



Washington State
Board of Pilotage Commissioners

2014 ANNUAL REPORT

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BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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The following reports and manuals are the source documents for preparation of this annual report and are on file at the office of the Board of Pilotage Commissioners, 2901 Third Avenue, First Floor, Seattle, WA 98121.

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor’s Report (Modified Accrual Basis); 2014/2013
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2014
- By-laws and Operating Rules (Puget Sound District)
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone Reports (Puget Sound District)
- Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

1 FOREWORD 2014

Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,515 vessel moves, resulting in 7,616 piloting assignments in 2014. This is a decrease in vessel moves and assignments from the previous two years. The average number of full-time pilots increased to 54.2 in 2014. The average annual number of assignments per pilot was 140 or approximately 11 assignments per month in 2014 as compared to assignments of 147 annually and 12 per month in 2013.

The Grays Harbor Pilots had a total of 277 piloting assignments in 2014, resulting from 113 vessels arrivals. In comparison, there were 103 vessel arrivals generating 246 piloting assignments in 2013. The Port of Grays Harbor employed two full-time pilots.

2014 Tariff Hearings

The Board of Pilotage Commissioners is required by RCW 88.16.035(1)(e) to annually fix pilotage tariffs.

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District – 11/18/14.

The Board's decision reflected revenue neutral tariff adjustments jointly proposed by four groups of major stakeholders. This new tariff is intended to be in effect only for the first six months of 2015.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District – 10/16/14.

The Board adopted an effective overall increase of 5.3%.

Legislation

There was no proposed or adopted legislation during the 2014 Legislative Session that pertained to the Pilotage Act.

Rule-Making

The following rule was adopted, amended or repealed:

WAC 363-116-082: Limitations on New Pilots.

1 FOREWORD 2014 (cont'd)

Setting the Number of Pilots

The Board will, from time to time, set the number of pilots to be licensed in each pilotage district that is best calculated to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service. (WAC 363-116-065)

	10/12/06	4/8/10	9/30/10	8/9/12	5/14/13	6/19/14	11/18/14
Puget Sound	57	54	52	53	54	55	54
Grays Harbor	The number of pilots will increase from 2 to 3 upon the next candidate becoming successfully licensed.						

2 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>Initial Appointment</u>	<u>Term Expires</u>
<u>CHAIR</u>		
Captain Harry Dudley	11/01/1999	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	09/29/2009	12/26/2016
Edmund I. Kiley	01/14/2010	12/26/2017
<u>REPRESENTING AMERICAN SHIPPING</u>		
Phil Morrell - Totem Ocean Trailer Express (TOTE)	01/25/2012	12/26/2015
<u>REPRESENTING FOREIGN SHIPPING</u>		
J. Grant Stewart - Westwood Shipping Lines (WSL)	03/16/2012	12/26/2016
<u>REPRESENTING THE PILOTS</u>		
Captain Edmund Marmol - Puget Sound Pilotage District	12/27/2012	12/26/2016
Captain Don Mayer - Puget Sound Pilotage District	12/27/2011	12/26/2015
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Norm Davis - Spill Prevention, Preparedness & Response Program	04/15/2005	01/31/2014
Dale Jensen - Spill Prevention, Preparedness & Response Program	02/01/2014	N/A
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	09/01/2007	12/26/2014
<u>LEGAL COUNSEL</u>		
Guy Bowman	08/01/2008	N/A
<u>STAFF</u>		
Peggy Larson, Executive Director	12/08/1982	N/A
Shawna Erickson, Sr. Project Director	01/27/2010	N/A

The Board is comprised of the Assistant Secretary, Ferries Division, Department of Transportation or his/her designee; the Director of the Department of Ecology, or his/her designee; and seven members appointed by the governor. Each appointed member's term is for four years.

2 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

BOARD OPERATING EXPENSES

Per Diem, Salaries and Benefits	\$ 220,995
Goods and Services	226,339
Travel	6,734
Capital Outlays	0
Trainee Stipends	537,510
TOTAL EXPENDITURES	\$ <u>991,578</u>

The Board of Pilotage Commissioners is a non-appropriated agency whose operating revenue is derived exclusively from pilot license fees and other ancillary fees as authorized in Chapter 88.16.RCW. The Board receives no General Fund appropriation. The Board's biennial budget is reviewed by the State Legislature but legislative spending authority is not required.

Pilot trainee stipends are funded by a tariff surcharge specified in WAC 363-116-300 and paid to each trainee at a monthly rate of \$6,000 if the stipulations found in WAC 363-116-078(10) are met.

3 LICENSED PILOTS PUGET SOUND DISTRICT

at 12/31/14 or retirement

PILOT	Lic #	Years Licensed
ANACKER, D. Scott	183	2.8
ANTHONY, Michael	184	2.4
ARNOLD, John	147	19.1
BLAKE, Michael	163	8.5
BOUMA, Blair	181	3.4
BROUILLARD, Dan	188	1.4
BRUSCO, David	180	4.8
BUJACICH, Jack	164	8.5
CARLEY, Warren (Bud)	186	2.0
CARLSON, Ivan	165	8.5
COE, Frantz (Andy)	142	22.7
COLEMAN, Scott	191	0.3
CORYELL, Tom	189	1.0
EMERSON, Larry	126	27.0
ENGSTROM, Fred	185	2.1
ENGSTROM, Victor	162	9.7
GALVIN, Jamie	192	0.14
GIESE, Peter	143	22.2
GROBSCHMIT, David	169	7.6
HANNUKSELA, James	175	6.1
HARRIS, John	123	27.0
HENSHAW, Brian	155	14.4
HURT, Gary	158	13.6
JENSEN, Brian	193	< 1 month
JUSTICE, Verne	128	25.9
KALVOY, Jostein	170	6.9
KEARNS, James	182	3.0
KELLY, Patrick	167	8.4
KLAPPERICH, Eric	172	6.9
KNOWLES, Burton (Ret.)	150	27.0
LARSON, Christopher (Ret.)	151	18.0

at 12/31/14 or retirement

PILOT	Lic #	Years Licensed
LICHTY, Eric	190	0.7
LOWERY, William (Bill)	187	1.9
MACKENZIE, Delmar (Ret.)	124	27.0
MARMOL, Edmund	171	7.3
MAYER, Donald	121	28.4
McCURDY, Richard (Ret.)	141	22.5
MICHELSON, Bruce	136	24.5
MORENO, Stephan	178	5.1
MORK, Stuart	159	13.5
NEWMAN, Alec	125	27.0
SANDERS, David	152	17.7
SCOGGINS, John	161	9.9
SCRAGG, John	181	4.5
SEMLER, Joseph	156	14.2
SEMLER, Stephen	174	6.6
SEYMOUR, Lawrence	177	5.5
SHAFFER, Daniel	116	29.5
SHAFFER, James	145	22.2
SHULER, Mark	154	16.8
SLIKER, William	166	8.5
SORIANO, Donald	122	28.1
THORESON, George	176	6.1
vonBRANDENFELS, Eric	148	19.1
WARD, John K.	168	8.3
WARD, Jonathan E.	160	11.3
WILDES, Gordon	173	6.9
WOOD, Micheal	134	24.8

