

Docket No. TP-220513 - Vol. III

WUTC v. Puget Sound Pilots

March 30, 2023



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
)
Complainant,)
)
)
vs.) DOCKET TP-220513
)
)
PUGET SOUND PILOTS,)
)
Respondent.)
)
)

VIRTUAL PUBLIC COMMENT HEARING - VOLUME III
Pages 67-90

March 30, 2023

1:30 P.M.

Washington Utilities and Transportation Commission
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A P P E A R A N C E S

Commissioners:

- DAVE DANNER, Chair
- ANN RENDAHL, Commissioner
- MILT DOUMIT, Commissioner

Speakers:

- JAY UBELHART
- CATHERINE COLLINS
- SAVANNAH SMITH
- TORY GERING
- SCOTT SEVALL
- KIERSTIN LACHTMAN
- MONIQUE WEBBER

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1 LACEY, WASHINGTON; MARCH 30, 2023

2 1:30 P.M.

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5 P R O C E E D I N G S

6

7 CHAIR DANNER: Good afternoon, everyone. Today
8 is March 30th, 2023, and this is a public comment
9 hearing of Utilities and Transportation Commission in
10 which we are going to hear comments on Puget Sound
11 Pilots' current rate case.

12 I'm Dave Danner. I'm Chair of the Commission.
13 I'm joined by my colleagues, Commissioner Ann Rendahl
14 and Commissioner Milt Doumit.

15 The state legislature gave the Commission
16 authority to regulate the rates charged by the Puget
17 Sound ship pilots in 2018. The pilots filed their first
18 tariff to increase rates with the Commission in 2019.
19 The pilots have now filed another tariff to increase
20 rates.

21 In this filing, the Pilots are proposing
22 increases that they say are needed to cover operating
23 costs including fuel. And also proposing some automatic
24 adjustment mechanisms that would adjust tariff rates
25 when certain conditions are met without need for a

1 litigated rate case. Post-tariff adjusters would cover
2 situations such as the change in number of licensed
3 pilots, changes in the number of ship movements, and
4 simply a cost of living adjustment.

5 This is an adjudicated case, and we will be
6 having our adjudicative hearing on April 6th.

7 Today, what we want to do is we want to take
8 comments from members of the public who are interested
9 in this case, and their comments will become part of the
10 record.

11 I'm now going to turn it over to John Cupp of
12 our staff who is going to set some ground rules. And
13 then we'll come back, and I will ask to share -- or to
14 swear in all those who wish to comment this afternoon.
15 And then we will begin taking the public comment. So
16 John, over to you.

17 MR. CUPP: Thank you, Chair Danner.

18 Good afternoon. My name is John Cupp. I'm a
19 Public Involvement Representative with the Utilities and
20 Transportation Commission.

21 You'll have an opportunity today to provide
22 your comments related to the Puget Sound Pilots' rate
23 case directly to the Commissioners. The Commissioners
24 act as judges in formal filings like this and cannot
25 answer questions. All of the comments, as Chair Danner

1 said, given today will be included in the formal record
2 of the case.

3 So some ground rules: Please mute your
4 connection unless you're called upon to speak. If
5 you're using Zoom, you can mute by clicking on the
6 microphone at the bottom of your screen and a slash will
7 -- a slash will appear to mute and disappear to unmute.
8 And please remember to re-mute when you're finished
9 speaking.

10 So if you called in, star six on your phone
11 will mute you, and then again when you're finished --
12 will unmute you, and when you're finished speaking
13 please press star six again to mute.

14 Please wait to be called upon to comment and
15 don't interrupt other speakers. If you have technical
16 difficulties, there are two things you can do: One, is
17 use the chat feature in Zoom; the other is to call Ryan
18 Smith at 360.664.1165. That's 360.664.1165. The chat
19 feature should only be used to report technical
20 difficulties. We won't be accepting comments that are
21 submitted through the chat feature.

22 So I don't know how many people plan to speak.
23 If there are a whole lot, we may have to time you, but
24 at this point, I don't believe that'll be necessary.

