

Exh. JR-5r
Docket TP-190976
Witness: Jordan Royer

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND PILOTS,

Respondent.

DOCKET TP-190976

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

2008-2018 BPS Annual Reports

May 27, 2020

Revised July 8, 2020

2008 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035 (5)

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The following reports and manuals are on file at the Board of Pilotage Commissioners Office, 2901 Third Avenue, Seattle, WA 98121. They are too substantial to reproduce for purposes of this report.

Summaries of Dispatch Records

Quarterly Earnings Reports from Pilots

By-laws and Operating Rules (Puget Sound District)

Oil Tanker Movement Reports (Puget Sound District)

1 FOREWORD

Shipping Activity in Washington State

The Puget Sound Pilots handled a total of 8,000 vessel moves, resulting in 8,173 pilot assignments. This is a reduction in vessel moves for the second consecutive year. Based on an average of 54.2 full-time pilots, each pilot worked an average of 150 assignments.

The Grays Harbor Pilots handled a total of 109 pilotage assignments in 2008. The Port of Grays Harbor employed two full-time pilots.

2008 Tariff Hearings

There was no joint proposal offered by Polar Tankers, Pacific Merchant Shipping Association and the Puget Sound Pilots. Pilots asked for a 9.2% tariff increase. Industry proposed a 10.3% decrease. A new category, British Columbia Direct Transit Charge, was added. The Board approved a 4% increase in the tariff for the Puget Sound District. The decrease in vessel calls due to the nationwide recession, resulted in a decline in Annual Earnings for Puget Sound Pilots from \$411,398 in 2007 to \$404,448 in 2008, after deducting for pilot organization expenses. The number of pilots set by the board is 57. Currently, the number of licensed pilots is 55.

The identical proposals from the Pacific Merchant Shipping Association and the Port of Grays Harbor increased the Grays Harbor tariff by 2.5%, as follows: Increase all draft and tonnage charges, harbor shifts, increase the pension charge to \$197 per assignment, and increase the transportation fee per assignment by \$45.00.

District Pilot Examinations

An examination was given in the Puget Sound Pilotage District, resulting in fourteen qualifying applicants being placed on the Trainee Waiting List. See Section 10.

New Legislation and Regulations

Rules were amended to clarify the protest, review and appeal of pilot licensing examinations, pilot licensing examination qualifications and procedures, training program and licensing upgrade provisions, and housekeeping modifications.

2 LICENSED PILOTS

PUGET SOUND DISTRICT

PILOT	LIC NO.	YRS
Arnold, J. E.	147	13
Blake, M. E,	163	2
Bujacich, J. P.	164	2
Bundren, W. A.	119	23
Carlson, I. J.	165	2
Coe, F. A.	142	17
Emerson, L. P.	126	21
Engstrom, C. J.	133	19
Engstrom, V. O.	162	4
Flavel, M. R.	140	17
Giese, P. A.	143	16
Grobschmit, D.W.	169	2
Hannigan, P. M.	108	27
Hannuksela, J.A.	175	<1
Harris, J. B.	123	21
Henshaw, B. F.	155	8
Hunziker, C. C. Jr.	115	24
Hurt, G. D.	158	8
Jacobs, T. A.	131	19
Johnson, M. I.	157	8
Justice, V. K.	128	20
Kalvoy, J.E.	170	2
Kelly, P. S.	167	2
Klapperich, E.C.	172	1
Knowles, B. S.	150	13
Kromann, R. N.	103	29
Larson, C. N.	151	12
Larson, G. N.	107	27
Mackenzie, D. G.	124	21
Marmol, E	171	1
Mathisen, L. M.	111	24
Mayer, D. W.	121	22
McCurdy, R. F. Jr	141	17
Mendenhall, M. G.	92	32

PILOT	LIC NO.	YRS
Michelson, B. L.	136	18
Mork, S. E.	159	7
Newman, A. J.	125	20
Niederhauser, J. S.	132	19
Petke, L. R.	137	18
Sanders, D. A.	152	12
Scoggins, J. T.	161	4
Semler, J. R.	156	8
Semler, S.D.	174	1
Shaffer, D. L.	116	23
Shaffer, J. A.	145	16
Shuler, M. J.	154	11
Snyder, W. H.	153	11
Sliker, W. J.	166	2
Soriano, D. B.	122	22
Stensager, D. H.	120	22
Thoreson, G.P.	176	<1
Thorsen, W. E.	118	23
VonBrandenfels, E.	148	13
Ward, J. E.	160	5
Ward, J. K.	168	2
Wildes, G.R.	173	1
Wood, M. D.	134	19

Number of pilots as of 12/31/07	52
Number of retirements in 2008	2
Number of new pilots in 2008	5
Number of pilots as of 12/31/08	55

GRAYS HARBOR DISTRICT

PILOT	NO.	YRS
D'Angelo, R. L.	15	15
Cooke, S. G.	16	2

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

3 BOARD MEMBERS & EXPENSES

COMMISSIONERS

<u>CHAIR</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
Captain Harry Dudley	11-01-99	
 <u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Davis	12-24-98 01-25-02 01-09-06	12-26-09
 Ole Mackey resigned, leaving this position vacant.		
 <u>REPRESENTING AMERICAN SHIPPING</u>		
Captain Craig Lee BP Shipping (USA)	01-25-02 10-24-03 12-27-07	12-26-11
 <u>REPRESENTING FOREIGN SHIPPING</u>		
Vince Addington General Steamship Corporation	03-08-00 12-27-00 12-03-04	12-26-08
 <u>REPRESENTING THE PILOTS</u>		
Captain Pat Hannigan Puget Sound Pilotage District	12-26-04	12-26-08
Captain William Snyder Puget Sound Pilotage District	12-15-06 12-27-07	12-26-11
 <u>REPRESENTING THE DEPARTMENT OF ECOLOGY</u>		
Norm Davis The Spill Prevention, Preparedness & Response Program	04-15-05	
 <u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	09-01-07	12-26-10

LEGAL COUNSEL

Guy Bowman 08-01-08

STAFF

Peggy Larson, Administrator 12-08-82

Judy Bell, Admin. Assistant 04-16-03

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

ANNUAL EXPENSES

January 01, 2008 – December 31, 2008

Salaries and Benefits	\$ 170,795
Personal Service Contracts	\$ 20,000
Goods and Services	\$ 75,277
Travel	\$ 9,355
Equipment	\$ 0
TOTAL EXPENDITURES	\$ 275,427
Stipend surcharge receipts	\$ 219,290.00
Trainee stipends paid out	\$ 261,400.00
Balance in fund	\$ 25,227.56
Accounts Receivable balance	\$ 26,787.06

Funds for the Board of Pilotage Commissioners budget come from annual Pilot license fees and other fees collected as authorized by RCW 88.16.070. The Washington State Legislature reviews and approves our biennial budget, but appropriates no State General Fund revenue.

Trainee Stipends are paid from funds collected specifically for that purpose in the tariff. The amount of the tariff surcharge is reviewed annually at each regular tariff hearing.

4 TOTAL PILOTAGE ASSIGNMENTS

PUGET SOUND PILOTAGE DISTRICT

VESSEL TYPES AND ANNUAL TONNAGE

<u>Vessel Type</u>	<u>Movements</u>	<u>Gross Tons</u>
Bulker	1205	36,991,277
Car Carrier	375	16,993,859
Container	3023	160,798,998
Fishing	5	5,799
General Purpose	211	4,372,587
Naval	26	209,615
Other	102	247,754
Passenger	374	32,493,134
Reefer	8	80,947
Ro-Ro	304	9,890,171
Tanker	2365	113,769,246
Wood chip carrier	2	93,030
<hr/>		
2008 VESSEL MOVES	8000	
2008 PILOTING ASSIGNMENTS	8174	375,946,417
2007 VESSEL MOVES	8177	389,923,989
2007 PILOTING ASSIGNMENTS	8315	
2006 VESSEL MOVES	8196	379,241,695
2006 PILOTING ASSIGNMENTS	8372	
2005 VESSEL MOVES	8169	364,577,150
2005 PILOTING ASSIGNMENTS	8260	

GRAYS HARBOR PILOTAGE DISTRICT

SHIP CALLS AND ANNUAL TONNAGE

Ship Calls

Port of Grays Harbor	38
<u>Weyerhaeuser</u>	<u>10</u>
Total Ship Calls 2008	48
Total Ship Calls 2007	45
Total Ship Calls 2006	33
Total Ship Calls 2005	58

Jobs

Arrivals	48
Departures	47
Shifts	14
<u>Cancellations</u>	<u>1</u>
Total jobs 2008	109
Total jobs 2007	107
Total jobs 2006	82
Total jobs 2005	139

<u>Gross Tonnage</u>	2008	887,488 GT
	2007	1.5 million GT
	2006	1.4 million GT
	2005	2.77 million GT

5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

PILOT EARNINGS

Total Tariff Generated Pilotage Revenue	\$ 30,469,206	
Annual Tariff Generated Earnings of Individual Pilots before Deduction for Expenses of Pilot Organization, Basis 53.7 Full-time Pilots		\$ 562,219
Total Pilot Organization expenses	(\$ 8,550,345)	
Expenses of Pilot Organization per Full-time Pilot		(\$ 157,771)
ANNUAL EARNINGS OF INDIVIDUAL PILOTS AFTER DEDUCTION FOR EXPENSES OF PILOT ORGANIZATIONS		<hr/> \$ 404,448

TRAINEE STIPENDS PAID

Bruce Nelson	\$15,400
Eric Klapperich	\$12,000
Gordon Wildes	\$12,000
Katharine Sweeney	\$66,000
Stephen Semler	\$30,000
James Hannuksela	\$36,000
George Thoreson	\$42,000
Stephen Jones	\$24,000
Larry Seymour	\$24,000
TOTAL STIPENDS PAID	<hr/> \$261,400