Number of pilots at 12/31/2013	54
<i>Pilots retiring in 2014:</i>	<i>4</i>
Pilots licensed in 2014:	3
Number of pilots as of 12/31/14:	53

at 12/31/14

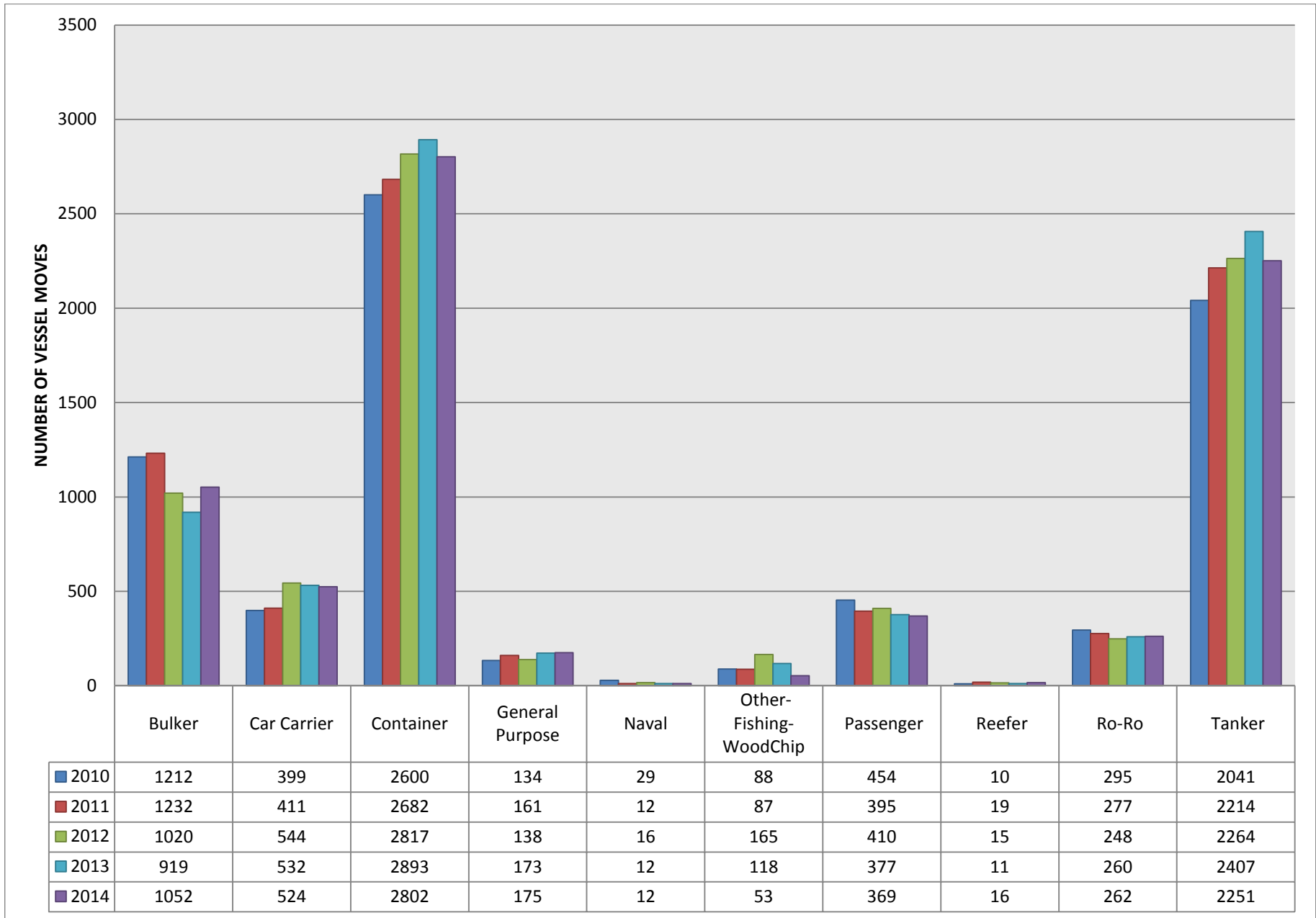
GRAYS HARBOR DISTRICT

PILOT	Lic #	Years Licensed
D'Angelo, Robert	15	21.8
Cooke, Stephen	16	9.5

No changes to pilot roster in 2014

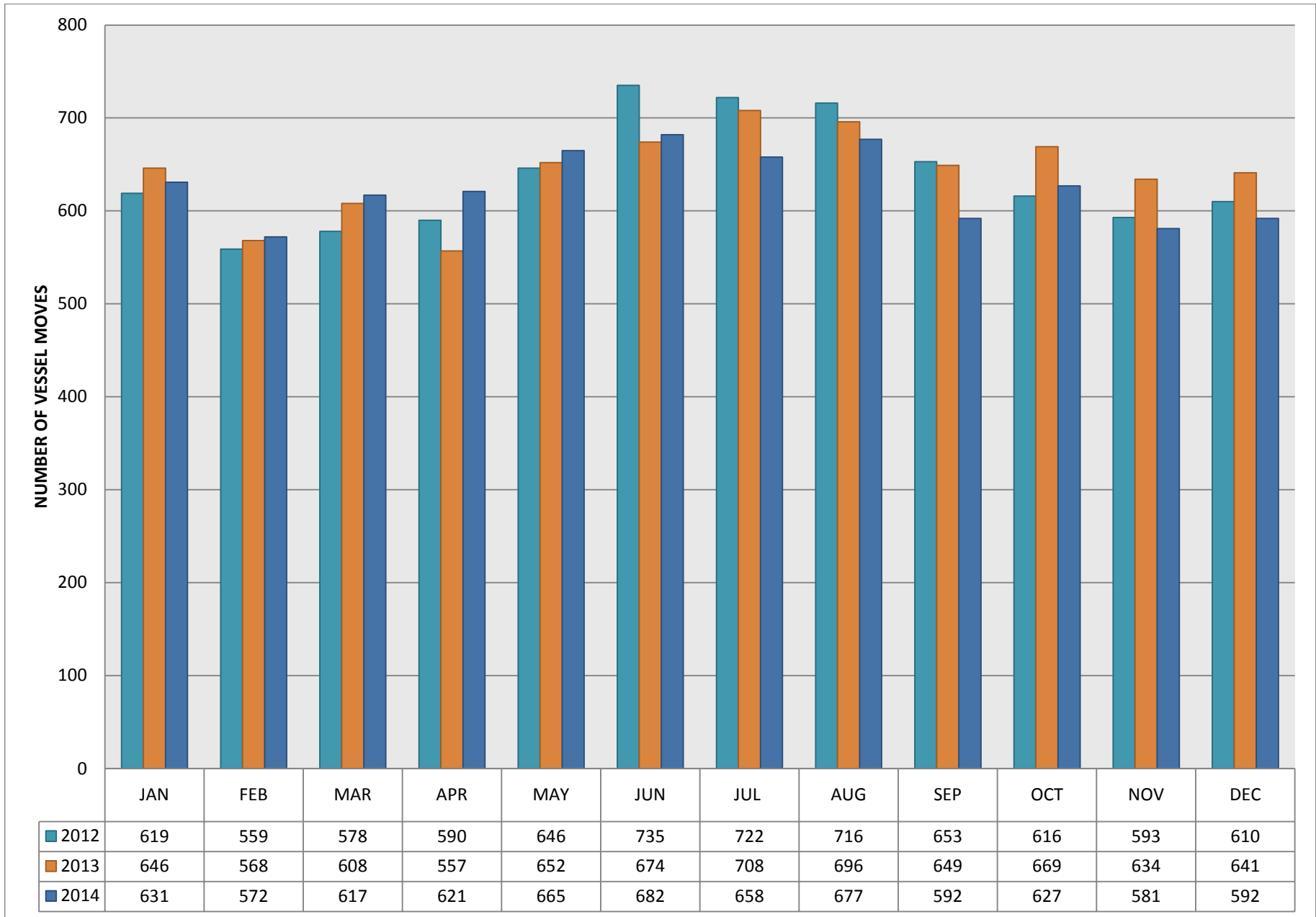
The Board issues licenses to pilots after qualifying for and passing a written examination, simulator evaluation, and successfully completing a training program established by the Board. Licenses are renewed annually after passing a physical examination and paying a license fee.