25 So I have given the Chair a list of people who

1 have signed in to speak. If you haven't signed in, you
2 can use the "raise your hand" feature, and we will get
3 you signed in so we know who's on the line and who wants
4 to speak. If you're calling in on the phone, you can
5 raise your hand by pressing star nine. So I think
6 that's all I have. Chair Danner?

7 CHAIR DANNER: Thank you. I want to -- I just
8 want to clarify an expectation before we begin. That if
9 individuals are directly affiliated or employed by
10 either the Puget Sound Pilots or by PMSA or by another
11 party, then normally this is not a public comment that
12 you should be engaged in as you are affiliated with an
13 organization that is represented by counsel and a party
14 to this case. So looking at the sign-in sheet so far I
15 don't see that that has been a problem, but if I do see
16 that, I may ask some questions and ask you to limit your
17 participation.

18 So with that, why don't we get started? Let me
19 ask anyone who wishes to comment today, if you could
20 turn your video on, please, and raise your right hand,
21 and I can swear you in.

22 (Jay Ubelhart, Catherine Collins, Savannah
23 Smith, Tory Gering, Scott Sevall, Kierstin
24 Lachtman, and Monique Webber sworn in.)

25 CHAIR DANNER: All right. Thank you very much.

1 And so let's get started. We will start with Jay
2 Ubelhart from the Inlandboatman's Union of The Pacific.

3 MR. UBELHART: Good afternoon, Commissioners.
4 I'm Jay Ubelhart, President of The Inlandboatman's Union
5 of the Pacific, Marine Division of the ILWU. I
6 represent workers from San Diego to Alaska and Hawaii on
7 tugs, ferries, and at the Puget Sound Pilots themselves
8 as employees.

9 I am speaking in favor of the proposed tariff
10 increase for the Puget Sound Pilots. Puget Sound Pilots
11 have the responsibility of ensuring that ship traffic
12 from the Strait of Juan de Fuca, the San Juans, and all
13 of Puget Sound is safely and efficiently moved to and
14 from our Washington ports. It's the pilots' intricate
15 knowledge of every waterway that allows maritime trade
16 to operate and contribute to Washington's economy.

17 Pilots are the most highly qualified mariners
18 in the Puget Sound. It's the skills that the pilots
19 themselves bring to the job that allow maritime trade to
20 flourish, and they deserve to be fairly compensated for
21 their expertise. They endured varied work schedules in
22 all weather, day or night. They have done this day in
23 and day out for years with an excellent safety record.

24 Puget Sound Pilots employee IBU mariners in
25 good family-wage jobs on the pilot-boats in Port Angeles

1 and dispatchers in Seattle that schedule pilots when
2 requested. The Pilots recently added a fourth
3 dispatcher just to keep up with the demands for pilots
4 on the Sound.

5 Currently, the Puget Sound Pilots' wages are
6 not up to industry standards compared to other U.S.
7 geographic areas. There is a nationwide shortage of
8 qualified mariners in the United States which even MARAD
9 is trying to, you know, rectify. And in order to
10 attract and keep mariners with the knowledge and U.S.
11 Coast Guard credentials to be pilots, the tariff
12 increase request should be approved.

13 Thank you for your time. That's all I have.

14 CHAIR DANNER: All right. Thank you very much.
15 Appreciate your comments.

16 Let's now move to Gordon Baxter. Are you on
17 the line, Gordon Baxter?

18 All right. We will skip Gordon Baxter for now.
19 Catherine Collins?

20 MS. COLLINS: Thank you.

21 CHAIR DANNER: Good afternoon.

22 MS. COLLINS: Good afternoon. There we go.
23 All right. My name is Catherine Collins. I'm the
24 Executive Director of the nonprofit, Sound Experience,
25 which owns and operates as Schooner Adventuress. We are

1 Puget Sound's environmental tall ship, and we engage in
2 environmental education and youth workforce development
3 on the water. We --

4 In recent years, Puget Sound Pilots have been a
5 board of volunteer educators and mentors on our youth
6 programs. They help inspire young people such as teens
7 from our Everett Casino Road neighborhood to learn about
8 our waterways. Their youth interactions connect in a
9 really personal way the importance of our marine
10 environment and how they work to ensure that ships stay
11 safe as they travel the waterways. They also inspire
12 teens and young adults from Puget Sounds' diverse
13 communities, both men and woman, to consider possible
14 maritime careers and pathways to careers on the water --
15 that includes gender and nonbinary people. They bring
16 the cool factor to this work with their experience and
17 navigation much more so than -- than our own educators
18 because they're doing this work.

