

Exh. JR-5
Docket TP-220513
Witness: Jordan Royer

**BEFORE THE STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND PILOTS,

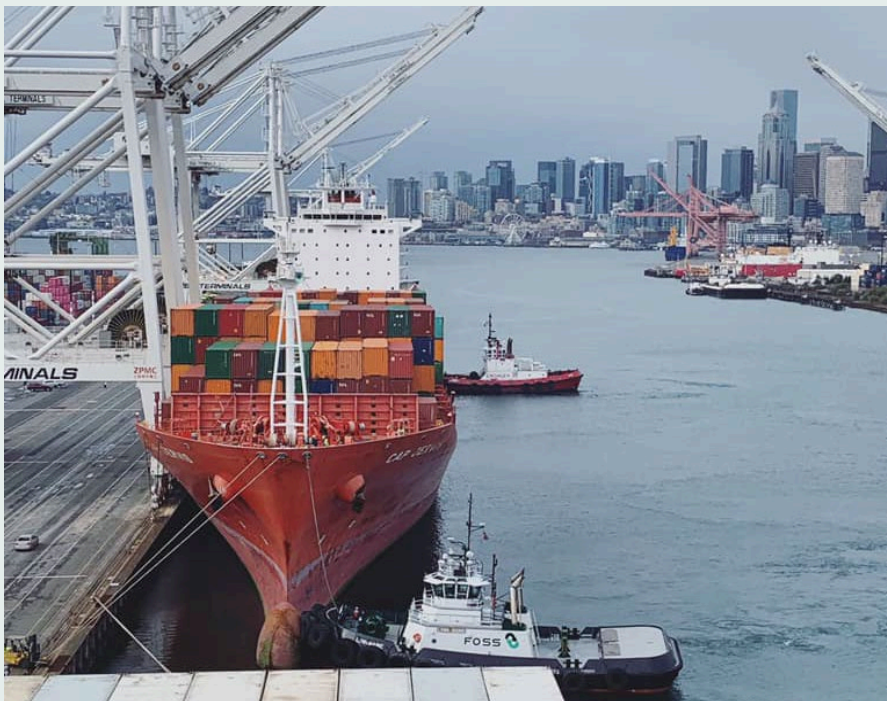
Respondent.

Docket No. TP-220513

**EXHIBIT TO TESTIMONY OF
Jordan Royer
ON BEHALF OF
PACIFIC MERCHANT SHIPPING ASSOCIATION**

BPC Annual Report, 2020

FEBRUARY 10, 2023



2020 ANNUAL REPORT

WASHINGTON STATE
BOARD OF PILOTAGE COMMISSIONERS
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SEATTLE, WA 98121
www.pilotage.wa.gov

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*On the cover: A cargo vessel prepares for departure from the East Waterway at the Port of Seattle.
Image courtesy of Puget Sound Pilots.*

A MESSAGE FROM THE CHAIR



The challenges in 2020 brought by COVID cannot be overstated – in the early months of the pandemic, pilots scrambled to get adequate PPE, trainees were limited in access to ships, and the Coast Guard Regional Exam Center had to closed for some months. Interactions that took place previously in the BPC office had to be moved online.

Throughout it all, pilotage and training program adjustments were made with the goal of safe and efficient training and pilotage. I want to thank Board members, staff, pilots and trainees for maintaining “can-do” attitudes throughout. PSP president Eric vonBrandenfels kept the BPC well informed and sought our input as we all learned together. While we hope there is never another pandemic, we are now better prepared for one.

During the year, 3 pilots retired from service. We wish the best to Captains Mayer, Harris, and Lichty, and thank them for 73 cumulative years of pilotage. Pilots licensed during 2020 are Captains Trevor Bozina, Matt Miller, Peter Velarde, Joseph Siddell, Matthew Hannuksela, and Neil McGourty. We wish Captain vonBrandenfels the best as he moves from his role as PSP president back to full time pilotage in 2021 and look forward to working with new PSP president Captain Ivan Carlson.

We welcome new public representative Jason Hamilton and a new Ecology representative Dale Jensen to the Board. A huge thank you to retiring commissioners Ned Kiley and Sara Thompson. While leaving the Board, both Ned and Sara continue to serve on BPC committees. We also thank past USCG Captain of the Port Linda Sturgis for her outstanding leadership and welcome Captain Hilbert as the incoming USCG Captain of the Port. We appreciate the strong level of communication and cooperation with the Coast Guard and our other maritime colleagues.

There is so much more that happened during 2020, so after you read this report, we encourage you to take a look at our newsletter, the BPC Pilotage Quarterly, and the website to learn more about the Board of Pilotage.

Finally, thank you to Jaimie Bever, Bettina Maki and Jolene Hamel for outstanding work in the face of so many challenges.

A MESSAGE FROM THE EXECUTIVE DIRECTOR



We are pleased to introduce the BPC 2020 Annual Report, highlighting an unprecedented year. While the COVID-19 pandemic presented incredible challenges for the maritime industry, minimizing impact to the supply chain was critical. Washington’s marine pilots rose to the occasion. Find out more about how the pilots and BPC coped with COVID-19 in the next few pages of this report.

Even with much of the world in lockdown, the BPC was able to continue fostering relationships with Tribes, state government, stakeholders, the USCG, and pilot aspirants, as well as continue important committee work to further the agency’s mission of safe pilotage through the various programs established to achieve that mission. The work of these important committees is highlighted in various sections of this report including the Diversity Action Plan (page 27) and Oil Transportation Safety (page 35).

I am proud of BPC staff for their resilience, adaptability, and perseverance during a trying time. BPC operations were seamless during the transition from in-office to at-home work. I would like to thank our Board Chair, Sheri Tonn, and the BPC Commissioners for their continued support. We hope you enjoy this glimpse of a year that none of us will ever forget.

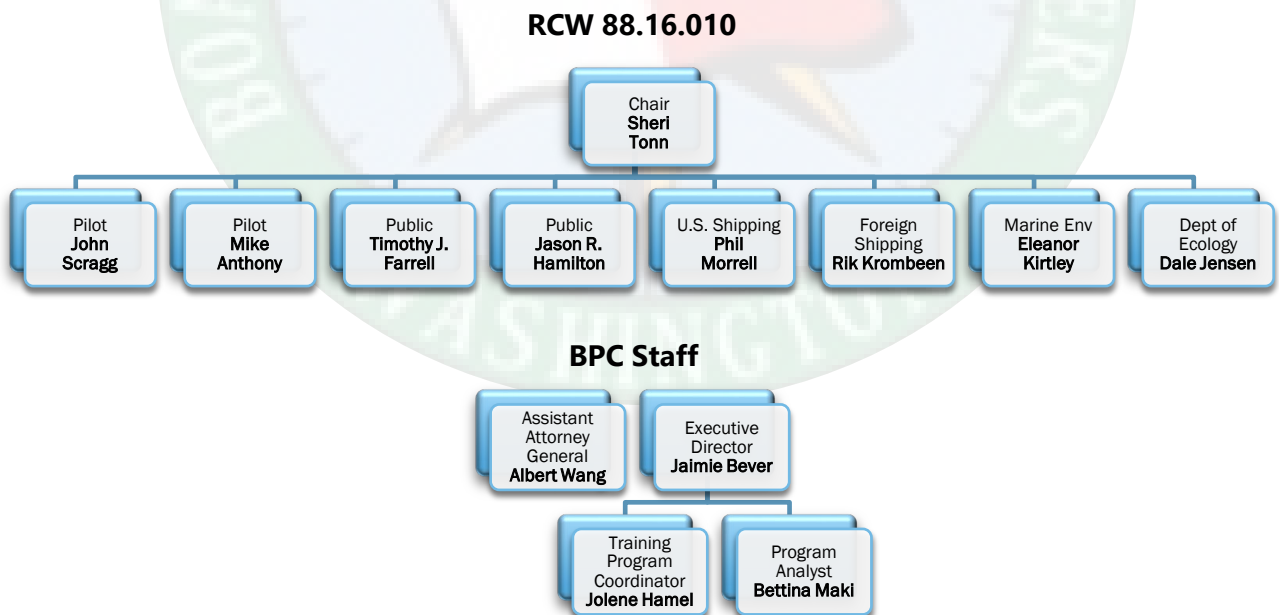
2020 OVERVIEW AND ACTIVITIES

OUR MISSION AND RESPONSIBILITIES

The mission of the Washington State Board of Pilotage Commissioners (BPC) is to ensure against the loss of lives, loss of or damage to property and vessels, and to protect the marine environment by maintaining efficient and competent pilotage service on our State's inland waters; and to not place in jeopardy Washington's position as an able competitor for waterborne commerce from other ports and nations of the world, but rather to continue to develop and encourage such commerce.

The Board develops and proposes language for legislative adoption to ensure safe and compulsory pilotage, adopts rules to administer State pilotage laws, and enforces pilot and public adherence to the Pilotage Act, which may include discipline and/or prosecution of violators. The Board also sets the number of pilots, administers testing, training, and licensing of marine pilots, and establishes standards for reporting and investigating incidents involving state-piloted vessels.

BPC ORGANIZATIONAL CHART (AS OF 12/31/2020)



COVID-19 IMPACTS ON PILOTAGE

The impacts of the COVID-19 pandemic on the maritime industry were substantial, and for the cruise industry, devastating. Governor Inslee declared marine pilots as Essential Critical Infrastructure Workers as a part of his March 2020 Stay Home-Stay Healthy proclamations. The pilots, with the support of the BPC, worked hard during the pandemic to keep the supply chain moving both in the Puget Sound and Grays Harbor Pilotage Districts.

The BPC adopted Emergency rules and policies addressing the effects of the pandemic on the pilot trainees and pilots. For instance, the Board employed its disciplinary discretion consistent with the steps taken by the United States Coast Guard published via Marine Safety Information Bulletin 08-20 and subsequent changes titled COVID-19 – Mariner Credentials, Extension of Merchant Marine Credential Endorsements, Medical Certificates, and Course Approvals, which allowed extensions of expiration dates. More information about trainee stipend action taken can be found in the Rulemaking section of this report.

The BPC provided information to industry regarding pilot safety procedures and required personal health declarations for the pilot trainees. Updates regarding the effects of COVID-19 on pilotage were a regular topic at Board and committee meetings.

The BPC is proud of our state's pilots and, as essential workers, the role they played in keeping goods moving through our ports.



Puget Sound pilot Captain Bill Sliker in full Personal Protective Equipment (PPE) while piloting a vessel.



Puget Sound pilot trainee Captain Nick Moore trains in the Blair Waterway at the Port of Tacoma.



Puget Sound pilot Captain John Harris completes his final pilot assignment during the pandemic before retiring in 2020.

Photos courtesy of Puget Sound Pilots.

MEETINGS

In 2020, the BPC held eleven (11) Regular Meetings and one (1) Special Meeting. Unfortunately, due to the COVID-19 pandemic, the annual trip to the Port of Grays Harbor in August did not occur. We hope to return to Grays Harbor County for our August meeting in 2021. BPC's Board and committee meetings beginning in March 2020 were held virtually via either Skype for Business or Microsoft Teams.



Captain Matt Hannuksela Puget Sound pilot trainee, and family (bottom right) attend the September BPC virtual meeting to receive his license to pilot. Top row from left: BPC Chair Sheri Tonn, Commissioner Dale Jensen, Commissioner Timothy J. Farrell. Middle row from left: BPC Training Program Coordinator Jolene Hamel, Commissioner John Scragg, and Commissioner Eleanor Kirtley. Bottom row: PSP President Eric vonBrandenfels, Commissioner Phil Morrell, and Puget Sound pilot trainee Matt Hannuksela and his family.

PROGRAMS AND COMMITTEES

The Board has six major programs to adhere to the statutory requirements of the Pilotage Act, Chapter 88.16 RCW, and Pilotage Rules, WAC 363-116: Safety, Diversity, Equity & Inclusion, Training and Licensing, Investigation, Regulation, and Compliance. The Board has established several committees comprised of Board members, pilots, stakeholders, local Government, and Tribes with the support of BPC staff to focus on these five programs:

- Pilot Safety Committee (PSC)
- Oil Transportation Safety Committee (OTSC)
- BPC/PSP Joint Diversity Committee (JDC)
- Trainee Evaluation Committee (TEC)
- Exam Committee (periodic)
- Commission Investigation Committee (CIC)

Committee members are typically appointed by the Board. Some positions are required by state law. For example, on the TEC the Chair of the committee is required to be a pilot member of the Board.



OUTREACH AND ENGAGEMENT

In 2020, due to the pandemic, the majority of outreach and engagement conducted by the BPC was virtual. However, important

connections were made and vital information shared despite the virtual restrictions. Some highlights from the year include:

Women in Maritime Leadership

BPC Chair Sheri Tonn and Executive Director Jaimie Bever attended California Maritime Academy's annual Women in Maritime Leadership Conference (WIML), which was held in early February, just before the pandemic sent the West Coast into lock down. Male cadets are encouraged to (and do) attend. It's important for all future maritime leaders to be equipped with the understanding and the tools to support an inclusive workforce. Conferences like this one provide valuable information for aspiring mariners.



BPC Chair Sheri Tonn describes the pathway to pilotage to a Cal Maritime cadet at the WIML Conference.

Women Offshore Conference

Chair Tonn, Vice-Chair Eleanor Kirtley, and Jaimie Bever attended Women Offshore's Annual Conference held virtually on October 2 and October 9. Several breakout sessions provided an opportunity for focused conversations, which may not have happened if it had been held in person. The Wavemaker Award winner, Captain Makhosi Mbokazi, gave her speech live

from the bridge of her vessel in South Africa. Chair Tonn also made some good connections with Mercy Ships, which may be able to help with recruiting 1600 gross ton and unlimited licensed females for upcoming exams. Chair Tonn encouraged participation in the conference next year, particularly if it stays online.

Salish Sea Shared Waters Forum

The 2020 Salish Sea Shared Waters Forum was held virtually on October 14 and 15. At the forum, BPC Commissioner and Department of Ecology representative Dale Jensen shared perspectives regarding knowledge gained from the 2018 and 2019 forums and Jaimie Bever presented updates to ESHB 1578 in a session titled *Authorities, Legislation and Implementation Actions that have been done to Ensure Protection of Treaty Rights of Indigenous Peoples and Advance Transboundary Spill Preparedness, Prevention, and Response*. Vice Chair Kirtley attended the forum as well.

LEGISLATIVE BACKGROUND

- 2019 Legislative Session – ESHB 1578
Reducing threats to southern resident killer whales by improving the safety of oil transportation.
- Tug Escort Requirements as of 9/1/2020 on the following laden vessels between 5,000 and 40,000 deadweight tons
 - 1) Oil tankers
 - 2) Articulated tug barges (ATBs)
 - 3) Towed waterborne vessels or barges

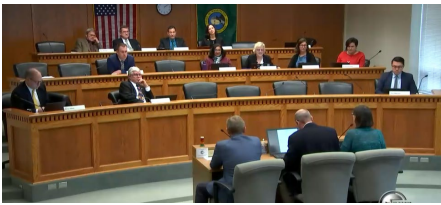
Image courtesy of Puget Sound Pilots

WASHINGTON STATE BOARD OF PILOTAGE COMMISSIONERS

A slide from the BPC presentation at the Salish Sea Shared Waters Forum.

LEGISLATION

Hearing Date	Bill	Description
February 10, 2020	Substitute Senate Bill 6667 – Permitting a private auto ferry to operate between the Anacortes area and British Columbia.	This bill established conditions under which the BPC may provide a pilotage waiver for operating a private auto ferry that does not exceed 5,350 gross international tons and 300 feet in overall length. The BPC opposed this legislation due to safety concerns and insufficient time to think through unintended consequences. The bill did not make it out of committee. Additional information can be found here .



*From right, BPC Executive Director Jaimie Bever, Masters Mates & Pilots Representative Dan Twoig, and Puget Sound Pilots President Captain Eric vonBrandenfels testify before the Senate Transportation Committee in opposition to the private auto ferry bill.
Image courtesy of TVW.*

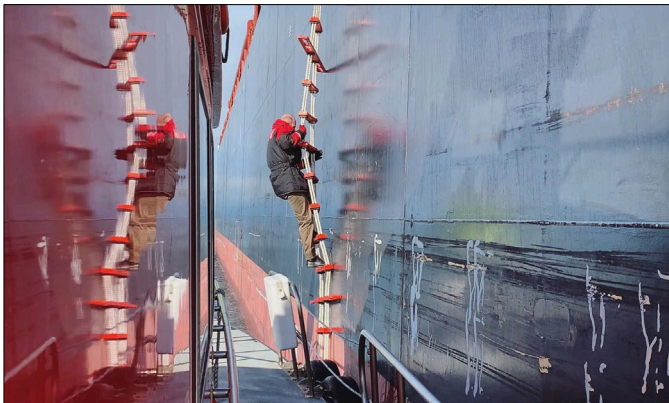
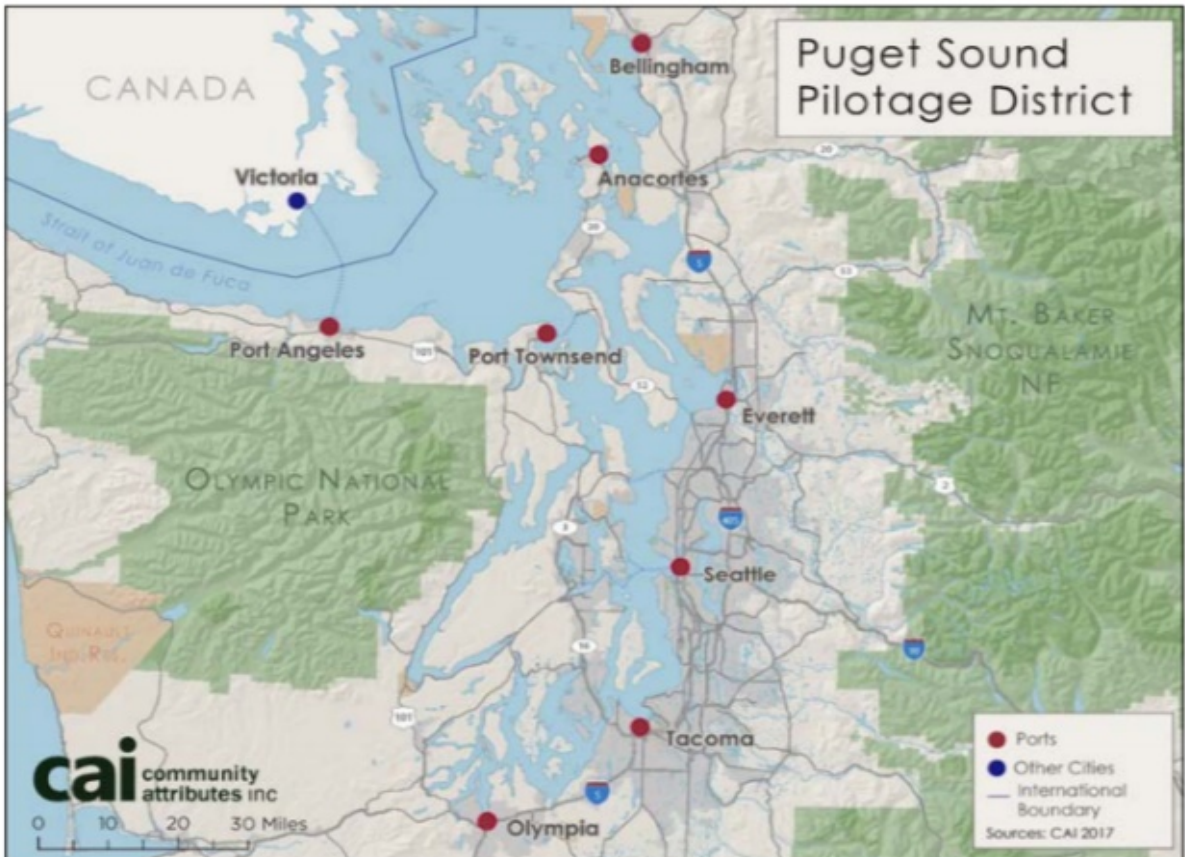
RULEMAKING

Hearing Date	Rule	Description
03/20/2020	WAC 363-116-078 Pilot Training Program Emergency Rule	To minimize the risk of introducing vectors of COVID-19 exposure onto a vessel or to pilot trainees, the BPC may suspend or adjust the pilot training program and may allow trainees to receive the maximum stipend during training program suspension or adjustment. This Emergency Rule was refiled as the pandemic wore on.
05/21/2020	WAC 363-116-082 Limitations on New Pilots	Due to limited training opportunities in the Puget Sound Pilotage District, the BPC limited the license for first year pilots in the Duwamish Waterway. The license restriction prohibited first year pilots from piloting vessels greater than 3,000GT in the Duwamish Waterway. The restriction will be lifted through the license upgrade program developed by the BPC's Trainee Evaluation Committee (TEC) for second year pilots. This rule was necessary due to the advanced level of piloting skill required to navigate the Duwamish Waterway and lack of opportunities to obtain the required number of observation, training, and evaluation trips.
09/17/2020	WAC 363-116-0751 Qualifications for Pilot Applicants	The BPC expanded the qualifications for pilot applicants to be more inclusive of sea service that demonstrates the essential qualities necessary for piloting in Washington State, as well as to bring additional clarity to the rules in preparation for the 2021 Marine Pilot Exam.

PILOTAGE ACTIVITY IN WASHINGTON STATE – PUGET SOUND

In 2020, Puget Sound Pilots had a total of 6110 revenue producing assignments, of which 5948 were actual vessel moves, and 162 were cancellations. In addition, there were 1286 reported *repositions. The

average number of full-time pilots was **48.7, minus the president who acts as a full-time administrator. The average annual number of assignments per pilot was 128.1, or approx. 11 assignments per month in 2020.



* Reposition: when a pilot is dispatched to/from Port Angeles Pilot Station to accommodate any imbalance between arrivals in Port Angeles and departures in Puget Sound.

Above: Puget Sound Pilotage District.
Image source: WA State Pilotage Final Report and Recommendations, January 1, 2018.

** This number reflects active pilots only.

Left: Puget Sound pilot, Captain Jamie Galvin ascends the pilot ladder after a transfer from the pilot boat in Port Angeles. Image courtesy of Puget Sound Pilots.