4 COMPARATIVE TRAFFIC INFORMATION



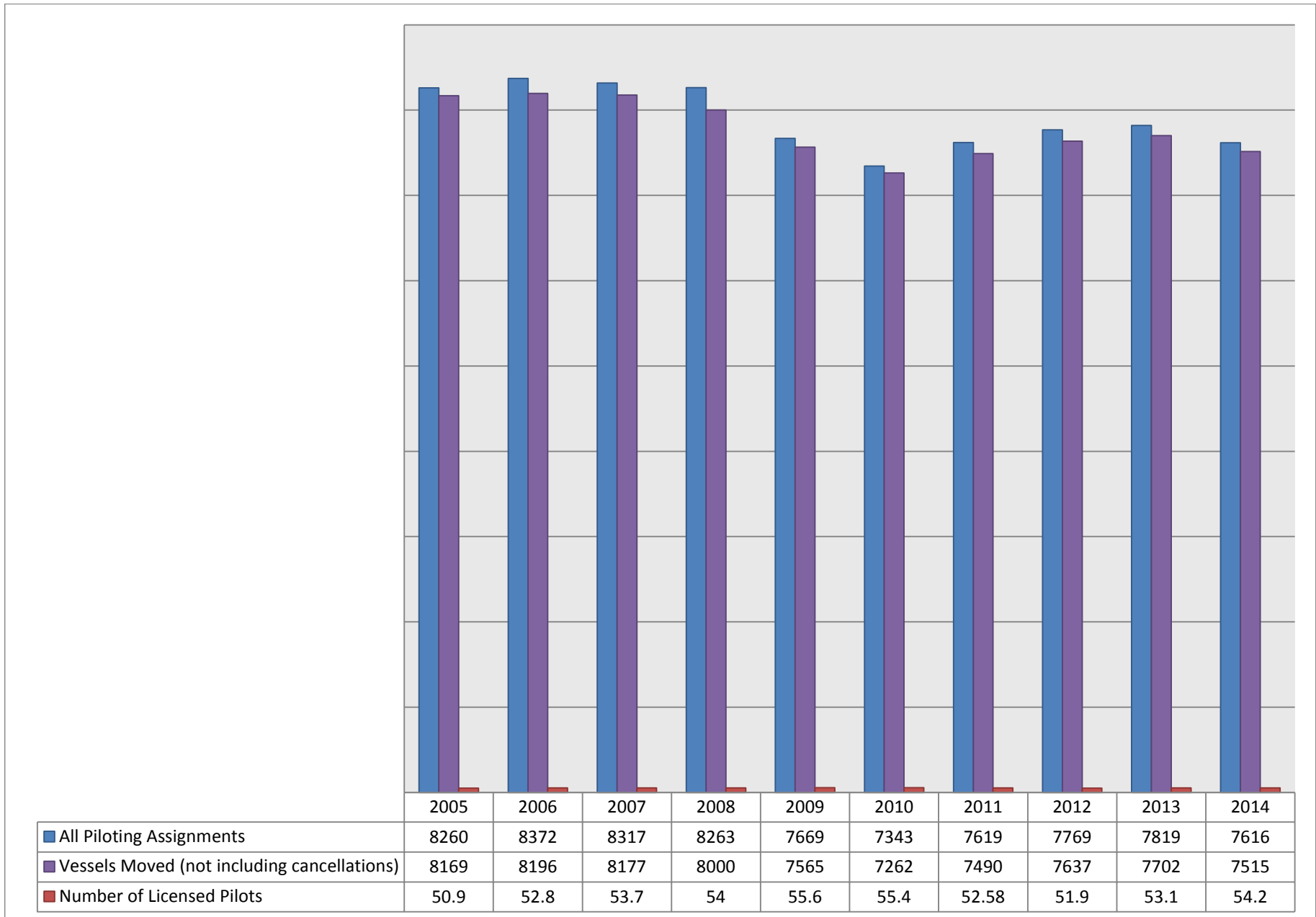
4 COMPARATIVE TRAFFIC INFORMATION

PUGET SOUND DISTRICT 2012-2014 NUMBER OF VESSEL MOVES BY MONTH AND YEAR



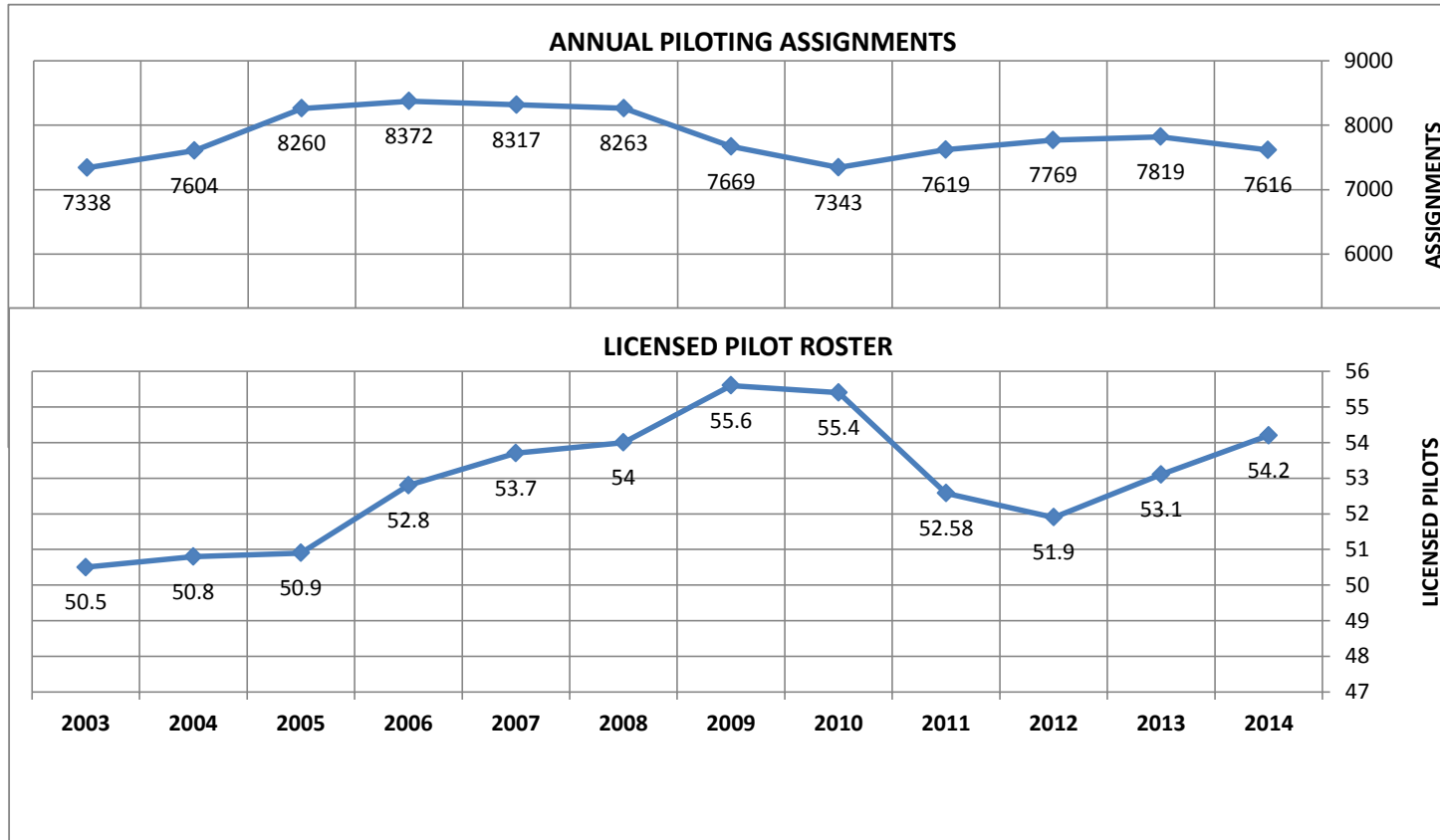
4 COMPARATIVE TRAFFIC INFORMATION

PUGET SOUND DISTRICT 2005-2014
 Piloting Assignments, Vessel Moves
 Actual # of Licensed Pilots



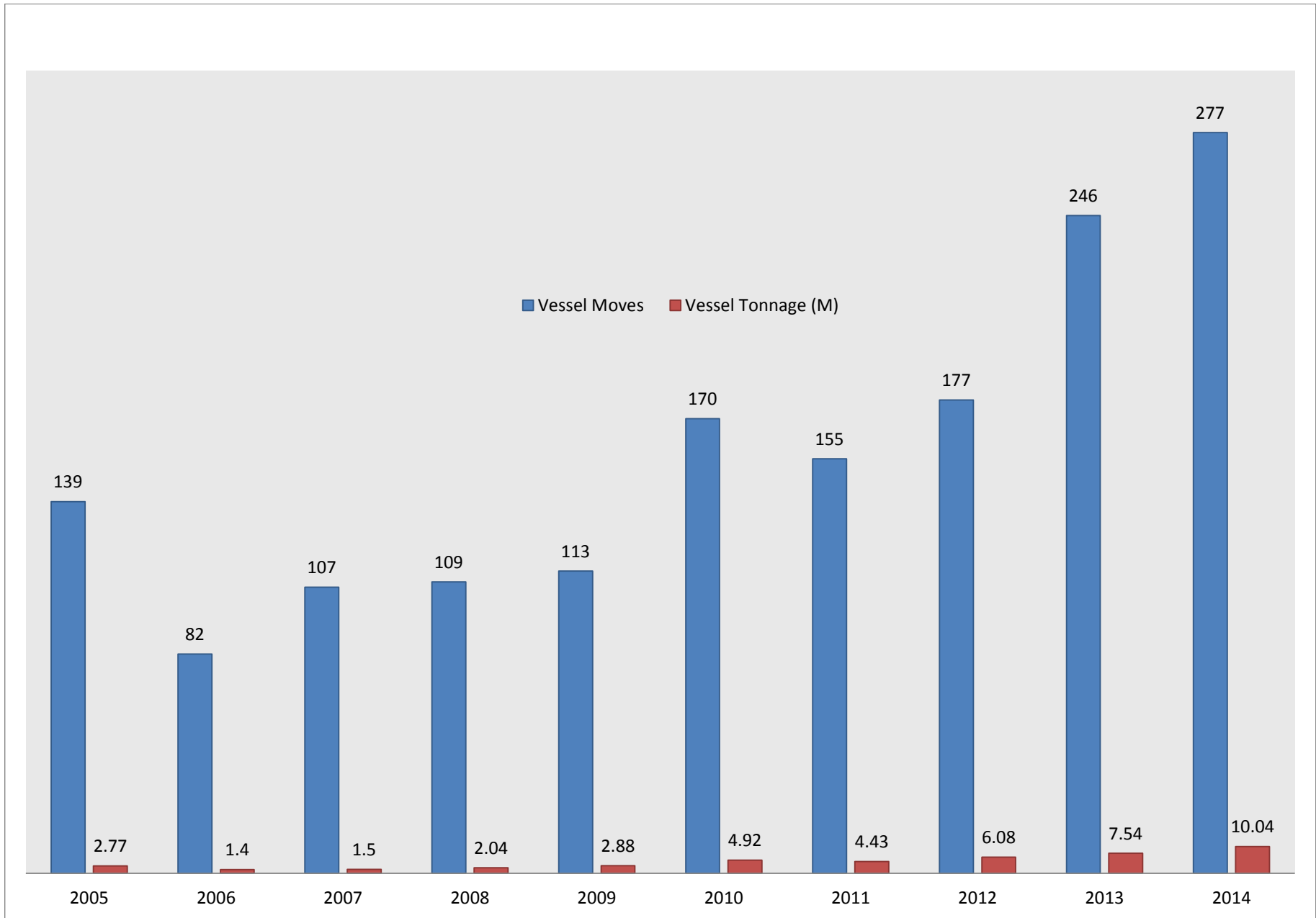
4 COMPARATIVE TRAFFIC INFORMATION

PUGET SOUND DISTRICT 2005-2
 Piloting Assignments, Vessel Moves
 Actual # of Licensed Pilots



4 COMPARATIVE TRAFFIC INFORMATION

GRAYS HARBOR DISTRICT 2005-2014
VESSEL MOVES and TOTAL TONNAGE



5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

	2014 Total	Avg. Per Pilot (54.2 Full-time)
Pilotage Tariff Revenue	\$ 32,623,068	\$ 601,902
Other Income / (Expense)	21,854	403
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(3,288,449)	(60,672)
Operating Expenses of Puget Sound Pilots	(8,918,313)	(164,545)
Group Medical Insurance Plan for Pilots <i>(shown below)</i>	1,625,825	29,997
Available Revenue Pool for Distribution	\$ 22,063,985	\$ 407,085
Income Allocation of Pooled Tariff Revenue	\$ 18,785,340	\$ 346,733
Individual Business Expense Allowance <i>(Note 2)</i>	547,415	10,104
Transportation Allowances and Reimbursements	1,083,551	20,000
Tariff Revenue Paid to Pilots	20,416,306	376,837
Individual Pilot Medical Insurance <i>(Note 2)</i> (group plan paid by PSP)	1,625,825	29,997
Tariff Revenue Paid to Pilots + Medical Benefit	\$ 22,042,131	\$ 406,834 <small>(rounding)</small>
Undistributed Other Income	21,854	403
Available Revenue Pool for Distribution	\$ 22,063,985	\$ 407,237

Notes:

1. According to their own by-laws, amounts necessary for payment of benefits under the Puget Sound Pilots Trust Contract of 1952, the Puget Sound Pilots Retirement Agreement of 1978 and the Amended Retirement Program of Puget Sound Pilots are deducted and paid to the designated beneficiaries prior to distribution of income to current pilots.
2. Individual Business Expense includes the provision paid for disability insurance, annual physical exam, Anacortes subsistence and lodging, and business communication costs. Medical insurance premiums previously reported in this category (IBE) are now paid by the Association (noted above).

