

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,  
Complainant,  
v.  
PUGET SOUND PILOTS,  
Respondent.**

**Docket TP-**

**TESTIMONY OF  
CAPTAIN ANNE L. MCINTYRE  
ON BEHALF OF PUGET SOUND PILOTS**

**JUNE 29, 2022**

## TABLE OF CONTENTS

I.	IDENTIFICATION OF WITNESS.....	1
II.	PURPOSE OF TESTIMONY.....	2
III.	CONCLUSION.....	8

<b>EXHIBIT LIST</b>		
<b>Exhibit No.</b>	<b>Description</b>	<b>Page Referenced</b>
ALM-02	Curriculum Vitae	2
ALM-03	2020 Section 237(d) Data report	3
ALM-04	2021 Section 237(d) Data report	3

**I. IDENTIFICATION OF WITNESS**

1 **Q: Please state your name, business and business address.**

2  
3 A: My name is Captain Anne L. McIntyre. I am the Business Director for the San Francisco  
4 Bar Pilots. My business address is Pier 9 East End, San Francisco, CA 94111.

5  
6 **Q: Please describe the nature of your work for the San Francisco Bar Pilots.**

7 A: The San Francisco Bar Pilots (“SFBP”) are an organization of 50 state-licensed maritime  
8 pilots providing pilotage services to oceangoing vessels calling at ports or terminals in San  
9 Francisco Bay and the Sacramento River. In my capacity as Business Director, I am responsible  
10 for the oversight of all SFBP business operations and external affairs.  
11

12  
13 **Q: Please describe your educational background.**

14 A: I earned a bachelor of science degree in Nautical Industrial Technology from the  
15 California Maritime Academy in 1988 and a master of science degree in Transportation and  
16 Engineering Management, also from California Maritime Academy, in 2013.  
17

18  
19 **Q: Please describe your work history prior to taking on your current position.**

20 A: After graduating from Cal Maritime, I worked on a variety of tank vessels as a deck  
21 officer for Chevron Shipping Company, sailing in trade lanes on the U.S. West and Gulf Coast,  
22 Alaska and Hawaii. In my nine years with Chevron, I also served in professional shore-side  
23 assignments as Vessel Operations Planner, Safety and Environmental Specialist and  
24 Environmental Cargo Officer. In 1996, I began a 24-year career as a state-licensed Columbia  
25 River Pilot, serving ports and terminals in Oregon and Washington. I was the first woman to be  
26

1 licensed for the Columbia and Willamette River pilotage ground. I also served for four years as  
2 an Administrative Pilot managing the Columbia River Pilots Association’s business, regulatory  
3 and other operations. Additionally, I served one year as Interim Business Manager. While  
4 licensed as a Columbia River Pilot, I served for two terms totaling nine years as a Commissioner  
5 on the Oregon Board of Maritime Pilots. I was one of nine commissioners appointed by the  
6 Governor to serve on the board that regulates all Oregon pilotage grounds. A copy of my  
7 curriculum vitae is Exhibit ALM-02.  
8

9  
10 **II. PURPOSE OF TESTIMONY**

11 **Q: Please describe the purpose of your testimony.**

12 **A:** My testimony addresses the following four topics:

- 13 1. An overview of the San Francisco Bar Pilots and its pilotage ground;
- 14 2. A description of the process in California for regulating the San Francisco Bar  
15 Pilots and establishing pilotage rates, which has had SFBP stuck in a lengthy period of what is  
16 often called “regulatory lag”;
- 17 3. A summary of the steps that the San Francisco Bar Pilots are pursuing to obtain  
18 pilotage rate-setting reform in California that utilizes an evidence-driven process administered by  
19 an administrative law judge who prepares a proposed order subject to final decision by the  
20 California Board of Pilot Commissioners (“BOPC”); and
- 21 4. My perspective regarding the importance of a nationally competitive package of  
22 pilot income and benefits to a pilot group’s ability to both attract top-flight candidates and to  
23 diversify its pilot corps to include more women and persons of color.  
24  
25  
26

1 **Q: Please describe the nature of the pilotage work performed by the San Francisco Bar**  
2 **Pilots, the levels of annual vessel traffic and ship types.**

3 A: On an annual basis, our pilot group prepares a report to the BOPC that provides detailed  
4 statistical information regarding the number of pilots' assignments or moves, pilots assigned and  
5 vessel statistics for average draft, average gross tonnage and other data. This is submitted  
6 annually and is called a Section 237(d) Data report. Copies of the 2020 and 2021 SFBP reports  
7 compiling all of this data are Exhibits ALM-03 and ALM-04, respectively.