PILOTAGE ACTIVITY IN WASHINGTON STATE – PUGET SOUND (CONT'D)

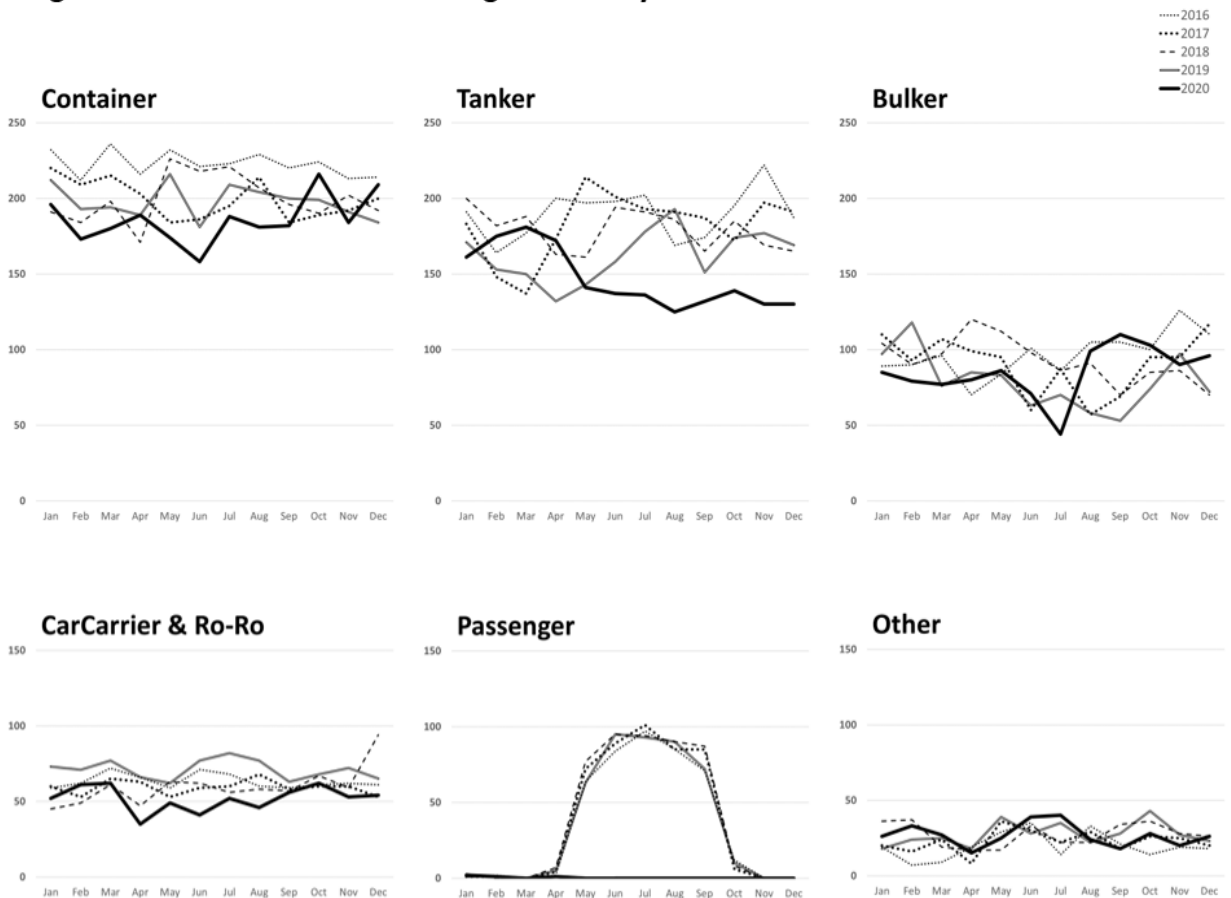
The COVID-19 pandemic significantly reduced the number of pilotage assignments in 2020, but it did not impact all vessel traffic equally. Passenger vessels were hardest hit, as the cruise season was eliminated entirely. Tanker vessel traffic was also significantly reduced, as demand for jet fuel and gasoline declined due to the pandemic. Container and car carrier vessel traffic dipped initially but rebounded somewhat. Supply chain disruptions in container shipping could be felt for years.

Bulker traffic, however, boomed, coinciding with a 19% increase in world demand for United States agricultural products. Nearly 70% of U.S. bulk agricultural exports pass through Pacific Northwest gateways.

<https://www.bloomberg.com/news/articles/2021-06-08/top-u-s-maritime-regulator-sees-shipping-snarls-lasting-to-2022>.

[USDA Grain Transportation Report
 https://www.ams.usda.gov/services/transportation-analysis/gtr](https://www.ams.usda.gov/services/transportation-analysis/gtr).

Puget Sound District Count of Assignments, by month, 2016-2020



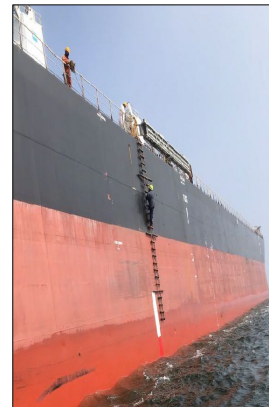
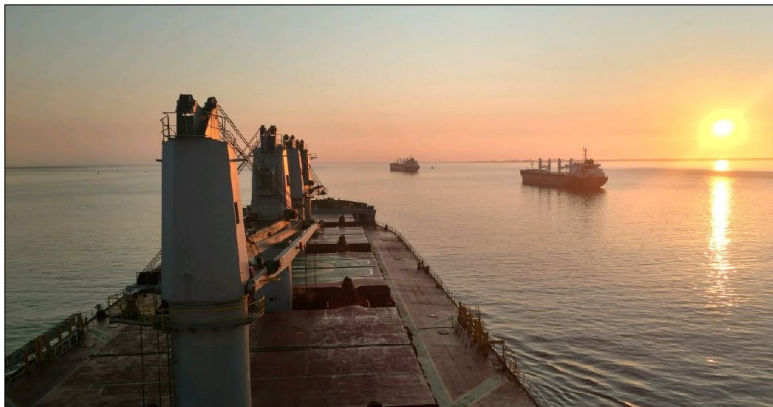
PILOTAGE ACTIVITY IN WASHINGTON STATE – GRAYS HARBOR

In 2020, the Port of Grays Harbor had a total of 212 piloting assignments, resulting from 74 vessel arrivals. In comparison, there were 229 piloting assignments, resulting from 86 vessel arrivals in 2019.

It is noteworthy that the number of vessel calls in 2020 exceeded the projected number that was established prior to the pandemic (65). The Port of Grays Harbor employed two full-time pilots in 2020.



The Grays Harbor Pilotage District. Image source: Washington State Pilotage Final Report and Recommendations, January 1, 2018.



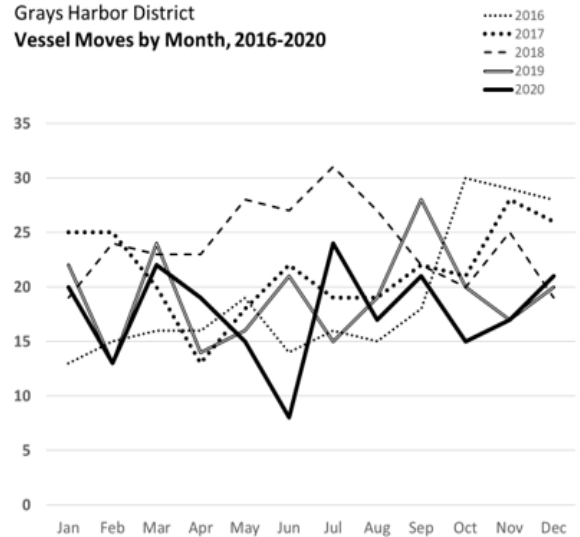
Left: Vessels anchored in the Grays Harbor Pilotage District. Right: Captain Bobby D'Angelo ascending the pilot ladder. Images courtesy of Grays Harbor pilot Captain D'Angelo.

PILOTAGE ACTIVITY IN WASHINGTON STATE – (GRAYS HARBOR CONT'D)

In September, the Port received disappointing news that BHP had withdrawn their application to develop operations at Terminal 3 for a planned potash export facility after working for several years to gain shoreline permitting approval and community buy-in. Fortunately, dry bulk export customer AGP at Terminal 2 remained a lifeline, and in fact the farmer-owned cooperative set records in 2020 for tonnage handled at the port, moving soy meal to overseas markets. At Terminal 1, biodiesel producer REG also had a record-breaking year.

<https://www.thedailyworld.com/business/port-of-grays-harbor-breaks-cargo-tonnage-record-in-2020/>

Grays Harbor District
Vessel Moves by Month, 2016-2020



The district achieved its goal of locating a suitable replacement for the pilot boat *CHEHALIS*. The port purchased the pilot boat *VEGA* from the Long Beach pilot's association Jacobsen Pilot Service. Built in 2003, the *VEGA* has an intended service life of at least 30 years.

The Port of Grays Harbor continues to work through repairs and modifications before putting the vessel into full-time service.

The port's new pilot VEGA (left) moored next to the CHEHALIS (right) in the Westport Marina.

BPC MEMBERS, REVENUE, AND EXPENSES

BOARD MEMBERS AND STAFF (AS OF 12/31/2020)

Position	Name	Appointed	Term Expiration
Chair	Dr. Sheri J. Tonn	01/01/2016	N/A
Public at Large	Timothy J. Farrell	01/01/2019	12/26/2020
Public at Large	Captain Jason R. Hamilton	01/03/2020	12/26/2021
American Shipping	Phil Morrell, TOTE Services	01/25/2012 04/13/2016	12/26/2015 12/26/2019
Foreign Shipping	Captain Rik Krombeen, Holland America Group	01/01/2019 01/22/2021	12/26/2020 12/26/2024
Pilot, Puget Sound or Grays Harbor	Captain John Scragg, Puget Sound Pilots	01/19/2018	12/26/2020
Pilot, Puget Sound	Captain Mike Anthony, Puget Sound Pilots	01/19/2018 01/08/2021	12/26/2020 12/26/2023
Department of Ecology	Sara Thompson Dale Jensen	01/13/2016 02/18/2020	02/17/2020 N/A
Marine Environment	Dr. Eleanor Kirtley, Green Marine	01/28/2016 02/06/2019	12/26/2018 12/26/2022
Staff – Executive Director	Jaimie C. Bever	11/02/2015	N/A
Staff – Training Program Coordinator	Jolene Hamel	09/01/2017	N/A
Staff – Program Analyst	Bettina Maki	11/01/2019	N/A
Assistant Attorney General	Albert Wang	05/01/2017	N/A

BPC REVENUE

In 2020, the Board of Pilotage Commissioners was an appropriated agency with operating revenue derived exclusively from pilot license fees and other ancillary fees as authorized in [Chapter 88.16 RCW](#).

The Board's biennial budget was approved by the Washington State Legislature during the 19/21 budget bill session in 2019. The Board requested and received additional funds through a supplemental budget request in 2020.

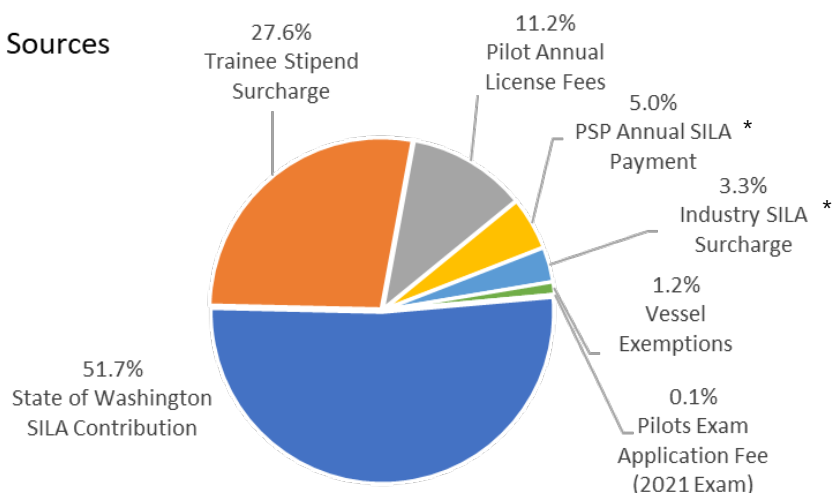
Pilot trainee stipends were funded by a tariff surcharge specified in WAC 363-116-300 and paid to each trainee at a monthly rate of \$6,000 if the stipulations contained in [WAC 363-116-078\(10\)](#) are met.

The balance from the training surcharge after stipends were paid to trainees was used for funding the training program, including the pilot exam, trainee equipment, and legal fees.

Revenue Source	Amount	Percentage
State of Washington SILA Contribution	\$ 1,562,500	51.7%
Training and Stipend Surcharge	832,005	27.6%
Pilot Annual License Fees	338,000	11.2%
PSP Annual SILA Payment	150,000	5.0%
Industry SILA Surcharge	98,560	3.3%
Vessel Exemptions	35,600	1.2%
Exam Application Fees (for 2021 exam)	2,800	0.1%
TOTAL	\$ 3,019,465	

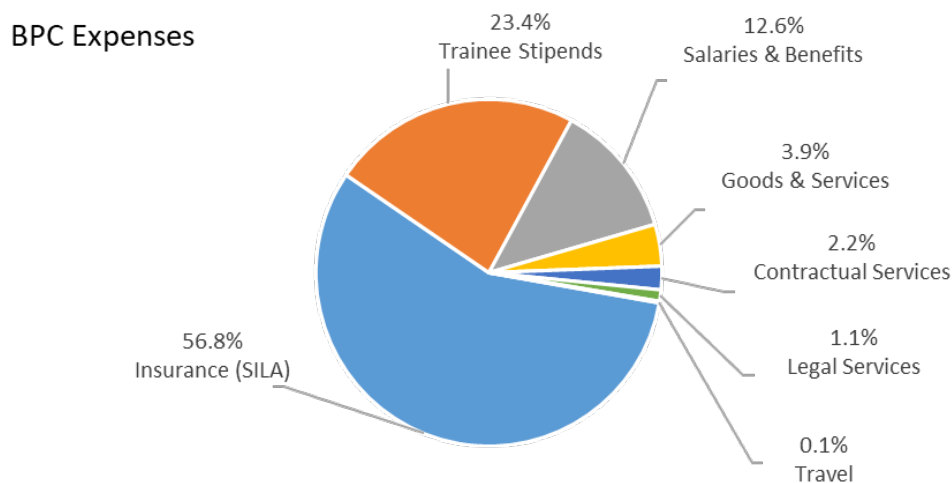
BPC Revenue Sources

*SILA: Self Insurance Liability Account



BPC EXPENSES

Expense	Amount	Percentage
Insurance (SILA) ⁽¹⁾	\$ 1,565,106	56.8%
Trainee Stipends ⁽²⁾	644,633	23.4%
Salaries & Benefits ⁽³⁾	346,997	12.6%
Goods & Services ⁽⁴⁾	107,311	3.9%
Contractual Services ⁽⁵⁾	60,080	2.2%
Legal Services	29,345	1.1%
Travel ⁽⁶⁾	3,840	0.1%
TOTAL	\$ 2,757,313	



Notes:

1. SILA contributions were a result of ESHB 1160, which stipulated certain conditions for the Board to receive a fund transfer from the State Multimodal Transportation Account solely for self-insurance liability premium expenses.
2. 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 contained in [WAC 363-116-078\(10\)](#) are met. The number of trainees in the program fluctuates throughout the year.
3. In 2020 Board staff included 3 full-time employees (FTEs). Category also includes per diem BPC commissioners.
4. Goods and Services in 2020 included supplies & materials, PPU rentals and training, software maintenance for the BPC website and pilot training software, membership to the Marine Exchange of Puget Sound/NW Maritime Advisory Service, and Department of Enterprise Services Small Agency Support (HR, Finance, Facilities).
5. Contractual Services in 2020 included exam consultants for the 2021 exam.
6. Travel costs in 2020 were significantly reduced due to the pandemic but included commissioner mileage and parking reimbursement; hotel, airfare and per diem for Executive Director and Chair attendance at Women In Maritime Leadership conference in California and meetings with other pilotage districts; and reimbursement for Executive Director and Chair legislative meetings/hearings in Olympia.

LICENSED PILOTS

PUGET SOUND (AS OF 12/31/2020)

PILOT	Lic #	Years
		Licensed
Anacker, D. Scott	183	8
Anthony, Michael	184	8
Bendixen, Sandra P.	201	2
Bouma, Blair W.	181	9
Bozina, Trevor	208	<1
Brusco, David E.	179	10
Bujacich, Jack P.	164	14
Carley, W. Bud	186	7
Carlson, Ivan J.	165	14
Carstensen, James	195	5
Coleman, Scott	191	6
Coryell, Thomas D.	189	7
Emerson, Larry P.	126	32
Galvin, Jamie	192	6
Grieser, Kenneth	202	1
Grobschmit, David W.	169	13
Hannuksela, James	175	12
Hannuksela, Matt	212	<1
* <i>Harris, John B.</i>	123	33
Henderson, J. David	197	3
Henshaw, Brian F.	155	20
Hunter, Philip	199	3
Jensen, Brian	193	6
Kalvoy, Jostein E.	170	13
Kearns, James T.	182	8
Kelleher, Neil	196	4
Kelly, Patrick S.	167	14
Klapperich, Eric	172	12
Kridler, Keith	206	1
* <i>Lichty, Eric</i>	190	6
Lowe, Bradley	194	5
Lowery, William W.	187	7

* retired in 2020

PILOT	Lic #	Years
		Licensed
* <i>Mayer, D. W.</i>	121	34
McGourty, Neil	213	<1
McGrath, Travis	203	1
Melin, David	207	1
Miller, J. Matt	210	<1
Moreno, Stephan E.	178	11
Myers, Rodney	200	3
Newman, Alec J.	125	32
Ninburg, E. Pat	205	1
Rounds, Christopher	198	3
Scragg, John C.	180	10
Seamans, A.	204	1
Semler, Joe	156	20
Semler, Steve	174	12
Seymour, Larry	177	11
Siddell, Joe	211	<1
Sliker, William J.	166	14
Soriano, D. B.	122	34
Thoreson, George	176	12
Velarde, Pete	209	<1
von Brandenfels, Eric	148	25

Number of PS pilots at 12/31/2019: 47***Pilots retiring in 2020: 3*****Pilots licensed in 2020: 6****Number of PS pilots as of 12/31/2020: 50**

GRAYS HARBOR AS OF 12/31/2020

PILOT	Lic #	Years
		Licensed
D'Angelo, Robert	15	27
* <i>White, Ryan</i>	17	6

Number of GH pilots at 12/31/2019: 2***Pilots retiring in 2020: 1*****Pilots licensed in 2020: 0****Number of GH pilots as of 12/31/20: 1**

PILOT TRAINING PROGRAM AND LICENSURE

PILOT TRAINING PROGRAM

The Training Program is developed as provided in the Revised Code of Washington ([RCW](#) [88.16.090](#)) and is based on the appropriate provisions of the Washington Administrative Code ([WAC](#) [363-116-078](#)). The goal of the Training Program is to provide the means to demonstrate that a trainee can safely, effectively, consistently and independently pilot vessels in the assigned district, which are the standards set in [WAC](#) [363-116-080](#). The BPC evaluates performance to determine whether the trainee has been consistently successful in completing the elements of the program.



Puget Sound pilot trainee Captain Eric Michael climbs the pilot ladder of MOHAWK after a transfer in the Port Angeles harbor. Image courtesy of Puget Sound Pilots.



Puget Sound pilot trainee Captain Matt Hannuksela on bulk carrier GOLD RIVER in the Hylebos Waterway. Image courtesy of Puget Sound Pilots.

The criteria the BPC will follow in issuing or denying a license include but are not limited to: performance in the Training Program; piloting, ship handling and general seamanship skills; local knowledge; bridge presence and communication skills; and, the ability to function independently and safely without extensive coaching or interventions. Trainees are expected to bring significant maritime experience to the process. It is not the purpose of the Training Program to teach basic shiphandling or other fundamental elements of piloting. The Training Program is intended to improve piloting skills to the level needed to become a superior shiphandler and safely pilot in the Puget Sound and/or Grays Harbor Pilotage Districts, therefore it is designed to be comprehensive, demanding, and at times difficult.

Once successful candidates are called into the Training Program they begin training on a rigorous full-time schedule. They must resign from current employment. While the Board would have paid a \$6,000.00/month stipend to the trainees while they are in the program if the minimum monthly requirements are met, the Board adopted emergency language, as described in the first section of this report, to allow trainees to continue to receive full stipend even as the pandemic reduced their opportunity for trips.

PILOT TRAINING PROGRAM AND LICENSURE

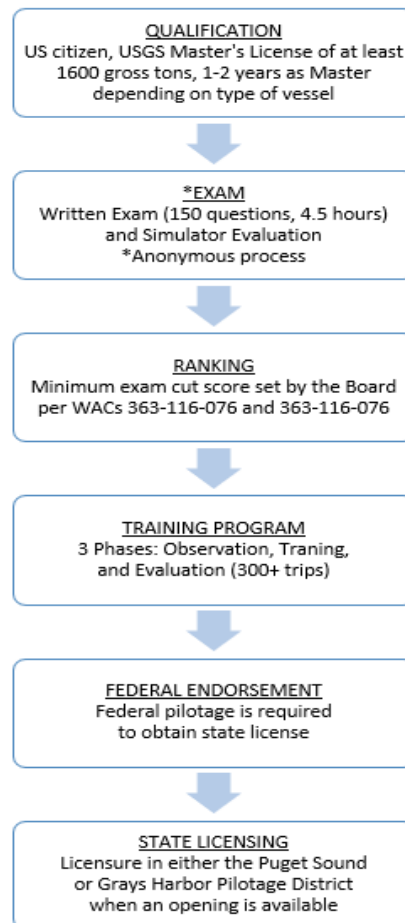
PILOT TRAINING PROGRAM (CONT'D)

The Training Program consists of three phases: Observation, Training, and Evaluation. The Observation Phase is aimed at familiarization of different locations, piloting styles, and types of vessels. The Training Phase provides the trainee with hands-on experience. Trainees are required to take local knowledge quizzes, also called Conning Quizzes, before they are permitted to take over the navigational duties on the bridge of a ship. The Evaluation Phase provides an opportunity for the trainee to make evident to the BPC that their performance demonstrates they have developed the requisite professional skills for licensing. The trainees are supervised by licensed pilots, who have been trained as trainers, for all phases of the Training Program.

Throughout the Training Program, the trainees will be called before the BPC's Trainee Evaluation Committee (TEC) for discussion and review of their progress. The TEC gives updates on all trainees to the BPC at monthly meetings. Prior to licensure, the "First Class Pilot of vessel of unlimited tonnage upon Puget Sound and all connecting inland waters, include the waters of Haro Strait, Boundary Pass and Strait of Georgia" endorsement must be on their U.S. Coast Guard Merchant Mariner Credential. To accomplish this, trainees must pass the USCG exam, successfully duplicate the navigational chart, and write a comprehensive route description for each of the twenty-four separate areas of Puget Sound. The USCG grades some portions locally, and the overall approval for endorsement of each area is reviewed and issued by USCG West Virginia.

Once a trainee successfully completes the program within the pilotage district of choice, and the BPC determines that a trainee has been consistently successful in demonstrating the requisite skills and knowledge, and a position is available in their district of choice, the trainee will be considered by the BPC for state licensing.

The BPC is committed to providing professional, equitable, and highly specialized exam and training experience for all qualified mariners to reach the pinnacle of the maritime profession: pilot.



The path to become a licensed maritime pilot in the state of Washington is a multi-step process of qualification, examination, training, and finally licensure.

PILOT TRAINING PROGRAM AND LICENSURE

PILOT TRAINEE STATUS PER EXAM (AS OF 12/31/2020)

2016 Exam

Captain	District	Training Start	Licensed
Sandra Bendixen	Puget Sound	05/01/2017	09/20/2018
Ken Grieser	Puget Sound	08/01/2017	02/21/2019
Jesse Pullin	<i>withdrew from list to train in San Francisco</i>		
Travis McGrath	Puget Sound	02/01/2018	04/18/2019
E. Pat Ninburg	Puget Sound	02/01/2018	08/15/2019
Adam Seamans	Puget Sound	02/01/2018	06/20/2019
David Melin	Puget Sound	05/01/2018	09/19/2019
Matthew Stevens	<i>withdrew from list to train in San Francisco</i>		
J. Matthew Miller	Puget Sound	05/01/2018	04/20/2020
Trevor Bozina	Puget Sound	05/01/2018	02/03/2020
Joseph Siddell	Puget Sound	11/01/2018	10/15/2020
Peter Velarde	Puget Sound	11/01/2018	04/16/2020

2018 Exam

Captain	District	Training Start	Licensed
Matt Hannuksela	Puget Sound	03/15/2019	11/04/2020
Kahai Wodehouse	Grays Harbor	02/12/2019	<i>resigned</i>
Neil McGourty	Puget Sound	04/01/2019	11/28/2020
Severin Knutsen	Puget Sound	04/01/2019	02/04/2020
Eric Michael	Puget Sound	11/01/2019	
Ryan Gartner	Puget Sound	10/01/2019	
Nick Moore	Puget Sound	03/01/2020	
Robert Ekermann	Puget Sound	03/01/2020	
Andrew Stewart	Puget Sound	03/01/2020	
Mark Bostick	Puget Sound	10/01/2020	
Peter Mann	Puget Sound	10/01/2020	
Larry Holland	Puget Sound	03/01/2021	
Kevin Riddle	Puget Sound	03/01/2021	
Forest McMullen	Grays Harbor	10/15/2019	<i>Transfer to PS</i>
William Benedict	<i>withdrew from list</i>		
Matthew Cassee	Puget Sound	03/01/2021	

DIVERSITY ACTION PLAN

INTRODUCTION

The Washington State Board of Pilotage Commissioners (BPC/Board) is committed to the objectives of diversity, equity, and inclusion among pilot trainees and pilots licensed by the Board. Our vision aligns with the 2020 legislative intent to establish the Washington State Office of Equity. The Board welcomes and explores new ideas and creative solutions. This is the seventh year of including a report on diversity initiatives in the BPC's Annual Report and we will continue to pursue diversity, equity, and inclusion in the pilotage pipeline and pool.