Remarks:

Not shown above is "extra compensation as a separate category" per RCW 88.16.035. The expenses and payments reported above do not include additional deferred compensation programs or retirement benefits, if any, provided by the pilot organization.

TRAINEE STIPENDS PAID

During all or part of the year there were ten pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2014 was \$474,180.

Pilot trainees may choose whether to take a stipend during their training program. As a condition of receiving such stipend, agreement is made to forego any other full- or part-time employment which then prevents full participation in the training program. If the additional stipulations found in WAC 363-116-078(10) are met each calendar month, the stipend is paid at \$6,000 per month. The stipend is funded through a training surcharge in the tariff.

5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

	2014 Total	Per Pilot (2 Full time)
Tariff Generated Pilotage Revenue	\$ 1,665,533	\$ 832,767
Other Pilot Services Department Revenue	1,200	600
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 <i>(Note 3)</i>	(100,274)	(50,137)
Operating Expenses - Port of Grays Harbor Pilot Services <i>(Note 4)</i>	(624,459)	(312,230)
Gain retained by Port of Grays Harbor <i>(Note 5)</i>	(117,145)	(58,573)
Net Pilotage Revenue	\$ 824,855	\$ 412,428
Pilot Wages	\$ 532,030	\$ 266,015
Incremental Duty Pay	7,991	3,996
Employer Provided Benefits <i>(Note 6)</i>	144,968	72,484
Gain Sharing	112,166	56,083
Travel Allowance and Reimbursements	27,700	13,850
Compensation to Pilots	\$ 824,855	\$ 412,428

Notes:

3. As part of an agreement with the Commission, Puget Sound Pilots distributes retirement benefits to the retirees of the Grays Harbor Bar Pilots. The cost is offset in part by a 2001 Puget Sound District tariff increase and the pension charge per assignment included in the Grays Harbor tariff. The Port transfers those funds to the Puget Sound Pilots to distribute to Grays Harbor pilot retirees with service credit prior to 2001.

4. During all or part of the year there were two pilot trainees working on their respective training programs. Neither were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2014 was \$63,330.

5. Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.

6. Employer Provided Benefits include health, life, medical, and disability insurance, federal and state taxes, and retirement funding paid by the employer.

Pilot trainees may choose whether to take a stipend during their training program. As a condition of receiving such stipend, agreement is made to forego any other full- or part-time employment which then prevents full participation in the training program. If the additional stipulations found in WAC 363-116-078(10) are met each calendar month, the stipend is paid at \$6,000 per month. Payment for the stipend for Grays Harbor trainees has funding built into their tariff.

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

2014

TOTAL TARIFF GENERATED REVENUE	\$ <u>32,623,068</u>
<u>SUMMARIZED EXPENSES</u>	
Payments to Retired Pilots/Widows - Puget Sound District	\$ 3,288,449
Pilot Medical Insurance - Puget Sound District	1,625,825
Seattle Other Operating/Administrative Expenses	<u>4,682,123</u>
Total Seattle Expenses	\$ 9,596,397
Port Angeles Station Operating Expenses	572,372
Pilot Boat Operating Expenses	<u>2,037,993</u>
Total PSP Operating/Administrative Expenses	12,206,762
Transportation Fees Paid Directly to Pilots	<u>1,083,551</u>
Total Deductions from Revenue	<u>13,290,313</u>
Balance of Revenue Pool to Distribute	\$ 19,332,755
Other Income / (Expense)	<u>21,854</u>
NET INCOME FROM POOLED OPERATIONS	\$ <u>19,354,609</u>

SEATTLE OFFICE OPERATING EXPENSES

Attorney fees	\$ 96,244
Comp day expense	407,238
Computer maintenance	278,310
Computer programming	4,466
Conferences	76,749
Consulting services	91,942
CPA fees	63,512
Depreciation	308,493
Drug testing	5,381
Dues	154,715
Employee benefits	341,201
Employee salaries	702,636
Equipment leases	1,596
Insurance	223,602
Interest	23,266
License fees - pilots	357,500
Lobbyist	106,099
Office maintenance & repair	7,634
Office supplies	43,994
Payments to Retired Pilots/Widows - Grays Harbor District	109,739
Pilot training	370,187
Printing & publications	24,615
Rent & parking	110,502
Taxes on payroll	50,737
Taxes, other	1,081
Taxes on revenue	536,164
Travel, entertainment, promotion	144,285
Telephone & communications	40,235
Uncollectable accounts receivable	
Seattle Office Total	\$ <u>4,682,123</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2014</u>
Depreciation	\$ 55,036
Food	85,609
Insurance	58,450
Interest	-
Lodging - Port Angeles	-
Maintenance and repairs	48,760
Rent, tideland lease	3,562
Reposition pilots	245,478
Supplies	25,915
Taxes on property	13,527
Telephone & communications	12,958
Training	405
Utilities	22,672
Port Angeles Total	\$ <u>572,372</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28
Employee benefits	233,357
Employee salaries	773,729
Fuel of "Juan de Fuca"	166,737
Fuel of "Puget Sound"	250,022
Insurance	98,317
Interest	
Maintenance & operation of "Juan de Fuca"	374,751
Maintenance & operation of "Puget Sound"	76,235
Taxes on payroll	60,428
Taxes on property	4,389
Pilot Boat Operations Total	\$ <u>2,037,993</u>

Note (previous page):

5. Funds derived from the application of the Grays Harbor Pilotage District tariff (Pension Charge), for the purposes of offsetting a proportionate share of pension expenses, are remitted to Puget Sound Pilots for payment to retirees of the Grays Harbor Pilotage District. Puget Sound Pilots reports the revenue and expenses in their annual audited Financial Statements.

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

<u>Employee</u>	<u>Position</u>
M. Arkins	AR Clerk
T. Burnell	Dispatcher/Clerk
J. Clark	Relief Deckhand/Engineer
A. Dreyer	Boat Operator
M. Gregson	Deckhand/Engineer
C. Harthorne	Accountant/Dispatcher/Clerk
K. Houston	Dispatcher/Clerk
P. Jacobsen	Deckhand/Engineer
M. Juskevich	Boat Operator
J. Melvin	Deckhand
P. Moore	Accountant/Dispatcher/Clerk
J. Rushton	Deckhand/Engineer
R. Shelton	Maintenance/Utility
D. Shideler	Lead Boat Operator
W. Tabler	Executive Director/General Counsel
B. Valentine	Dispatcher/Clerk
R. Welch	Boat Operator

Duty Arrangements: Office staff - 8 or 10 hour days, boatmen - 12 hour days.

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

Captain R. D'Angelo Full-time Pilot
Captain S. Cooke Full-time Pilot

	<u>2014</u>
Tariff Generated Revenue	\$ 1,665,533
Miscellaneous Revenues	1,200
TOTAL REVENUE	<u>\$ 1,666,733</u>

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 53
Benefits	144,968
Pilot launch services	332,992
Depreciation	18,642
Dues & license fees	13,000
Insurance	1,869
Legal services	1,087
Miscellaneous other expenses	4,659
Pension contribution to PSP for GH Retirees	100,274
Pilot Trainee Stipend	63,330
Port Administrative Sservices	82,183
Repair/maintenance	67,912
Supplies	9,245
Taxes	21,490
Telephone	3,881
Training	0
Travel/Lodging/Meals	3,839
Wages	532,030
Gain Sharing Distribution	112,166
Incremental Duty Pay	7,991
Travel Allowance	27,700
GRAYS HARBOR DISTRICT TOTAL EXPENSES	<u>\$ 1,549,311</u>
GRAYS HARBOR DISTRICT OPERATING INCOME	<u>\$ 117,422</u>

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

WAC 363-116-300 Pilotage rates for the Puget Sound pilotage district.