8  
9 **Q: What is SFBP's experience with the need to call back off-duty pilots to perform**  
10 **pilotage assignments because of the lack of a rested on-duty pilot?**

11 A: SFBP has very few callbacks. On an annual basis, callbacks represent less than 1% of all  
12 assignments as shown in the table below:

13  
14

15	<b>YEAR</b>	<b>BAR CROSSINGS</b>	<b>BAY MOVES</b>	<b>RIVER MOVES</b>	<b>TOTAL MOVES</b>	<b>Call Backs</b>	<b>Percentage of Total Moves</b>
16	2021	4797	1641	741	7,179	27	0.376%
17	2020	5500	1512	584	7,596	37	0.487%
18	2019	6465	1865	549	8,879	28	0.315%
19	2018	6645	1592	581	8,818	32	0.363%
20	2017	6716	1549	597	8,862	44	0.497%

21  
22  
23  
24  
25  
26

1 **Q: How are pilotage rates set for vessels calling terminals in the ports of San Francisco,**  
2 **Oakland and along the Sacramento River?**

3 A: Our pilotage ground, which includes Monterey Bay and the bays of San Francisco, San  
4 Pablo and Suisun, is subject to regulation set out in California statute, specifically the California  
5 Harbors and Navigation Code. For rate-setting, that statute specifies a two-step process. First, the  
6 California Board of Pilot Commissioners holds a rate hearing that generates a rate  
7 recommendation. Second, that recommendation must be submitted to the California legislature in  
8 the form of a bill and that legislation must pass both houses of the California legislature and be  
9 signed into law by the Governor.  
10

11  
12 **Q: Has this system been workable in terms of being able to regularly and efficiently**  
13 **generate new pilotage rates as needed?**

14 A: I would have to say no. The last time that the California legislature approved a rate  
15 recommendation from the BOPC was in 2002. Since then, in response to rate cases filed by  
16 SFBP, rate recommendations were submitted to the California legislature in 2011 and again in  
17 2015, but neither was enacted into law, but there was some discrete funding approved by the  
18 legislature. After these two failed attempts to secure legislative passage of the BOPC rate  
19 recommendations, the San Francisco Bar Pilots made the decision that it would be more  
20 productive to focus our legislative efforts on reforming the pilotage rate-setting process in  
21 California.  
22  
23  
24  
25  
26

**Q: What is the status of those efforts?**

1 A: At this point, SFBP is actively engaged in a process with other stakeholders that appears  
2 promising in terms of agreeing upon legislation to reform pilotage rate-setting in California. This  
3 started when the BOPC formed an Ad Hoc Rate Process Review Committee that generated a  
4 formal report submitted to the Governor and Legislature recommending a variety of changes to  
5 the pilotage rate-setting process. Since then, SFBP has been participating with other stakeholders  
6 in multiple meetings seeking to develop a stakeholder consensus on pilotage rate-setting reform  
7 in California. At this point, we are hopeful that there will be full agreement on both reform of the  
8 rate-setting process and temporary emergency funding that will be introduced as legislation  
9 during the 2022 session. If this effort is successful, SFBP plans to file a rate case under the new  
10 process once the necessary rulemaking to establish all the procedural rules is completed by the  
11 BOPC.  
12  
13  
14

15 **Q: So, with respect to pilotage rates, would it be fair to say that the San Francisco Bar**  
16 **Pilots have been in a state of “regulatory lag” for two decades?**

17 A: Yes, that would be a fair statement.  
18  
19

20 **Q: Has the compensation and benefits level of member pilots of your organization**  
21 **suffered as a result?**

22 A: Definitely. It is my understanding that the SFBP audited statements for 2019 and 2021,  
23 each of which covers a two-year period, are part of the record in this case.<sup>1</sup> These show that,  
24 from a net distribution standpoint, the high-water mark for SFBP was 2018 when net income per  
25

26 \_\_\_\_\_  
<sup>1</sup> Exhs. DL-13, DL-14.