RETIREMENT INCOME FOR INACTIVE PILOTS AND WIDOWS OF DECEASED PILOTS

Mrs. P. Anderson
W. A. Anderson
W. K. Anderson
Mrs. E. Bock
W. Bock
Mrs. L. Carey
Mrs. S. Carlson
J. Cox
Mrs. C. Cramer
Mrs. L. Damon
R. Deschamps
Mrs. E. Eckrem
M. Endrody
K. Florian
A. Fosse
M. Gavin
J. Goodin
Mrs. P. Grandy
W. Grobschmit
Mrs. K. Hayes
Mrs. M. Henshaw
B. Holmes
C. Johannes
C. Johnson
B. Joyce
D. Kelly
V. Kjeldtoft
E. Lichty
Mrs. S. Lindholm
E. J. Lofquist
F. Michelson
R. Moss
R. Murphy
J. Osnes
K. Ostergaard
R. Peake
G. Poor
R. Quinn
S. Robichaux
L. Sackett
A. Skucy
A. Soriano
J. Thorsen
L. Thorsen
W. Thorsen
J. Trimmer
Mrs. M. Watkins
N. Werner
R. Wiley

TOTAL RETIREMENT PAYMENTS: \$ 1,852,055

GRAYS HARBOR PILOTAGE DISTRICT

PILOT EARNINGS

<u>Pilot</u>	<u>Salary</u>	<u>Benefits</u>	<u>Expenses</u>	<u>Total compensation</u>
D'Angelo, R. L.	\$ 184,800	\$ 45,396	\$ 6,000	\$ 223,196
Cooke, S. G.	\$ 184,800	\$ 45,396	\$ 6,000	\$ 223,196

Remarks:

“Salary” represents a fixed annual amount paid to the pilots in monthly or weekly installments, irrespective of the number of vessel arrivals. “Benefits” include health, life and disability insurance, paid days off, federal and state taxes, and retirement funding. “Expenses” include training, telephone, license fees and other similar costs.

RETIREMENT INCOME FOR INACTIVE PILOTS

W. C. Dietrich
J. M. Hoyne
B. L. Watson

TOTAL RETIREMENT PAYMENTS \$ 124,920

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

<u>Personnel Employed</u>	<u>Position</u>
1. M. Arkins	A/R Clerk
2. T. Burnell	Dispatcher / Clerk
3. A. Dreyer	Deckhand / Engineer / Relief Boat Operator
4. M. Gregson	Deckhand / Engineer
5. C. Harthorne	Accountant / Dispatcher / Clerk
6. K. Houston	Dispatcher / Clerk
7. M. Juskevich	Relief Deckhand / Engineer
8. P. Moore	Accountant / Dispatcher / Clerk
9. S. Morgan	Boat Operator
10. T. Nicholson	Boat Operator
11. J. Paulson	Lead Boat Operator
12. J. Rushton	Deckhand/Engineer
13. R. Shelton	Maintenance / Utility
14. D. Shideler	Boat Operator
15. W. Tabler	Executive Director/General Counsel
16. B. Valentine	Dispatcher / Clerk
17. R. Welch	Deckhand / Engineer

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

Port Angeles Station Operating Expenses

Depreciation	\$ 104,487
Education	240
Food	107,459
Insurance	13,078
Interest	34,254
Maintenance and repairs	56,702
Rent, tideland lease	2,435
Reposition Pilots	296,660
Supplies	33,277
Taxes on property	10,186
Telephone and communications	13,294
Utilities	<u>18,614</u>
TOTAL	\$ 690,686

Seattle Station Operating Expenses

Attorney fees	\$ 33,228
Casual labor	1,416
Computer maintenance	389,746
Computer programming	63,430
Conferences	13,334
Consulting services	69,174
CPA fees	60,651
Depreciation	203,227
Drug testing	4,316
Dues	121,983
Education	1,299
Employee benefits	222,763
Employee salaries	662,012
Equipment leases	3,372
Grays Harbor Pension	123,056
Insurance	132,555
Interest	69,831
Landlord Reimbursement – Seattle Station Improvements	(27,010)
Lobbyists – Pilot matters	46,165
Office Maintenance and repair	8,960
Office supplies	22,975
Pilot training	285,874
Political Contributions	36,600
Printing and publications	24,719
Rent and Parking	110,370
Taxes on payroll	46,576
Taxes, other	1,085
Taxes on revenue	496,215
Travel, entertainment and promotion	163,969
Telephone and communications	<u>36,702</u>
TOTAL	\$ 3,428,604

Pilot Boat Operating Expenses

Depreciation	\$ 691,605
Employee benefits	159,797
Employee salaries	716,400
Fuel of “Juan de Fuca”	244,017
Fuel of “Puget Sound”	261,174
Insurance	106,612
Interest	79,428
Maintenance and operation of “Juan de Fuca”	122,272
Maintenance and operation of “Puget Sound”	129,353
Taxes on payroll	59,275
Taxes on property	<u>9,067</u>
TOTAL	\$ 2,579,000

Port Angeles Station	\$ 690,686
Seattle Station	3,428,604
Pilot Boat	<u>2,579,000</u>
TOTAL OPERATING EXPENSES	\$ 6,698,290

GRAYS HARBOR PILOTAGE DISTRICT

Personnel Employed

- | | |
|------------------------|-----------------|
| 1. Captain R. D'Angelo | Full-time Pilot |
| 2. Captain S. Cooke | Full-time Pilot |

TOTAL REVENUE	\$ 613,290
<u>Operating Expenses</u>	
Wages	\$344,724
Benefits	115,667
Boarding / de-boarding Services	120,370
Repair / Maintenance	33,201
Advertising	40
Insurance	2,595
Legal Services	107
Training	4,605
Telephone	2,531
Supplies	725
Dues & license fees	11,250
Taxes	9,797
Travel	3,480
Miscellaneous other expenses	631
Depreciation	21,675
Port Administrative Services	<u>65,463</u>
TOTAL OPERATING EXPENSES	\$736,861
NET REVENUE / EXPENSES	(\$123,571)

7 PILOTAGE TARIFFS

GRAYS HARBOR PILOTAGE DISTRICT TARIFF

Effective 0001 hours August 1, 2008, through 2400 hours July 31, 2009.

CLASSIFICATION	RATE
Charges for piloting of vessels in the inland waters and tributaries of Grays Harbor shall consist of the following:	
Draft and Tonnage Charges:	
Each vessel shall be charged according to its draft and tonnage for each vessel movement inbound to the Grays Harbor pilotage district, and for each movement outbound from the district.	
Draft	\$97.20 per meter
	or
	\$29.62 per foot
Tonnage	\$0.279 per net registered ton
Minimum Net Registered Tonnage	\$975.00
Extra Vessel (in case of tow)	\$546.00
Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,400.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.	
Boarding Charge:	
Per each boarding/deboarding from a boat or helicopter	\$1,030.00
Harbor Shifts:	
For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$679.00
Delays per hour	\$159.00
Cancellation charge (pilot only)	\$266.00
Cancellation charge (boat or helicopter only)	\$798.00
Pension Charge:	
Charge per pilotage assignment, including cancellations	\$197.00
Travel Allowance:	
Transportation charge per assignment	\$100.00
Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$931.00 for each day or fraction thereof, and the travel expense incurred.	
Bridge Transit:	
Charge for each bridge transited	\$292.00
Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$809.00
Miscellaneous:	
The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.	

PUGET SOUND PILOTAGE DISTRICT TARIFF

Effective 0001 hours July 1, 2008 through 2400 hours June 30, 2009.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$47.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

Compass Adjustment	\$339.00
Radio Direction Finder Calibration	\$339.00
Launching Vessels	\$509.00
Trial Trips, 6 hours or less (minimum \$954.00)	\$159.00 per hour
Trial Trips, over 6 hours (two pilots)	\$318.00 per hour
Shilshole Bay – Salmon Bay	\$199.00
Salmon Bay – Lake Union	\$154.00
Lake Union – Lake Washington (plus LOA zone from Webster Point)	\$199.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II
(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)	

Waterway and Bridge Charges:

Ships up to 90' beam:

A charge of \$250.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$119.00 per bridge.

Ships 90' beam and/or over:

A charge of \$340.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$237.00 per bridge.

[Board of Pilotage Commissioners, 2008 Annual Report](#)

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

Two or three pilots required:

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

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$258.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$258.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$258.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$258.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$258.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges.

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

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0080 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0821 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0983 per gross ton.

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

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$157.00
Bangor	153.00
Bellingham	181.00
Bremerton	135.00
Cherry Point	209.00
Dupont	97.00
Edmonds	35.00
Everett	59.00
Ferndale	199.00
Manchester	131.00
Mukilteo	53.00
Olympia	125.00
Point Wells	35.00
Port Gamble	185.00
Port Townsend (Indian Island)	223.00
Seattle	15.00
Tacoma	71.00

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

In the event that a pilot consents to board or deboard a vessel at a British Columbia port, which consent shall not unreasonably be withheld, the following additional charges shall apply in addition to the normal LOA, tonnage and

[Board of Pilotage Commissioners, 2008 Annual Report](#)

other charges provided in this tariff that apply to the portion of the transit in U.S. waters:

Direct Transit Charge	\$2,046.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$275.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$275.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$510.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$476.00
Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver-Victoria-New Westminster Range.	\$602.00

Training Surcharge:

A surcharge of \$10.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC [363-116-078](#) shall be added to each pilotage assignment.