In 2020, the BPC persevered through the COVID-19 pandemic by continuing to connect with a diverse population of mariners as well as providing an open forum for pilot aspirants to ask questions and get an in depth look at the pilot exam, training, and post training experience. Information about these initiatives are described in this report.

The BPC/PSP Joint Diversity Committee (JDC), described further below, continues to examine barriers and implement measures to attract a diverse pool of candidates toward a career as a Washington State licensed marine pilot.

Our vision:
Promote, establish, and maintain a pilot corps that reflects the people of Washington State by increasing diversity among state-licensed marine pilots.

OVERVIEW

Over the past decade, there have been between 50 and 54 authorized licensed pilots at a time in the Puget Sound Pilotage District and two in the Grays Harbor Pilotage District. The number of pilots is periodically reviewed by the Board to optimize safety and

efficiency based on the annual average assignments per pilot. From 2010-2020, 35 pilots have been licensed and 42 have retired, giving an annual turnover of just under one pilot per year.

DIVERSITY ACTION PLAN

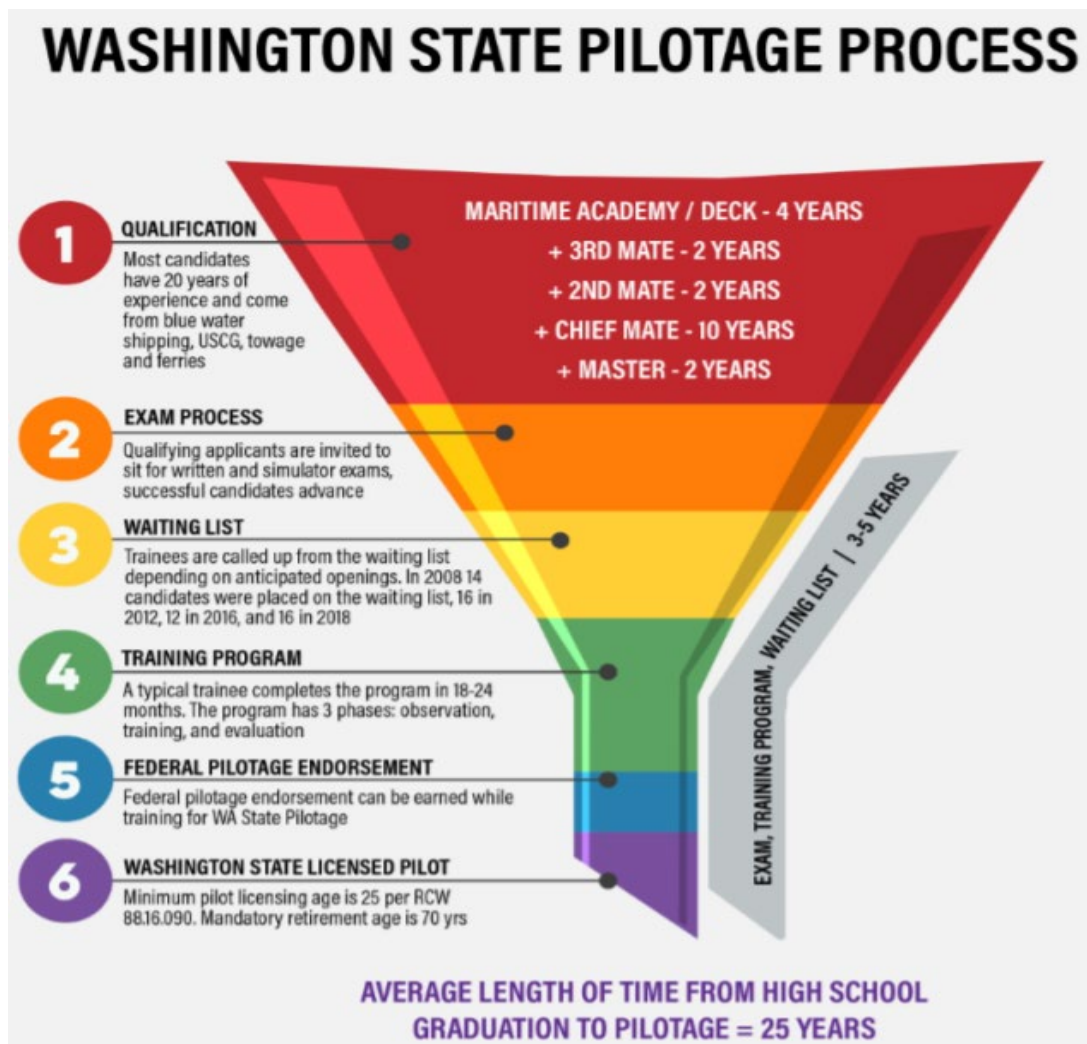
OVERVIEW (CONT'D)

The BPC is charged with ensuring qualified pilotage in Washington State. Throughout the history of pilotage, the seafaring profession has been comprised primarily of white males.

The BPC is committed to broadening the pool of candidates for licensure and attracting a more diverse workforce of qualified candidates, beginning at the pipeline to professional mariner careers.

The BPC's Joint Diversity Committee (JDC) developed an increased understanding of potential barriers faced by a broad range of the community to becoming a marine pilot.

The Committee is using a two-pronged approach focusing on (1) women and people of color already in the mariner pipeline, and (2) raising awareness among young people of all backgrounds about the benefits of a career in the maritime industry.



DIVERSITY ACTION PLAN

DIVERSITY IN THE PILOTAGE PIPELINE

A 2017 study commissioned by the Joint Transportation Committee (JTC) of the Washington State Legislature found a lack of diversity as a national challenge for pilotage.

Despite the global merchant marine industry being one of the most culturally and ethnically diverse industries in the world, a very small percentage of people who rise through the ranks to licensed marine officer or pilot positions in the United States come from a minority background. A career recruiter reviewed merchant mariner demographics and found that "the most common ethnicity among merchant marines is White,

making up 68% of all merchant marines. Comparatively, there are 16% Hispanic or Latino, 9% Black or African Americans, 4% Asian, and 1% American Indian and Alaska Native."¹

A look at gender diversity in maritime positions reveals a similar issue. Today, women represent only 2% of the world's 1.2 million seafarers. Of that small number, 94% of female seafarers work in the passenger cruise industry, generally in staff roles.² At the time of the JTC study, 37 state licensed pilots across the U.S. were female, representing just 3% of the more than 1,200 licensed pilots in the U.S.³

WOMEN OFFSHORE CONFERENCE 2020
MEETING VIRTUALLY OCTOBER 28-9

NAVIGATING RELATIONSHIPS WHILE OFFSHORE

AMANDA WALLACE
Vessel Superintendent & Captain, Chevron

ARLETE JANDIRA
Marine Engineer, Sonangol

CASSI LASKOWSKI
Marine Engineer

CURTIS LASKOWSKI
Captain

LEILANI ROBOLLEDO
Operational Excellence Performance Engineer, Chevron

CHRISTINE MACMILLAN
Marine Vetting Specialist, Chevron

HAVE A QUESTION FOR THE PANELISTS? DROP IT IN THE Q&A!

Panel slide for the "Navigating Relationships While Offshore" panel discussion during the Women Offshore Conference 2020, held online in October. Image courtesy of Women Offshore.

DIVERSITY ACTION PLAN

DIVERSITY IN THE PILOTAGE PIPELINE (CONT'D)

Although the JTC report was helpful in identifying districts where there has been some success in recruiting female trainees and pilots, it did not identify ethnic diversity in pilotage districts.

The industry also lacks age diversity as it faces attrition of licensed mariners due to its aging workforce.

Washington State's Office of Maritime, Office of Economic Development and Competitiveness reported that in 2013, the average age of mariners in the state was 54 years and called on industry stakeholders to focus on recruitment pipelines for youth in its 2017-2019 strategic plan.⁴ In 2019, Washington Maritime Blue was created to "align the vision of industry, ports, public agencies, research institutions and non-profit organizations to make our region a hub of blue innovation".⁵ Blue is working with Youth Maritime Collaborative, which aspires to provide access to maritime careers to low-income youth and people of color.

The BPC endeavors to contribute to increasing diversity in the maritime industry employee pipeline. The JDC is raising awareness among K-12 students, including youth groups such as Youth Maritime Collaborative, Sea Scouts, and in-school visits. The JDC is also reaching out to maritime academies and employers to achieve licensure.



Washington State has licensed marine pilots since 1935. While Washington State pilotage has had limited success attracting cultural diversity in its history, until 2018 there had not been a female pilot licensed in Washington State.

In April 2016, Captain Sandy Bendixen achieved exam scores that placed her at the top of the trainee waiting list. She began training as a Puget Sound pilot in May 2017 and received a state license to pilot in the Puget Sound Pilotage District in September 2018. You can read her story [here](#).

DIVERSITY ACTION PLAN

WASHINGTON STATE PILOT EXAM AND TRAINING PROGRAM

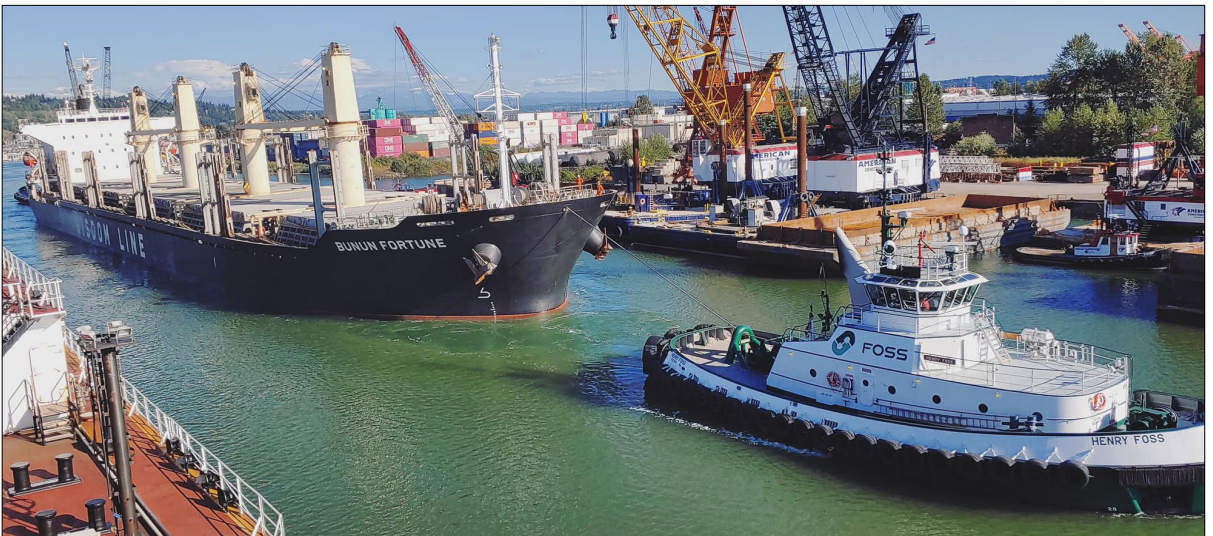
The Washington State pilotage exam is offered at least every four years, and more often if projected vessel activity exceeds the expected capacity of projected licensed pilots plus trainees as they complete the licensing process.

The process begins with a public announcement stating that the BPC will hold an examination and encouraging interested parties to contact the Board regarding the exam and process for becoming a licensed pilot in Washington State.

Applicants who meet the Washington State pilotage qualifications and pass both written exam and simulator evaluation are placed on a waiting list to enter the pilot training program. Applicants are ordered on the list according to their exam scores, with the highest scoring candidate taking the first place on the waiting list.

Candidates are called up from the waiting list into the training program in anticipation of future pilotage needs. The training program comprises of a comprehensive list of vessel voyages into and out of the various ports and anchorages of the state, during which trainees initially observe, then direct the vessel with guidance of a Supervising Pilot, and finally direct the vessel on their own while being evaluated by a Supervising Pilot. On average, it takes trainees between 18 and 24 months to complete the training program and to be issued a license.

After the 2008 exam, there were fourteen candidates placed on the waiting list for training. Sixteen were added in 2012, twelve in 2016, and another sixteen in 2018. A Washington State Marine Pilot Exam will be offered in 2021.



The BUNUN FORTUNE seen here in the busy Hylebos Waterway in Tacoma provides a training opportunity for up to three pilot trainees. Image courtesy of Puget Sound Pilots.

DIVERSITY ACTION PLAN

PROTECTING AGAINST BIAS

The BPC is aware of implicit bias and has taken steps to address this issue. Since 2008, the BPC has adjusted and improved the pilot training program to be as objective and consistent as possible.

In the examination and evaluation process, applicants are identified only by a number, which is set by an independent third party. This ensures that ethnicity and gender, if voluntarily provided, as well as applicant scores, are not associated with a person's name. Only after the list of successful applicants is published is any information about individual applicants published. Any information about the individual applicants revealed to the BPC (and the public). Even then, personally identifying information is limited to what can be garnered by an individual's name.

Since 2008, the BPC has updated the pilot training program to improve objectivity and consistency.

As mentioned in the previous section, the Training Program has three phases: Observation, Training, and Evaluation. During the Evaluation Phase of

training, the Supervising Pilot remains "hands off" unless a significant problem is developing. If the Supervising Pilot has to take over a maneuver from a "trainee", this action is called an intervention.

The BPC now has developed a definition for an intervention and has established the maximum number of interventions at which time a trainee is dismissed from training.

In 2016, the BPC retained an expert in testing and examination to provide a psychometric evaluation of the pilot training program, to ensure that the examination and training process itself did not contain implicit bias. The analysis resulted in identifying training and evaluation criteria supporting equality of opportunity among trainees. The criteria are linked to the job functions of a pilot.

In the 2018 application process, the BPC offered Train-the-Trainer courses to pilots who complete trip evaluations forms on the trainees and collected Observation, Training, and Evaluation Documents, as well as trainees who are in the program. As new trainees join the program, train-the-trainer courses are offered for them, and licensed pilots are invited to join the course for a refresher.

The Board will continue to develop and implement measures to ensure that all of the processes it uses to ultimately license pilots are free from bias and discrimination.

DIVERSITY ACTION PLAN

RECRUITING FOR DIVERSITY

Marine pilots are among the most experienced and skilled mariners in the industry. The experience, knowledge, and skill required to qualify as a marine pilot can only be acquired over the course of a career. As a consequence, the average age of a newly licensed pilot in Washington is 43. This, when combined with the low representation of women and minorities in the maritime industry, represents the greatest barrier to diversification of licensed pilots, and leads to three significant conclusions regarding recruitment of new pilots.

1. Diversity is a Long-term Challenge

First, given the low participation of women and people of color in the maritime industry, the pool of candidates will continue to be predominantly white and male, and diversity in pilotage will be a long-term challenge.

The BPC's recruiting initiatives for its 2018 exam underscore this point. In advance of the 2018 exam, the BPC expanded its recruiting efforts to attract new applicants. These efforts included retaining a professional recruiter to focus on increasing diversity in the applicant pool, enhancing BPC's website and social media presence, digital advertising, job fair participation, and active outreach.

As a result, 31 candidates applied for the Puget Sound/Grays Harbor 2018 exam, an increase of 12 over the 2016 Exam. There was one woman and one self-identified minority among those 31 applicants.

While these initiatives are encouraging, they do not represent a comprehensive strategy. A comprehensive strategy would include educators, workforce development agencies and organizations, employers, and government agencies in a coordinated effort to provide early outreach, ongoing communication and support, training, and employment opportunities. Such a strategy can be undertaken at any geographic scale and would most likely achieve success at a regional scale.

2. Diversity Requires Broad and Deep Collaboration

Second, also given the low participation of women and people of color in the maritime industry, it is imperative that the industry, government, education, and non-profit sectors work together to increase awareness of the maritime industry as an attractive career option among various populations, beginning with school-aged children. Various organizations within the maritime industry recognize the low participation of women, people of color, and young people in the industry, and have launched initiatives designed to seek out, educate, and encourage members of various communities to consider a maritime career. A sampling of these efforts include:

- The theme of the 2019 World Maritime Day, organized by and involving was "Empowering Women in the Maritime Industry."

DIVERSITY ACTION PLAN

RECRUITING FOR DIVERSITY (CONT'D)

- In 2020, the International Maritime Association (IMO) and Women's International Shipping & Trading Association (WISTA) signed a Memorandum of Understanding (MoU) to increase gender diversity at the management and leadership level and declaring greater diversity and with a survey in 2021 to assess the status of women in the maritime industry⁶.

- The U.S. Maritime Administration (MARAD) has supported "Women on the Water Conferences" for the past nine years. The 2020 conference was postponed due to the pandemic and is rescheduled for the Fall of 2021. Held at maritime academies, these conferences are designed to support women in maritime careers by providing workshops designed to help women navigate through the maritime industry to achieve their goals. The conferences also provide cadets with valuable information for their futures and connections with established maritime professionals.

3. Innovation May Accelerate the Process

Third, the charge of the JDC is to develop and implement strategies to increase diversity among pilots, and there may be ways to accelerate the knowledge, skills, and experience of certain candidates, who may then serve as role models to their communities. There is no better way to convey the opportunities and benefits of a maritime career than to provide a relevant example. Further to this point, the JDC hosted an exam webinar, as far as we know the first of its kind, for aspirants to hear directly from

the BPC and pilots regarding the exam process, training program, and pilotage once a trainee is licensed by the state of Washington. The webinar had an excellent turnout, with more than 80 participants and several more viewing the recording, which is available on our website at www.pilotage.wa.gov/exam.

The JDC hosted an exam webinar, as far as we know the first of its kind, for aspirants to hear directly from the BPC and pilots regarding the exam process, training program, and pilotage once a trainee is licensed by the state of Washington.

DIVERSITY ACTION PLAN

CONCLUSION

The Diversity Action Plan calls for the BPC to:

- make a wide spectrum of applicants aware of our upcoming exams;
- encourage the maritime industry to continue efforts to broaden the diversity of mariners;
- support school programs that introduce young people to a seafaring career as a professional mariner; and
- ensure there is no bias involved in the training program and ultimate licensing of pilots.

2020 JDC ROSTER

- Co-Chair – Sheri Tonn, Chair, BPC
- Co-Chair – Linda Styrk, Executive Director, PSP
- Captain Eric vonBrandenfels, President, PSP
- Jaimie Bever, Executive Director, BPC
- Sara Thompson, Department of Ecology
- Captain Deb Dempsey, Retired Pilot, Columbia River Bar Pilots
- Amy Scarton, Assistant Secretary, WSF
- Nicole McIntosh, Chief of Staff, WSF
- Emily Reiter, Director of Marketing & Communications, Saltchuk
- Mark Gleason, Property & Casualty Producer, USI Insurance

DIVERSITY ACTION PLAN

ACTIONS AND INITIATIVES – THE PAST 5 YEARS

2020	<ul style="list-style-type: none"> BPC Chair and Executive Direct attend Cal Maritime's Women in Maritime Leadership Conference in Vallejo, CA and hosts cadets during a breakout session regarding pilotage. JDC holds a workgroup comprised of both gender and ethnic minorities in the maritime industry to discuss barriers into pilotage and explore BPC's qualifications to take the marine pilot exam. BPC conducts rulemaking to expand qualifications while maintaining the high standard of experience needed for safe pilotage. BPC Chair and Executive Direct attend Women Offshore's virtual UNITE conference. BPC and PSP develop and conduct a webinar for pilot aspirants providing them a direct line to ask questions about the exam, training, and post training experience and pilotage in Washington State. BPC prepares for the 2021 Marine Pilot Exam.
2019	<ul style="list-style-type: none"> BPC Executive Director attends Women in Maritime Leadership conference at Cal Maritime and hosts cadets at a breakout session regarding pilotage along with San Francisco Bar pilots. BPC Chair attends Women Offshore's UNITE conference at Rice University. PSP President visits elementary schools in underrepresented communities in the area. PSP President, BPC pilot Commissioners and BPC Executive Director attend Equities Leaders Workshop. JDC reconvenes with a vision statement and new membership. Diversity initiatives included in BPC 19-21 biennial budget. BPC Chair and Executive Director meet with Pacific Pilotage Authority in Vancouver B.C. BPC continues diversity collaboration with WSF.
2018	<ul style="list-style-type: none"> BPC Chair and Executive Director present pilotage at the Women in Maritime Leadership conference at Cal Maritime. BPC Chair participates in a pilotage panel at Women on the Water conference at Maine Maritime Academy. JDC meets with organizations in the area including NW Maritime Center, WSF, and Seattle Maritime/Youth Collaborative. BPC Chair and Executive Director meet with CA and OR pilotage commissions. BPC hires a recruiter for the 2018 marine pilot exam. Applicant list includes a woman and a person of color. BPC licenses first woman pilot in WA state. BPC establishes social media presence on LinkedIn and Twitter Reduced exam cost
2017	<ul style="list-style-type: none"> Training Evaluation project concludes resulting in a new and more clearly defined trainee evaluation process. Train-the-Trainer course is updated and provided to Supervising Pilots. BPC Chair and Executive Director attend Women in Maritime Leadership conference at Cal Maritime. BPC Executive Director attends Women on the Water at Greats Lakes Maritime Academy. BPC updates anti-discrimination and sexual harrasment policies for trainees and Supervising Pilots. Diversity initiatives included in BPC 17-19 biennial budget.
2016	<ul style="list-style-type: none"> BPC/PSP Joint Diversity Committee (JDC) established. Training Program Evaluation Project commences. BPC Chair attends Marad's Women on the Water conference at Cal Maritime. BPC holds a marine pilot exam. Reduced exam cost. Number one pilot training program candidate is a woman.