Effective 0001 hours January 1, 2014 through 2400 hours December 31, 2014.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$53.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug .+ LOA of tow .+ beam of tow	

Any tow exceeding seven hours, two pilots are mandatory. Harbor shifts shall constitute and be limited to those services in moving vessels from dock to dock, from anchorage to dock, from dock to anchorage, or from anchorage to anchorage in the same port after all other applicable tariff charges for pilotage services have been recognized as payable.

Compass Adjustment	\$359.00
Radio Direction Finder Calibration	\$359.00
Launching Vessels	\$540.00
Trial Trips, 6 hours or less (minimum \$1,014.00)	\$169.00 per
Trial Trips, over 6 hours (two pilots)	\$338.00 per
Shilshole Bay – Salmon Bay	\$211.00
Salmon Bay – Lake Union	\$164.00
Lake Union – Lake Washington (plus LOA zone from Webster	\$211.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II

(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)

Waterway and Bridge Charges:*Ships up to 90' beam:*

A charge of \$266.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$127.00 per bridge.

Ships 90' beam and/or over:

A charge of \$361.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$251.00 per bridge.

(The above charges shall not apply to transit of vessels from Shilshole Bay to the limits of Lake Washington.)

Two or three pilots required:

In a case where two or three pilots are employed for a single vessel waterway or bridge transit, the second and/or third pilot charge shall include the bridge and waterway charge in addition to the harbor shift rate.

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$274.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$274.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$274.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$274.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original

ETA, a charge of \$274.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges. When a pilot is ordered for an arriving inbound vessel at Port Angeles and the ETA is delayed to six hours or more beyond the original ETA, a cancellation charge shall be assessed, in addition to all other appropriate charges, if the ETA was not amended at least twelve hours prior to the original ETA.

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0084 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0871 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.1042 per gross ton.

For vessels where a certificate of international gross tonnage is required, the appropriate international gross tonnage shall apply.

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00
Olympia	155.00
Point Wells	42.50
Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

(a) Intraharbor transportation for the Port Angeles port area: Transportation between Port Angeles pilot station and Port Angeles harbor docks - \$15.00.

(b) Interport shifts: Transportation paid to and from both points.

(c) Intraharbor shifts: Transportation to be paid both ways. If intraharbor shift is canceled on or before scheduled reporting time, transportation paid one way only.

(d) Cancellation: Transportation both ways unless notice of cancellation is received prior to scheduled reporting time in which case transportation need only be paid one way.

(e) Any new facilities or other seldom used terminals, not covered above, shall be based on mileage x \$2.00 per mile.

Delinquent Payment Charge:

1 1/2% per month after 30 days from first billing.

Nonuse of Pilots:

Ships taking and discharging pilots without using their services through all Puget Sound and adjacent inland waters shall pay full pilotage charges on the LOA zone mileage basis from Port Angeles to destination, from place of departure to Port Angeles, or for entire distance between two ports on Puget Sound and adjacent inland waters.

British Columbia Direct Transit Charge:

In the event that a pilot consents to board or deboard a vessel at a British Columbia port, which consent shall not unreasonably be withheld, the following additional charges shall apply in addition to the normal LOA, tonnage and other charges provided in this tariff that apply to the portion of the transit in U.S. waters:

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$ 283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$ 283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$ 525.00

Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia. \$ 514.00

Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver-Victoria-New Westminster Range. \$ 649.00

Training Surcharge:

On January 1, 2011, a surcharge of \$15.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC 363-116-078 shall be added to each pilotage assignment.

LOA Rate Schedule:

The following rate schedule is based upon distances furnished by National Oceanic and Atmospheric Administration, computed to the nearest half-mile and includes retirement fund contributions.

LOA	ZONE I	ZONE II	ZONE III	ZONE IV	ZONE V	ZONE VI
(Length Overall)	Intra Harbor	0-30 Miles	31-50 Miles	51-75 Miles	76-100 Miles	101 Miles & Over
UP to 449	263	408	695	1,036	1,395	1,810
450 - 459	274	415	699	1,052	1,417	1,819
460 - 469	276	419	711	1,069	1,437	1,827
470 - 479	285	432	719	1,091	1,441	1,830
480 - 489	294	439	722	1,110	1,450	1,839
490 - 499	298	445	733	1,131	1,467	1,848
500 - 509	313	453	744	1,143	1,479	1,859
510 - 519	315	461	751	1,161	1,495	1,866
520 - 529	319	478	762	1,166	1,508	1,881
530 - 539	329	484	771	1,179	1,532	1,902
540 - 549	334	490	789	1,192	1,555	1,920
550 - 559	341	507	794	1,209	1,568	1,938
560 - 569	353	527	810	1,221	1,582	1,956
570 - 579	361	531	813	1,226	1,599	1,969
580 - 589	376	540	832	1,235	1,608	1,989
590 - 599	393	552	837	1,241	1,632	2,013

600 - 609	408	569	849	1,245	1,652	2,022
610 - 619	431	574	863	1,250	1,668	2,040
620 - 629	447	581	871	1,266	1,687	2,064
630 - 639	468	591	881	1,269	1,702	2,082
640 - 649	486	605	890	1,271	1,716	2,097
650 - 659	520	615	906	1,281	1,737	2,119
660 - 669	530	623	914	1,289	1,756	2,135
670 - 679	550	639	923	1,312	1,776	2,149
680 - 689	557	649	935	1,323	1,791	2,169
690 - 699	574	659	950	1,346	1,810	2,215
700 - 719	599	681	967	1,364	1,845	2,239
720 - 739	634	699	992	1,382	1,881	2,276
740 - 759	659	733	1,011	1,395	1,920	2,318
760 - 779	685	756	1,036	1,417	1,956	2,347
780 - 799	719	790	1,052	1,437	1,989	2,390
800 - 819	748	813	1,072	1,444	2,022	2,426
820 - 839	771	843	1,097	1,467	2,064	2,453
840 - 859	804	877	1,119	1,484	2,095	2,496
860 - 879	834	906	1,138	1,522	2,135	2,532
880 - 899	863	932	1,161	1,557	2,169	2,569
900 - 919	889	963	1,180	1,598	2,215	2,604
920 - 939	917	992	1,209	1,632	2,237	2,640
940 - 959	950	1,018	1,227	1,668	2,276	2,672
960 - 979	971	1,048	1,248	1,702	2,318	2,712
980 - 999	1,003	1,072	1,270	1,737	2,347	2,747
1000 - 1019	1,065	1,141	1,327	1,829	2,459	2,865
1020 - 1039	1,094	1,175	1,368	1,881	2,533	2,949
1040 - 1059	1,127	1,204	1,408	1,938	2,605	3,036
1060 - 1079	1,161	1,246	1,449	1,996	2,686	3,126
1080 - 1099	1,196	1,281	1,491	2,054	2,765	3,221