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	248	384	655	977	1,315	1,706
450 - 459	258	391	659	991	1,336	1,715
460 - 469	260	395	670	1,008	1,354	1,722
470 - 479	269	407	678	1,028	1,358	1,725
480 - 489	277	414	681	1,047	1,367	1,733
490 - 499	281	419	691	1,066	1,383	1,742
500 - 509	295	427	701	1,078	1,394	1,752
510 - 519	297	435	708	1,094	1,409	1,759
520 - 529	301	450	718	1,099	1,421	1,773
530 - 539	310	456	727	1,112	1,444	1,793
540 - 549	315	462	744	1,123	1,466	1,810
550 - 559	321	478	749	1,140	1,478	1,827
560 - 569	333	497	763	1,150	1,491	1,844

570 - 579	340	501	766	1,155	1,507	1,856
580 - 589	354	509	784	1,164	1,516	1,875
590 - 599	371	520	789	1,170	1,538	1,897
600 - 609	384	536	800	1,174	1,557	1,906
610 - 619	406	541	814	1,179	1,572	1,923
620 - 629	421	548	821	1,193	1,590	1,946
630 - 639	441	557	830	1,196	1,604	1,962
640 - 649	458	570	839	1,198	1,617	1,977
650 - 659	490	580	854	1,208	1,637	1,997
660 - 669	500	587	861	1,215	1,655	2,013
670 - 679	518	602	870	1,237	1,674	2,025
680 - 689	525	612	882	1,247	1,688	2,045
690 - 699	541	621	895	1,269	1,706	2,087
700 - 719	565	642	912	1,285	1,739	2,111
720 - 739	598	659	935	1,303	1,773	2,146
740 - 759	621	691	953	1,315	1,810	2,184
760 - 779	646	713	977	1,336	1,844	2,213
780 - 799	678	745	991	1,354	1,875	2,252
800 - 819	705	766	1,011	1,361	1,906	2,286
820 - 839	727	794	1,034	1,383	1,946	2,313
840 - 859	758	826	1,054	1,399	1,975	2,352
860 - 879	786	854	1,073	1,435	2,013	2,386
880 - 899	814	879	1,094	1,468	2,045	2,421
900 - 919	838	908	1,113	1,506	2,087	2,454
920 - 939	864	935	1,140	1,538	2,109	2,488
940 - 959	895	959	1,156	1,572	2,146	2,518
960 - 979	916	987	1,177	1,604	2,184	2,556
980 - 999	946	1,011	1,197	1,637	2,213	2,589
1000 - 1019	1,004	1,076	1,250	1,724	2,317	2,701
1020 - 1039	1,031	1,108	1,289	1,773	2,387	2,780
1040 - 1059	1,062	1,135	1,327	1,827	2,455	2,862
1060 - 1079	1,094	1,175	1,366	1,882	2,532	2,947
1080 - 1099	1,127	1,208	1,406	1,936	2,606	3,036
1100 - 1119	1,159	1,245	1,449	1,996	2,684	3,127
1120 - 1139	1,195	1,284	1,493	2,054	2,765	3,220
1140 - 1159	1,229	1,320	1,536	2,116	2,849	3,318
1160 - 1179	1,266	1,358	1,584	2,180	2,933	3,416
1180 - 1199	1,305	1,400	1,630	2,245	3,022	3,519
1200 - 1219	1,345	1,442	1,678	2,313	3,113	3,623
1220 - 1239	1,383	1,485	1,727	2,382	3,204	3,732
1240 - 1259	1,424	1,529	1,778	2,452	3,301	3,843
1260 - 1279	1,466	1,574	1,832	2,526	3,401	3,958
1280 - 1299	1,510	1,622	1,888	2,602	3,500	4,078
1300 - 1319	1,556	1,668	1,943	2,679	3,606	4,198
1320 - 1339	1,603	1,719	2,003	2,759	3,713	4,325
1340 - 1359	1,649	1,771	2,062	2,841	3,824	4,455
1360 - 1379	1,699	1,822	2,123	2,928	3,937	4,586
1380 - 1399	1,749	1,877	2,188	3,014	4,056	4,726

1400 - 1419	1,802	1,934	2,251	3,103	4,177	4,867
1420 - 1439	1,855	1,992	2,319	3,197	4,304	5,013
1440 - 1459	1,913	2,052	2,390	3,292	4,432	5,162
1460 - 1479	1,966	2,112	2,460	3,390	4,565	5,315
1480 - 1499	2,026	2,175	2,533	3,491	4,700	5,475
1500 Over	2,087	2,241	2,608	3,598	4,840	5,638

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

INCIDENT REPORTS

PUGET SOUND PILOTAGE DISTRICT

Three Incident Reports were filed in the Puget Sound Pilotage District this year.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
08/19/08	Ever Ursula	Snyder Bundren Sweeney (trainee)	Blair Waterway Tacoma, WA	Damage, no pilot error
10/29/08	Pioneer	Knowles	Duwamish Waterway Seattle, WA	Possible damage, no pilot error
11/23/08	Lavieen Rose	Grobschmit	Hylebos Waterway Tacoma, WA	Damage, no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

One Incident Report was filed in the Grays Harbor Pilotage District.

05/26/08	Black Forest	Cooke	Westport, WA	Damage, no pilot error
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MARINE SAFETY OCCURRENCES

PUGET SOUND AND GRAYS HARBOR DISTRICTS

Sixteen MSO reports in the Puget Sound District: Eleven vessel equipment malfunctions, two non-responsive fishing vessels, two pilots dispatched to vessels over their license limits, and one vessel captain error.

One MSO report in the Grays Harbor District: vessel touched bottom

A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment.

9 PETITIONS FOR VESSEL EXEMPTION

<u>VESSEL NAME</u>	<u>GROSS TONNAGE & LENGTH OVERALL</u>	<u>LENGTH OF EXEMPTION</u>
AGHASSI (Captain Michael Judges) Cayman Islands	145 FT 415 GT	3 months
ALUMERCIA (Captain Joe Mestrom) Netherlands Antilles	123 FT 377 GT	1 year
ANTARES (Captain Mike Smith) Marshall Islands	130 FT 298 GT	3 months
BELLA BRI (Captain Paul Hutchinson) Cayman Islands	151 FT 498 GT	1 year
BELLA DONNA (Captain John Smit) Cayman Islands	70 FT 66 GT	3 months
BIG EAGLE (Captain Christiana Virgilio) St. Vincent	172 FT 379 GT	3 months
BOSSY BOOTS II (Captain Mark Twin) Cayman Islands	136 FT 398 GT	3 months
ESTANCIA (Captain Mike Catania, Westport Shipyard) Cayman Islands	112 FT 208 GT	3 months
EVVIVA (Captain Joseph Trailer) British Virgin Islands	164 FT 492 GT	1 year renew
IMPETUS (Captain Craig Foss Campbell) Cayman Islands	95 FT 186 GT	3 months
KAISEI (Captain Michael Jacobson) St. John's Antigua W.I.	151 FT 180 GT	3 months
KAORI (Captain Johan Raubenheimer) Cayman Islands	110 FT 228 GT	3 months
KRISUJEN (Captain Simon Davidson) Cayman Islands	123 FT 272 GT	3 months
LADY KATHRYN IV (Captain Christopher Ramos) Cayman Islands	164 FT 492 GT	3 months
MARAMA (Captain Paul Lawrence) Cook Islands	122 FT 456 GT	1 year

MISS SYDNEY (Captain Graeme Stoner) Marshall Islands	130 FT 298 GT	3 months
PIANO BAR (Captain Charles Johnson) Cayman Islands	121 FT 342 GT	1 year renew
SEAQUEST (Captain Justin Dubowitz) Cayman Islands	164 FT 494 GT	1 year
SLOJO (Captain Bruno Herregods) Cayman Islands	151 FT 495 GT	3 months
SOLAIA (Captain Michael Dailey) Cayman Islands	115 FT 427 GT	1 year
SOVEREIGN (Captain Jeffrey Hoerr) Marshall Islands	130 FT 298 GT	3 months
STAR 7 (Captain Aaron Steenbhom) Marshall Islands	90 FT 180 GT	1 year
VANGO (Captain David Hagerman) Cayman Islands	164 FT 490 GT	1 year renew
VICTORIA CLIPPER (various) Netherlands Antilles	127 FT 427 GT	1 year renew

Certain foreign flag vessels can qualify for an exemption from pilotage requirements if the vessel is less than 500 international gross tons and the length over all is less than 200 feet.

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PILOT EXAMINATIONS

A written examination was given to forty applicants in the Puget Sound Pilotage District on October 20, 2008. Thirty-six applicants passed the written examination with a required minimum passing score of 119. The top twenty-eight moved on to the simulator evaluation, where fourteen applicants scored above the cut score set by the board. The applicants were ranked in order by their combined scores and will establish the waiting list, from which the Board will call trainees into the Training Program as needed.

PILOT TRAINEE WAITING LIST

1. Stephan Moreno
2. John Scragg
3. David Brusco
4. James Caspers
5. Scott Anacker
6. Blair Bouma
7. James Kearns
8. Michael Anthony
9. Robert D'Angelo
10. Fred Engstrom
11. Warren Carley
12. William Lowery
13. Thomas Coryell
14. Daniel Brouillard

TRAINING PROGRAMS

PUGET SOUND DISTRICT

The final four applicants from the 2005 exam began a seven-month Training Program in 2008:

1. Jim Hannuksela
2. George Thoreson
3. Stephen Jones
4. Larry Seymour

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



Washington State
Board of Pilotage Commissioners

2009 ANNUAL REPORT

2009 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035 (5)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2009/2008
- Port of Grays Harbor Unaudited Supplemental Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2009/2008
- By-laws and Operating Rules (Puget Sound District)
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone Reports (Puget Sound District)
- Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

1 FOREWORD

Piloting Activity in Washington State

The Puget Sound Pilots handled a total of 7,565 vessel moves, resulting in 7,679 pilot assignments in 2009. This is a reduction in vessel moves and assignments for the third consecutive year. The average number of full-time pilots increased from 54.2 in 2008 to 55.6 in 2009. The average annual number of assignments per pilot fell from 150 in 2008 to 138 in 2009.

The Grays Harbor Pilots handled a total of 113 pilot assignments in 2009, an increase of four ship moves from 2008. The Port of Grays Harbor employed two full-time pilots.