1 pilot totaled \$520,250. It dropped to \$499,415 in 2019 and has dropped further from there. The  
2 Covid-19 pandemic and subsequent supply chain disruption revealed the fairly obvious  
3 deficiencies in the current regulatory system because there was no mechanism for the BOPC to  
4 respond quickly to a substantial decline in pilotage fee revenue because all rate adjustments are  
5 tied to the legislative process. As the 2021 audit reveals, SFBP pilots suffered a significant  
6 decline in their net distributions 2020 and 2021, earning \$428,539 in net income in 2020 and  
7 \$328,154 in 2021. In 2020, SFBP received a PPP loan which helped to pay our employees and  
8 therefore allowed a modest supplement to the pilot distributions that was not attributable to  
9 revenue from pilotage fees.  
10

11  
12 **Q: Does the rate funding your pilotage ground include medical insurance benefits for**  
13 **pilots as an expense?**

14 A: Not that I am aware of. It may have been addressed the 2002 rate case but that was 20  
15 years ago. SFBP is one of very few pilot groups in the US where pilots pay their own medical  
16 insurance from their distributions. You can be assured that the cost of medical insurance benefits  
17 will be one of the items that SFBP seeks in its next rate proceeding in the event that we are  
18 successful in securing the legislative reforms that I have described. Given the physical dangers  
19 and health risks associated providing pilotage service, I believe it is important that the system  
20 funds comprehensive medical insurance for pilots.  
21

22  
23 **Q: What type of pension plan is in place for members of the San Francisco Bar Pilots?**  
24  
25  
26

1 A: Working pilots with SFBP accrue 1.84% per year of service and, upon retirement, are  
2 entitled to the total of their annual accruals times the average of their last three years of net  
3 income.

4  
5 **Q: How is the SFBP pension plan funded?**

6 A: Our pilot group's pension plan was enacted into law by the California legislature and is  
7 funded through a special pension-specific surcharge in the tariff funding our pilotage ground. By  
8 statute, it is a pay-as-you-go, or farebox, pension plan.

9  
10  
11 **Q: What is your opinion regarding the importance of a highly diversified pilot group?**

12 A: I think a diverse pilot group is very important for two reasons. First, pilot groups should  
13 be reflective of the regions they serve—the public expects that. Second, diversity brings  
14 different views and skillsets to a pilotage organization, and enables a pilot group to make better  
15 decisions regarding all aspects of the pilotage profession.

16  
17  
18 **Q: Based on your experience, what role does a pilot group's compensation and benefits  
19 package play in the group's ability both to attract the very best mariners and to diversify  
20 its pilot corps in terms of opportunities for women and minorities?**

21 A: A pilot group's compensation and benefits play a major role in the trainee recruitment.  
22 We are competing with other pilotage grounds for a small pool of diverse candidates. Well-  
23 qualified diverse candidates have their pick of pilotage grounds. Further, because exposure to  
24 risk and liability is significant for independent contractor pilots compared to other maritime  
25 professionals like employed captains, there is a correlation between compensation and the  
26

1 willingness to take on the additional risk of being a pilot, both in terms of danger and legal  
2 exposure. For example, for SFBP members, the difficulty of the pilotage ground, the level of  
3 regulatory scrutiny, the consequences of incident, and the high cost of living in the Bay area  
4 often cause highly qualified candidates to look elsewhere. Given my more than 20 years living in  
5 the Pacific Northwest, I believe these same factors apply to the Puget Sound Pilots.

6  
7 **III. CONCLUSION**

8  
9 **Q: Does this conclude your testimony?**

10 **A: Yes.**

**Haglund Kelley, LLP**  
**2177 SW Broadway**  
**Portland, OR 97201**  
**Tel: (503) 225-0777 / Fax: (503) 225-1257**