1100 - 1119	1,230	1,320	1,537	2,118	2,848	3,318
1120 - 1139	1,268	1,363	1,584	2,179	2,933	3,417
1140 - 1159	1,304	1,401	1,629	2,244	3,022	3,521
1160 - 1179	1,343	1,441	1,681	2,312	3,112	3,624
1180 - 1199	1,384	1,485	1,729	2,381	3,206	3,734
1200 - 1219	1,427	1,530	1,780	2,453	3,302	3,844
1220 - 1239	1,467	1,576	1,832	2,527	3,399	3,959
1240 - 1259	1,511	1,622	1,886	2,602	3,502	4,077
1260 - 1279	1,555	1,670	1,944	2,680	3,608	4,199
1280 - 1299	1,602	1,721	2,003	2,760	3,713	4,326
1300 - 1319	1,651	1,770	2,061	2,842	3,825	4,454
1320 - 1339	1,701	1,824	2,125	2,927	3,939	4,589
1340 - 1359	1,749	1,879	2,188	3,014	4,057	4,727
1360 - 1379	1,803	1,933	2,253	3,106	4,177	4,866
1380 - 1399	1,855	1,991	2,322	3,197	4,303	5,014
1400 - 1419	1,912	2,052	2,389	3,292	4,431	5,163
1420 - 1439	1,968	2,114	2,461	3,392	4,566	5,318
1440 - 1459	2,029	2,177	2,536	3,493	4,702	5,477
1460 - 1479	2,086	2,240	2,610	3,597	4,843	5,638
1480 - 1499	2,150	2,307	2,687	3,704	4,986	5,808
1500 - Over	2,215	2,377	2,767	3,817	5,135	5,981

7 PILOTAGE TARIFFS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

WAC 363-116-100

Pilotage Rate for the Grays Harbor District

Effective 0001 hours January 1, 2014, through 2400 hours December 31, 2014

CLASSIFICATION

RATE

Charges for piloting of vessels in the inland waters and tributaries of Grays Harbor shall consist of the following:

Draft and Tonnage Charges:

Each vessel shall be charged according to its draft and tonnage for each vessel movement inbound to the Grays Harbor pilotage district, and for each movement outbound from the district.

Draft	\$ 105.29 per meter or \$ 32.09 per foot
Tonnage	\$ 0.301 per net registered ton
Minimum Net Registered Tonnage	\$ 1,055.00
Extra Vessel (in case of tow)	\$ 591.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,849.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter \$ 1,000.00

Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage \$ 735.00

Delays per hour \$ 173.00

Cancellation charge (pilot only) \$ 289.00

Cancellation charge (boat or helicopter only) \$ 865.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$735.00 and in addition, when a bridge is transited the bridge transit charge of \$317.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations \$ 362.00

Travel Allowance:

Transportation charge per assignment \$ 100.00

Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$974.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited \$ 317.00

Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam \$ 867.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 ½% per month late charge.

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

PUGET SOUND PILOTAGE DISTRICT

INCIDENT REPORTS

Two Incident Reports were filed in the Puget Sound Pilotage District in the year 2014.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
29-Aug-2014	Loch Melfort	Carley, W.	Blair Waterway, Tacoma	Incident with damage; without pilot error
8-Sep-2014	Overseas Boston	Ward, J. K.	Pilot boarding area, Port Angeles	Incident with pilot injury; w/o damage; w/o pilot error

GRAYS HARBOR PILOTAGE DISTRICT

INCIDENT REPORTS

No Incident Reports were filed in the Grays Harbor Pilotage District in the year 2014.

PUGET SOUND AND GRAYS HARBOR DISTRICTS

MARINE SAFETY OCCURRENCES

Twenty-two MSO reports were filed in the Puget Sound District:

- * thirteen vessel equipment malfunctions or failures, none were classified as near-miss;
- * one issue where the draft of the ship was greater than the water depth at the dock;
- * two responses to distress calls;
- * one instance of a speed boat towing a kayak crossing directly in front of the bow of vessel with kayak overturning 250' dead ahead - classified as near-miss;
- * four filings reporting issues at the dock, one where the cranes shifted into waterway toward vessel and was classified as a near-miss;
- * one report of near-miss due to combination of current, load, and type of rudder.

No MSO reports from the Grays Harbor District were received in 2014.

A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment. A report of Marine Safety Occurrence may be voluntarily submitted on an out-of-the-ordinary occurrence or concern for navigational safety that is encountered or observed during the course of piloting a vessel.

9 PETITIONS FOR VESSEL EXEMPTION

PUGET SOUND DISTRICT

During some or all of the months of 2014, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF REGISTRY</u>
5011 HARMONY	164 FT	492 GRT	Clemens	Cayman Islands
A2	150 FT	458 GRT	Pexton	Cayman Islands
ADELA	180 FT	169 GRT	Perkins	Cayman Islands
AFTER EIGHT	151 FT	498 GRT	Lindsay	Isle of Man
AMERICAN PRIDE	123 FT	298 GRT	Thomas	Marshall Islands
ANTARES	130 FT	298 GRT	Smith	Marshall Islands
ARROWHEAD	115 FT	193 GRT	Pierre	Marshall Islands
BLUE STAR	145 FT	430 GRT	Thornburn / Harrison	Cayman Islands
CIELO MARE	84 FT	281 GRT	Angulo / Laws	Cayman Islands
CRACKER BAY	147 FT	491 GRT	Taylor	Cayman Islands
D'NATALIN IV	160 FT	499 GRT	Clark	Cayman Islands
DOROTHEA III	132 FT	473 GRT	Crupi	Marshall Islands
EL MIRAR II	108 FT	204 GRT	Wangelin	British Virgin Islands
EVVIVA	164 FT	492 GRT	Trailer / Bracewell	Cayman Islands
FRUITION	130 FT	333 GRT	Various	Cayman Islands
GALEOCERDO	118 FT	181 GRT	Merlo	Cayman Islands
GLAZE	161 FT	456 GRT	Brandes	Cayman Islands
GRAN FINALE	147 FT	451 GRT	McDonald / Gorman	St. Vincent
HARMONY	164 FT	492 GRT	Heath	Cayman Islands
HORTENSE	90 FT	135 GRT	Hancock	Cayman Islands
ICE BEAR	171 FT	614 GRT	Butler	Cayman Islands
INSTANT GRATIFICATION	130 FT	333 GRT	Various	Cayman Islands
ISLANDER	85 FT	155 GRT	Hayes	Cayman Islands
KAHU	122 FT	201 GRT	Adams	New Zealand
KAORI	125FT	228 GRT	Raubenheimer	Marshall Islands
KYA	71 FT	119 GRT	Wilkinson	Marshall Islands
LATITUDE	147 FT	494 GRT	Meagher	Cayman Islands
NETTO	115 FT	254 GRT	Cooper	Marshall Islands
POLAR BEAR	93 FT	216 GRT	Milton	New Zealand
SEVEN J's	156 FT	496 GRT	Hubbard / Inmon	Marshall Islands
SOLAIA	132 FT	427 GRT	Boxshall	Cayman Islands
SPIRIT OF ULYSSES	76 FT	94 GRT	Maybin	United Kingdom
TEASE EM TOO	43 FT	16 GRT	Hubbard/Inmon/Porras	Marshall Islands
TRITON	163 FT	527 GRT	Johns	Marshall Islands
VICTORIA CLIPPER	127 FT	431 GRT	Various	Netherland Antilles
VICTORIA CLIPPER IV	131 FT	478 GRT	Various	Bahamas
WESTPORT 50M	164 FT	492 GRT	Various	Cayman Islands
ZENITH	135 FT	461 GRT	Steenbohm	Cayman Islands

Certain foreign flag vessels may petition for a three-month or one-year exemption from pilotage requirements if the vessel meets the qualifications and remits payment as set forth in RCW 88.16 .070 and WAC 363.116.360.