2009 Tariff Hearings

The Board of Pilotage Commissioners is required by RCW 88.16.035(4) to annually fix Pilotage tariff rates. Separate written proposals were submitted by the Puget Sound Pilots and the Pacific Merchant Shipping Association for the 2009-2010 tariff year. Initially, Pilots asked for a 5% tariff increase. Industry proposed a 6% decrease. Excluded were adjustments to the \$10 *Training Surcharge* which supports pilot training stipend payments and the \$2.00 per mile charge for *Transportation to Vessels on Puget Sound*. The final submittal by Puget Sound Pilots proposed a tariff increase of 6%, as well as an increase of 25% to the *Transportation to Vessels on Puget Sound* category, and a CPI increase of 1.7% to the two transportation charges within the *British Columbia Direct Transit Charge* category. The Board unanimously approved a 0% tariff increase, an increase in taxi rates from \$2.00 to \$2.50 per mile for transportation to vessels on Puget Sound, and a 1.7% CPI increase to transportation charges in the Vancouver, BC area and out ports. This tariff is effective 0001 July 1, 2009 through 2400 hours June 30, 2010. Fewer vessel calls resulted in a decline of Tariff Generated Pilotage Revenue to \$29,465,826 in 2009 from the \$30,469,206 reported in 2008.

The Board approved the Port of Grays Harbor proposal of tariff changes in the Grays Harbor Pilotage District for the 2009-2010 tariff year as follows: a 3% increase to the *Draft and Tonnage Charges, Harbor Shifts and Bridge Transits* categories; a \$29 increase per Pilotage assignment, including cancellations, to the *Pension Charge*; and, created a new category to establish charges in a case where two pilots are employed for a single vessel move. This tariff is effective 0001 August 1, 2009 through 2400 July 31, 2010. Pilotage services generated revenue of \$628,861 in 2009 and \$613,290 in 2008.

New Legislation and Regulations

At the request of Puget Sound Pilots, Senate Bill 6095 was considered by the state legislature. The original senate bill was amended by the House, and Substitute Senate Bill 6095 became effective on July 26, 2009. The language proposed by Puget Sound Pilots to amend RCW 88.16.035(1)(e) required the Board, when setting the Puget Sound Pilotage District tariff, to include pilot retirement plan expense costs incurred in the prior year in both the Puget Sound and Grays Harbor Pilotage Districts. The substitute bill amends the language to state the Board may consider pilot retirement plan expense costs. Also, under no circumstances shall the state be obligated to fund or pay for any portion of retirement payments for pilots or retired pilots.

2 LICENSED PILOTS

PUGET SOUND DISTRICT

PILOT	Lic #	Years
ARNOLD, John	147	14
BLAKE, Michael	163	3
BUJACICH, Jack	164	3
BUNDREN, William	119	24
CARLSON, Ivan	165	3
COE, Frantz (Andy)	142	18
EMERSON, Larry	126	22
ENGSTROM, Carl	133	20
ENGSTROM, Victor	162	5
FLAVEL, Melvin	140	18
GIESE, Peter	143	17
GROBSCHMIT, David	169	3
HANNIGAN, Patrick	108	28
HANNUKSELA, James	175	1
HARRIS, John	123	22
HENSHAW, Brian	155	9
HUNZIKER, Calvin	115	25
HURT, Gary	158	9
JACOBS, Thomas	131	20
JOHNSON, Marin	157	9
JUSTICE, Verne	128	21
KALVOY, Jostein	170	3
KELLY, Patrick	167	3
KLAPPERICH, Eric	172	2
KNOWLES, Burton	150	14
KROMANN, Robert	103	30
LARSON, Christopher	151	13
LARSON, Gregory	107	28
McCURDY, Richard	141	22
MACKENZIE, Delmar	124	2
MARMOL, Edmund	171	25
MATHISEN, Laurance	111	23
MAYER, Donald	121	18
MENDENHALL, Michael	92	33

PILOT	Lic #	Years
MICHELSON, Bruce	136	19
MORENO, Stephan	178	<1
MORK, Stuart	159	8
NEWMAN, Alec	125	21
NIEDERHAUSER, John	132	20
PETKE, Lyle	137	19
SANDERS, David	152	13
SCOGGINS, John	161	5
SEMLER, Joseph	156	9
SEMLER, Stephen	174	2
SEYMOUR, Lawrence	177	<1
SHAFFER, Daniel	116	17
SHAFFER, James	145	12
SHULER, Mark	154	12
SLIKER, William	166	3
SNYDER, William	153	12
SORIANO, Donald	122	23
THORESON, George	176	1
vonBRANDENFELS, Eric	148	14
WARD, John K.	168	6
WARD, Jonathan E.	160	3
WILDES, Gordon	173	2
WOOD, Micheal	134	20

Number of pilots as of 12/31/08:	55
Number of retirements in 2009:	0
Number of new pilots in 2009:	2
Number of pilots as of 12/31/09:	57

GRAYS HARBOR DISTRICT

PILOT	Lic #	Years
D'Angelo, R. L.	15	16
Cooke, S. G.	16	3

No changes to pilot roster in 2009

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

3 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
<u>CHAIR</u>		
Captain Harry Dudley	11-01-99	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Davis	12-24-98	12-26-09
Term expired 12/26/09, leaving position vacant	01-25-02	
	01-09-06	
Charles Adams	09-29-09	12-26-12
<u>REPRESENTING AMERICAN SHIPPING</u>		
Captain Craig Lee - BP Shipping (USA)	01-25-02	12-26-11
	10-24-03	
	12-27-07	
<u>REPRESENTING FOREIGN SHIPPING</u>		
Jeff Thompson - General Steamship Corp	01-22-09	12-26-12
<u>REPRESENTING THE PILOTS</u>		
Captain Pat Hannigan - Puget Sound Pilotage District	12-26-04	12-26-12
	01-22-09	
Captain William Snyder - Puget Sound Pilotage District	12-15-06	12-26-11
	12-27-07	
<u>REPRESENTING THE DEPARTMENT OF ECOLOGY</u>		
Norm Davis - Spill Prevention, Preparedness & Response Program	04-15-05	
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	09-01-07	12-26-10
<u>LEGAL COUNSEL</u>		
Guy Bowman	08-01-08	
<u>STAFF</u>		
Peggy Larson, Administrator	12-08-82	
Judy Bell, Administrative Assistant	04-16-03	12-31-09

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

3 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

OPERATING EXPENSES

Salaries and Benefits	\$ 170,338.62
Goods and Services	85,988.92
Trainee Stipends	299,200.00
Travel	<u>5,004.14</u>
TOTAL EXPENDITURES	<u>\$ 560,531.68</u>

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

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

4 TOTAL PILOTAGE ASSIGNMENTS

PUGET SOUND PILOTAGE DISTRICT

VESSEL TYPES AND ANNUAL TONNAGE

<u>Vessel Type</u>	<u>Vessels Moves</u>	<u>Gross Tons</u>
Bulker	1034	32,697,431
Car Carrier	349	18,123,570
Container	2774	145,848,713
General Purpose	140	2,889,078
Naval	23	23,272
Other	107	761,989
Passenger	441	36,712,629
Reefer	11	106,713
Ro-Ro	297	9,845,357
Tanker	2389	108,230,596
	<u>7565</u>	<u>355,239,348</u>

	<u>Piloting Assignments</u>	<u>Vessels Moves</u>	<u>Gross Tons</u>
Calendar Year 2009	7679	7565	355,239,348
Calendar Year 2008	8174	8000	375,946,417
Calendar Year 2007	8315	8177	389,923,989
Calendar Year 2006	8372	8196	379,241,695
Calendar Year 2005	8260	8169	364,577,150

4 TOTAL PILOTAGE ASSIGNMENTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

SHIP CALLS AND ANNUAL TONNAGE

Ship Calls

Total Ship Calls 2009	47
Total Ship Calls 2008	48
Total Ship Calls 2007	45
Total Ship Calls 2006	33
Total Ship Calls 2005	58

Jobs

Arrivals	47
Departures	49
Shifts	15
<u>Cancellations</u>	<u>2</u>
Total jobs 2009	113
Total jobs 2008	109
Total jobs 2007	107
Total jobs 2006	82
Total jobs 2005	139

Gross Tonnage

2009	2.88 million GT
2008	2.04 million GT
2007	1.50 million GT
2006	1.40 million GT
2005	2.77 million GT

5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

PILOT EARNINGS

	2009 Total	Per Pilot (55.6 Full- time)
Tariff Generated Pilotage Revenue	\$ 29,465,826	\$ 530,431
Expenses of Pilot Organization (Puget Sound Pilots)	(8,730,728)	(157,167)
Total Earnings after Deduction of Pilot Organization Expenses	\$ 20,735,098	\$ 373,264

Remarks:

Total Earnings includes Individual Business Expenses provision and Transportation Allowances/ Reimbursements distributed to each pilot in the average amount of \$60,069 for the year 2009.

GRAYS HARBOR PILOTAGE DISTRICT

PILOT EARNINGS

	2009 Total	Per Pilot (2 Full-time)
Tariff Generated Pilotage Revenue	\$ 628,861	\$ 314,430
Port of Grays Harbor Supplemental Contribution	170,082	85,041
Expenses of Pilot Organization (Port of Grays Harbor Pilot Services Department)	(286,651)	(143,325)
Total Earnings	\$ 512,292	\$ 256,146

Remarks:

Total Earnings represents a salary paid to the pilots which includes benefits of health, life and disability insurance, federal and state taxes, and retirement funding paid by the employer. Also included in Total Earnings are the amounts reimbursed for business expenses and transportation allowance/reimbursement.

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

PUGET SOUND PILOTAGE DISTRICT

TRAINEE STIPENDS PAID

Stephen Jones	\$ 32,000
Lawrence Seymour	37,600
Stephan Moreno	49,600
David Brusco	54,000
James Caspers	54,000
John Scragg	48,000
Blair Bouma	24,000
D. Scott Anacker	Waived
TOTAL STIPENDS PAID	<hr/> \$ 299,200

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

SUMMARIZED EXPENSES – DETAIL BELOW

Seattle Office Operating Expenses	\$ 3,566,868
Port Angeles Station Operating Expenses	623,066
Pilot Boat Operating Expenses	2,558,762
Payments to Retired Pilots/Widows	<u>1,982,032</u>
TOTAL EXPENSES	<u>\$ 8,730,728</u>

SEATTLE OFFICE EXPENSES

Attorney fees	\$ 53,063
Bad debt expense	1,242
Computer maintenance	219,927
Computer programming	2,936
Consulting services	86,750
CPA fees	62,422
Depreciation	277,767
Drug testing	6,572
Dues	149,669
Employee benefits	240,080
Employee salaries	657,929
Equipment leases	1,013
Grays Harbor pension	123,056
Insurance	193,917
Interest	60,615
Lobbyist	68,447
Office maintenance & repair	10,020
Office supplies	34,444
Pilot training	407,339
Political contributions	48,925
Printing & publications	21,322
Rent & parking	137,476
Taxes on payroll	49,119
Taxes, other	1,286
Taxes on revenue	476,791
Travel, entertainment, promotion	135,837
Telephone & communications	<u>38,904</u>
SEATTLE TOTAL	<u>\$ 3,566,868</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd.)