DIVERSITY ACTION PLAN

ACTIONS AND INITIATIVES – THE NEXT 5 YEARS

GOAL: Expand outreach to develop a diverse pool of applicants with required qualifications for pilotage

Improve notifications to mariners of upcoming exams and qualifications

- maritime publications
- maritime acadmeny alumni boards
- recruiters
- social media publications
- organizations such as Women Offshore and Sea Sisters

Participate in conferences groups

- Women in Maritime Leadership annual conference
- Women on the Water annual conference
- Women Offshore's UNITE annual conference
- WISTA gatherings
- Maritime Blue

Monitor and support activities of government and industry organizations

- broaden JDC membership and/or guest speakers to include these organizations
- continue to build relationship with Washington State Ferries
- track national and international trends in pilotage diversity

DIVERSITY ACTION PLAN

ACTIONS AND INITIATIVES – THE NEXT 5 YEARS CONT'D

GOAL: Minimize subjectivity and eliminate bias in the application, training, and licensing process

Monitor and adjust exam application process

- revise the exam application to include voluntary questions regarding experience
- track voluntary gender and ethnic information from exam applicants
- identify and reduce barriers
- review exam qualifications
- broaden BPC Exam Committee membership

Monitor and adjust training program as needed for continued diversity, equity, and inclusion

- identify any possible barriers to pilotage within the qualification and exam process
- work with Washington State Ferries Diversity Advisory Group
- explore diversity, equity, and inclusion trainings for education
- invite speakers to Trainee Evaluation Committee or Joint Diversity Committee meetings

Improve diversity training in the Training Program and Train-the-Trainer

- look for LMS trainings that could be included in the training program
- consider hiring a speaker to present to supervising pilots and trainees
- coordinate with Washington State Ferries training teams
- obtain resources from state HR to assist

DIVERSITY ACTION PLAN

ACTIONS AND INITIATIVES – THE NEXT 5 YEARS CONT'D

GOAL: Support/participate in educational activities that develop youth interest in maritime careers

Support school programs to introduce maritime careers to young people

- continue attending career days at local schools
- continue meeting with/supporting local youth outreach organizations and events such as Youth Maritime Collaborative and Maritime Blue
- continue conversations regarding a South Sound maritime high school

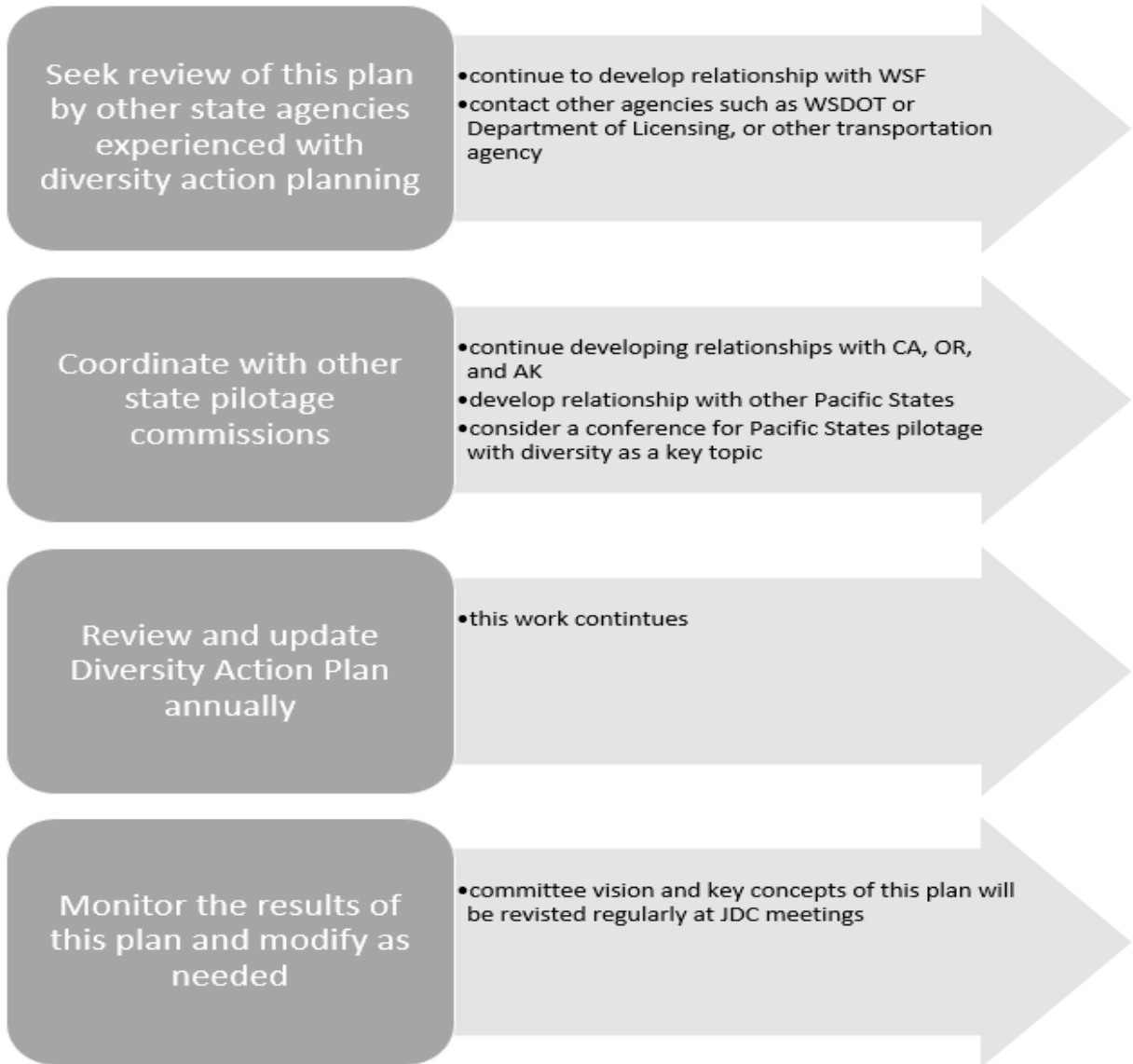
Ensure legislators are aware of such programs and encourage support where appropriate

- continue including diversity initiative funds in biennial budget requests
- continue including this Diversity Action Plan in the BPC Annual Report
- continue discussing issues around diversity, equity, and inclusion regarding the maritime industry with legislators

DIVERSITY ACTION PLAN

ACTIONS AND INITIATIVES – THE NEXT 5 YEARS CONT'D

GOAL: Continue to improve this Diversity Action Plan



**Measurable Improvements =
Diversity of Applicant Pool for the
2021 and 2023/2024 Exams**

DIVERSITY ACTION PLAN

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2. Seafarer Women - Perception of the Seafaring Career,
<http://www.wseas.us/e-library/conferences/2013/Brasov/EPLS/EPLS-01.pdf>
3. Washington State Pilotage Final Report and Recommendations -
http://leg.wa.gov/JTC/Meetings/Documents/Agendas/2017%20Agendas/Dec%202017%20Meeting/Pilotage_FinalReportExecSumDRAFT.pdf
4. Proposed Strategic Plan for Washington State Maritime Sector 2017 – 2019
<http://www.commerce.wa.gov/wp-content/uploads/2017/01/Sector-Leads-Maritime-Strategy-2016.pdf>
5. Washington Maritime Blue
<https://maritimeblue.org/>
6. IMO and WISTA International Launch First Women in Maritime Survey
<https://ihsmarkit.com/research-analysis/imo-wista-international-launch-first-women-in-maritime-survey.html>

OIL TRANSPORTATION SAFETY

OVERVIEW

A catastrophic oil spill could cause potentially irreversible damage to the endangered South Resident Killer Whales and other species, damage commercial fishing, violate tribal treaty rights, and cause severe economic and public health consequences in Washington state. Engrossed Substitute House Bill 1578 (the Act), passed by the 2019 Legislature, provides a measured approach to preventing a catastrophic oil spill in Puget Sound by closing important safety gaps related to vessels carrying oil in bulk. The Act requires tug escorts for certain categories of oil-laden tank vessels in Rosario Strait and connected waterways east, effective September 1, 2020.

Additionally, the Act directs the BPC and Ecology to undertake multiple initiatives including:

- Identify and define geographic zones
- Complete a synopsis of changing vessel traffic trends
- Consult with Tribes, other government entities, and stakeholders
- Develop and maintain a model to quantitatively assess current and potential future risks of oil spills in Washington's waters and reporting those findings to the Legislature
- Develop and adopt rules for tug escorts in the Puget Sound for oil-laden vessels, with future periodic reviews

The Act allows for the BPC to enter into an interagency agreement with Ecology for technical assistance with this work, including rulemaking. The risk model developed by Ecology will inform decisions on tug escorts by the BPC.



Photo credit: Chris Teren via <https://sanjuans.org/2019/07/26/philips66actionalert/>

OIL TRANSPORTATION SAFETY

ESHB 1578 TUG ESCORTS & ERTV PORTFOLIO

By December 31, 2025, the BPC, with technical assistance from Ecology, must adopt rules implementing tug escorts in Puget Sound for oil tankers between 5,000 and 40,000 deadweight tons, as well as articulated tug barges (ATBs) and towed waterborne vessels or barges greater than 5,000 deadweight tons. Rulemaking applies by zone to waters east of Discovery Island Light south to New Dungeness Light and all points in the Puget Sound area.

Deliverables:

- Interagency Agreement with Ecology
- Interpretive Statement regarding tug escort requirements
- Geographic zone identification to inform analysis
- Synopsis of changing vessel traffic trends
- Tug escort risk model
- Modeling analysis for tug escorts & emergency response towing vessels (ERTV)
- Tug escort rules and period review

DISTRIBUTION OF RESPONSIBILITIES

BPC and ECOLOGY will work together to:
<ul style="list-style-type: none"> • Develop project plans to accomplish the requirements of The Act • Coordinate communication, consultation, and outreach activities • Provide technical assistance to plan and prepare for activities
Project-specific Responsibilities:
<ul style="list-style-type: none"> • Rosario Tug Escort Implementation (by September 1, 2020) BPC – outreach, interpretive statements, and enforcement ECOLOGY – provide technical assistance
<ul style="list-style-type: none"> • Geographic Zone Identification (by September 1, 2020) BPC – lead process and make final decisions to identify and define zones ECOLOGY – provide technical assistance
<ul style="list-style-type: none"> • Synopsis of Changing Vessel Traffic Trends (by December 31, 2021) BPC – develop scope and review, approve and submit final synopsis to the Legislature ECOLOGY – provide technical assistance, develop synopsis
<ul style="list-style-type: none"> • Develop and Maintain Risk Model (by September 1, 2023) BPC – provide technical assistance ECOLOGY – develop and maintain risk model, and consult with tribes and stakeholders
<ul style="list-style-type: none"> • Report to the Legislature Regarding Emergency Response Towing Vessel (by September 1, 2023) BPC – provide technical assistance ECOLOGY – assess whether an emergency response towing vessel (ERTV) will reduce oil spill risk and deliver report to the Legislature
<ul style="list-style-type: none"> • Analysis of Tug Escorts Using Risk Model (by September 1, 2023) BPC – develop and approve analysis scope ECOLOGY – provide technical assistance, perform analysis and outreach activities, write and submit summary to the Legislature
<ul style="list-style-type: none"> • Conduct Tug Escort Rulemaking (by December 31, 2025) BPC – making final decisions regarding tug escort requirements and adopt rules, and provide technical assistance ECOLOGY – lead rulemaking process and outreach efforts, and conduct regulatory analysis

OIL TRANSPORTATION SAFETY

2020 DELIVERABLES

To prepare for the September 1, 2020 mandatory implementation of tug escorts in Rosario Strait and connected waterways east, the BPC held two Tug Escort Webinars, July 29 and August 6, for the public to get information and ask questions. The BPC also provided information at the Puget Sound Harbor Safety Committee meeting on August 5.

The BPC’s Oil Transportation Safety Committee (OTSC) worked on recommendations to the Board regarding the definition of terms in the legislation via an Interpretive Statement, which was adopted by the Board at the August meeting. A revised version was approved in September after receiving feedback from operators in need of additional clarity once the statute was implemented.

In addition, the OTSC worked on identifying geographic zones for Ecology to take into consideration when developing the Risk Model. The proposed Geographic Zones were adopted by the Board at the July meeting.



AIS data showing tug escort compliance occurring on September 1, 2020. Image courtesy of Dept. of Ecology.

Chair	BPC Ex-officio	BPC Member Ecology	BPC Member Marine Environ.	BPC Member Public	Tribal	Oil Industry	Tug Industry	Environ. Community	Pilot
Jaimie Bever BPC	Sheri Tonn BPC	Dale Jensen Alternates: Ecology Spills Program	Eleanor Kirtley	Jason Hamilton	Senator Joseph Williams Swinomish Alternate TBD	Bob Poole WSPA Alternates: Various Subject Matter Experts	Charlie Costanzo AWO Alternates: Various Subject Matter Experts	Fred Felleman Friends of the Earth Alternate: Blair Englebrecht Puget Soundkeeper Alliance	Captain Blair Bouma Puget Sound Pilots Alternate: Keith Kridler Puget Sound Pilots

Oil Transportation Safety Committee (OTSC) membership as of 12/31/2020. The positions were designated by the Board through a committee charter.

OIL TRANSPORTATION SAFETY

TUG ESCORTS FOR OIL TANKERS

[RCW 88.16.020](#) requires that the Board provide the names and horsepower of the tugboats used to escort subject to the provisions of [RCW 88.16.190](#). The Board will be adopting new rules by December 31, 2025, regarding tug escorts for vessels under 40,000 deadweight tons, ATBs, and towed barges pursuant to ESHB 1578.



Tug PROTECTOR escorting oil tanker PELICAN STATE. Image courtesy of tug captain, Captain Dawson.

Vessel Name	HP	Propulsion	Bollard Pull Ahead	Bollard Pull Astern	Tension Gage	LOA	Breadth	Draft	Year Built	GRT	Escort Tug
Crowley											
Chief	4800	Voith	55.75		Y	105'	36'	15'	1999	275	Y
Guard	5500	Voith	60		Y	120'	41-6'	16-11'	1996	294	Y
Guide	4800	Voith	55.75		Y	105'	36'	15'	1998	275	Y
Protector	5500	Voith	60		Y	120'	41-06'	16-11'	1996	294	Y
Response	7200	Voith	77		Y	129-06'	45-08'	24-09'	2002	293	Y
Vigilant	6772	Z-Drive	91		Y	100'	40'	17'	2007	194	Y
Foss											
Andrew Foss	4000	Voith	46	37	Y	107'	38'	12'	1982	298	Y
Garth Foss	8000	Voith	79	66	Y	137'	46'	19'	1993	459	Y
Henry Foss	4700	Voith + Z	52	38	Y	94'	36'	12'	1982	194	Y
Lindsey Foss	8000	Voith	79	66	Y	138'	46'	19'	1993	459	Y
Wedell Foss	4700	Voith + Z	52	38	Y	94'	36'	12'	1982	194	Y
Marshall Foss	6250	ASD	83	75	Y	92'	40'	16.7'	2001	196	Y
Lynn Marie	6250	ASD	84	75	Y	92'	40'	16.7'	2001	196	Y

REPORTS OF INCIDENT AND MARINE SAFETY OCCURRENCE

PILOT'S REPORT OF INCIDENT

[WAC 363-116-200\(1\)\(a\)](#): A state licensed pilot and a state licensed pilot trainee involved in an incident shall notify the board by telephoning or radioing the Marine Exchange of Puget Sound as soon as the situation is stabilized or within one hour of reaching shore. In addition, all incidents shall be reported to the board on the Report of Incident form as soon as possible after the incident, but in no event more than ten days afterwards. If a pilot trainee is involved, both the pilot trainee and the supervising pilot shall each file a Report of Incident. In any event where a pilot or pilot trainee is unaware of the occurrence of an incident at the conclusion of their piloting assignment, the pilot and pilot trainee shall file a

Report of Incident within ten days of being informed piloting assignment, the pilot and pilot trainee shall file a Report of Incident within ten days of being informed of the occurrence of the incident. An incident includes an actual or apparent collision, allision or grounding, as well as a navigational occurrence which results in actual or apparent personal injury or property damage or environmental damage. An incident also includes any occurrence where a pilot or pilot trainee falls or is injured while embarking or disembarking a vessel or otherwise is physically endangered while performing their duties on a vessel, regardless of whether the incident results in physical injury to the pilot or pilot trainee.

INCIDENT REPORTS FILED IN 2020

No Incident Reports were filed in either the Puget Sound Pilotage District or Grays Harbor Pilotage District in 2020.

The Board continues to be very proud of the safety record of both pilotage districts. Reports of near-miss occurrences and incidents remain low given the number of vessels moved each year.

Puget Sound pilot Captain Scott Anacker (left) backing the MAERSK SINGAPORE out of the East Waterway in Seattle. Image courtesy of Puget Sound Pilots.



REPORTS OF INCIDENT AND MARINE SAFETY OCCURRENCE

MARINE SAFETY OCCURRENCE

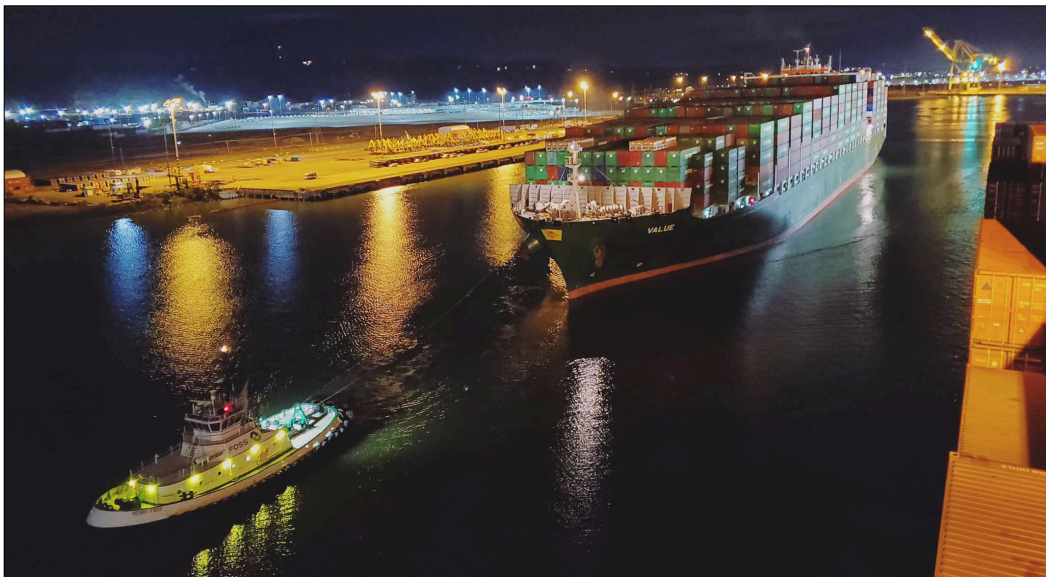
A state licensed pilot and state licensed pilot trainee involved in a near-miss occurrence shall complete the Board required Report of Marine Safety Occurrence (MSO) form and file it with the Board as soon as possible after the near-miss occurrence, but in no event more than ten days afterwards. If a pilot trainee is involved, both the pilot trainee and the supervising pilot shall file an MSO form. A near-miss occurrence is where a pilot and pilot trainee successfully take 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. Information relating to near-miss occurrences provided by a pilot and pilot trainee on this form shall not be used for imposing any sanctions or penalties against the pilot or pilot trainee involved in the occurrence. A state licensed pilot or pilot trainee may also use this form on a voluntary basis for reporting out of the ordinary occurrences or concerns for navigational safety encountered or observed during the course of piloting a vessel as well as safety issues encountered or observed on the vessel, the dock, or in the area around the vessel.

MARINE SAFETY OCCURRENCE REPORTS FILED IN 2020

Twenty-two MSO reports were filed in the Puget Sound Pilotage District, up one from 2019, with three listed as Near-Miss occurrences.

One MSO report was filed in the Grays Harbor Pilotage District, which was not a Near-Miss occurrence.



Cargo vessel VALUE departs the Blair Waterway with a Foss tug assist. Image courtesy of Puget Sound Pilots.

EXEMPTIONS FROM PILOTAGE

Under the authority of [RCW 88.16.070](#), application may be made to the Board of Pilotage Commissioners to seek exemption from the pilotage requirements for the operation of a limited class of small passenger vessels, which are not more than one thousand three hundred gross tons (international), do not exceed two hundred feet in length, and are operated exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia, or yachts,

which are not more than one thousand three hundred gross tons (international), and do not exceed two hundred feet in length. For purposes of this section, any vessel carrying passengers for a fee, including yachts under charter where both the vessel and crew are provided for a fee, shall be considered a passenger vessel. In 2020, the following exemption certificates were granted to qualifying vessels:

Cert #	Vessel	LOA	GT	Approved Operator	Country of Origin	Approved Dates
20-01 R	VICTORIA CLIPPER V	167 FT	910 GT	Various	Cyprus	02/01/20 - 01/31/21
20-02 R	CIELO MARE	127 FT	247 GT	Angulo	Marshall Islands	05/01/20 - 04/30/21
20-03 N	KOMOKWA	135 FT	398 GT	O'Sullivan	Jamaica	03/06/20 - 03/05/21
20-04 N	KAMAXITHA	148 FT	241 GT	Urwin	Cayman Islands	03/20/20 - 04/19/21
20-05 N	WESTPORT 50M	163 FT	496 GT	Peckham	Cayman Islands	04/03/20 - 04/02/21
20-06 R	VICTORIA CLIPPER IV	118 FT	478 GT	Various	Bahamas	05/01/20 - 04/30/21
20-07 N	CHIMERA	102 FT	123 GT	Whitley	Cayman Islands	04/23/20 - 04/22/21
20-08 R	AFTER EIGHT	151 FT	498 GT	Lindsay	Isle of Man	04/26/20 - 04/25/21
20-09 R	ST. EVAL	114 FT	215 GT	Milla	Cayman Islands	05/15/20 - 05/14/21
20-10 R	TRITON	163 FT	527 GT	Faulkner	Marshall Islands	07/01/20 - 06/30/21
20-11 R	AQUARIUS	151 FT	302 GT	Callahan	Malta	07/01/20 - 06/30/21
20-12 N	MARAMA	124 FT	456 GT	Lawerence & Lloyd	Cook Islands	05/26/20 - 05/25/21
20-13 R	ARROWHEAD	115 FT	193 GT	St. Pierre	Marshall Islands	06/01/20 - 05/31/21

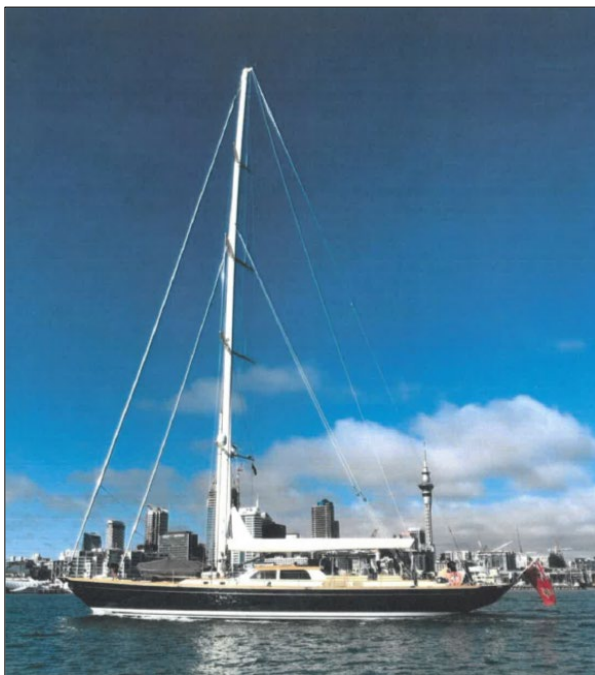
Cert #	Vessel	LOA	GT	Approved Operator	Country of Origin	Approved Dates
20-14 R	MEA CULPA	138 FT	302 GT	Grant	Cayman Islands	05/12/20 - 05/11/21
20-15 R	TESS	120 FT	244 GT	Milla & Hagedorn	Grand Cayman	06/09/20 - 06/08/21
20-16 R	CALEX	164 FT	492 GT	Clemens	Cayman Islands	07/19/20 - 07/18/21
20-17 N	WONDERLAND	122 FT	280 GT	Nauta	Jamaica	06/01/20 - 05/31/21
20-18 N	SAMSARA	101 FT	224 GT	Paxton	Marshall Islands	06/01/20 - 05/31/21
20-19 N	CELTIC PRIDE	76 FT	126 GT	Petrina & Colebank	Marshall Islands	06/12/20 - 09/11/20
20-20 N	ALTAIR R	96 FT	114 GT	Goff	British Virgin Islands	05/27/20 - 05/26/21
20-21 N	MINDERELLA	190 FT	702 GT	Degotardi & Rowland	Cayman Islands	06/15/20 - 06/14/21
20-22 R	LADY BHAI	138 FT	296 GT	Chew	Jamaica	06/13/20 - 06/12/21
20-23 N	PALADIN	156 FT	496 GT	Smart & Pomeroy	Cayman Islands	06/23/20 - 06/22/21
20-24 R	CV-9	139 FT	325 GT	C. Johnson/Chaplin	Cayman Islands	07/16/20 - 07/15/21
20-25 R	ARCTIC PRIDE	123 FT	297 GT	Seethoff	Jamaica	07/01/20 - 06/30/21
20-26 N	GAYLE FORCE	96 FT	190 GT	Whittaker	Marshall Islands	07/03/20 - 07/02/21
20-27 N	ANNASTAR	164 FT	461 GT	Gulley	Cayman Islands	07/16/20 - 07/15/21
20-28 N	LADY SURA	164 FT	461 GT	Smith	Cayman Islands	07/16/20 - 07/15/21
20-29 R	ICE BEAR	171 FT	614 GT	Hayes & Berndt	Cayman Islands	09/07/20 - 09/06/21
20-30 N	JUST B	176 FT	969 GT	Fiske	Marshall Islands	09/01/20 - 11/30/20
20-32 R	EVVIVA	164 FT	492 GT	Trailer	Cayman Islands	09/19/20 - 09/18/21
20-33 N	MICHAELA ROSE	161 FT	525 GT	Gillies & Noorman	United Kingdom	09/15/20 - 09/14/21
20-34 R	ALBATROSS	115 FT	247 GT	Nunez	Marshall Islands	09/04/20 - 09/03/21
20-35 R	ITASCA	175 FT	845 GT	Carter	Cayman Islands	11/01/20 - 10/31/21
20-36 N	ZENITH	133 FT	141 GT	Steenbhom	Cayman Islands	10/15/20 - 10/14/21
20-37 R	MISS ANNA	96 FT	222 GT	Van Der Wel	Marshall Islands	10/08/20 - 01/07/21

*20-31 Voided

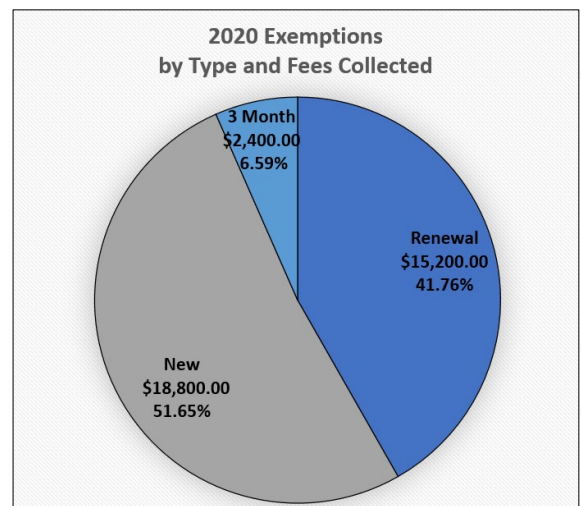
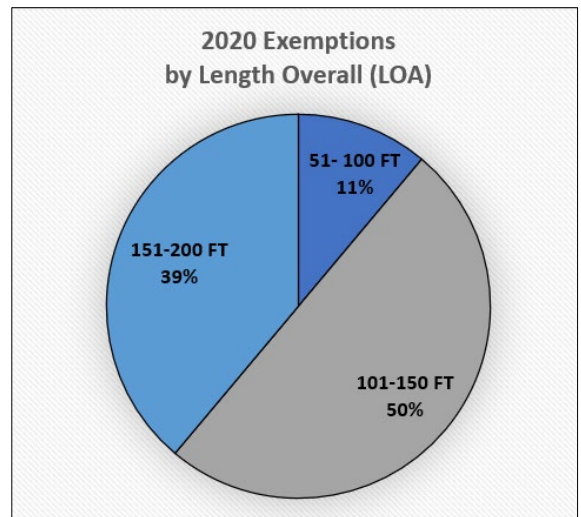
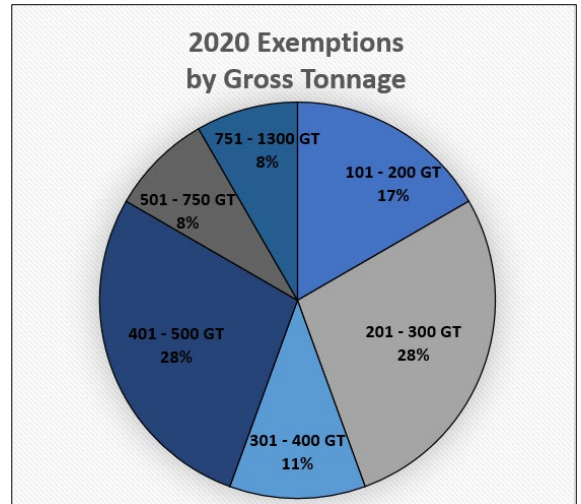
EXEMPTIONS FROM PILOTAGE

Despite the pandemic year, the number of yacht exemptions granted by the Board increased from 33 in 2019 to 37 in 2020.

