educational program. The Planning Committee prepared a survey that was sent to two groups of USPS members. The first group was comprised of members selected at random who received an e-mail survey. This was referred to as the “select group.” The second group, referred to as the “general group” was all other members who were notified via an article in THE ENSIGN and through various other promotions or correspondence. He reported that 1,450 members were contacted through e-mail; 23 percent responded, resulting in 290 surveys. He reported that THE ENSIGN article and other promotions produced 250 completed surveys, which is less than 1 percent of USPS membership.

He reported on the demographics of the survey participants. Seventy-seven percent of participants were over 50 and 20 percent were over 70 in the select group; 83 percent were over 50 and 17 percent were over 70 in the general group. Respondents were predominantly male. He reported receiving responses from members of all 33 districts. The largest group of participants in the select group were members but not officers, and the largest response in the general group came from squadron officers. The select group received responses from 28 states, and the general group received responses from 18 states. In the select group responses, 88 percent held an advanced grade and 60 percent were advanced pilot or higher. In the general group, 91 percent of the respondents held an advanced grade and 66 percent are AP or higher. The select group respondents reported that 78 percent had earned a merit mark and 83 percent of the general group respondents had earned a merit mark. The select group respondents reported that 58 percent are still working; 51 percent of the general group are still working. He reported that 19 percent in both groups have been members for more than 20 years. In the select group, 29 percent, the
largest category, had been members for less than three years. Twenty-three percent, the largest category in the general group, was 4 to 6 total membership years.

R/C Schottke gave a summary of the survey results:

Positive

- The results indicated that the education experience has met or exceeded the expectations of nearly 90 percent of the respondents.
- Nearly one-fourth of respondents indicated that the education experience had exceeded their expectations.
- The results also show that over 90 percent of the respondents indicated that many or all of their educational needs have been met.

Negative

- The results indicated that the time commitment for our courses is too long for more than one-fourth of the respondents (26 percent from the select group and 33 percent from the general group)
- The results indicated that a significant number of respondents (10 percent select and 13 percent general) think USPS courses are too expensive.
- The results also indicated that a significant number (28 percent of select group and 35 percent of general group) feel that courses are not available on a predictable basis.

He presented the following recommendations based upon the results of the survey:

- There is a need for practical, hands-on instruction in a variety of subjects, such as electronic navigation, docking, anchoring and general boat handling.
- USPS needs to revisit modularization of courses because it may have had the opposite effect by actually lengthening the time and cost for students.

Do our members believe that the time commitment to take a course is too much? Many indicated that the time required is either more than they have available or more than they are willing to spend on boating education.
Squadrons need to establish multi-year plans for course presentations so students can plan their schedules and set aside time for boating education.

R/C Schottke then presented the committee’s final recommendations. He said that USPS is at a cross-roads in its organizational evolution and that some of its founding beliefs in education may not be true in today’s squadrons. He said that the Educational Department will need to have a firm grasp of the educational needs, wants and desires of today’s members. He said that to accomplish this, it is recommended that the Educational Department develop a process to determine its core mission and educational direction for this decade. Further he recommended that the department conduct a planning forum that produces a four-year plan with short- and long-term goals and the timelines to accomplish those goals. He said that the plan should be presented to the OCom and monitored on a yearly basis. He stated that the effect of this plan will help determine the educational involvement of members throughout this decade.

**Report of the Committee on Rules**

R/C Thomas R. Dougherty, SN, reported that the Flag and Etiquette Committee has requested that the Committee on Rules review the *USPS Bylaws* relating to the rank of a squadron or district general chairman. He said that the *Bylaws* do not currently address the rank of a general committee chairman at those levels. Following discussion, the OCom ADOPTED a motion directing the Committee on Rules to prepare an amendment to the *USPS Bylaws*, Section 4.5.4, to give the chairman of rules, nominating and auditing committees at the district and squadron level the rank of 1st lieutenant, and to submit the recommendation to the Governing Board for approval.(12-OC-108)

R/C Dougherty reported on a request from District 17 to revise *USPS Bylaws*, Section 7.8 to allow family members to serve in squadron appointed positions, serve in bridge officer departments and hold the rank of lieutenant. He stated that the Committee on Rules would discuss the request further during the 2004 Annual Meeting.

R/C Dougherty reported that the Committee on Rules chartered Aroostook Valley Sail & Power Squadron/19 on 20 Nov. 2003 and Columbia Bend Sail & Power Squadron/16 on 24 Nov. 2003.
Report of the Law Committee

R/C Maurice G. Rice Jr., AP, reported that the November 2003 OCom voted to withdraw the amendment to USPS Bylaws, Section 5.7.4, to increase the number of Law Committee members from seven to 10, and to remove it from the Call to the Annual Meeting. R/C Rice stated that the Law Committee had reconsidered the amendment, and the OCom ADOPTED a motion to prepare an amendment to USPS Bylaws, Section 5.7.4, to increase the number of members allowed on the Law Committee to 10, and to present the amendment to the Governing Board for approval. (12-OC-109)

Stf/C James D. Richlak, SN, discussed the 403(b) retirement plan for USPS employees. Following discussion, the OCom ADOPTED a resolution stating that USPS contribute 5 percent of eligible compensation to the USPS Tax Sheltered Annuity (403 (b)) for the calendar year ended 31 December 2004 on behalf of the employees of USPS. The headquarters director is authorized and directed to pay said funds into the plan according to the terms and conditions of the plan. (12-OC-110)

R/C Rice stated that LawCom is receiving requests for approval of legal issues related to memorandums of agreement and memorandums of understanding. He provided the OCom with a model form that may be helpful in drafting, negotiating or discussing these relationships with outside parties.