19 Finally, we are excited about our future
20 engagement with the pilots. We focus on partnership
21 going forward through exploration for youth and their
22 families and engaging the public with what happens on
23 Puget Sound. The pilots are really a critical link to
24 understanding our waterways and being able to get a
25 sense of place for young people. And most of the young

1 people who have come aboard have never even been to the
2 Sound, even though they live within miles.

3 So these pilots are a critical link to
4 understanding our waterways. We can't wait to have them
5 onboard again with our youth, and they're really a
6 critical educational resource in our community.

7 MR. CUPP: All right. Thank you. Appreciate
8 your comments.

9 Savannah Smith, are you on the line?

10 MS. SMITH: Yes, I am. Hello.

11 MR. CUPP: Hi, good afternoon.

12 MS. SMITH: Good afternoon.

13 Hi, everyone. My name is Savannah Smith, and I
14 am the Co-Founder and Director of youth engagement for
15 Sea Potential. Sea Potential's mission is to cultivate
16 a full cycle of BIPOC, Black Indigenous People of Color,
17 representation in maritime which we define as any career
18 connected to water.

19 Our organization has two tracks, one of them
20 being youth engagement; so helping youth foster
21 heart-based connections to marine environments through
22 acknowledging some of the individual and generational
23 trauma, incorporating tools for healing, creating more
24 opportunities in community for positive experiences with
25 water, and then doing some maritime career exploration

1 programming. And the other side of our company is doing
2 more consulting work with the industry itself to promote
3 representation over assimilation.

4 I'm here today to speak to PSP's commitment to
5 mentorship, workforce development, and DI efforts within
6 the industry and in community. Sea Potential is a young
7 organization, but very early on in our formation we
8 began building a relationship with PSP. The pilots
9 reached out to us to set up an informational call and
10 were very interested in finding out how they could
11 support our work and find ways to collaborate with us.

12 We've worked with PSP for our Get Into It
13 Maritime program which is a hands-on maritime career
14 exploration program for BIPOC youth ages 12 to 15 --
15 many of whom never heard of maritime before and are
16 unaware of the opportunities in the industry. We've had
17 a pilot, Trevor, join our group to share about his
18 career journey and answer questions that our youth had.
19 And he also helped arrange a hands-on interactive field
20 trip experience for our youth at MITAGS-West, which is
21 their training center. The youth rated this field trip
22 as their favorite during the whole program, and Trevor
23 was also their favorite guest speaker.

24 We've worked closely with PSP through the
25 Maritime High School mentorship program as well. And

1 also have plans to create field trip opportunities for
2 Sea Potential youth to visit the pilot's station.

3 So these are just some of the things that we
4 have done or plan to do together, and we look forward to
5 seeing how our partnership with the pilots can grow.
6 And we're excited about the ways that a stronger tariff
7 would support the fact in doing more community outreach
8 and engagement.

9 So thank you for your time.

10 CHAIR DANNER: All right. Thank you for yours.
11 I appreciate your comments this afternoon.

12 Tory Gering, are you there?

13 MS. GERING: Hi. Yes, I am.

14 CHAIR DANNER: Good afternoon.

15 MS. GERING: Good afternoon.

16 I support this because I am the program
17 director for a statewide, state approved K-12 program
18 that brings maritime career learning into high schools.
19 It provides teacher training, funding for classroom
20 materials and equipment, and student events.