The Board, at its discretion, may place conditions on exemptions depending on the local experience of the vessel and/or vessel's captain. Common conditions are No Deception Pass and No Hiram Chittenden Locks. The Board may also require an Orientation Cruise, which is a one-time trip with a pilot as introduction to the Puget Sound's unique features and navigational hazards. The pilots use a checklist developed by BPC pilot members and additional pilot input. Once the vessel's captain has taken the Orientation Cruise, they will not need to take a pilot and the conditions are typically lifted.



Among the yachts that qualified for exemptions from pilotage in 2020 was sailing yacht CHIMERA. The Board sees only a few sailing yachts each year.



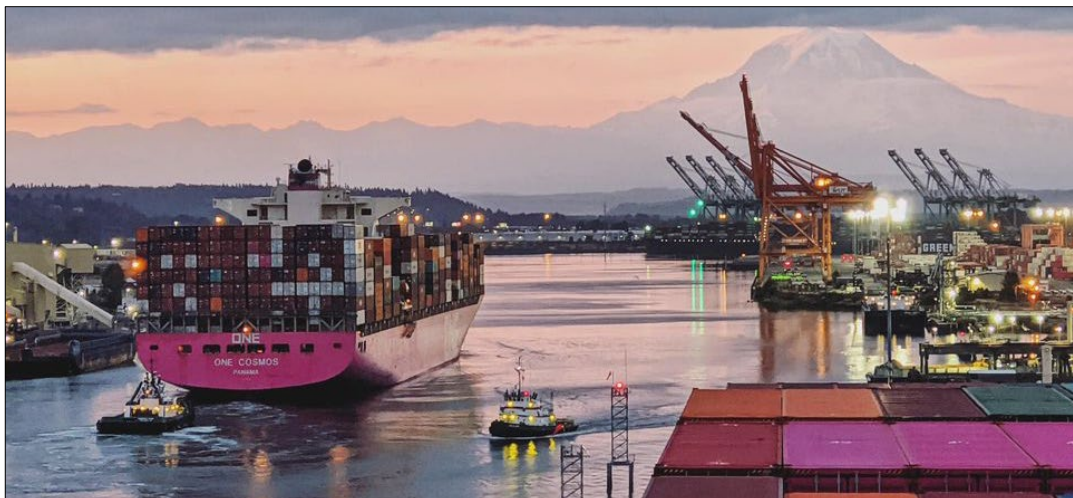
TARIFF REVENUE, EXPENSES, AND COMPENSATION TO PILOTS

PUGET SOUND PILOTAGE DISTRICT

	2020 Total	Average Per Pilot @ 51.5	2019 Total	Average Per Pilot @ 49.9
TOTAL PILOTAGE REVENUE (Note 1)	\$ 25,494,863	\$ 494,731	\$ 33,691,939	\$ 674,874
Operating Expenses (Note 2)				
Seattle Operating Expenses	11,493,692	223,036	11,857,741	237,519
Pilot Station Operating Expenses	494,037	9,587	494,363	9,902
Pilot Boats Operating Expenses	1,929,462	37,441	1,913,854	38,336
Total PSP Operating Expenses	13,917,191	270,065	14,265,958	285,758
Balance of Revenue Pool Before Reimbursements to Pilots (Note 3)	11,577,672	210,885	19,425,981	389,117
Transportation Expense Reimbursed to Pilots	710,203	13,782	698,613	13,994
Pilots Individual Business Expense (IBE) Allowance	324,863	6,304	273,380	5,476
Annual Earnings after Deductions (for Distribution to Pilots)	\$ 10,542,606	\$ 204,581	\$ 18,453,988	\$ 369,647

Notes:

1. Pilotage Revenue excludes BPC SILA surcharge & trainee surcharge revenue.
2. Information was drawn from PSP 2019 and 2020 Audited Financial Statements. Some rounding may apply.
3. Reimbursements to Pilots are for the Transportation Expense Charge paid directly to pilots, as well as an individual out-of-pocket allowance of for disability insurance, referred to as Individual Business Expense (IBE).



Puget Sound pilots, Captains Lowe and Coryell, on the ONE COSMOS in the Blair Waterway, Tacoma. Image courtesy of Puget Sound Pilots.

TARIFF REVENUE, EXPENSES, AND COMPENSATION TO PILOTS

PUGET SOUND PILOTAGE DISTRICT (CONT'D)

Seattle Office Operating Expenses

	<u>2020</u>	<u>2019</u>
Attorney Fees	\$ 712,757	\$ 597,895
Bad Debts	0	74
BPC SILA Contribution per Senate Bill 5096	150,000	150,000
Computer Maintenance	197,271	246,412
Computer Programming	5,263	5,041
Conferences	4,350	3,106
Consulting Services	153,413	306,552
CPA Fees	97,894	77,969
Depreciation & Amortization	103,910	112,568
Drug Testing	5,116	2,903
Dues	166,351	169,381
Employee Benefits	187,965	184,032
Employee Salaries	872,466	882,658
Equipment Leases	338,478	339,108
Gifts	0	6,874
Insurance	174,673	158,109
Interest	2854	5,277
License Fees – Pilots	325,000	331,500
Lobbyist	75,065	75,723
Medical Insurance – Pilots	1,627,729	1,555,374
Office Maintenance & Repair	86,529	78,499
Office Supplies	59,330	63,884
Payments to Retired Pilots/Widows – Puget Sound District (Note 4)	5,204,972	4,967,976
Payment to Retired Former Executive Director	69,502	69,502
Pilot Training	10,275	186,459
Printing & Publications	17,872	6,750
Rent & Parking	177,047	204,495
Taxes on Payroll	56,177	55,315
Taxes on Revenue	459,708	547,539
Taxes, other	548	1,141
Travel, Entertainment, Promotion	128,938	442,762
Telephone & Communications	22,239	22,863
Seattle Office Total	\$ 11,493,692	\$ 11,857,741

4. According to PSP 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.

TARIFF REVENUE, EXPENSES, AND COMPENSATION TO PILOTS

PUGET SOUND PILOTAGE DISTRICT (CONT'D)

Port Angeles Station Operating Expenses

	<u>2020</u>	<u>2019</u>
Depreciation	\$ 45,206	\$ 45,204
Food	80,532	89,596
Insurance	39,572	38,327
Maintenance and Repairs	41,793	52,277
Rent, Tideland Lease	4,542	4,548
Reposition of Pilots	189,406	177,670
Supplies	31,489	24,072
Taxes on Property	10,732	10,871
Telephone & Communications	22,416	25,985
Utilities	28,349	26,113
Port Angeles Total	\$ 494,037	\$ 494,663

Pilot Boat Operating Expense

	<u>2020</u>	<u>2019</u>
Depreciation	\$ 28	\$ 28
Employee Benefits	248,732	244,638
Employee Salaries	833,776	791,164
Fuel of <i>JUAN DE FUCA</i>	105,973	128,519
Fuel of <i>PUGET SOUND</i>	130,432	211,223
Insurance	107,547	86,168
Maintenance & Operation of <i>JUAN DE FUCA</i>	388,137	322,409
Maintenance & Operation of <i>PUGET SOUND</i>	45,041	62,831
Taxes on Payroll	64,779	61,857
Taxes on Property	5,017	5,017
Pilot Boat Operations Total	\$ 1,929,462	\$ 1,913,854

TARIFF REVENUE, EXPENSES, AND COMPENSATION TO PILOTS

PUGET SOUND PILOTAGE DISTRICT (CONT'D)

Schedule of Employees

Employee	Position
T. Burnell	Dispatcher/Clerk
J. Clark	Deckhand/Engineer
A. Dreyer	Lead Boat Operator
M. Gregson	Deckhand/Engineer
K. Houston	Dispatcher/Clerk
P. Jacobsen	Deckhand/Engineer
J. Melvin	Deckhand/Engineer
P. Moore	Accountant/Controller
J. Rushton	Deckhand/Engineer
D. Shideler	Lead Boat Operator
L. Styrk	Executive Director
B. Valentine	Dispatcher/Clerk
D. Warczak	Clerk
R. Welch	Boat Operator

Property, Boats and Equipment

	<u>2020</u>	<u>2019</u>
Port Angeles Station Building	\$ 2,104,532	\$ 2,104,532
Port Angeles Station Furnishings & Equipment	150,684	150,684
Pilot Boat <i>JUAN DE FUCA</i>	3,221,448	3,221,448
Pilot Boat <i>PUGET SOUND</i>	3,639,784	3,639,784
Seattle Office Furnishings, Furniture, Computers, & Equipment	781,727	771,067
Portable Pilot Units	0	0
Portable Radio Equipment	0	0
Total building, boats, furnishings, and equipment	\$ 9,898,175	\$ 9,887,515
Less Accumulated Depreciation & Amortization	9,037,343	8,888,429
Net property, boats, and equipment	\$ 860,832	\$ 999,086

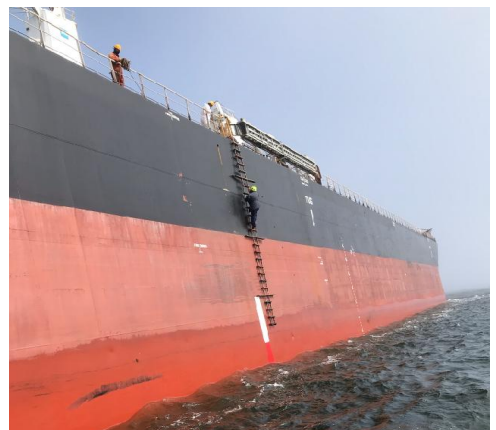
TARIFF REVENUE, EXPENSES, AND COMPENSATION TO PILOTS

GRAYS HARBOR PILOTAGE DISTRICT

	2020 Total	Average Per Pilot @ 2	2019 Total	Average Per Pilot @ 2
Revenue				
Pilotage Services Revenue <i>(Notes 1,2)</i>	\$ 1,547,202	\$ 751,417	\$ 1,502,833	\$ 751,417
Miscellaneous Revenue	120	60	1,216	608
TOTAL PGH PILOT DIVISION REVENUE	1,547,322	773,661	1,504,049	752,025
Operating Expenses <i>(Note 1)</i>				
Port Administrative Services	78,335	39,168	70,262	35,131
Other Pilot Division Expenses	687,443	343,722	578,310	289,155
Total Operating Expenses	765,778	382,889	648,572	324,286
Payments to Pilots				
Wages, Benefits & Incentive Pay <i>(Note 3)</i>	1,067,503	533,752	1,077,990	538,995
Travel Allowance	30,345	15,173	24,150	12,075
Total Payments to Pilots	1,097,848	548,924	1,102,140	551,070
Pension Contribution for Retired Pilots	144,500	72,250	103,500	51,750
TOTAL PGH PILOT DIVISION EXPENSES	2,008,126	1,004,063	1,854,212	927,106
Grays Harbor Pilotage District Income or Loss <i>(Note 4)</i>	\$ -460,804	\$ -230,402	\$ -350,163	\$ -175,082

Notes:

- Information is drawn from Pilot Division Profit and Loss Statements from the Port of Grays Harbor. Rounding may apply.
- Pass through payments received for pension and travel are included under Pilotage Services Revenue.
- Licensed pilots are employees of the Port of Grays Harbor as opposed to being independent contractors belonging to an association. Employer-provided benefits include health, life, medical, and disability insurance, federal and state taxes, and retirement funding paid by the employer.
- Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.



Captain Bobby D'Angelo climbs the pilot ladder after a transfer from the pilot boat in the Grays Harbor bar. Photo courtesy of Captain D'Angelo.

TARIFF REVENUE, EXPENSES, AND COMPENSATION TO PILOTS

GRAYS HARBOR PILOTAGE DISTRICT (CONT'D)

Port of Grays Harbor Pilotage Division Expenses

	<u>2020</u>	<u>2019</u>
Advertising	\$ 0	\$ 153
Pilot Launch Service	465,056	404,227
Depreciation	23,691	24,696
Dues & License Fees	13,200	13,200
Insurance	2,051	1,709
Legal Services	5,265	7,722
Consulting	0	7,260
Miscellaneous Other Expenses	18,724	19,541
Pension Contribution for Retired Independence Pilots	144,500	103,500
Port Administrative Services	78,335	70,262
Repair/Maintenance	118,559	40,521
Supplies	6,354	12,887
Taxes	24,236	20,833
Telephone	4,549	5,048
Training	225	4,049
Travel/Lodging/Meals	5,533	16,464
Wages	575,396	575,396
Benefits	215,087	225,574
Gain Sharing Distribution	0	0
Incremental Duty Pay	277,020	277,020
Travel Allowance (Paid to Pilots)	30,345	24,150
Grays Harbor District Total Expenses	\$ 2,008,126	\$ 1,854,212

Property, Boats & Equipment

	<u>2020</u>	<u>2019</u>
Pilot Boat <i>CHEHALIS</i>	\$ 317,630	\$ 317,630
Pilot Boat <i>VEGA</i>	525,510	0
Computer Equipment (Mobile)	0	0
Radio Equipment	12,051	12,051
Other Machinery & Equipment	39,130	39,130
Total property, boats, and equipment	\$ 894,321	\$ 368,811
Less Accumulated Depreciation	288,286	305,054
Net property, boats, and equipment	\$ 606,035	\$ 63,757

PUGET SOUND PILOTS OPERATING RULES (JUNE 2021)

(See following pages)

OPERATING RULES
PUGET SOUND PILOTS

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In order to promote safe, efficient and harmonious operation of vessels by this Pilot organization, we the undersigned members herewith agree to uphold and abide by the following rules. These shall be applicable to the following:

- 1) Dispatching of Pilots
- 2) Respite periods and vacations
- 3) Special charges not included in published tariffs
- 4) Miscellaneous Policies and Relief Rules
- 5) Penalties

RULE 1
DISPATCHING OF PILOTS, TIME OF ASSIGNMENTS

- A.** Rotation. Pilots shall be assigned to vessels in accordance with a strict rotation system which shall be adhered to. Pilots returning to duty from their respite periods, vacations or from any other absence, shall be placed in rotational sequence relative to other pilots. Except as otherwise provided, this sequence shall start with the pilot whose last assignment "check-in time" is oldest and continue to the most recent. Members who are returning from off-duty status for any cause shall be placed at the head of the rotation list, however they shall be placed in rotation immediately behind members who have previously returned from off-duty status and are awaiting assignment. AMENDED: 2/93, 8/15, 12/19.
- B.** Pilots Working Three Consecutive Nights. Pilots who work three consecutive nights shall be assigned their next assignment in compliance with this Section B. A Pilot shall be considered to have worked at night if any part their assignment occurs

between the hours of 0100 and 0459. AMENDED: 9/16, 4/21

1. Three Nights ending at the Station. If the assignment causing the pilot's third consecutive night of work ends at the station, unless needed on the Seattle side, the pilot will remain at the station and be given a full night's rest (no repo, travel or bridge time between and including the hours of 2000 and 0800) and shall not return to rotation before 0800 the following morning. If the pilot is needed on the Seattle side, the pilot will be assigned to a repo no sooner than eight (8) hours after check-in and then be given a full night's rest. The pilot will then be Number 1 for dispatch in Seattle at 0800 on the following day. The decision whether such a pilot will be repositioned will be made by the dispatcher considering the best interest of PSP with the concurrence of the President. The pilot may be informed of the repo when being given his third night ship assignment or after his rest at the station;
 2. Three nights ending elsewhere. If the assignment causing the pilot's third consecutive night of work ends at a place other than the station the pilot will be given a full night's rest (no repo, travel or bridge time between and including the hours of 2000 and 0800) and shall be number 1 for dispatch at 0800 the following morning.
- C. Assignments.** In order to facilitate dispatching, members shall keep in close contact with the Seattle Pilot Station and/or the dispatcher. At 1730 a pilot, or the pilot's representative, shall be available to accept assignments for evening or morning dispatch. It shall be the responsibility of the Pilot to keep the dispatcher informed as to the Pilot's whereabouts both day and night in order that proper rotation

dispatching shall be effective. Unless assurance is received from the Pilot or the Pilot's representative as to the Pilot's availability, the Pilot shall be placed in an off-duty status for twenty-four (24) hours, thereby losing two (2) day's distribution.

AMENDED: 7/84, 8/15.

RULE 2 **ASSIGNMENTS**

The minimum off-duty period before an assignment, or before the first of multiple harbor shift assignments is ten (10) hours between the pilot's check-in time of the next assignment. Multiple harbor shifts assigned to a pilot shall not exceed thirteen (13) hours from the call time of the first assignment to the planned check-in time of the final assignment. The minimum off-duty period does not apply to repositionings, except where specified elsewhere in these rules.

A pilot who has received a minimum ten (10) hour off-duty period at Port Angeles before being repositioned to Seattle and will check-in at Seattle prior to 1300, may be immediately assigned.

A pilot who has received a minimum ten (10) hour off-duty period at Seattle before being repositioned to Port Angeles and will check-in at Port Angeles prior to 1715, may be immediately assigned. AMENDED: 6/96, 8/02, 5/03, 5/09, 8/15, 9/17, 2/20.

A) SEATTLE

1. An assignment to a vessel in Seattle Harbor shall be given to the Pilot four (4) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 2.0 hours before the Pilot is to be aboard. AMENDED: 7/92, 6/03.

2. An assignment to a vessel at Point Wells or Eagle Harbor shall be given four (4) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 2.0 hours before the Pilot is to be aboard. AMENDED: 4/99, 6/03.
3. An assignment to a vessel at Olympia, Tacoma, Manchester, Bangor, Bremerton, Port Townsend, Mukilteo or Everett shall be given five (5) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 3.0 hours before the Pilot is to be aboard. AMENDED: 4/99, 6/03.
4. An assignment to a vessel at Anacortes, March Point, Bellingham, Ferndale or Cherry Point, shall be given six (6) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 4.0 hours before the Pilot is to be aboard. AMENDED 6/03.
5. An assignment to proceed to Port Angeles shall be given three (3) hours before the scheduled Seattle to Bainbridge Island ferry departure time. Travel to the assignment is considered to start 1.0 hour before the scheduled ferry departure. Assignments to scheduled ferry departures shall be at such time as determined by the Board of Directors at a regular meeting of the Board where this subject appears as a scheduled agenda item. If a Transportation assignment to Port Angeles and vessel assignment have the same dispatch time, the transportation shall be assigned first. AMENDED: 7/86, 5/95, 6/03, 6/04.
6. An assignment to a vessel at Vancouver, New Westminster, Delta Port or Port Moody, British Columbia shall be given ten (10) hours before the Pilot is to be aboard. Travel to the assignment is considered to start seven (7) hours before the pilot is to be aboard. An assignment to proceed to any other port in the British

Columbia Range shall be given three (3) hours prior to bus time. Amended 2/04.

EXCEPTION TO PARAGRAPHS 1 TO 6 INCLUSIVE

A vessel which, because of a change in circumstances, is in need of a Pilot sooner than the above recited notice times will be furnished one as soon as practicable.

7. Assignments to all vessels departing later than 2030 up to and including 1045 the following morning shall be given at 1730. AMENDED: 10/85.
8. A Pilot on the rotation list shall be assigned at 1730 to any vessel scheduled to shift or sail during the night hours. If the shift or vessel departure assigned at 1730 is canceled prior to three (3) hours before the set time, the Pilot assigned shall be returned to the number one (1) position on the rotation list. AMENDED: 7/86.
9. The following applies to a Pilot commencing respite at 2400 Tuesday: (a) A Pilot shall not be assigned a vessel departing Olympia for Port Angeles later than 1000 Tuesday; (b) a Pilot given an assignment whose call time was prior to 0800, and the call time for the assignment is changed to 0800 or later, shall be removed from rotation at 0800 Tuesday; (c) a Pilot left unassigned before 0800, shall be removed from rotation at 0800; and (d) a Pilot whose check-in time is later than 0800 Tuesday, shall be removed from rotation upon check-in. Pilots returning from respite, vacation, or other absence shall be placed in rotation at 0800 Tuesday as described in Rule 1 (A). AMENDED: 10/85, 11/87, 12/91, 1/97, 12/20.
10. When a vessel is departing a pier/terminal to stream/anchorage, and another vessel is proceeding from the same stream/anchorage to the same pier/terminal, one Pilot shall be assigned to both assignments, unless requested otherwise by an

agent. When practical, due to a lack of available pilots in rotation, one Pilot may be assigned to more than one harbor shift, provided that for pilots on watch, multiple harbor shifts must be in the same port. AMENDED: 12/91, 10/98, 4/07.