R/C Rice stated that LawCom members were appreciative of the coverage obtained through the new directors and officers policy for LawCom members. He stated that the coverage for members of the USPS First Aid Support Team has not changed and that these members must continue to keep in mind the line between first-aid and medical practice.

The law officer updated the OCom on the New York Power Squadron lawsuit. He said that a responsive pleading was due on 2 Dec. 2003 and that he had just received a copy of the pleadings by e-mail from the law firm that was hired by the USPS insurance company.

R/C Rice reported on discussions with representatives from District 10 concerning liability issues stemming from a proposed agreement with Grand Excursion and also with regard to
liability issues related to the excursion itself. He cautioned District 10 that the escort boats and operators should be careful not to assume any police functions.

The law officer reported receipt of several inquiries concerning on-the-water activities. He said that it is good news that squadrons are becoming involved in activities that are really meant to be helpful in educating the public, but that some of these activities may be entering into areas of substantially increased potential liability. He said that LawCom sends a copy of a position paper on what to do to ensure insurance coverage for a proposed event and a list of risk management suggestions when it receives inquiries about liability issues.

R/C Rice reported on intellectual property issues. He reported receipt of approval from the U.S. Trademark and Patent Office for the words Paddle Smart.

The law officer reported that a letter was sent to the United States Postal Service concerning the trademark rights to the initials USPS, but there has been no response to date.

**Report of the Past Chief Commander**

P/C/C Lance J. Jensen, SN, reported that ABC sales are holding steady.

P/C/C Jensen reported on a request from Manson, a large West Coast marine construction company, to use graphics from the ABC course manual in its boating safety course for employees. He said that USPS does not own the rights to these graphics and could not grant permission. He will make an offer to sell Manson the ABC course materials to teach to its employees.

He reported that District 16 will sponsor a national cruise in the San Juan Islands and British Columbia following the September 2005 GB in Portland, Ore. The dates of the cruise are 12 to 17 September 2005.

C/C Smith adjourned the meeting at 1435.

V/C Frank A. Dvorak, SN
National Secretary
1) A motion to approve a recommendation that the ad hoc USPS Enhancement Committee start the process to form a retail business to market marine-related equipment via the Internet to members, with the expectation that it will be expanded in the future to include sales to nonmembers. (12-OC-98)

2) A motion to reimburse Louis Anderson, JN, who has just received his 66th merit mark, for attending the 2004 Annual Meeting. (12-OC-99)

3) A motion to extend 2004 USPS honorary membership to a list of dignitaries. (12-OC-100)

4) A motion stating that the OCom agrees with the concept of an MOA between the USCG Auxiliary and USPS regarding the Recreational Boating Safety Visitation Program and authorizing the chief or his designee to negotiate a favorable MOA. (12-OC-101)

4) A motion to authorize spending up to $625 to share expenses with CPS, for CPS membership chairman Rhonda Jones to attend the 2004 Annual Meeting. (12-OC-102)

5) A motion to authorize C/C Smith to sign and execute a Memorandum of Understanding with the NSBC during the 2004 Annual Meeting. (12-OC-103)

6) A motion to approve a Memorandum of Mutual Support with the Boy Scouts of America. (12-OC-104)

7) A motion to make an exception to the USPS promotional booth policy to waive the $200 loaner fee and to provide both booths to District 5. USPS will pay the postage to ship one-way to Norfolk, Va., and District 5 will pay the postage to ship the booths back to headquarters. (12-OC-105)

8) A motion to purchase 2,500 brochure holders at a price of $.83 each and to increase the selling price to squadrons to $.95 each, effective 1 Jan. 2004. (12-OC-106)

9) A motion to purchase 5,000 blank certificates of appreciation, at a cost not to exceed $900, and to continue to supply them to squadrons at no charge. (12-OC-107)
10) A motion directing the Committee on Rules to prepare and amendment to the USPS Bylaws, Section 4.5.4, to give the chairman of rules, nominating and auditing committees at the district and squadron level the rank of 1st lieutenant, and to submit the recommendation to the Governing Board for approval. (12-OC-108)

11) A motion to prepare an amendment to the USPS Bylaws, Section 5.7.4, to increase the number of members allowed on the Law Committee to 10, and to present the amendment to the Governing Board for approval. (12-OC-109)

12) A resolution stating that USPS contribute 5 percent of eligible compensation to the USPS Tax Sheltered Annuity (403 (b)) for the calendar year ended 31 Dec. 2004 on behalf of the employees of USPS. The headquarters director is authorized and directed to pay said funds into the plan according to the terms and conditions of the plan. (12-OC-110)