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

An exam for entry into a pilot training program for either the Puget Sound District or the Grays Harbor District was held in the fall of 2012. A waiting list of the top sixteen candidates was established from that exam and at December 31, 2014, ten had been called into the program for the Puget Sound District and two for the program in the Grays Harbor District. In 2014, four trainees were deemed qualified for licensure in the Puget Sound District and four from the list were invited and accepted to train. There are four candidates remaining on the list from the 2012 exam.

Status of Successful 2012 Exam Applicants as of 12/31/2014:

1. Scott Coleman	(T-033)	Licensed PS (#191):	08/27/14
2. Jamie Galvin	(T-034)	Licensed PS (#192):	11/11/14
3. Eric Lichty	(T-035)	Licensed PS (#190):	05/01/14
4. Brian Jensen	(T-037)	Licensed PS (#193):	12/22/14
5. Brad Lowe	(T-038)	Entered PS training program:	10/01/13
6. Jim Carstensen	(T-039)	Entered PS training program:	11/01/13
7. Ryan White	(T-032)	Entered GH training program:	05/01/13
8. Neil Kelleher	(T-040)	Entered PS training program:	03/01/14
9. Dave Henderson	(T-041)	Entered PS training program:	03/01/14
10. Al Furst	(T-042)	Entered PS training program:	07/05/14
11. Christopher Rounds	(T-043)	Entered PS training program:	10/01/14
12. Philip Hunter			
13. Rodney Myers			
14. David Surface	(T-036)	Entered GH training program:	08/01/13
15. Lee Vestal			
16. Keith Kridler			

GRAYS HARBOR PILOTAGE DISTRICT

The exam held in 2012 gave the applicants the opportunity to be invited to train in either district. Two successful applicants accepted an invitation to train in the Grays Harbor District and their status is incorporated with the list above.

When the board determines the demand for pilots requires entry of an applicant into the training program, it shall issue a training license to that applicant, but under no circumstances may an applicant be issued a training license more than four years after taking the written entry examination. Chapter 88.16.090(4) RCW.

11 DIVERSITY ACTION PLAN

Washington State Board of Pilotage Commissioners

INTRODUCTION:

In the 2015 legislative session, the Washington Legislature required the Washington State Board of Pilotage Commissioners (Board) to file its 2014 Annual Report by September 1, 2015, and annually thereafter, and to include the establishment of policies and procedures necessary to increase the diversity of pilots, trainees, and applicants, including a diversity action plan. This action further requires that the diversity action plan must articulate a comprehensive vision of the board's diversity goals and the steps it will take to reach those goals. The following is the Board's first version of what it intends will be an ongoing process of maintaining a viable and up-to-date diversity action plan.

STATEMENT OF PURPOSE:

The Board is committed to ensuring qualified pilotage in Washington State. The Board is also committed to encouraging diversity and inclusion to the extent allowed by law to a licensing agency. The board is committed to understanding and responding to the professional environment which exists for all pilots in Washington. The Board recognizes the need to enhance opportunities for all professional mariners to become pilots, though the number of licensed pilots is small and the competition is strong. It is imperative for the prevention of loss of life or property damage and protection of the environment that all licensed pilots be as fully qualified as possible. The process the Board follows to ultimately issue a license must be as rigorous as possible so that those who do get licensed are highly qualified.

This inaugural plan serves as a first step in promoting diversity among licensed pilots in Washington. The Board will collect and summarize statistics regarding diversity in pilotage and report the statistics in the annual report. The Board will review its licensure and training program to ensure that it is objective and will encourage qualified diverse applicants to apply for its training program. It will also review the standards of pilotage for any form of discrimination that could prevent any qualified individual from completing the program and becoming a licensed pilot. Where potential improvements to policies and procedures are identified, they will be modified to promote diversity in pilotage.

DIVERSITY ACTION PLAN:

Goal – Measure the ethnic and gender diversity of licensed pilots in Washington.

Actions:

- Establish a Diversity Committee of Board members and mariners interested in promoting policies to encourage diversity to the extent allowed by law.
- Forecast needs for licensed pilots due to mandatory retirement at age 70 and projected shipping activity. Use such data to prepare a five-year forecast for pilotage. Use the five-year forecast to predict potential needs for new pilots out to ten years.
- Institute a confidential and voluntary method of collecting “applicant flow” data.

11 DIVERSITY ACTION PLAN (cont'd)

Washington State Board of Pilotage Commissioners

- Monitor application, training and testing processes to determine where candidates are “falling out” of the system.
- Collect and report demographic data for all licensed pilots in Washington (as allowed by the privacy provisions of the RCW). Each pilot will be encouraged to submit data on an annual basis and the data will be aggregated for reporting. All individual data will be kept confidential.

Goal – Participate in efforts to develop a diverse pool of applicants with qualifications needed to become licensed pilots.

Actions:

- Develop and use comprehensive means of notifying mariners of the pilotage application and examination. Ensure announcements of upcoming examination cycles are published in a wide spectrum of maritime publications and other modes of reaching mariners and pilots in other pilotage grounds.
- Participate in conferences groups like “Women on the Water,” sponsored, by MARAD and maritime academies.
- Monitor and support the activities of a wide range of government and industry organizations that have programs to broaden the diversity of the maritime industry through actions such as advertising and recruiting.
- Ensure that segments of the marine industry with more diverse populations such as the seagoing branches of the U.S. Military receive information about upcoming examination opportunities.

Goal – Eliminate any possible areas of bias or discrimination in training pilots.

Actions:

- Hire a third-party independent consultant to do another review of the training program with an eye toward ensuring absolute fairness at every level.
- Provide Diversity training for all pilots as part of the Train the Trainer course given by the Board.

Goal – Support educational activities that develop student interest in maritime careers.

Actions:

- Support (within the bounds of the RCW/WAC) school programs that provide an introduction to the maritime world for young people.
- Ensure that Legislators are aware of such programs and encourage their support where appropriate.

11 DIVERSITY ACTION PLAN (cont'd)

Washington State Board of Pilotage Commissioners

Goal – Continue to improve this Diversity Action Plan.

Actions:

- Have other agencies within Washington that have expertise and experience in diversity action planning review the plan and provide feedback for possible improvements.
- Compare the plan to any such plans maintained by other entities that have similar relationships with shipboard pilots (i.e. other pilotage commissions). Investigate successful diversity initiatives conducted by other pilotage commissions to glean ideas for improving this plan.
- Review and update the plan at least annually, and include the plan in the Board's annual report.
- Monitor the results of the plan and modify it as needed to ensure that it is as up-to-date and effective as possible.

CONCLUSION:

The Board continues to take its responsibilities very seriously and the need to ensure that the processes used to select, train, and ultimately license mariners to be pilots is one of the most critical of the Board's tasks. The Board will use the Diversity Action Plan as a starting place to ensure that a wide spectrum of applicants know about our upcoming exams; that we encourage the maritime industry to continue efforts to broaden the diversity of mariners; that we support school programs that introduce young people to a career in the maritime industry; and that there is no bias involved in the ultimate licensing of pilots. The Board will continue to make its training program as objective as possible and will encourage qualified diverse applicants to apply for its training program.