11. If a Pilot cannot take the Pilot's regular assignment on the rotation list due to a limitation on the Pilot's state license, the Pilot's duty is to take the next preceding assignment that the Pilot's state license can cover. If a Pilot has not completed any requirements imposed by the state Board of Pilotage Commissioners for upgrade of said Pilot's state license by the date specified by the Board of Pilotage Commissioners, said Pilot shall not be dispatched until the Pilot fulfills the requirements. The Pilot may use comp days or be placed in an off duty status, whichever is appropriate. The Pilot may appeal to the Board of Directors for an extension of time to complete requirements before being taken off the rotation list, provided the Pilot can demonstrate extenuating circumstances acceptable to the Board of Directors. AMENDED: 9/86, 6/90, 11/90, 4/92. [Item 12 Added 5/17. Removed 6/17]

B) PILOT STATION

1. Boarding of inbound vessels arriving at the Pilot Station shall be in accordance with the rotation system. If a Pilot cannot take the Pilot's regular INBOUND assignment on the rotation list, due to a limitation on said Pilot's State License, the Pilot's duty is to take the next preceding INBOUND assignment that said Pilot's State License qualifies for. A Pilot arriving at the station shall be placed at the bottom of the rotation list. A Pilot dispatched to the Pilot Station at Port Angeles shall, upon

arrival at the Pilot Station, be placed at the bottom of the rotation list. If more than one Pilot is dispatched to Port Angeles at the same time, they shall be placed at the bottom of the rotation list upon receipt of dispatching instructions. "Reporting in time" at the Pilot Station shall be three (3) hours after the designated Seattle to Winslow ferry departure times in accordance with O/R 2, Sec. (a), Par. #5. A pilot is considered to have arrived at the Port Angeles Pilot Station at this time. Local assignments at Port Angeles will be performed by the first pilot scheduled for repositioning or by the first pilot in rotation who has been at the Pilot Station at least ten (10) hours and who has at least twelve (12) hours between the call time of a local assignment and their scheduled inbound assignment. A Pilot whose respite commences at 2400 of that day shall remain in rotation as long as the Pilot is able to check-in prior to 2400 on that same day. If a pilot commencing respite at 2400 cannot be assigned to an inbound vessel in the Pilot's regular rotation before 1440 that will allow the Pilot to check-in before 2400 on that same day, the Pilot shall be assigned to the next inbound ferry. A Pilot dispatched to Seattle via next transportation will be deemed to have departed from the Port Angeles Pilot Station two and one-half (2 ½) hours before the scheduled Winslow to Seattle ferry departure time. Assignments to scheduled ferry departures shall be at such times as determined by the Board of Directors at a regular meeting of the Board where this subject appears as a scheduled agenda item. AMENDED: 7/86, 11/87, 5/89, 11/90, 5/95, 6/96, 9/00, 8/02, 2/20.

2. Round Trip Assignments on Certain Cruise Ships. ADDED 5/09, 8/15, DELETED (Ballot 2/10/20) 2/20.

C) OUTPORTS

AMENDED: 6/86, 8/87, 11/87; DELETED: Ballot #4-90, 5/90.

D) COMPLETION OF ASSIGNMENTS

1. Within sixty (60) minutes of the completion of any assignment, Pilots (including President) shall inform the Seattle Pilot Office or telephone exchange of their check-in time. AMENDED: 7/84, 11/18.
2. Arrival time at all ports shall be the time the Pilot leaves the ship; except Port Angeles shall be as follows:
 - a. Thirty (30) minutes of travel time to the Port Angeles Pilot Station shall be allowed after the pilot leaves the ship. A Pilot disembarking a ship by Pilot Boat shall use the Float Time.
 - b. An assignment to a vessel departing a pier in Port Angeles shall be assigned to the Pilot one (1) hour before the Job Time. This time is to be noted on the pilotage service rendered slip. AMENDED: 1/17
3. From Seattle and outports, the following travel shall be allowed after the ship's official arrival time: AMENDED: 7/92.
 - a. Seattle, Point Wells and Edmonds - one (1) hour. AMENDED: 7/92.
 - b. Eagle Harbor or Bremerton - first available ferry arrival in Seattle.
 - c. Manchester, Bangor, and Port Townsend - three (3) hours. AMENDED 10/14.
 - d. Olympia, DuPont - three (3) hours after ship's arrival.
 - e. Tacoma, Mukilteo and Everett - two (2) hours after ship's arrival.
 - f. Anacortes, March Point, Bellingham - three (3) hours after ship's arrival.

- g. Ferndale and Cherry Point - three and one-half (3-1/2) hours after ship's arrival.
- h. A Pilot dispatched to Seattle from Port Angeles shall, check in at Seattle three (3) hours after having departed the Port Angeles Pilot Station in accordance with O/R 2, Sec. (B). If more than one Pilot is dispatched to Seattle, each shall be placed at the bottom of the rotation list at Seattle in the order of their position on the rotation list upon departure from Port Angeles. AMENDED: 7/86.
- i. Vancouver, New Westminster, Delta Port or Port Moody, British Columbia seven (7) hours. The reporting time of a Pilot returning to Seattle from any other British Columbia port shall be one (1) hour after the next available bus arrival time in Seattle. AMENDED: 5/85, 7/90, 12/99, 2/04.
- j. Failure to comply with this Rule will not be considered a violation of these Operating Rules per se and will warrant a fine of only \$100.

RULE 3
DEPARTING PORT ANGELES PILOT STATION

- A. All pilots at the Port Angeles Station are "on duty." A Pilot who desires, for any reason other than illness or death in the Pilot's immediate family, to go "off duty" at the Port Angeles Pilot Station, and does not declare that he/she is taking a Comp Day in the manner prescribed in subsection "B" below, shall be placed on the "Off- Duty Roster" for not less than twenty-four (24) hours, starting at the time of the Pilot's actual departure from the Port Angeles Pilot Station. The Pilot will lose four (4) days distribution. AMENDED: 7/84, 6/01.
- B. A Pilot who desires to go "off duty" on arrival at the Port Angeles Pilot Station for any reason other than illness and/or death in the Pilot's immediate family, shall give

notice of the Pilot's intention to go "off duty" at the Port Angeles Pilot Station to the dispatcher on duty when the Pilot is assigned to a ship or transportation proceeding to Port Angeles or at the time that the Pilot assigned is notified that the assignment time is changed. A Pilot who is on assignment or checked in at the Port Angeles pilot station who desires to go "off duty" for any reason other than illness and/or death in the Pilots immediate family must declare to the on duty dispatcher his/her intentions at least thirty (30) minutes before the next outbound transportation that would cover the pilots next projected assignment as per O/R 2, with the exception of the 0820 reposition notice which shall be given at 0800. For the 0320 reposition, notice must be given by 1700. A Comp Day taken at the Port Angeles pilot station shall begin at the time of the assignment the pilot would have had if he/she had remained in rotation. The pilot returns to "on duty" status 24 hours later in Seattle. A Pilot who fails to properly notify the dispatcher as per this rule and leaves the station placing himself/herself "Off Duty" and thereby "Off Distribution" will be penalized under the provisions of O/R 3A. AMENDED: 12/85, 9/00, 6/01.

RULE 4 **TRADES OR SUBSTITUTIONS**

Members may trade assignments by mutual agreement or one member may substitute for another member assuming the member is sufficiently rested. The dispatcher shall be notified immediately of such trades or substitutions. Such trades are strictly between the members involved and of no concern to the organization other than to insure each assignment is covered. Once effected, the member agreeing to take the place of another shall be responsible for the completion of the assignment involved as if it were

the member's own.

RULE 5
RESPITE AGREEMENT

1. Members shall start in rotation at 0800 on a Tuesday and shall commence respite at 2400 on the second Tuesday thereafter. A member who commences said member's respite period later than 2400 on Tuesday shall have one (1) additional day's respite. AMENDED: 10/85, 11/87, 2/12.
2. Peak Period Weekend Assignments. By February 15 of each year, each pilot shall be randomly assigned by the President to work a weekend shift during the pilot's respite period ("Peak Work Shift") during peak season. Assignments of Peak Work Shifts will not interfere with vacations and any training conflicts will be addressed by the President. Assigned Peak Work Shifts can be traded together or separately. New pilots will be assigned a Peak Work Shift by the President. On Peak Work Shifts, pilots will be assigned in the order they were checked in from their previously scheduled work shift as numbers one, two and three at 1100 on Thursday and will be checked in by Sunday at 1100. Pilots must be checked in from any call-back, along with having required rest, prior to beginning their assigned Peak Work Shift. Peak Work Shifts will start on the second full weekend of May, will not occur on holiday weekends (Memorial Day, 4th of July and Labor Day) and will end when all pilots have been assigned to one weekend. Sec 2 added January, 2010, AMENDED: 2/12, 6/12, 11/16, 2/17, 6/21.
3. Each Pilot shall take said Pilot's respite period when due; provided, however, that trading of respite periods, mutually agreed upon between Pilots, is permissible. The

dispatcher is to be notified of any trading of respite periods between Pilots. Trades of respite time are under the same constraints as trades of assignments. The extra duty roster and partner rules will remain in effect. AMENDED: 6/17.

RULE 6 **VACATIONS**

Members shall accrue vacation at the rate of 1.4 days per watch worked. Effective as pilots return to work from vacation on or after June 19, 2012, vacations shall be taken as follows: a pilot shall receive seven days of vacation to start two weeks after completion of every fifth watch. These seven days shall be followed by seven days of respite. The pilot will return to rotation four weeks after completion of every fifth watch. Trades of vacation time are to be under the same constraints as trades of assignments. Amended: 2/12.

During the President's term in office, the President shall not take any vacation under the rotation system described in this rule. The President shall retain the former position in rotation for the purpose of taking vacation when the individual is no longer serving as President.

Upon commencing a term as President, the President shall be credited with thirty (30) business days of vacation to be used during the President's term of office. The President may use these days at any time during the President's term at the President's discretion. At the discretion of the Board of Directors, the President may carry over any vacation days into a subsequent term but cannot carry over any vacation days past the end of the President's final term in office. AMENDED: 4/91, 2/12. 12/17.

RULE 7
SICK PRIVILEGES

A Pilot who has no Comp Days accrued may, if the Pilot so desires, take a day or more off for sickness or injury up to fourteen (14) days and have such days deducted from said Pilot's next vacation without further loss of pay. AMENDED: 4/96.

RULE 8
OFF DUTY STATUS

A member desiring to be placed in an off-duty status and not intending to accept a 1730 assignment shall notify the dispatcher by 1500 of the day that the member wishes to be placed in an off-duty status. A member who does not notify the dispatcher of said member's intention at that time and goes on "Off-Duty" status shall be deemed in violation of this Rule. A comp day taken off shall begin at the call time of the assignment that would have been assigned without regard to the 1730 courtesy call time. The comp day shall end 24 hours after the beginning call time without regard to the 1730 courtesy call time. AMENDED: 4/88, 8/88, 10/89, 8/00.

RULE 9
CANCELLED AND INCOMPLETE ASSIGNMENTS

A Pilot whose assignment is canceled shall return to rotation in the same manner as a Pilot completing a regular ship assignment. If the cancelation is after the assignment time, but before the allotted travel time, check-in shall be at the time dispatch received notification of the cancelation. If the cancelation is after the allotted travel time has begun, check-in shall be after additional return travel time equal to the amount of travel time elapsed at the time dispatch was notified of the cancelation. If the cancelation is

after the scheduled departure of the vessel, check-in shall be as if completing a regular ship assignment. A member who, for reasons other than fatigue or safety, shall either cancel an assignment on said members own, or fail to appear for and/or complete an accepted assignment and remain on board the vessel to its final dispatched destination, will incur a mandatory deduction of two (2) days distribution plus a \$1,000.00 penalty. Further, no comp or vacation days may be used. AMENDED: 12/90, 10/03, 5/09, 4/21.

RULE 10
HOLIDAY OFF-DUTY PENALTY

No member shall decline an assignment on Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, December 24th, December 25th, December 31st and January 1st. Violation of this rule will incur a mandatory deduction of two (2) days distribution plus the penalty hereinafter set forth for failure to comply with these rules. Further, no comp days may be used on these dates. A comp day taken on a day prior to one of the named holidays shall terminate at 2400 hours on the day prior to the holiday, irrespective of the time of commencement of the comp day. A member affected by the termination of the comp day at 2400 hours on a day prior to the holiday shall be available for dispatch at 2400 hours of that day. At the discretion of the Pilot, the Pilot may accept the job assignment at 1730 or 2400. The intent of this rule is so that no member may be required to work in place of one who arbitrarily refuses an assignment on these important holidays. AMENDED: 7/84, 5/85.

RULE 11
RELIEF RULES

Deleted by Ballot #7-00, 5/00.

RULE 12
BRITISH COLUMBIA ASSIGNMENTS

The acceptance by a member of an assignment to pilot a vessel from a British Columbia port to a Puget Sound port at the termination of an assignment from Puget Sound to British Columbia is mandatory. If at the time of receipt of an assignment between Puget Sound and a British Columbia port a member is advised that pilotage service for a vessel bound from British Columbia to a Puget Sound port may be required, the member shall, upon arrival at the British Columbia port, telephone the Seattle Pilot Station before returning, and be subject to being held over for a maximum of sixteen (16) hours for assignment to the vessel bound to a Puget Sound port. The pilot shall not, however, be held over for an assignment which may depart less than five (5) hours after the completion of the original assignment to a British Columbia port. AMENDED Ballot 1-06, Feb 2006.

In the event there will be two (2) pilots in British Columbia capable of piloting a single vessel scheduled to sail from British Columbia to Puget Sound, the vessel shall be assigned to the Pilot scheduled to arrive in British Columbia last. The purpose of this Rule is to more efficiently utilize the available Pilots. AMENDED: 7/91.

RULE 13
RESPITE GRANT OCCASIONED BY DEATH

In the event of the death of the spouse, parent, child, parents-in-law, brothers, sisters, or grandchildren of an active Pilot, the Pilot shall be permitted up to five (5) days relief from rotational duties to attend to family affairs within the seven (7) days immediately following the death. AMENDED: 5/87, 1/88.

RULE 14
PILOT COMMISSION MEMBERS

Pilots serving on the Board of Pilotage Commissioners who are required to attend meetings in their capacity as a Commissioner shall so be assigned. Meetings shall be considered to be assignments. For meetings, assignment times in Operating Rule 2 shall not be applicable, though the rest prior and travel times shall. If attendance is to be in person, check-in shall be at Seattle or Port Angeles, prior to the meeting as appropriate. If attendance is to be virtual, check-in may be without regard to Seattle or Port Angeles. At a Pilot Commissioner's request, they shall be checked-in at Seattle prior to virtual meeting, if necessary for meeting preparation. After the meeting, check-in shall be based on the meeting's adjournment, including the appropriate travel time, in accordance with Operating Rule 2(D), thereby returning to rotation in the same manner as a pilot completing a ship assignment. Pilot Commissioners who are required to attend Board of Pilotage Commission (BOPC) regular, special or committee meetings, or perform investigations during their respite periods, shall be entitled an additional Respite Day(s) to be used within 12 months of them being earned; not to be used May through September. AMENDED: 4/87, 10/90, 10/07, 2/17, 3/19, 3/21.

Temporary Rule Modification. Reverts to Prior Language Aug 31, 2021 at 2359.

(Prior Language – Retained for reference through temporary modification: Pilots serving on the Board of Pilotage Commissioners required to go to a meeting starting before 1000 hours shall be checked-in at Seattle by 2300 hours the previous evening; they shall be placed at the bottom of the rotation list and upon adjournment of the meeting, they shall check-in within 60 minutes, thereby returning themselves to the rotation list in the same manner as a pilot completing a ship assignment, including travel time as outlined in Operating Rule 2. Pilot Commissioners who are required to attend Board of Pilotage Commission (BOPC)

regular, special or committee meetings, or perform investigations during their respite periods, shall be entitled an additional Respite Day(s) to be used within 12 months of them being earned; not to be used May through September. AMENDED: 4/87, 10/90, 10/07, 2/17, 3/19.)

RULE 15
DIRECTORS, COMMITTEE, & OTHER MEETINGS

Members representing the Association internally or externally, and those attending Association sanctioned training, who are duly assigned, shall do so under the same rules and considerations granted Pilot Commission members in Rule Fourteen, except they shall not be entitled to additional respite. The President and Board have the sole authority to call any meetings which are not otherwise specified in the bylaws and the assignment of Pilots to those meetings, as they deem is in the best interest of the association. With Presidential approval, a pilot may request to be checked-in at Seattle prior to a virtual meeting, if necessary for meeting preparation. AMENDED 2/17, 3/21

Temporary Rule Modification. Reverts to Prior Language Aug 31, 2021 at 2359.

(Prior Language – Retained for reference through temporary modification: DIRECTORS MEETINGS - COMMITTEE MEETINGS - Directors and special committee members required to attend duly called meetings shall do so under the same rules and considerations granted Pilot Commission members, in Rule Fourteen, except Directors and committee members shall not be entitled to additional respite. AMENDED 2/17.)

RULE 16
ATTENDANCE AT HEARINGS

Any member whose presence is required at a hearing or investigation conducted by the U.S. Coast Guard, Board of Pilotage Commissioners, or at a trial in a state or federal court, resulting from an accident to a ship in the member's charge, or who has

been selected involuntarily to serve on a state or federal jury and who can demonstrate said member has exhausted all avenues of appeal, including timely notification and request for assistance of the PSP office, for relief from such jury duty, shall be removed from the rotation list at the time the member's presence is required. Upon termination of the proceedings, the member shall revert to the position on the rotation list said member occupied at the time the hearing or trial convened. AMENDED: 5/90.

RULE 17
MEMBERS ON RESPITE. SERVICES REQUIRED

Whenever the volume of shipping requires, members on respite or vacation may be requested to perform assignments. The number of assignments to respite members may be one (1) or more during any twenty-four hour period. If a respite member is dispatched to Port Angeles via transportation, the dispatcher on duty shall assign the member to an inbound ship which will enable the member to return to the vacation or respite roster within twenty-four (24) hours. A member on respite who is dispatched via vessel to Port Angeles shall have a check-in time in Seattle of three (3) hours after the member's arrival at the station in Port Angeles. Provided, however, this rule shall conform to license limitations and rest period requirement. When a member is required, pursuant to this rule, to take assignments during the member's respite days or vacation, the member shall receive credit for an extra day of work. These extra days shall be called "Comp Days". A comp day worked shall begin at the call time of the first assignment without regard to the 1730 courtesy call time, and will end 24 hours later, without regard to the 1730 courtesy call time. The Secretary shall maintain records of the extra days worked by each member and shall call members in strict rotation as

directed by the Secretary, and the monthly distribution statement shall include a tabulation of extra days accumulated by each member. With the exclusion of days enumerated in Rule Ten and subject to the limits of the last paragraph in this Rule, a member who has accumulated comp days may use one or more of them at the member's discretion in lieu of a workday, provided that the Pilot gives adequate notice to the dispatcher. AMENDED 9-12.

In the event a Pilot who has accumulated comp days retires or becomes disabled, the Pilot shall be entitled to use all said Pilot's comp days prior to commencing retirement pay. A Pilot who has given notice of retirement may not transfer comp days to another pilot during the six (6) month period preceding the Pilot's retirement date, except for previously existing comp day debt to other Pilots and except for charitable contributions not requiring any other Pilot to work on the retiring Pilot's behalf. Comp days are fully equivalent to workdays with respect to a Pilot's right to respite days and vacation time.

Comp Days Created May 1, 2021 or Later: Comp days earned before May 1, 2021, are referred to as Old Comp Days. Comp days created on or after May 1, 2021, are referred to as New Comp Days. When a New Comp Day is earned, the Value of the Comp Day Earned shall be set aside in a reserve account and not treated as normal pilotage revenue for purposes of distribution to the members. The Value of the Comp Day Earned shall be twice the net value of a Duty Day as delineated in the most recent audited financial statement of PSP issued before the comp day was earned.

When a New Comp Day is used by the pilot in lieu of a workday, the Value of the Comp Day Used shall be returned to the general operating account and treated as normal

pilotage revenue for purposes of distribution to the members. The Value of the Comp Day Used shall be the same as the value of that comp day when it was created.

Whenever a pilot uses a comp day in lieu of a workday, that comp day used shall be a New Comp day if the pilot has any accrued New Comp Days. The accounting method to be used to determine the order in which New Comp Days are used will be Last In, First Out. For example, if a pilot earns comp days on May 2 and May 10, and then uses a comp day in lieu of a workday on May 25, the May 10 comp day will be removed from the books and the funds set aside in the reserve account for that day will be returned to the general operating account and treated as normal pilotage revenue for purposes of distribution to the members. AMENDED: 4/92, 5/04, 8/18 and 4/21.

Rule 17 was interpreted in Ballot 2-13 to provide that pilots at the top of the comp day list who are not offered a comp day job due to license limitations, shall retain their position at the top of the list until they are actually called for a comp day job.

RULE 18 **PILOTAGE ASSIGNMENTS**

A member shall not perform pilotage on vessels subject to the Pilotage Act, unless duly assigned in accordance with the Operating Rules.

RULE 19 **MAJOR MEDICAL COVERAGE**

A Pilot who is unfit to perform the duties of a Puget Sound Pilot due to a major injury or illness, shall, after fourteen (14) duty days of such injury or illness plus respite days, participate fully in pilot distributions for a period not to exceed twenty-four (24) weeks until the Pilot is declared fit for duty.

The Pilot or the Pilot's representative shall present to the President and the Directors

certificates satisfactory to them of the Pilot's inability to perform the duties of a Puget Sound Pilot. The President and the Directors shall then approve the participation in pilot distributions subject to the following provisions:

1. Distributions for the first fourteen (14) duty days shall be the responsibility of the Pilot who is unfit for duty. (That is, the first fourteen (14) days shall be charged against the Pilot's accumulated or future vacation days or accumulated comp days or in accordance with Operating Rule 4 or shall be uncompensated.) A pilot seeking major medical shall specify in writing how the first 14 days will be covered. Any such designation can be made or changed up to the time that the pilot returns to duty. In the absence of a written designation, days will be covered first with then accumulated vacation, second with accumulated comp days and third with un-accumulated future vacation days. Pilots using un-accumulated future vacation days shall pay back such days by working an equal amount of days during their next accrued vacation(s). To the extent that a pilot has used un-accumulated future vacation days to cover his or her 14 day obligation and does not return to work long enough to accrue the vacation days taken, the amount paid by PSP for those days shall be deducted from any retirement or equity buy out payments due to the pilot from PSP. AMENDED:12/90, 9/10.
2. The President and the Directors may at their request and expense have a second opinion rendered by a Commission doctor whose opinion as to fitness shall be final and conclusive.
3. Except as provided in Subsections 3(a) and (b) below, the major medical provisions may not be invoked for the same injury or illness more than once in any twelve (12)

month period following the date of the injury or illness. In addition, a pilot on major medical must return to full duty status for at least twenty four (24) weeks before the provisions of this Rule may again be invoked for any injury or illness, except as provided in Subsections 3(a) and (b) below.

- a.** If a pilot returns to duty before the twenty-four (24) week major medical coverage period ends and, within ninety (90) days of such return, the pilot is again unable to perform the duties of a pilot due to the same illness or injury, that pilot may return to major medical coverage for the remainder of the 24 week period.
 - b.** A pilot invoking section 3(a) must provide satisfactory medical evidence to the organization of his or her inability to perform the duties of a pilot and that such inability is due to the original illness or injury.
- 4.** Pilots on major medical who are fit to do so, shall participate in the association business, activities or duties as requested by the president or Board of Directors. Unless the President indicates otherwise due to unusual circumstances, a Pilot on major medical who is fit to do so, will be available from Friday at 1700 to Monday at 0800 on at least two weekends per month to take calls and cover operational issues in place of the President so that the President can have the weekend off- duty. All phone calls will be routed to the pilot on major medical. Pilots who will be doing this duty will be oriented by the President on the types of issues that will be covered by this duty.
- 5.** Every 30 days after the start of major medical, a pilot on major medical shall provide a written opinion from a doctor that the pilot is or is not fit for the administrative tasks

described herein until such time as the doctor's opinion is that the pilot on major medical is fit to perform such tasks.

6. Under no circumstances will a pilot on major medical be requested to perform any duties that would in any way interfere with or delay that pilot's ability to return to work. AMENDED: JAN 2014.

RULE 20 **AMENDMENTS TO OPERATING RULES**

The Operating Rules may be changed or amended by a majority vote of the members voting. Voting is to be accomplished by secret postal ballot or secret electronic vote as may be provided in the By-laws. Those present at a membership meeting that has a quorum may authorize a vote, or it may be initiated by the Board of Directors. AMENDED: 7/86, 7/07, 2/08.

RULE 21 **TRAVEL EXPENSES**

Deleted by Ballot #2-21, 3/21.