PUGET SOUND PILOTAGE DISTRICT (cont'd.)

PORT ANGELES STATION EXPENSES

Depreciation	\$	95,261
Food		106,201
Insurance		13,708
Interest		30,495
Maintenance and repairs		31,272
Rent, tideland lease		3,493
Reposition pilots		266,179
Supplies		36,108
Taxes on property		10,209
Telephone & communications		12,216
Utilities		<u>17,924</u>
PORT ANGELES TOTAL	\$	<u>623,066</u>

PILOT BOAT EXPENSES

Depreciation	\$	645,484
Employee benefits		166,879
Employee salaries		776,740
Fuel of "Juan de Fuca"		169,681
Fuel of "Puget Sound"		107,832
Insurance		113,005
Interest		50,309
Maintenance & operation of "Juan de Fuca"		159,697
Maintenance & operation of "Puget Sound"		296,636
Taxes on payroll		63,876
Taxes on property		<u>8,623</u>
PILOT BOAT TOTAL	\$	<u>2,558,762</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd.)

PUGET SOUND PILOTAGE DISTRICT (cont'd.)

PAYMENTS TO RETIRED PILOTS AND WIDOWS OF DECEASED RETIRED PILOTS

Mrs. P. Anderson	Capt. V. Kjeldtoft
Capt. W. A. Anderson	Capt. E. C. Lichty
Capt. W. A. Bock	Mrs. S. Lindholm
Mrs. L. Carey	Capt. E. J. Lofquist
Mrs. S. Carlson	Capt. F. L. Michelson
Capt. J. L. Cox	Capt. R. A. Moss
Mrs. C. Cramer	Capt. R. W. Murphy
Mrs. L. Damon	Capt. J. P. Osnes
Capt. R. O. Deschamps	Capt. K. E. Ostergaard
Mrs. E. E. Eckrem	Capt. R. S. Peake
Capt. M. Endrody	Capt. G. M. Poor
Capt. K. L. Florian	Capt. R. H. Quinn
Capt. A. L. Fosse	Capt. S. A. Robichaux
Capt. M. T. Gavin	Capt. L. W. Sackett
Capt. T. J. Goodin	Capt. A. S. Skucy, Inc.
Mrs. P. Grandy	Capt. A. Soriano
Capt. W. M. Grobschmit	Capt. D. H. Stensager
Mrs. K. Hayes	Capt. J. S. Thorsen
Mrs. R. Henshaw	Capt. L.D. Thorsen
Capt. B. C. Holmes	Capt. W. E. Thorsen
Capt. C. A. Johannes	Capt. J. W. Trimmer
Capt. C. L. Johnson	Mrs. M. Watkins
Capt. B. E. Joyce	Capt. N. A. Werner
Capt. D. J. Kelly	Capt. R. Wiley
	TOTAL PAYMENTS <u>\$ 1,982,032</u>

PAYMENTS TO GRAYS HARBOR RETIRED PILOTS

Capt. W. C. Dietrich	Capt. B. L. Watson
Capt. J. M. Hoyne	
	TOTAL PAYMENTS <u>\$ 123,056</u>

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd.)

PUGET SOUND PILOTAGE DISTRICT (cont'd.)

SCHEDULE OF EMPLOYEES

	<u>Employee</u>	<u>Position</u>
1.	M. Arkins	AR Clerk
2.	T. Burnell	Dispatcher/Clerk
3.	A. Dreyer	Deckhand/Engineer/Relief Boat Operator
4.	M. Gregson	Deckhand/Engineer
5.	C. Harthorne	Accountant/Dispatcher/Clerk
6.	K. Houston	Dispatcher/Clerk
7.	M. Juskevich	Relief Deckhand/Engineer
8.	P. Moore	Accountant/Dispatcher/Clerk
9.	S. Morgan	Boat Operator
10.	T. Nicholson	Boat Operator
11.	J. Paulson	Lead Boat Operator
12.	J. Rushton	Deckhand/Engineer
13.	R. Shelton	Maintenance/Utility
14.	D. Shideler	Boat Operator
15.	W. Tabler	Executive Director/General Counsel
16.	B. Valentine	Dispatcher/Clerk
17.	R. Welch	Deckhand/Engineer

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd.)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

- | | | |
|----|---------------------|-----------------|
| 1. | Captain R. D'Angelo | Full-time Pilot |
| 2. | Captain S. Cooke | Full-time Pilot |

TOTAL TARIFF GENERATED REVENUE	<u>\$ 628,861</u>
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GRAYS HARBOR DISTRICT EXPENSES

Wages	\$ 377,633
Benefits	133,027
Boarding/deboarding services	124,780
Repair/maintenance	41,680
Advertising	36
Insurance	2,072
Legal services	2,841
Training	1,230
Telephone	2,978
Supplies	9,986
Dues & license fees	12,000
Taxes	7,953
Travel	1,948
Miscellaneous other expenses	3,106
Depreciation	21,733
Port Administrative Services	<u>55,940</u>
TOTAL Expenses	<u>\$ 798,943</u>
Port of Grays Harbor Contribution to Pilotage Costs	<u>\$(170,082)</u>

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT TARIFF

Effective 0001 hours July 1, 2009 through 2400 hours June 30, 2010.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$47.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

Compass Adjustment	\$339.00
Radio Direction Finder Calibration	\$339.00
Launching Vessels	\$509.00
Trial Trips, 6 hours or less (minimum \$954.00)	\$159.00 per hour
Trial Trips, over 6 hours (two pilots)	\$318.00 per hour
Shilshole Bay – Salmon Bay	\$199.00
Salmon Bay – Lake Union	\$154.00
Lake Union – Lake Washington (plus LOA zone from Webster Point)	\$199.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II
(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)	

Waterway and Bridge Charges:

Ships up to 90' beam:

A charge of \$250.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$119.00 per bridge.

Ships 90' beam and/or over:

A charge of \$340.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$237.00 per bridge.

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

PUGET SOUND PILOTAGE DISTRICT TARIFF (cont'd.)

Two or three pilots required:

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

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$258.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$258.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$258.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$258.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$258.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges.

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

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0080 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0821 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0983 per gross ton.

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

PUGET SOUND PILOTAGE DISTRICT TARIFF (cont'd.)

Transportation to Vessels on Puget Sound:

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

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

PUGET SOUND PILOTAGE DISTRICT TARIFF (cont'd.)

Direct Transit Charge	\$2,046.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$275.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$275.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$510.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$484.00
Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver-Victoria-New Westminster Range.	\$612.00

Training Surcharge:

A surcharge of \$10.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC [363-116-078](#) shall be added to each pilotage assignment.

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	248	384	655	977	1,315	1,706
450 - 459	258	391	659	991	1,336	1,715
460 - 469	260	395	670	1,008	1,354	1,722
470 - 479	269	407	678	1,028	1,358	1,725
480 - 489	277	414	681	1,047	1,367	1,733
490 - 499	281	419	691	1,066	1,383	1,742
500 - 509	295	427	701	1,078	1,394	1,752
510 - 519	297	435	708	1,094	1,409	1,759
520 - 529	301	450	718	1,099	1,421	1,773
530 - 539	310	456	727	1,112	1,444	1,793
540 - 549	315	462	744	1,123	1,466	1,810
550 - 559	321	478	749	1,140	1,478	1,827
560 - 569	333	497	763	1,150	1,491	1,844
570 - 579	340	501	766	1,155	1,507	1,856
580 - 589	354	509	784	1,164	1,516	1,875
590 - 599	371	520	789	1,170	1,538	1,897
600 - 609	384	536	800	1,174	1,557	1,906
610 - 619	406	541	814	1,179	1,572	1,923
620 - 629	421	548	821	1,193	1,590	1,946

PUGET SOUND PILOTAGE DISTRICT TARIFF (cont'd.)