21 What I have really appreciated about the pilots
22 is a majority of our programs -- we're in 23 locations.
23 We serve over 1200 students a day, but they're primarily
24 on land, in a shop-class, building and repairing boats.
25 We are about to develop the Merchant Marine aspect of

1 this curriculum. And we are starting a ship-based
2 program that we are hoping the pilots are going to be
3 able to support and keep helping our instructors learn
4 more about navigation and Merchant Marine pathways.

5 Katherine had mentioned they bring the cool
6 factor, and they really do. Navigation -- that term is
7 something that typically scares our high school welding
8 instructors. But when the pilots come in and explain
9 what they do and show visuals of their work and the
10 different career pathways they take to get there, it
11 really opens the eyes of our instructors and our
12 students. And I hope to continue working with them for,
13 like, shipboard experiences and as we develop the
14 Merchant Marines curriculum for public schools.

15 Again, thank you for your time.

16 Dave, you're on mute.

17 CHAIR DANNER: I'm sorry. All right. I was
18 going to -- next call on Scott Sevall.

19 Scott, are you there?

20 MR. SEVALL: I am and I'm unmuted.

21 CHAIR DANNER: Good afternoon.

22 MR. SEVALL: I am unmuted now, I believe.

23 CHAIR DANNER: Yes, you are. So am I.

24 MR. SEVALL: So a few weeks ago I filed a
25 written comment with John Cupps. So I was just going to

1 kind of summarize that here, but this is -- you said
2 this is all going in the record; so I assume any written
3 comments are going into the record also?

4 CHAIR DANNER: That is correct.

5 MR. SEVALL: Okay.

6 CHAIR DANNER: All written comments are going
7 on the record just as these comments this afternoon are.

8 MR. SEVALL: So just first off, I will throw
9 the disclaimer that I am making these comments as a
10 private citizen. I have not been contacted by anybody
11 participating in this administrative hearing. And the
12 reason that I make that disclaimer is because I was UTC
13 staff that testified in the previous docket, TP-190976.

14 Specifically, I testified to the number of
15 pilots to fund, vessel traffic predictions, rate design,
16 and the distributed net income. So I was just going to
17 make a couple comments that I noticed in this case
18 regarding that.

19 The first thing is the salary survey submitted
20 by the pilots. I believe it's incomplete and not truly
21 comparative in this case. There's a few columns that I
22 believe would be missing to make this comparative --
23 even if it was a complete data set. That would be the
24 average assignments, average assignment hours, and total
25 bridge hours of all the other pilotage districts so that

1 one could break down the compensation to an hourly wage.

2 So, for example, the Mississippi Bar Pilots may
3 have made more than PSP on gross, but they also worked
4 roughly 890 bridge hours in 2021, compared to the
5 roughly 720 bridge hours that the Puget Sound Pilots
6 reportedly worked. So an adjustment would need to be
7 done to that gross wage in order to make it comparable,
8 in my opinion. So it isn't truly a comparable salary
9 survey when you can't break it down to the hour because
10 you do not know everything that's going into that gross
11 number.

12 But I do believe, on the whole, that a salary
13 survey, if done properly -- I do believe a salary
14 survey, if done properly, could be used to make a
15 comparable hourly wage which could then be used to make
16 an appropriate DNI, if the Commission decided to. So,
17 in this case, I would say that the data set is
18 incomplete, and that it's missing stuff. And I don't
19 believe that a fair rate could be calculated using such
20 a salary survey.

21 I saw that callbacks were in this, and I would
22 hope, given the Commission's stance in the previous
23 order, that callbacks would be rejected as double
24 recovery, yet again. And then in rate design -- my
25 previous rate design I know I had testified to having

1 the DNI be divided into bridge hours so that you could
2 trace the tariff rate directly to how much work was
3 done, and thus it would -- the tariff would collect the
4 approximate amount of wages that the pilots would be
5 due.