RULE 22 **PENALTY FOR FAILURE TO COMPLY**

Should any member without good and just cause, fail to comply with one or more of these Operating Rules, the President shall cause to have withheld from that member's distribution, for the subsequent month following the infraction, the sum of \$500 for each and every violation. Should the member so affected believe such funds were wrongfully withheld or should the member believe there were sufficient mitigating circumstances to warrant rescinding such action, the member may, in writing, appeal to the Board of

Directors. Their decision in this matter shall be final and binding.

RULE 23
WATCH EQUALIZATION

When determined by the Board of Directors that an inequality of the watches exists which requires a modification of the watch compliments, then the Board shall act as set out below. In making its determination, the Board may take into account license grades and/or the total number of pilots on a watch. For purposes of watch equalization, the President shall not be considered as a member of either watch.

1. Solicit a volunteer(s). If more than one pilot volunteers then the volunteer with the lowest license number with the necessary license grade shall be transferred.
2. If there is no volunteer then the pilot with the highest license number with the necessary license grade from the watch that has the most licensed pilots would be transferred to the opposite watch.
3. A pilot who transfers as a result of a board declaration of inequality has a one- time right to go back to his or her original watch when the board declares another inequality of the watches. A pilot transferred involuntarily has priority in transferring back to his or her original watch over a pilot transferring voluntarily irrespective of seniority. If there is more than one pilot transferred by the same means, the pilot with the lowest license number shall have priority in transferring back.
4. A pilot who transfers for the purpose of Watch Inequality shall have the right to use a comp day on a holiday of his or her choice without the penalty imposed by Operating Rule 10 once a year during the first three years after the transfer.

AMENDED: 8/08.

PUGET SOUND PILOTS BYLAWS (DECEMBER 2020)

(See following pages)

SECOND REVISED BYLAWS OF PUGET SOUND PILOTS

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1. **Name.** The name of the organization is the “Puget Sound Pilots” (herein the “**Association**”).

2. **Purpose.**

2.1 The purpose of the Association is to promote a safe, efficient, reliable and professional system of marine pilotage within the Puget Sound Pilotage District.

2.2 Puget Sound Pilots is an organization of individuals, corporations and limited liability companies, with each Member acting independently, for profit or loss, but sharing common services for their mutual interest in the carrying out of a function of providing logistical support, short of actual pilotage of vessels, for Pilots and Members herein. The Association is not intended to be a partnership of any kind, and no Member is authorized to act as agent of any other Member, nor to pledge the credit of any other Member. Only the Board of Directors, and the Officers, or duly appointed and authorized individuals or committees, are authorized to act for the Association, as permitted by these Second Revised Bylaws or the Operating Rules.

3. **Definitions.** The following terms used in these Second Revised Bylaws (the “**Bylaws**,” as they may be amended from time to time) shall have the following meanings (unless otherwise expressly provided therein):

3.1 “**Active Pilot**” shall mean a Pilot whose Membership has not been terminated.

3.2 “**Active Non-Working Pilot**” shall mean a Pilot who is no longer available for Assignments, and who may or may not have relinquished his/her License, but is still entitled to receive distributions until accumulated and unused leave time is fully exhausted.

3.3 “**Active Working Pilot**” shall mean Pilot holding a License who is in regular dispatch rotation or is temporarily unavailable during a period of leave.

3.4 “**Adjusted Gross Income**” is defined in Section 5.5.2 herein.

3.5 “**Annual Election**” is the annual election in which the Directors standing for election are elected as further described in Section 10.1 herein.

3.6 “**Annual Gross Income**” is defined in Section 5.5.1 herein.

3.7 “**Annual Meeting**” shall be the General Membership Meeting that is designated by the Board of Directors as the “Annual Meeting,” which Annual Meeting may be held on two separate dates in order to accommodate attendance by all of the Members as further described in Section 6.1 herein.

3.8 “**Assignment**” shall mean an assignment to pilot a vessel.

3.9 “**Association**” shall mean the Puget Sound Pilots Association as further described in Section 1 herein.

3.10 “**Authorized Entity**” is a corporate entity owned by a Pilot who holds a License, which Authorized Entity is a Member of the Association as further described in Section 5.2 herein.

3.11 “**Ballot**” is defined in Section 9.1 herein.

3.12 “**Board of Directors**” shall mean the Directors, elected as provided herein, by the Membership to govern the Association at the direction of the Membership as more specifically provided herein as further described in Section 4.2 herein.

3.13 “**Board Vote**” is defined in Section 9.4 herein.

3.14 “**Claimant**” is a Member (Pilot) against whom a claim has been brought, and who seeks indemnification, as further described in Section 19.1 herein.

3.15 “**Combined Duty Days**” shall mean all of the Duty Days of all of the Pilots during a calendar month as further described in Section 17.3 herein.

3.16 “**Comp Day**” shall mean a day of work that is “earned” and attributed to a Pilot as a result of him/her working a day during his/her Respite Period or Vacation Period as further described in Section 17.4.4.1 herein.

3.17 “**Daily Rate of Income**” shall mean the Total Pilotage Services Fees divided by the Combined Duty Days of all of the Pilots to determine the daily rate of income for that month as further described in Section 17.5.2 herein.

3.18 “**Director**” shall mean a Pilot elected by the Membership as provided herein, to be a member of the Board of Directors as further described in Section 4.2 herein.

3.19 “**DNI**” (Distributable Net Income) is a figure designated by the Washington Utilities and Transportation Commission (herein the “**Commission**”) in its initial Final Order issued on November 25, 2020, and periodically thereafter by the Commission. The then-effective DNI shall continue in effect, for purposes hereof, until such time as a revised DNI is established by the Commission.

3.20 “**Duty Day**” is a day during which a Pilot is an active Member of the Association, and is either on duty and available for an Assignment aboard a vessel, on earned Respite Period, or on Vacation Period, as further described in Section 17.3 herein.

3.21 “**Equal Income Share**” shall mean the Total Pilotage Service Fees evenly divided between the Members and credited to their individual accounts as further described in Section 17.5 herein.

3.22 “Expense Pool” shall mean all operating and miscellaneous costs and expenses of the Association and the Pilots paid by the Association during each calendar month as further described in Section 17.6.1 herein.

3.23 “Expenses,” are the costs of business paid by the Association as further described in Section 17.6 herein.

3.24 “General Membership Meeting” shall mean the quarterly meeting of all of the Members as further described in Section 6.1 herein.

3.25 “General Account” shall mean the general and operating bank accounts and funding accounts of the Association, as they may be maintained from time to time. This does not include any trust accounts or specific purpose accounts.

3.26 “Individual Adjusted Gross Income” is defined in Section 5.5.3 herein.

3.27 “Individual Expense Share” shall mean a number determined by dividing the Expense Pool by the total number of Members for each month as further described in Section 17.6.1 herein.

3.28 “License” means a Puget Sound Pilot’s License issued by the Board of Pilotage Commissioners of the State of Washington.

3.29 “Member” shall mean the Pilot, or the Authorized Entity owned by that Pilot, that is a member of the Association as further described in Section 4.1 herein.

3.30 “Membership” shall mean, collectively, all of the Members as further described in Section 4.1 herein.

3.31 “Membership Payment” is the payment made by a new Member as part of the qualification to become a Member in the Association as further described in Section 5.5 herein.

3.32 “Net Income” is specifically defined in Section 5.5.1 herein as further described in Section 5.5.1 herein.

3.33 “Operating Rules” shall mean the rules adopted by the Membership, as they may be revised from time to time, that direct the actual operations of the Association and its Members as further described in Section 5.4.2 herein.

3.34 “Partnership Representative” shall be that person or entity designated from time to time by the Board of Directors to act on behalf of the Association with respect to all federal income tax proceedings, as further described in Section 16 herein. The Partnership Representative may be the President, the Executive Director, a CPA, or an outside financial or tax advisor to the Association. The

Partnership Representative shall serve until such time as he/she/it may resign, or until another Partnership Representative is appointed by the Board of Directors.

3.35 “Pilot” shall mean an individual who holds a License and is either a Member of the Association, or is the owner of an Authorized Entity that is a Member of the Association, as further described in Section 5.1 herein.

3.36 “Pilotage Services Fees” shall be the fees earned by the Pilots for their services piloting vessels as further described in Section 17.1 herein, and shall not include any Transportation Fees.

3.37 “President” shall be the Pilot elected by the Members to fulfill that role.

3.38 “Respite Period” is the period of time between Work Periods, when a Pilot is not available for regular scheduling of Assignments to vessels as further described in Section 17.4.2 herein.

3.39 “Terminating Member” is the Member whose Membership is being terminated for any reason, as more specifically described in Section 5.7.1 herein.

3.40 “Termination Payment” is the payment made to a Member whose Membership in the Association is terminated as further described in Section 5.7.1 herein.

3.41 “Total Pilotage Services Fees” shall be all of the Pilotage Service Fees received for all of the Pilots during the calendar month as further described in Section 17.1 herein.

3.42 “Transportation Fees” are those fees reimbursed to the Pilots for their costs of transportation to and from Assignments as further described in Section 17.1 herein.

3.43 “Vacation Period” is the period of time during which a Pilot is not expected to receive Assignments, as further described in Section 17.4.3 herein.

3.44 “Vote” and “Voting” are defined in Section 9.1 herein.

3.45 “Voting Period” shall mean the period of time during which the Members may submit their Ballots for each election as further described in Section 9.3 herein.

3.46 “Winning Candidate” shall be the candidate for Pilot Commissioner who received the most votes and is the Association’s candidate for Pilot Commissioner as further described in Section 15.1 herein.

3.47 “Work Period” is the period of time during which a Pilot is primarily available for Assignments, and receives those Assignments as further described in Section 17.4.1 herein.

4. Structure and Composition.

4.1 The authority and power of the Association is vested in its Members (all of the Members may be referred to herein as the “**Membership**,” individual members a “**Member**” and more than one as the “**Members**”).

4.2 The power vested in the Membership may be assigned or delegated, as further described herein, to the Board of Directors (the “**Board of Directors**”) the members of which are a “**Director**” or the “**Directors**”), and/or the Officers. The Board of Directors may delegate certain powers to the Executive Director. Between meetings of the Board of Directors, the power may be exercised by the Officers, with the exception of certain issues which are reserved to the Board of Directors or reserved to the Membership.

5. Membership.

5.1 Membership is limited to Pilots, and to Authorized Entities owned by Pilots as more fully described in Section 5.2 herein.

5.2 A Member may be a corporation, or a professional services corporation, a limited liability company or a professional limited liability company (“**Authorized Entity**”), provided that:

5.2.1 The Authorized Entity is duly organized and in good standing under the appropriate corporation or limited liability company laws of the State of Washington;

5.2.2 The Authorized Entity shall have only one stockholder or member, one director and one officer, or one Manager, and the Pilot shall be an employee, and the other employees of the Authorized Entity shall be limited to the Pilot’s immediate family members;

5.2.3 Such sole stockholder, member, director, officer, Manager and Pilot employee shall be a person who is the holder of a valid Puget Sound Pilots License issued by the Board of Pilotage Commissioners of the State of Washington, in good standing;

5.2.4 Such Authorized Entity and its Pilot holding a License shall have all of the obligations, responsibilities and duties to the Puget Sound Pilots as an individual Member of the Puget Sound Pilots would have;

5.2.5 Such individual Pilot holding a License shall cause to be exercised and perform all of the rights and duties of the Pilot’s Authorized Entity with respect to membership in the Association;

5.3 It is the intent of this Section 5 to permit Members to form corporations or limited liability companies, to be Members without in any way diminishing or changing their duties, responsibilities, and obligations of and to the Association. Notwithstanding the foregoing, the Pilot owning a Member corporation or limited liability company shall have all of the responsibilities and duties of a Member of the Association.

5.4 Admission into Membership.

5.4.1 An applicant for Membership qualified under Section 5.1 and Section 5.2 above must submit an application in writing as prescribed by the Board of Directors.

5.4.2 After application, and upon request from the applicant, the applicant shall be given the opportunity to review the Bylaws of the Association, the Operating Rules of the Association (the “**Operating Rules**”), the Anti-Harassment Policy of the Association, the Puget Sound Pilots Retirement Plan, and all other rules adopted from time to time by the Association. Admission to Membership will be granted by the Association when an applicant has demonstrated that the applicant has fulfilled all the licensing and financial requirements for Membership set forth herein, and that the applicant has agreed in writing to be bound by these Bylaws, by the Operating Rules, and all other policies or rules adopted from time to time by this Association.

5.4.3 At the time of admission, the Officers of the Association shall inform the new Member of all provisions of the Bylaws, Operating Rules, Dispatch Guidelines, the Puget Sound Pilots Retirement Plan, and of the methods of operation of the Association as a business organization.

5.4.4 During the first four (4) months of a Member’s membership, a new Member has the option of being assisted during vessel Assignments by another Pilot.

5.5 Membership Payment. Applicants shall, prior to being admitted into Membership, agree to pay to the Association, as a condition of becoming a Member, a sum (the “**Membership Payment**”). The Membership Payment shall be calculated as follows:

5.5.1 There shall be determined, for each of the three (3) calendar years prior to the year in which the applicant or the applicant’s Authorized Entity becomes a Member (except as specifically set forth in Section 5.5.3 herein) the gross income of the Association (the “**Annual Gross Income**”);

5.5.2 There shall then be subtracted for each of those three (3) years’ Annual Gross Income the mandatory deductions of the Members from their income as set forth in Sections 17.1 through 17.9 herein, and not less the individual expenses set forth in Section 17.10 herein, and the remainder after that subtraction shall be the “**Adjusted Gross Income**” of the Association for that year;

5.5.3 The “**Membership Payment**” for new Members shall be determined as follows:

5.5.3.1 For Members joining during calendar year 2021, the “**Membership Payment**” shall be the Individual Adjusted Gross Income for 2018, plus the Individual Adjusted Gross Income for 2019, plus the DNI set by the Commission in its initial Final Order issued on November 25, 2020 effective for all of calendar 2020, added together, and the sum of that addition divided by three (3), to equal the Membership Payment.

5.5.3.2 For Members joining during calendar year 2022, the Membership Payment shall be the Individual Adjusted Gross Income for 2019, plus the DNI for 2020, plus the DNI for 2021, added together, and the sum of that addition divided by three (3), to equal the Membership Payment.

5.5.3.3 For Members joining during calendar year 2023, or during any calendar year thereafter, the DNI for the prior three (3) calendar years shall be added together, and the sum of that addition divided by three (3), to equal the Membership Payment.

5.6 Payment of Membership Payment.

5.6.1 The Membership Payment shall be paid in equal or nearly equal payments over a period of seventy-two (72) months, or such other period of time as is set by the Board of Directors from time to time, provided that, if prior year Annual Gross Income is not yet known when the applicant or the Applicant’s Authorized Entity becomes a Member, it shall be assumed to be the same as for previous year until such time as it becomes known. At the time that it becomes known, the monthly payments shall be adjusted so that the remaining balance of the Membership Payment is paid in equal payments over the remainder of the payment period previously set by the Board of Directors. The first installment of the Membership Payment shall be paid from the first full month’s distribution payment to the new Member (not from a partial month prorated distribution payment, if any). These installments of Membership Payments shall be deposited into the General Account of the Association.

5.6.2 The unpaid balance of the Membership Payment shall not bear interest. These payments shall be deducted by the Association from the monthly distribution payment to the new Member. A new Member may make a lump sum payment(s) and thereby reduce the amount of the unpaid balance of the Membership Payment and the number of monthly payments required, but such payment(s) shall not affect the amount of each remaining monthly payment.

5.7 Terminating Member’s Payment.

5.7.1 Upon termination of Membership in the Association, the Member whose Membership is being terminated (the “**Terminating Member**”), or the

Terminating Member's legal representative, shall be paid an amount equal to the Membership Payment amount calculated for new Members as of the date of the Member's termination, and not the Membership Payment originally paid by that Member (the "**Termination Payment**").

5.7.1.1 Payment of said Termination Payment shall commence at the time the Terminating Member is entitled to receive the first retirement payment pursuant to the terms of the then-effective Puget Sound Pilots Retirement Plan. The unpaid balance of the Termination Payment shall not bear interest. Said payment amounts shall be paid in equal or nearly equal monthly payments over a period of seventy-two (72) months, or such other period as is set by the Board of Directors from time to time, and provided however, that if the payment is based on an average of three (3) years' Adjusted Gross Income and prior year Adjusted Gross Income is not yet known at the time of termination, it shall be assumed to be the same as for previous year until such time as it becomes known. At that time as it is known, the monthly payments shall be adjusted so that the remaining balance of the applicable average is paid in equal payments over the remainder of the applicable period. Notwithstanding the foregoing, in the event that the applicable payment period of time is changed by the Board of Directors, it shall not affect the period of time over which payments are made for any Member whose Membership is already terminated and that is receiving payments.

5.7.1.2 In the event that, at the time of commencement of payment of those Termination Payment payments, or at any time while such payments are being made, the Terminating Member owes any sum of money to the Association, including pursuant to the terms of Section 17.10 herein, then the Association shall be entitled to deduct all such sums owed from the next Termination Payments due to the Terminating Member.

5.7.2 Notwithstanding the foregoing, however, that in all cases in which the Terminating Member has not been a Member of the Association for the full specified period of payments of his/her/its Membership Payment, the Terminating Member shall receive the payments for the same number of months for which the Terminating Member's Membership Payments were made under Section 5.7 herein.

5.8 International Organization of Masters, Mates and Pilots Membership. Upon becoming a Member, each Member (or that Member's owner-Pilot) is admitted as a member of the International Organization of Masters, Mates and Pilots, and continued Membership in this Association is conditioned upon continued membership in the International Organization of Masters, Mates and Pilots.

5.9 Compliance. Every Member and Pilot is obligated to adhere to and follow the terms of these Bylaws, the Operating Rules, and any and all directives, policies or rules promulgated thereunder or promulgated by the Board of Directors. Each Member and each Pilot shall treat fellow Members and Pilots with respect and consideration.

6. Membership Meetings.

6.1 There shall be a general meeting of the Membership (“**General Membership Meeting**”) held during each calendar quarter of each year, on a date and at a time set in advance by the Board of Directors, or the President, or the Executive Director. One of those meetings each year shall be designated as the “**Annual Meeting**” by the Board of Directors, and that Annual Meeting may be held in two increments, to accommodate the Pilots who are not able to attend one of the meetings due to his/her schedule.

6.2 The agenda for General Membership Meetings shall be delivered to the Members not later than that date seven (7) days prior to the meeting date. Any five Members may submit in writing, prior to that date of notice, a matter which shall then be included on the agenda.

6.3 Actions specifically reserved to the Membership by these Bylaws may be taken only by Vote pursuant to the terms of Section 9.1 herein, and not at the General Membership Meeting.

6.4 Special Membership Meetings may be called by the President, or by a majority of the Board of Directors, on no less than seven (7) days’ notice by delivery to the Members specifying the meeting agenda. Notice of Special Membership Meetings may be made in writing, by electronic notice, or by regular mail. The date that such notice is sent shall be the date of such notice.

6.5 The Board of Directors may determine, from time to time, whether Members may participate in a Membership Meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. If so approved by the Board of Directors, participation in such a meeting by audio and/or video shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

7. Officers.

The Officers of the Association shall consist of a President, a Vice President, and a Secretary, who shall each be a member of the Board of Directors. Functions that would otherwise be performed by a treasurer shall be performed by the Executive Director.

8. Board of Directors.

There shall be a Board of Directors consisting of seven (7) Members, including the Members holding the positions of President, Vice President and Secretary of the Association.

9. Voting Procedure.

9.1 Electronic Voting. Any Vote of the Members required by these Bylaws or by the Operating Rules (“Vote” or “Voting”) may be done by casting an electronic ballot (“Ballot”). The manner and method of electronic Voting shall be set by the Board of Directors. The Board of Directors shall not adopt any electronic Voting procedure until it has been certified in writing by the association’s primary computer consultant to provide an accurate way to authenticate voter identity by use of at least a password and to preserve voter anonymity. Such written description of the voting procedures and the consultant’s certification shall be distributed to all Members upon request. The results of all elections shall be reviewed by the Executive Director, and reviewed and approved by the President and one other Director. The President or the Executive Director shall notify the Membership of all Voting results.

9.2 Proxy. A Member, who is unable to participate in a Vote, may designate another Member (the proxy holder) to cast a Ballot on his/her/its behalf. That proxy holder shall submit to the Secretary satisfactory evidence that that Member holds the proxy for another Member. Said designation shall be in writing and shall be delivered to the Secretary prior to the time Voting is commenced. When exercising a proxy, the proxy holder shall make such arrangements with the President as are then-directed by the President. No Member shall cast more than one proxy Ballot in any Vote.

9.3 Voting Periods. The voting period (the “Voting Period”) shall commence on the date that the electronic notice of the Vote goes out to the Members. The Voting Period shall be fourteen (14) days. Each Ballot must be received within the Voting Period or it will not be counted.

9.4 Except as otherwise specified herein, (1) any vote of the Board of Directors (“Board Vote”) shall be a vote of a majority of the Directors in attendance at the meeting in which the Board Vote is taken, and (2) any Vote of the Membership shall be a Vote of a majority of the Members that cast Ballots in that Vote .

10. Election and Removal of Directors and Officers.

10.1 Election of Directors. Members of the Board of Directors shall be elected by the Members of this Association in good standing in an election commenced in November (specific date as set by the Board of Directors, the “Annual Election”) and shall serve a term as set forth in Section 10.4 herein. Any decision to change the date of the Annual Election from the same month as the prior year shall be made by the Board of Directors at a meeting held at least thirty (30) days prior to the start of the Annual Election, the published agenda for which Board meeting states that changing the date of the Annual Election will be considered by the Board of Directors.

10.1.1 The Vote for Directors and Officers will be by electronic Ballot, as described in Section 9.1 herein.

10.1.2 There shall be no nominations for the Director's positions, but each Member shall vote for as many Director positions as are open for election that year. The Pilots running for election, for the Director positions that are open for election in that year, receiving the highest number of votes in said election shall be elected to the Board of Directors of the Association.

10.2 Election of Officers. A Ballot for Officers shall be forwarded, within twenty (20) days after each Annual Election of members of the Board of Directors, to the entire Membership, listing the names of the seven (7) Directors, including the newly elected Directors, with instructions for each Member to cast a Ballot for one of those Directors for President, one for Vice President, and one for Secretary. The Director receiving the highest number of votes for each office shall be elected to said office for a one (1) year term. All voting shall be in accordance with the provisions of Section 9 herein.

10.3 Tie Votes. In case of a tie Vote for a Director position or Officer position, another Ballot, listing only the Members tied in the previous Ballot, shall be immediately forwarded to the Membership for an additional Vote to determine which of those receiving the tie Votes shall serve. Each Ballot shall be required to be cast within the Voting Period for that election.

10.4 Terms of Office.

10.4.1 Directors.

10.4.1.1 Subject to the terms of Section 10.4.1.2 herein, the term of each Director shall commence after the date of the Annual Election at which he/she is elected and shall continue until after the date of the second Annual Election thereafter.

10.4.1.2 If the Annual Election starts in November, the terms of office of Directors shall commence on the second (2nd) Tuesday in January immediately following their election. Their term of office shall continue until the day after the second Annual Election thereafter, when their successors are elected and qualified as described in Section 10.4.1.1 herein.

10.4.2 Officers. The terms of office of the Officers shall commence on the date that the newly elected Directors take office, and shall continue for one (1) year thereafter.

10.5 Removal. An Officer or a Director of the Association may be removed from office by a two-thirds (2/3) Vote of all Members

10.6 Vacancy.

10.6.1 In the event a vacancy is created on the Board of Directors, a Ballot listing all eligible Members shall be submitted to the entire Membership within sixty (60) days after the last day that vacating Director was in

office, to fill the existing vacancy. The Member receiving the highest number of votes within the Voting Period shall be elected to complete the current term of office.

10.6.2 If the vacating Director was also an Officer, then, after the Vote for the new Director, a Ballot for Officers shall be forwarded within twenty (20) days to the Membership listing the names of the Directors that are not Officers, with instruction for each Member to vote for a Director to replace the Office position vacated. The Director receiving the highest number of votes shall be elected to that Office.

10.7 Commissioners. No Member shall be eligible to serve as Director or as an Officer while serving as a member of the Board of Pilotage Commissioners of the State of Washington. If an incumbent Officer or Director accepts appointment as a member of the Board of Pilotage Commissioners of the State of Washington, the appointee shall be deemed to have resigned from office as Officer or Director.