630 - 639	441	557	830	1,196	1,604	1,962
640 - 649	458	570	839	1,198	1,617	1,977
650 - 659	490	580	854	1,208	1,637	1,997
660 - 669	500	587	861	1,215	1,655	2,013
670 - 679	518	602	870	1,237	1,674	2,025
680 - 689	525	612	882	1,247	1,688	2,045
690 - 699	541	621	895	1,269	1,706	2,087
700 - 719	565	642	912	1,285	1,739	2,111
720 - 739	598	659	935	1,303	1,773	2,146
740 - 759	621	691	953	1,315	1,810	2,184
760 - 779	646	713	977	1,336	1,844	2,213
780 - 799	678	745	991	1,354	1,875	2,252
800 - 819	705	766	1,011	1,361	1,906	2,286
820 - 839	727	794	1,034	1,383	1,946	2,313
840 - 859	758	826	1,054	1,399	1,975	2,352
860 - 879	786	854	1,073	1,435	2,013	2,386
880 - 899	814	879	1,094	1,468	2,045	2,421
900 - 919	838	908	1,113	1,506	2,087	2,454
920 - 939	864	935	1,140	1,538	2,109	2,488
940 - 959	895	959	1,156	1,572	2,146	2,518
960 - 979	916	987	1,177	1,604	2,184	2,556
980 - 999	946	1,011	1,197	1,637	2,213	2,589
1000 - 1019	1,004	1,076	1,250	1,724	2,317	2,701
1020 - 1039	1,031	1,108	1,289	1,773	2,387	2,780
1040 - 1059	1,062	1,135	1,327	1,827	2,455	2,862
1060 - 1079	1,094	1,175	1,366	1,882	2,532	2,947
1080 - 1099	1,127	1,208	1,406	1,936	2,606	3,036
1100 - 1119	1,159	1,245	1,449	1,996	2,684	3,127
1120 - 1139	1,195	1,284	1,493	2,054	2,765	3,220
1140 - 1159	1,229	1,320	1,536	2,116	2,849	3,318
1160 - 1179	1,266	1,358	1,584	2,180	2,933	3,416
1180 - 1199	1,305	1,400	1,630	2,245	3,022	3,519
1200 - 1219	1,345	1,442	1,678	2,313	3,113	3,623
1220 - 1239	1,383	1,485	1,727	2,382	3,204	3,732
1240 - 1259	1,424	1,529	1,778	2,452	3,301	3,843
1260 - 1279	1,466	1,574	1,832	2,526	3,401	3,958
1280 - 1299	1,510	1,622	1,888	2,602	3,500	4,078
1300 - 1319	1,556	1,668	1,943	2,679	3,606	4,198
1320 - 1339	1,603	1,719	2,003	2,759	3,713	4,325
1340 - 1359	1,649	1,771	2,062	2,841	3,824	4,455
1360 - 1379	1,699	1,822	2,123	2,928	3,937	4,586
1380 - 1399	1,749	1,877	2,188	3,014	4,056	4,726
1400 - 1419	1,802	1,934	2,251	3,103	4,177	4,867
1420 - 1439	1,855	1,992	2,319	3,197	4,304	5,013
1440 - 1459	1,913	2,052	2,390	3,292	4,432	5,162
1460 - 1479	1,966	2,112	2,460	3,390	4,565	5,315
1480 - 1499	2,026	2,175	2,533	3,491	4,700	5,475
1500 Over	2,087	2,241	2,608	3,598	4,840	5,638

7 PILOTAGE TARIFFS (cont'd.)

GRAYS HARBOR PILOTAGE DISTRICT TARIFF

Effective 0001 hours August 1, 2009, through 2400 hours July 31, 2010.

CLASSIFICATION

RATE

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

Draft and Tonnage Charges:

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

Draft	\$100.12 per meter or \$30.51 per foot
Tonnage	\$0.287 per net registered ton
Minimum Net Registered Tonnage	\$1004.00
Extra Vessel (in case of tow)	\$562.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,400.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter	\$1,030.00
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Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$699.00
Delays per hour	\$164.00
Cancellation charge (pilot only)	\$274.00
Cancellation charge (boat or helicopter only)	\$822.00

Pension Charge:

Charge per pilotage assignment, including cancellations	\$226.00
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Travel Allowance:

Transportation charge per assignment	\$100.00
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Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$931.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	\$301.00
Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$833.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

INCIDENT REPORTS

PUGET SOUND PILOTAGE DISTRICT

Seven Incident Reports were filed in the Puget Sound Pilotage District this year.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
03/24/09	Hyundai Republic	Arnold	Blair Waterway	Environmental damage, no pilot error
04/13/09	Great Land	Giese	Tacoma, Pier 7B	Damage, no pilot error
05/14/09	Polar Adventure	Sanders	Blair Waterway	No damage, no pilot error
09/19/09	Polar Discovery	Hannigan	.1 mi off PD, PA Harbor	Damage, no pilot error
09/22/09	Yong Jim	Grobschmit	Commencement Bay	Damage, no pilot error
09/27/09	Napoli	Snyder	East Waterway Seattle	Damage, no pilot error
11/10/09	Horizon Anchorage	Hannuksela	SB traffic lanes / buoy TA	Damage, no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

One Incident Report and one Transfer Incident Investigation were filed in the Grays Harbor Pilotage District.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
04/08/09	Global Wisdom	Cooke	Aberdeen Reach	Damage, no pilot error
11/05/09	Furia R	Cooke	Incident as pilot transferred between vessel and pilot boat; Bar Channel #2	Sussman Consulting report accepted, no action taken by Board

MARINE SAFETY OCCURRENCES

PUGET SOUND AND GRAYS HARBOR DISTRICTS

Seventeen MSO reports in the Puget Sound District: Fifteen vessel equipment malfunctions or failures, one maneuver to avoid gillnets, and one avoidance maneuver taken with regard to unanticipated wind / gusts.

One MSO report in the Grays Harbor District: equipment malfunction.

A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment.

9 PETITIONS FOR VESSEL EXEMPTION

PUGET SOUND DISTRICT

During some or all of the months of 2009, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF ORIGIN</u>
AL3AGRAB	112 FT	208 GT	Catania	Cayman Islands
ALESIA MARIA	112 FT	208 GT	Alterio	British Virgin Islands
ALUMERICIA	123 FT	377 GT	Mestrom	Netherlands Antilles
BEAGLE STAR V	105 FT	137 GT	Brown	United Kingdom
BELLA BRI	152 FT	498 GT	Hutchinson	Cayman Islands
C1	96 FT	190 GT	Daw	Cayman Islands
CHIMERA	90 FT	123 GT	Turner	United Kingdom
COPASETIC	141 FT	491 GT	Esztergomy	Cayman Islands
CV-9	131 FT	322 GT	Lee	Marshall Islands
ESTANCIA	112 FT	208 GT	McDowell / Jones	Cayman Islands
EVVIVA	164 FT	492 GT	Trailer / Benge	British Virgin Islands
HARMONY	164 FT	492 GT	Heath	Cayman Islands
KATYA	150 FT	472 GT	Cunningham	Cayman Islands
LADY KATHRYN IV	164 FT	492 GT	Ramos	Cayman Islands
LADY LILY	112 FT	208 GT	Crocker	Marshall Islands
LARA / HURACAN	125 FT	360 GT	Catlett	Cayman Islands
MARAMA	123 FT	456 GT	Lawrence	Cook Islands
MISS MICHELLE	130 FT	333 GT	Catania / Lagace	Cayman Islands
ODESSA	160 FT	499 GT	Lowden	Cayman Islands
PANDORA'S CAT	50 FT	31 GT	Villeger	British Virgin Islands
PIANO BAR	121 FT	342 GT	Johnson	Cayman Islands
ROSEHEARTY	183 FT	499 GT	Potter / Green	Isle of Man
SEAQUEST	164 FT	494 GT	Dubowitz	Cayman Islands
SLOJO	151 FT	495 GT	Herregods	Cayman Islands
SOLAIA	115 FT	427 GT	Dailey / Boxshall	Cayman Islands
STAR 7	90 FT	180 GT	Steenbhom	Marshall Islands
TAMSEN	172 FT	463 GT	Clark	Cayman Islands
VANGO	164 FT	490 GT	Hagerman	Cayman Islands
VICTORIA CLIPPER	127 FT	427 GT	Various	Netherlands Antilles

Certain foreign flag vessels may petition for a three-month or one-year exemption from pilotage requirements if the vessel meets the qualifications and remits payment as set forth in RCW 88.16.070 and WAC 363.116.360.

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

The last exam for entry into a pilot training program for the Puget Sound District was held in the fall of 2008. A waiting list of the top fourteen candidates was established from that exam and at December 31, 2009, has eight remaining to be called into the program.

STATUS OF SUCCESSFUL 2008 EXAM APPLICANTS:

1. Stephan Moreno (T-019)	Licensed (#178): 12/10/09
2. John Scragg (T-020)	Entered training program: 05/01/09
3. David Brusco (T-021)	Entered training program: 04/01/09
4. James Caspers (T-022)	Entered training program: 04/01/09
5. D. Scott Anacker (T-023)	Entered training program: 09/01/09
6. Blair Bouma (T-024)	Entered training program: 09/01/09
7. James Kearns	
8. Michael Anthony	
9. Robert D'Angelo	
10. Fred Engstrom	
11. Warren Carley	
12. William Lowery	
13. Thomas Coryell	
14. Daniel Brouillard	

GRAYS HARBOR PILOTAGE DISTRICT

The last pilot exam for the Grays Harbor District was held in 1992. The waiting list for entry into a training program for this district has been exhausted.

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



Washington State
Board of Pilotage Commissioners

2010 ANNUAL REPORT

2010 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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5	12-13	<u>ANNUAL EARNINGS OF INDIVIDUAL PILOTS</u>
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7	18-23	<u>PILOTAGE TARIFFS</u>
8	24	<u>INCIDENT REPORTS & MARINE SAFETY OCCURENCES</u>
9	25	<u>PETITIONS FOR VESSEL EXEMPTION</u>
10	26	<u>PILOT EXAMINATIONS & TRAINING PROGRAMS</u>

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2010/2009
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2010
- By-laws and Operating Rules (Puget Sound District)
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone Reports (Puget Sound District)
- Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

1 FOREWORD

Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,262 vessel moves, resulting in 7,343 pilot assignments in 2010. This is a reduction in vessel moves and assignments for the fourth consecutive year. The average number of full-time pilots decreased from 55.6 in 2009 to 55.4 in 2010. The average annual number of assignments per pilot fell from 138 in 2009 to 134 in 2010.

The Grays Harbor Pilots had a total of 170 pilot assignments in 2010, an increase of 57 ship moves from 2009. The Port of Grays Harbor employed two full-time pilots.

2010 Tariff Hearings

The Board of Pilotage Commissioners is required by RCW 88.16.035(1)(f) to annually fix pilotage tariff rates. For the Puget Sound Pilotage District, separate written proposals were submitted by the Puget Sound Pilots and the Pacific Merchant Shipping Association for the 2010-2011 tariff year. The Puget Sound Pilot's initial request reflected either an increase of 10% in all categories except *Transportation* and *Training Surcharge* or an increase to just the *Boarding Charge* Category from the current \$47 to \$415. A revised proposal was submitted by PSP which reflected a request for an increase of 7.3% in all categories except *Transportation* and *Training Surcharge* and an increase in the *Boarding Charge* Category from \$47 to \$297. The Pacific Merchant Shipping Association's initial request reflected a decrease of 10% in all categories except *Transportation* and *Training Surcharge*. PMSA also submitted a revised proposal which reflected a request for a decrease of 5% in all categories except *Transportation* and *Training Surcharge*. After several motions with varied scenarios, the Board approved an across-the-board increase to the PSPD tariff by 3% with exception to the *Transportation* and *Training Surcharge* categories; effective 0001 July 1, 2010 through 2400 hours June 30, 2011.