6 There was a discussion about risk in that
7 larger ships are riskier and all these risk impacts in
8 that previous case. And so the Commission decided to go
9 a different way. I would encourage the Commission to
10 still pursue that type of a rate design. I footnoted,
11 in my public comments submitted, a study done or an
12 analysis done of 477 ship accident reports that found
13 human error is responsible for about 74 percent of all
14 accidents. So while ships being larger and weather are
15 risks, the human component is a real risk in that it
16 needs to be calculated and accounted for in this tariff.
17 And I believe the hourly rate is the appropriate place
18 to put that.

19 Going forward, I would hope that all parties
20 could work together to create a model similar to either
21 the oil pipeline model or the radioactive waste model
22 and settlement that this Commission has produced in the
23 past where it would not be such a labor intensive
24 process to come up with rates.

25 And along those same lines -- along the same

1 light, I would encourage this Commission to enforce its
2 WAC's a little bit more strict in regards to the filing
3 standards. This case did not meet the WAC requirements,
4 in my opinion, when it was filed. And it should have
5 been rejected. I find it a little disheartening when a
6 party, who was part of the creation of those WAC's,
7 can't follow them in their following filings. So that's
8 all I've got.

9 CHAIR DANNER: All right. Thank you very much.
10 And this is a summary of the comments that you filed in
11 writing to us; is that right?

12 MR. SEVALL: Correct. Yes. Yes.

13 CHAIR DANNER: All right. So --

14 MR. SEVALL: John Cupp should have a copy of
15 those.

16 CHAIR DANNER: Okay. And that has the citation
17 to the study that you were referring to?

18 MR. SEVALL: Correct.

19 CHAIR DANNER: Okay. Thank you very much.
20 Appreciate it.

21 So let's now hear from -- hang on a second.
22 Bear with me for just a moment.

23 Kierstin Lachtman from the Liberian Shipowners'
24 Council, are you there?

25 MS. LACHTMAN: Yes, Commissioner. Thank you.

1 Good afternoon, commissioners. Thank you very much for
2 the opportunity to provide comments on the general rate
3 increase proposal by the Puget Sound Pilots.

4 My name is Kierstin Lachtman, and I am the
5 secretary general of the Liberian Shipowners' Council,
6 otherwise known as LSC. LSC is the National Shipowners'
7 Association for the Liberian Register commercial fleets.
8 As the collective voice of Liberian-flag shipowners, LSC
9 articulates and advocates shipowner positions to
10 government regulators and to relevant stakeholders on
11 maritime policy issues while advancing high standards of
12 quality, safety, and environmental protection.

13 Liberia is currently the second largest flag
14 state representing over 14 percent of the world's
15 ocean-going fleet with more than 5,000 vessels. The
16 Liberian Shipowners' Council is very proud of the safe,
17 environmentally friendly, and high-quality performance
18 of our shipowners and managers. LSC members who transit
19 the Puget Sounds are customers of the pilots and are
20 therefore among the ratepayers concerned, which is why
21 we are providing comments here today.

22 LSC understands the general rate increase
23 proposal is largely based on a misrepresentation of the
24 safety, the quality, the environmental performance, and
25 the compliance status of foreign-flag vessels operating

1 in the water of the United States. It is on that basis
2 we oppose the proposal.

3 Commissioners, I would like to draw your
4 attention to the written comments submitted by LSC on
5 Tuesday, 28th March, 2023. Our comments provide
6 information on the layers of oversight of ships flagged
7 for open registers that trade safely all over the world.

8 To summarize the conclusion of our written
9 comments, foreign-flag vessels and their operations are
10 heavily regulated across many jurisdictions including
11 both international, by way of the flag state, and
12 national, by way of the port and the coastal states
13 concerned and any foreign vessel entering a U.S. port is
14 subject to this robust regulatory framework.

15 These multiple layers of regulation and
16 oversight have been implemented over decades and greatly
17 reduce the safety and environmental risks associated
18 with shipping no matter where in the world the ship is
19 trading.

20 So I've provided these comments to you in
21 writing. You should have them as of Tuesday, and those
22 comments will summarize the public comments I made
23 today. And I'm more than happy to answer any questions
24 you may have. Thank you for your time.

25 CHAIR DANNER: Thank you very much. And we --

1 in our public comment hearings, we do not generally take
2 questions; so we have -- or have any questions for you.
3 So thank you very much.