11. Duties of Officers.

11.1 President. The President shall be the Chief Executive Officer of the Association and shall preside at all Membership meetings. The President shall be a member of the Board of Directors and ex-officio member of all committees of the Association. The President shall supervise the Officers of the Association and the Partnership Representative in accordance with the Bylaws and Operating Rules of the Association or with any other orders or directions of the Association made either through the Board of Directors or the Membership. The President shall be the chief spokesman for the Association and shall be the only person authorized to represent the Association to third parties unless the Board of Directors or the Membership shall authorize other persons to act as spokesman or representative. The President and Executive Director, or their designee(s), shall each be empowered to authorize expenditures for the purpose of conducting Association business on any item not to exceed Eight Thousand Dollars (\$8,000). Expenditures on any item for the purpose of conducting Association business in excess of Eight Thousand Dollars (\$8,000) shall be approved in advance by the President and another Officer, the Executive Director and another Officer, or the President and the Executive Director, or their designee(s). In the event that the President or the Executive Director is intending to enter into a contract or agreement with a cumulative obligation in excess of Twenty Thousand Dollars (\$20,000), then he/she shall obtain prior approval from the Board of Directors in advance of signing such contract or agreement. The office of the President shall be a full time position; however, at the President's discretion he/she may take an Assignment under high workload peaks if he/she has a valid License, is fit for duty, and is not needing refresher trips.

11.2 Vice President. The Vice President shall act in the place and stead of the President if a vacancy occurs in the office of the Presidency, or in the absence of the President for illness or while out of town or while on authorized leave granted by the Board of Directors, or when the President is otherwise unavailable; the

Vice President, while so acting, shall have all the powers of the President. The Vice President shall be a member of the Board of Directors.

11.3 Secretary. The Secretary, or designee, shall cause to be kept full and accurate minutes of all meetings of the Association and of the Board of Directors. The Secretary shall be Secretary of the Board of Directors and a member thereof and shall attend all its meetings that he/she is able to attend. The Secretary shall sign all such papers and documents and perform such duties as may be required of the Secretary as prescribed by the Board of Directors, the Association, the President or the Membership. The Secretary shall act in the place and stead of the President if both the President and the Vice President are otherwise unavailable for any reason; the Secretary, while so acting, shall have all the powers of the President.

12. Duties of the Board of Directors.

12.1 The authority and power of the Association is vested in its members, except as otherwise specifically described herein, and may be delegated by the Membership to the Board of Directors.

12.2 The Board of Directors shall, subject to the reservation of, or exercise of, powers by or to the Members, have supervision, control and direction of the management, affairs and property of the Association; and shall actively pursue its purposes and objectives and supervise the disbursement of its funds. The Board of Directors may, subject to the powers of the Membership, adopt, by majority Vote, such rules and regulations for the conduct of its business and the business of the Association as shall be deemed advisable. Under no circumstances, however, shall any actions be taken which are inconsistent with these Bylaws.

12.3 It shall additionally be the duty of the Board of Directors: to administer the Operating Rules of the Association; to retain a Certified Public Accountant to audit the books and accounts of the Association at the conclusion of each fiscal year; to authorize the President or Executive Director, subject to powers reserved to the Membership as described herein and subject to the terms of Section 11.1 herein, to sign leases, charters, contracts, notes, agreements or other documents as may be necessary in the conduct of the business of the Association; to inform the Membership of such leases, charters, contracts, notes, agreements or other documents with a cumulative obligation in excess of Twenty Thousand Dollars (\$20,000); to open bank accounts and to authorize any one or all of the Board of Directors to countersign all checks issued by the Secretary; to submit the Association's nominee(s) for the Pilot Commission as described in Section 15 herein; to take any other action not inconsistent with these Bylaws.

12.4 Members may attend Board meetings in person, or by telephone or electronic transmission (method of which shall be determined by the Board from time to time), except for those meetings that are deemed by the Board of Directors to be held in executive session.

13. Meetings of the Board of Directors.

13.1 The Board of Directors shall normally meet once per month.

13.2 A quorum at a meeting of the Board of Directors shall consist of four (4) members of said Board of Directors.

13.3 The Board of Directors is authorized to submit issues for Vote to the Membership on any matter, or matters, which, in its sound discretion, it determines is appropriate. In doing so, the Board of Directors shall make reasonable efforts to not “bundle” more than directly related issues for one Ballot. More than one (1) related or unrelated issue may be submitted by the Board of Directors for separate Ballot, at the same time.

13.4 Directors may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

14. Rules of Order.

In all Membership meetings of this Association, the rules contained in Robert's Rules of Order, Revised (the then most current edition) shall govern, to the extent that they are not inconsistent with the Bylaws of this Association.

15. Pilot Commissioner Nominee(s).

15.1 Sixty (60) days prior to the expiration of the term of office of an incumbent Pilot Commissioner, the President shall submit to the Membership an electronic notice advising the Members of this expiration date. Within seven (7) days after the date of that letter all eligible Active Pilots who choose to be a candidate for Pilot Commissioner shall submit their name in writing to the Board of Directors. If only one Pilot submits his or her name as a candidate, the President shall so notify the Membership and submit the candidate’s name to the Governor as the choice of the Association. If more than one Pilot submits his or her name as a candidate, the President shall, without delay, submit the names of all voluntary candidates to the entire Membership for a Vote. In all elections provided for in this Section 15, Members shall only vote for one candidate. Voting must be completed within seven (7) days and the candidate receiving the highest number of votes shall be the winning candidate (the “**Winning Candidate**”) and the Association’s choice for Pilot Commissioner.

15.2 If two (2) or more Members are tied in total votes for the first choice, a runoff election to determine that choice shall be held among those tied. These runoff procedures for tie Votes shall be repeated until there is a Winning Candidate and a second choice.

15.3 When the name of the Winning Candidate has been determined, the President shall, without delay, submit the name of the Winning Candidate to the Governor of the State of Washington for his or her approval or rejection. The President shall submit the Members' second choice only if so directed by the Governor's office, in which event the President shall indicate which choice is preferred by the Members.

16. IRS Audit; Partnership Representative.

16.1 In the event of an audit by the Internal Revenue Service ("IRS") of the Association tax return(s), or of the reporting of federal tax information and payment for any year, the Association shall respond to such audit through the Partnership Representative.

16.2 The Partnership Representative shall deliver information to, and receive inquiries and information from, and shall have the sole and exclusive authority to act on behalf of, the Association with respect to, and shall negotiate with, the IRS, and shall have the authority to bind all Members with respect to partnership or Association matters that are subject to IRS rules.

16.3 The Partnership Representative may, upon request or direction of the IRS, or upon direction from the Board of Directors, designate the Association's President or Executive Director, or the outside CPAs or other financial or tax advisor, as the direct contact with the IRS, and shall deliver such Power of Attorney as may be necessary to invest that President or Executive Director, or the outside CPAs or other financial or tax advisor, with the authority to deliver information to, and receive inquiries and information from, and negotiate with, the IRS.

16.4 The Partnership Representative shall deliver to the Members or the Association Audit Committee, as may be designated by the Board of Directors from time to time, all IRS notices and correspondence with the IRS.

16.5 In the event of any assessment or revision of prior years' tax reporting and returns, and in the event that such assessment(s) or revision(s) results in additional taxes and/or interest and/or penalties owed by the Association, then those taxes and interest and penalties shall be paid by the Association in the year(s) in which the audit is concluded, and said sums shall not be assessed against the Association's Members individually for the year(s) for which the audit was made.

17. Pooling and Distribution of Income and Expense.

17.1 Income. The fees for pilotage services earned by each Member under the tariff contained in WAC 363.116.300 (the "**Pilotage Services Fees**"), and fees for transportation to and from vessels and stations ("**Transportation Fees**"), are invoiced and collected by the Association. The total of the Pilotage Services Fees collected during a month for all of the Pilots is herein the "**Total Pilotage Services Fees.**"

17.2 Transportation Fees. The Transportation Fees are then allocated, and paid, specifically to the Member (Pilot) who earned them, and are not, for the purposes hereof, considered part of the Pilotage Service Fees or the Total Pilotage Service Fees. The Board may determine from time to time that the Transportation Fees are to be allocated in a manner different than that set forth in this Section 17.2.

17.3 Duty Days. Unless otherwise specified by the Board of Directors, each day during which an Active Working Pilot is either on Duty and available for an Assignment, during the Pilot's assigned Work Period, or on Respite Period, or on Vacation Period, is defined herein as a "**Duty Day**." The number of Duty Days for all Pilots for that month shall be combined to be the total Duty Days for all the Pilots (the "**Combined Duty Days**").

17.4 Work Period; Respite Period; Vacation Period.

17.4.1 Each Pilot shall be assigned a series of periods for his/her active Assignment (the "**Work Period**").

17.4.2 Each Pilot shall be assigned respite time between Work Periods (the "**Respite Period**"). The Association shall make reasonable efforts to offer Assignments to Pilots on their Work Period before offering Assignments to Pilots on their Respite Period.

17.4.3 Each Pilot shall be assigned vacation time ("**Vacation Period**"). Vacation Period shall be the period of time during which a Pilot is not expected to receive Assignments. The Association shall make reasonable efforts to offer Assignments to Pilots on their Work Period or Respite Period before offering Assignments to Pilots on their Vacation Period.

17.4.4 Compensatory Days.

17.4.4.1 In the event that a Pilot works an Assignment(s) outside of his/her Work Period, he/she shall be deemed to have earned a compensatory day ("**Comp Day**").

17.4.4.2 In the event that a Pilot takes a day off during the Pilot's assigned Work Period, then, at the election of the Pilot, either: (1) the Pilot can replace that day off with a previously earned Comp Day; or (2) the Pilot's (Member's) total Duty Days for that month shall be deemed reduced by two (2) Duty Days. In the event that that Pilot takes a day off during the Pilot's assigned Work Period, and in the event that that Pilot does not have a Comp Day to replace that day off, then that action may be considered by the Board of Directors to be misconduct, and be subject to the terms of Section 18 herein.

17.4.4.3 The Board of Directors may elect to forego the requirements of Section 17.4.4.2 in the event that a Pilot, due to exceptional circumstance, has used all available Comp Days, but requires additional days off from his/her Work Period(s). In such instance the Pilot's total Duty Days shall be deemed to

be reduced by two (2) Duty Days for each day off during his/her assigned Work Period.

17.5 Allocation of Total Pilotage Services Fees.

17.5.1 The Total Pilotage Services Fees, except as otherwise specifically described herein, and except as otherwise determined by the Board of Directors from time to time or on a case to case basis, shall be evenly divided between the Members and credited to their individual accounts (the “**Equal Income Share**”).

17.5.2 In the event that a Member’s Equal Income Share is to be reduced pursuant to the terms of Section 17.4.4.2 herein, then the Total Pilotage Services Fees shall be divided by the Combined Duty Days to determine the daily rate of income (the “**Daily Rate of Income**”), and the Member’s Equal Income Share shall be reduced by the Daily Rate of Income multiplied by the Duty Days forfeited as described.

17.6 Determination and Allocation of Expense Share. Expenses of the Association, and the Members (the “**Expenses**,”), subject to the terms of Section 17.4 herein, are then determined and allocated as follows.

17.6.1 Determination of Expense Share. All operating and miscellaneous costs and expenses of the Association and the Pilots paid by the Association during each calendar month are referred to herein in the aggregate as the “**Expense Pool**.” The Expense Pool shall be divided by the total number of Members each month to yield the “**Individual Expense Share**.”

17.6.1.1 In the event that (1) a Pilot is unable perform the Pilot’s duties for a period of more than thirty (30) consecutive days for physical reasons or other health reasons beyond the Pilot’s control, or as described in Section 17.4.3.3 herein, and (2) said Pilot has performed no pilotage services in the calendar month for which the Member owned by that Pilot seeks exemption, then, upon majority Board Vote, that Member shall not be charged his/her/its Individual Expense Share for that month.

17.6.1.2 In addition to the foregoing, the Board of Directors may give special treatment to the distribution of irregular or extraordinary expenses, costs or expenditures that are non-recurring and that would result in inequitable charges to any Member or Members due to (1) formal exemption from monthly charges under this Section 17; or (2) the death or termination of Membership of a Member; or (3) admission of a new Member.

17.6.2 Allocation of Expense Share.

17.6.2.1 Each Member’s account shall be charged each month, except as set forth in Sections 17.6.1.1 and 17.6.1.2 herein, with his/her/its resulting Individual Expense Share.

17.7 New Members.

17.7.1 In the event that a new Pilot commences his/her first Assignment(s) on other than the first day of a calendar month, that Pilot or the Member owned by that Pilot shall be paid for that partial calendar month of service, starting with that Member's Equal Income Share, and then reducing that Equal Income Share by an amount determined by multiplying the Daily Rate of Income by the number of Duty Days not worked by the Pilot or accrued in that calendar month by that new Pilot.

17.7.2 New Members shall be charged, for his/her/its first month or partial month of service, a pro-rated share of the Expense Pool which is calculated by multiplying the Individual Expense Share for that month by a fraction, the numerator of which is the number of Duty Days worked or accrued by that Member or the Pilot owning that Member during the month, and the denominator of which is the number of days in that month.

17.8 Terminating Members.

17.8.1 A Terminating Member shall be paid, for his/her/its last month of service (or the last month of service of its member/shareholder Pilot), an amount equal to his/her/its Equal Income Share, and then reducing that Equal Income Share by an amount determined multiplying the Daily Rate of Income by the number of days remaining in that calendar month after the effective date of Termination of the Member's Membership.

17.8.2 Members whose Membership is terminated after the first day of a month shall be charged a pro-rated Share of the Expense Pool which is calculated by multiplying the Individual Expense Share for that month by a fraction, the numerator of which is the number of Duty Days worked or accrued by that Member (or that Member's member/shareholder Pilot) during the month, and the denominator of which is the number of days in that month. By way of further clarification, a Member whose Membership is terminated on or before the last day of a calendar month shall be charged no part of the Expense Pool for the full month following the last day of Membership.

17.9 Payment of Benefits. The 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 shall be deducted and paid to the designated beneficiaries thereunder, prior to distribution of income.

17.10 Individual Expenses. The following expense items are individual expenses which may be, as determined by the Board of Directors from time to time, (1) either pooled and allocated, or (2) paid by the Association on behalf of Members, and then deducted from the account of the Members:

17.10.1 Personal accident, liability and license insurance of each Pilot.

17.10.2 Personal transportation costs charged to the Association.

17.10.3 Other personal charges that a Member may charge to the Association.

17.11 Subrogation. In the event that, pursuant to Association policy, or by determination the Board of Directors or the Membership, the compensation as described herein shall be continued for any period of time for a Pilot that is injured or incapacitated, and that injured or incapacitated Pilot has a claim for compensation or damages against any other person or entity or governmental body, or a claim for workmen's compensation or other injury benefits, or a claim under insurance covering the injury or loss of income, then, upon recovery or receipt of proceeds from any such body for any of the described causes, the Pilot shall immediately compensate the Association for any such compensation paid to the Pilot or the Member owned by the Pilot during the period when the Pilot was not taking Assignments.

18. Misconduct. Violation of these Bylaws, the Operating Rules, or any directive or policy or other matter, including the Puget Sound Pilot's Anti-Harassment Policy, as they may be amended from time to time, duly adopted by the Membership or the Board of Directors shall constitute misconduct for which a Pilot or a Member owned by the Pilot can be punished by fine, suspension, expulsion, or sanctions, as determined by the Board of Directors. A charge of misconduct can only be brought against a Pilot or a Member owned by that Pilot by direction of the Board of Directors, or by the President, by written specification setting forth the particulars of conduct alleged to be misconduct, so as to fairly advise the Pilot and/or Member charged of the nature of the accusation and circumstances surrounding same. In order to assure a fair and speedy determination of any charges of misconduct, and in order to assure the fairness of the punishment to be accorded, if any, the following rules are adopted:

18.1 The written accusation shall be delivered to the Pilot and/or the Member charged with misconduct

18.2 The Pilot and/or Member so charged shall have an opportunity to address the Board of Directors. Following such presentation, the Board of Directors shall determine the nature and extent of the punishment, if any.

18.3 Except as otherwise specified in these Bylaws, the Board of Directors may issue fines in amounts not to exceed Five Thousand Dollars (\$5,000).

18.4 In the event that the recommendation by the Board of Directors with respect to such violation is expulsion, suspension, or a fine in excess of Five Thousand Dollars (\$5,000), then at the next General Membership Meeting, or at a Special Membership Meeting called for this purpose, the recommendation of the Board of Directors shall be submitted to the Membership. There shall thereafter be taken a Vote of the Membership on the recommendation of the Board, in such manner as shall be determined by the Board of Directors, for subsequent approval, or modification, of

the Board of Directors recommendation, by majority Vote of those Members that cast Ballots in that Vote, except as specified in Sections 18.5 and 18.6 herein, not including the vote of the subject Member.

18.5 If the recommendation of the Board of Directors is for expulsion of the Member, it shall be considered approved and final only upon affirmative Vote of two-thirds (2/3) of the entire Membership, not including the vote of the subject Member.

18.6 If the recommendation of the Board of Directors is for a fine in excess of Five Thousand Dollars (\$5,000), it shall be considered approved and final only upon a majority Vote of the entire Membership, not including the vote of the subject Member.

18.7 If the recommended punishment covered in this Section 18 and required to be submitted to the Membership is not approved as described by the Membership, then the punishment recommendation will be re-submitted to the Board of Directors for reconsideration, followed by re-submission to the Membership at the next General Membership Meeting or at a Special Membership Meeting called for that purpose. If the recommended result is not approved as described by the Membership upon second submission, the action shall be deemed terminated.

18.8 To the extent that a violation of Puget Sound Pilots' Anti-harassment Policy by a Pilot or a Member exposes the Association, or another Member, to financial liability, including liability for attorney's fees, the violating Member, and/or the Member owned by the violating Pilot, shall reimburse the Association or such other Member for all expenditures made in connection with such liability, including any amounts reasonably paid in settlement of any claims, whether or not a lawsuit is filed. The right of reimbursement set forth herein shall be in addition to any other right of reimbursement, contribution or payment existing or created in the future under state or federal law. Any sums due the Association under this Section 18.8 may be automatically withheld by the Association from distributions of the Member's share of Total Pilotage Service Fees, unless sooner paid by the Member. All sums past due hereunder shall accrue interest at the rate of twelve (12%) per annum.

18.9 Failure of a Pilot or a Member to abide by a directive or other Board of Directors or Membership approved sanction shall be cause for additional sanction or termination of Membership, upon affirmative Vote of two-thirds (2/3rds) of the Members, not including the vote of the subject Member.

19. Limitation of Liability and Indemnification.

19.1 Indemnification. Each person who was, or is threatened to be made a party to or is otherwise involved (including as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director, Officer, Partnership Representative, employee or advisor of the Association, whether the basis

of such proceeding is alleged action in an official capacity as a Director, Officer, Partnership Representative, employee or agent or advisor or in any other capacity while serving as a Director, Officer, employee or agent or advisor (herein “**Claimant**”), shall be indemnified and held harmless by the Association, to the full extent permitted by applicable law then in effect, against all expense, liability and loss (including attorneys’ fees, judgments, fines, or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such Claimant in connection therewith. Such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee or agent or advisor and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 19.2 below with respect to proceedings seeking solely to enforce rights to indemnification, the Association shall indemnify and such Claimant seeking indemnification in connection with a proceeding initiated by such Claimant only if such proceeding was authorized by the Board of Directors.

19.2 Right of Claimant to Bring Suit. If a claim for which indemnity is required under Section 19.1 herein is not paid in full by the Association within sixty (60) days after a written claim has been received by the Association, the Claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the Claimant shall be entitled to be paid also the expense of prosecuting such claim.

19.2.1 The Claimant shall be presumed to be entitled to indemnification under this Section 19 upon submission of a written claim, and thereafter the Association shall have the burden of proof to overcome the presumption that the claimant is not so entitled.

19.2.2 Neither the failure of the Association (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the Claimant is proper in the circumstances nor an actual determination by the Association (including its Board of Directors or independent legal counsel) that the Claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the Claimant is so entitled.

19.3 Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 19 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, Board Vote of disinterested Directors or otherwise.

19.4 Limitation. Notwithstanding the provisions of Sections 19.1 and 19.2 herein, the Association may not indemnify a Director or Officer or employee from or on account of:

19.4.1 acts or omissions not in good faith which involve an intentional material breach of these Bylaws;

19.4.2 acts or omissions of the Director or Officer or employee finally adjudged to be intentional misconduct or a knowing violation of law by the Director, Officer, employee or agent;

19.4.3 any transaction with respect to which it was finally adjudged that such Director or Officer or employee received a benefit in money, property, or services to which such Director or Officer or employee was not legally entitled.

19.5 Insurance, Contracts and Funding. The Association may maintain insurance, at its expense, to protect itself and any Director, Officer, employee or agent of the Association against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the Washington statutory law applicable to the Association.

20. Amendment of Bylaws and Operating Rules.

20.1 Amendment of Bylaws.

20.1.1 One or more proposed amendments to these Bylaws shall be submitted to the Membership for approval, including a copy of such proposed amendment(s) in the event that: (1) there is an affirmative Board Vote to submit such amendment(s) to the Membership for approval; or (2) a petition to submit such amendment(s) to the Membership for approval is signed by not less than one third (1/3) of the Members.

20.1.2 These Bylaws shall then be amended, as proposed, upon a two thirds (2/3) majority Vote of those Members that cast Ballots in that Vote.

20.2 Amendment of Operating Rules.

20.2.1 One or more proposed amendments to the Operating Rules may be submitted to the Membership for approval, including a copy of such proposed amendment(s) in the event that: (1) there is an affirmative Board Vote to submit such amendment(s) to the Membership for approval; or (2) a petition to submit such amendment(s) to the Membership for approval is signed by not less than one third (1/3) of the Members.

20.2.2 The Operating Rules shall then be amended, as proposed, upon a majority Vote of those Members that cast Ballots in that Vote.

21. General Obligations; Non-Competition.

21.1 Each Pilot, and each Member, agrees, as a condition to his/her/its Membership in the Association, to abide by the provisions of all contracts, agreements,

Operating Rules, or obligations of the Association legally constituted, now in effect or which may in the future be adopted in accordance with the Bylaws in effect at that time. Each Pilot and each Member agrees, as a condition to his/her/its Membership in the Association, to seek and secure pilotage work in Puget Sound and adjacent inland waters only pursuant to the Operating Rules of the Association in effect at the time.

21.2 Each Pilot shall be bound by any agreement or obligation or responsibility of the Member owned by that Pilot, pursuant to the terms hereof. Likewise, each Member shall be bound by any agreement or obligation or responsibility of the Pilot that owns that Member, pursuant to the terms hereof.

21.3 Each Member and Pilot agrees that should such Member's Membership in the Association be terminated for any reason whatsoever, such Member and the Pilot owning such Member will not seek, secure or accept any pilotage work whatsoever in Puget Sound and adjacent inland waters, and will not otherwise compete with the business of the Association and its Pilots, for a period of five (5) years after the effective date of such termination of Membership.

21.3.1 Because the extent of damages that would be suffered by the Association and its Members from violation of this covenant not to compete contained herein would be difficult to ascertain, it is agreed by all Members, now and in the future, that an amount equal to the total monies that would otherwise be paid, or that have then been paid, to that violating Member or former Member as Termination Payment pursuant to the terms of Section 5.7 herein, and under any unvested Pension Plan, be agreed to be reasonable as liquidated damages for any such violation.

21.3.2 The Members further agree that, in addition to the foregoing, an action for specific enforcement may be brought by the Association in a court of competent jurisdiction, and that that court may specifically enforce the terms hereof and enjoin any such Member or former Member from violating the terms of this Section 21.

21.4 The Members, bound by the provisions of these Bylaws, now and in the future, further agree that upon withdrawal, resignation, expulsion or termination of Membership for any reason from the Association, the Pilot-Member or the Pilot owning the Member will promptly surrender his/her License to the appropriate state agency for cancellation. The Members further agree that no monies shall be paid as Termination Payment under Section 5.7 herein unless and until said License is canceled.

These Bylaws are adopted effective as of the 31st day of December, 2020.