The Board unanimously approved the Port of Grays Harbor proposed tariff changes in the Grays Harbor Pilotage District for the 2010-2011 tariff year as follows: increase only the *Pension Charge* category by \$45 to \$271 per Pilotage assignment, including cancellations, effectively increasing the overall tariff by 0.8%. This tariff is effective 0001 August 1, 2010 through 2400 July 31, 2011.

New Legislation and Regulations

There was no proposed or adopted legislation during the 2010 Legislative Session that pertained to the Pilotage Act.

The pilot training program rules (WAC 363-116-078) were modified in order to extend the time period during which a pilot trainee has to complete the initial evaluation period of his/her training program.

Three additional WAC modifications were made in late November in order to adjust pilot license fees, vessel exemption fees and vessel surcharges for purposes of generating necessary revenue to sustain the operations of the Board and pay trainee stipends.

2 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
<u>CHAIR</u>		
Captain Harry Dudley	11/1/1999	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	9/29/2009	12/26/2012
Edmund I. Kiley	1/14/2010	12/26/2013
<u>REPRESENTING AMERICAN SHIPPING</u>		
Captain Craig Lee - BP Shipping (USA)	1/25/2002 10/24/2003 12/27/2007	12/26/2011
<u>REPRESENTING FOREIGN SHIPPING</u>		
Doug Coburn - General Steamship Corp	5/5/2010	12/26/2012
<u>REPRESENTING THE PILOTS</u>		
Captain Pat Hannigan - Puget Sound Pilotage District	12/26/2004 1/22/2009	12/26/2012
Captain William Snyder - Puget Sound Pilotage District	12/15/2006 12/27/2007	3/1/2010
Captain Richard McCurdy - Puget Sound Pilotage District	3/1/2010	12/26/2011
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Norm Davis - Spill Prevention, Preparedness & Response Program	4/15/2005	
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	9/1/2007	12/26/2010
<u>LEGAL COUNSEL</u>		
Guy Bowman	8/1/2008	
<u>STAFF</u>		
Peggy Larson, Administrator	12/8/1982	
Shawna Erickson, Administrative Assistant	1/28/2010	

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

2 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$ 161,903
Goods and Services	275,310
Trainee Stipends	253,733
Travel	9,310
TOTAL EXPENDITURES	<u>\$ 700,256</u>

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

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

3 LICENSED PILOTS PUGET SOUND DISTRICT

PILOT	Lic #	at 12/31/10 or retirement
		Years Licensed
ARNOLD, John	147	15.1
BLAKE, Michael	163	4.5
BRUSCO, David	180	0.8
BUJACICH, Jack	164	4.5
BUNDREN, William	119	25.2
CARLSON, Ivan	165	4.5
COE, Frantz (Andy)	142	18.7
EMERSON, Larry	126	23.0
ENGSTROM, Carl	133	20.9
ENGSTROM, Victor	162	5.7
FLAVEL, Melvin (Ret.)	140	18.0
GIESE, Peter	143	18.2
GROBSCHMIT, David	169	3.6
HANNIGAN, Patrick	108	28.6
HANNUKSELA, James	175	2.1
HARRIS, John	123	23.0
HENSHAW, Brian	155	10.4
HUNZIKER, Calvin (Ret.)	115	25.2
HURT, Gary	158	9.6
JACOBS, Thomas	131	21.0
JOHNSON, Marin	157	10.1
JUSTICE, Verne	128	21.9
KALVOY, Jostein	170	3.6
KELLY, Patrick	167	4.4
KLAPPERICH, Eric	172	2.9
KNOWLES, Burton	150	14.7
KROMANN, Robert (Ret.)	103	30.0
LARSON, Christopher	151	14.2
LARSON, Gregory (Ret.)	107	28.0
MACKENZIE, Delmar	124	23.0
MARMOL, Edmund	171	3.3
MATHISEN, Laurence (Ret.)	111	25.6
MAYER, Donald	121	24.4
McCURDY, Richard	141	18.7
MENDENHALL, Michael	92	33.9

PILOT	Lic #	at 12/31/10 or retirement
		Years Licensed
MICHELSON, Bruce	136	20.5
MORENO, Stephan	178	1.1
MORK, Stuart	159	9.5
NEWMAN, Alec	125	23.0
NIEDERHAUSER, John	132	21.0
PETKE, Lyle	137	20.2
SANDERS, David	152	13.7
SCOGGINS, John	161	5.9
SCRAGG, John	181	0.5
SEMLER, Joseph	156	10.2
SEMLER, Stephen	174	2.6
SEYMOUR, Lawrence	177	1.5
SHAFFER, Daniel	116	25.5
SHAFFER, James	145	18.2
SHULER, Mark	154	12.8
SLIKER, William	166	4.5
SNYDER, William (Ret.)	153	13.0
SORIANO, Donald	122	24.1
THORESON, George	176	2.1
vonBRANDENFELS, Eric	148	15.1
WARD, John K.	168	4.3
WARD, Jonathan E.	160	7.3
WILDES, Gordon	173	2.9
WOOD, Micheal	134	20.8

Number of pilots as of 12/31/09:	57
Number of retirements in 2010:	6
Number of new pilots in 2010:	2
Number of pilots as of 12/31/10:	53

GRAYS HARBOR DISTRICT

PILOT	Lic #	Years
		Licensed
D'Angelo, Robert	15	17.8
Cooke, Stephen	16	5.5

No changes to pilot roster in 2010

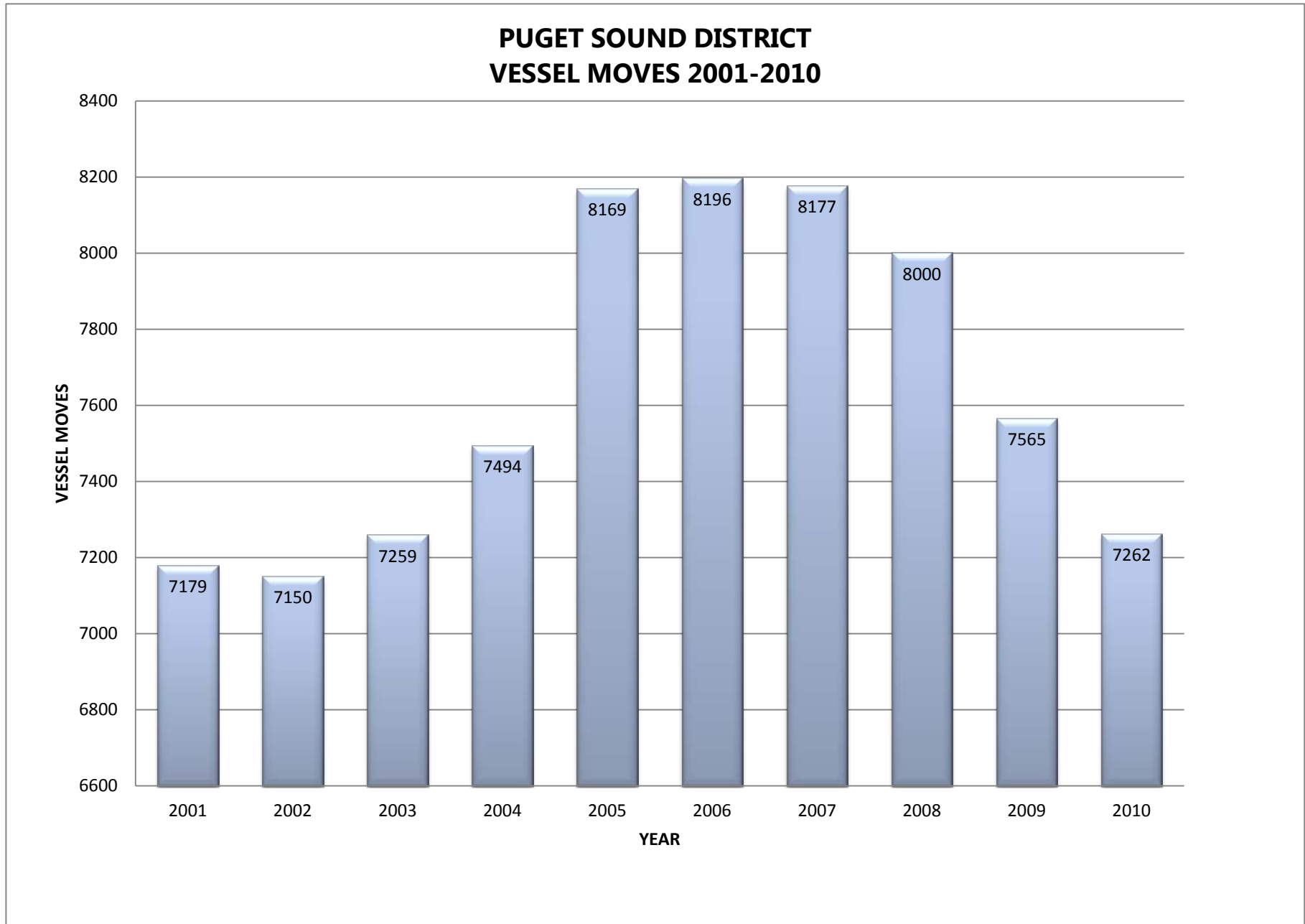
The Board issues licenses to pilots after qualifying for and passing a written examination, simulator evaluation, and successfully completing a training program established by the Board. Licenses are renewed annually after passing a physical examination and paying a license fee.