4 Let me go back, then, and see if Gordon Baxter
5 from the Maritime Trades Council -- are you on the line?

6 All right. I am not hearing that he is.

7 That takes us to the end of our sign-in sheet.

8 John Cupp, are there any other people on the
9 line who wish to speak with us today?

10 MR. CUPP: No, sir. That's all I have so far.

11 CHAIR DANNER: All right. So let me ask if
12 there is anyone who has not signed up who wishes to
13 speak to us this afternoon?

14 All right. I am not hearing any. So if that
15 brings us to the end of our comment hearing today, let
16 me turn -- Commissioners, is there anything -- any
17 issues that you would like to raise today?

18 COMMISSIONER DOUMIT: Chair Danner, can you
19 hear me?

20 CHAIR DANNER: Yes, Commissioner Doumit. Go
21 ahead.

22 COMMISSIONER DOUMIT: I'm sorry, Chair Danner.
23 I just wanted to raise something for the record in an
24 abundance of caution. At the beginning of this meeting
25 and just prior actually, I've been contacted by not a

1 party but representative of -- who -- I've known Jay
2 Jennings for years -- 30 years, probably. And we have
3 not spoken about the case whatsoever and I don't intend
4 to. And I've conferred with counsel, Mr. Callahan, in
5 the meantime that just -- I would just raise that for
6 the record today. So if there is anything more that I
7 need to do, I'm happy to do. Well, I just wanted to
8 note that for the record. Thank you.

9 CHAIR DANNER: Thank you very much. Well, it's
10 a small world and we do know people and run into people.
11 Mr. Jennings did sign in this morning but not wishing to
12 testify. So I thank you for your statement.

13 Commissioner Rendahl, is there anything you
14 wanted to add?

15 COMMISSIONER RENDAHL: No, I have nothing to
16 add. I noticed that Monique Webber just came on camera.
17 I wasn't sure if she wished to make comments.

18 CHAIR DANNER: Yes. I just saw her do so.
19 Monique Webber, are you there? Do you wish to
20 speak to us this afternoon?

21 MS. WEBBER: I would.

22 CHAIR DANNER: Thank you. Go ahead.

23 MS. WEBBER: I apologize. I've been in and
24 out. It was a little hard to get some free time.

25 I am Pacific Yacht Management. I have chosen

1 not to be an intervener in this case as we do not have
2 the monetary or time resources to be a full participant
3 in this case as it takes many, many months and many
4 hours. We understand and recognize the job that the
5 Puget Sound Pilots do, and the importance of it, but we
6 would also like to state for the record that the
7 recreational industry took a beating in the last rate
8 case.

9 Our rates went up more than 100 percent over
10 what they were before the last UTC hearing. So we are
11 very happy to see that the pilots have presented a case
12 that puts a lower rate for lower risk recreational
13 boats, but the current rates are driving business away
14 from this state, and they are hurting the economy of the
15 recreational industry. And we would very much like to
16 see a separate rate related to the risk -- the much
17 lower risk for recreational vessels.

18 CHAIR DANNER: All right. Does that conclude
19 your comments?

20 MS. WEBBER: Yes, sir.

21 CHAIR DANNER: All right. Thank you very much.

22 All right. Let me ask again if there is anyone
23 on the line who has not spoken who wishes to make a
24 statement today?

25 Jay Jennings, I see that your camera is on as

1 well.

2 No comment? All right. Thank you very much.

3 All right. If there is no one else on the line
4 wishing to comment, that is the end of our hearing today
5 then.

6 And so I want to thank the court reporter and
7 everyone else who was in attendance today, and this
8 hearing is adjourned. Again, we will do -- we will
9 start our adjudication on April 6th. So until then,
10 thank you everybody for your participation and have a
11 good day.

12 (Adjourned at 2:00 P.M.)

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C E R T I F I C A T E

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

I, Jacqueline Stopyak, a Certified Shorthand Reporter for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill, and ability.

Jacqueline Stopyak
CCR 23001263