

## PUGET SOUND PILOTS AND SUBSIDIARY

NOTES TO SCHEDULE OF DAYS OF SERVICE AND DISTRIBUTION  
OF PILOTAGE REVENUE AND EXPENSE

Year Ended December 31, 2018

- A. PSP bylaws provide for distribution of revenues for piloting services in proportion to days of duty and distributions of pooled expenses equally, except for certain treatments and dispensations in unusual circumstances at the discretion of the Board of Directors. See columns (2), (3), (4) and (5).
- a. Column (1): Days of Service is the total number of days the pilot was an active pilot on pilot roster.
  - b. Column (2): Credit for Pilotage Revenue is the total gross tariff revenue which represents the annual earnings of individual pilots before deductions for expenses of pilot organization [Ref: RCW 88.16.035 (1)(f)]. Column (2) includes transportation expense charges (TEC) and excludes SILA and Trainee surcharge revenue.
  - c. Column (3): Charge for Operating Expense is the deduction from pilotage revenue for operating expenses of the Puget Sound Pilots shared evenly among all pilots based on days of service. Column (3) does not include transportation expense charges (TEC).
  - d. Column (4): Charge for Other Expense includes the transportation expense charges (TEC) paid directly to pilots (included in column (2)) as well as the individual out of pocket allowance of \$4,865 per pilot for disability insurance.
  - e. Column (5): Annual earnings after deductions represents the annual earnings of individual pilots after deductions for expenses of pilot organization. [Ref: RCW 88.16.035 (1)(f)].
- B. The bylaws also provide for the credit for travel fees per tariff to the pilot performing the services to which travel fees apply. Each pilot is also credited for special Port Angeles transportation amounts applicable to certain engagements.

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