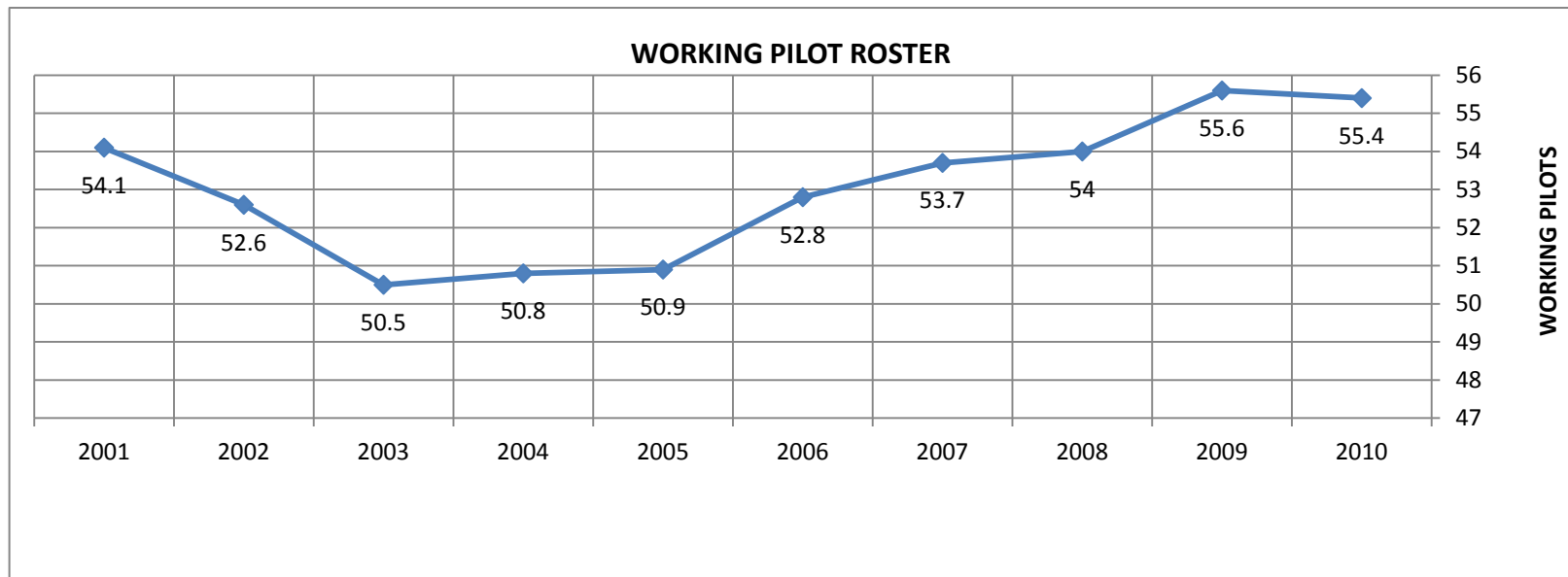
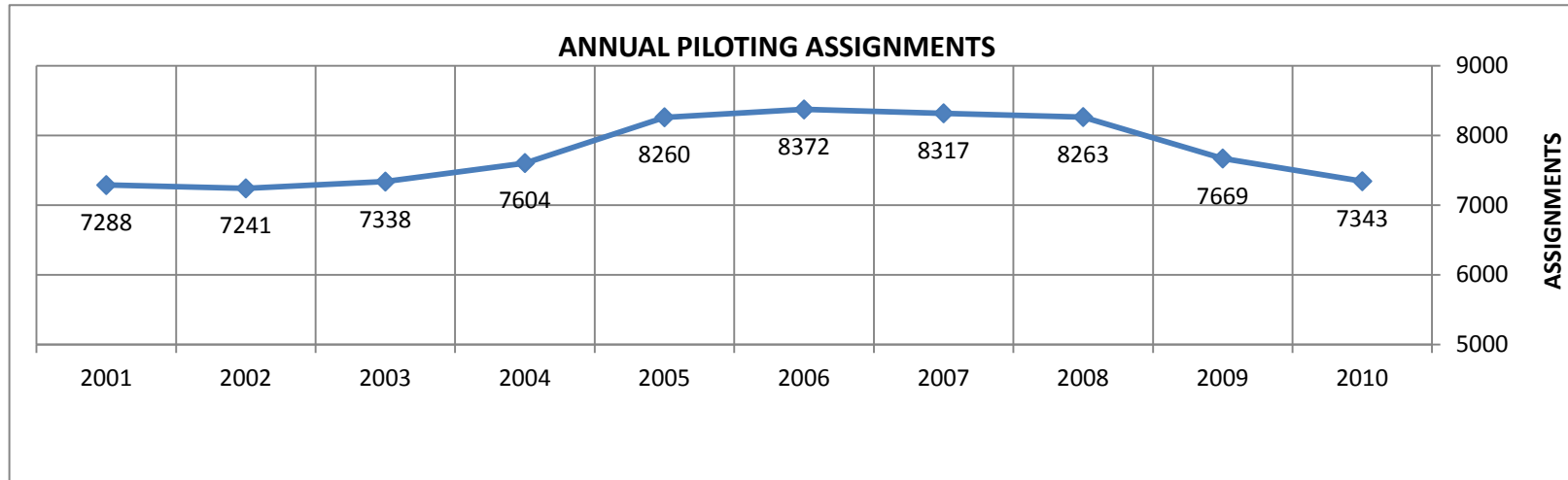
4 TOTAL PILOTAGE ASSIGNMENTS

PUGET SOUND PILOTAGE DISTRICT

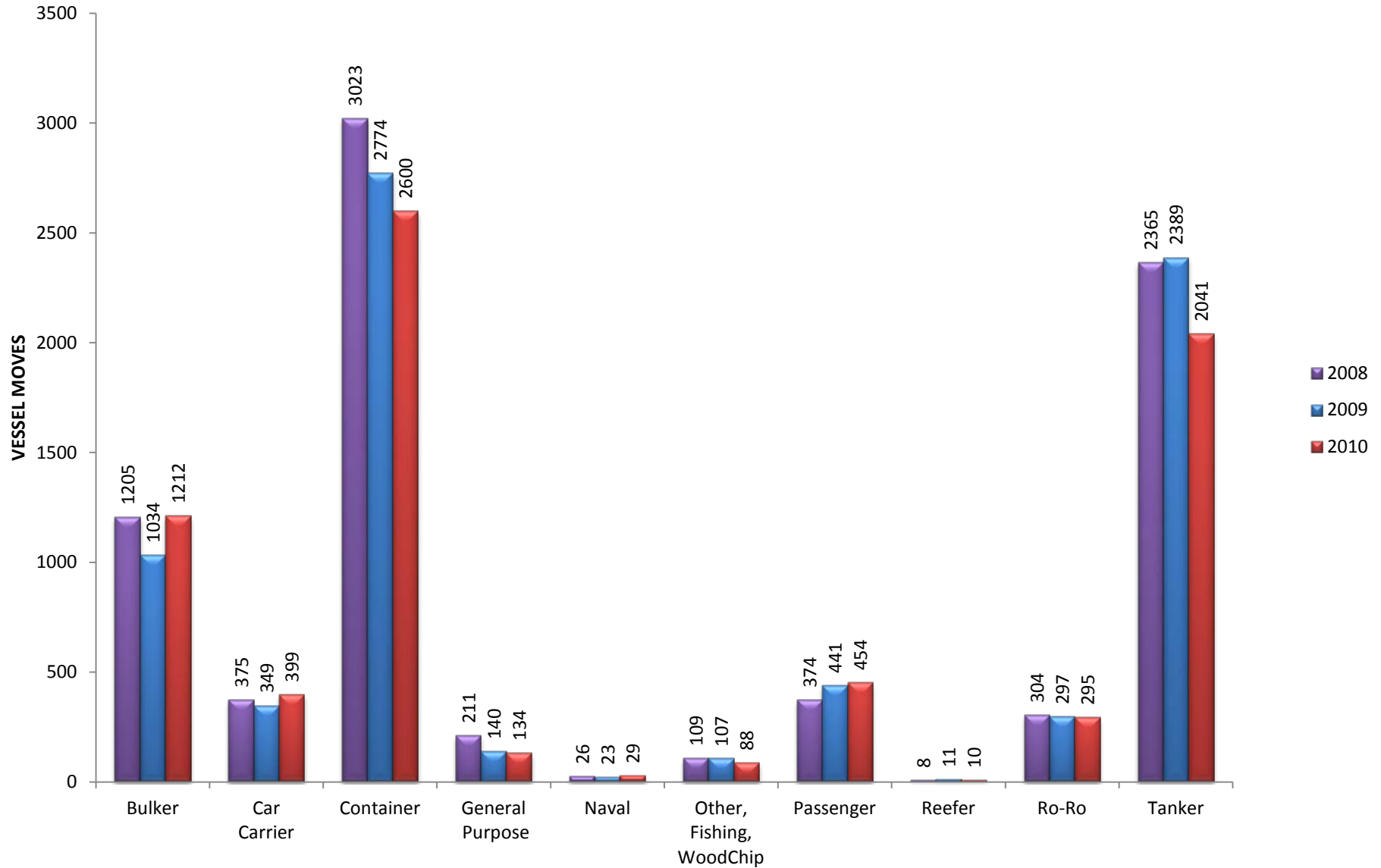
VESSEL TYPES AND ANNUAL TONNAGE - 2010

<u>Vessel Type</u>	<u>Piloting Assignments</u>	<u>Vessel Moves</u>	<u>Gross Tons</u>
Bulker		1,212	36,493,261
Car Carrier		399	19,273,750
Container		2,600	142,136,289
General Purpose		134	2,897,245
Naval		29	80,444
Other		77	403,495
Passenger		454	37,292,696
Reefer		10	91,625
Ro-Ro		295	9,566,005
Tanker		2,041	95,588,906
Wood Chip		11	353,590
Calendar Year - 2010	7,343	7,262	344,177,306
Calendar Year - 2009	7,669	7,565	355,239,348
Calendar Year - 2008	8,174	8,000	375,946,417
Calendar Year - 2007	8,315	8,177	389,923,989
Calendar Year - 2006	8,372	8,196	379,241,695
Calendar Year - 2005	8,260	8,169	364,577,150





**PUGET SOUND DISTRICT
VESSEL TYPE 2008-2010**

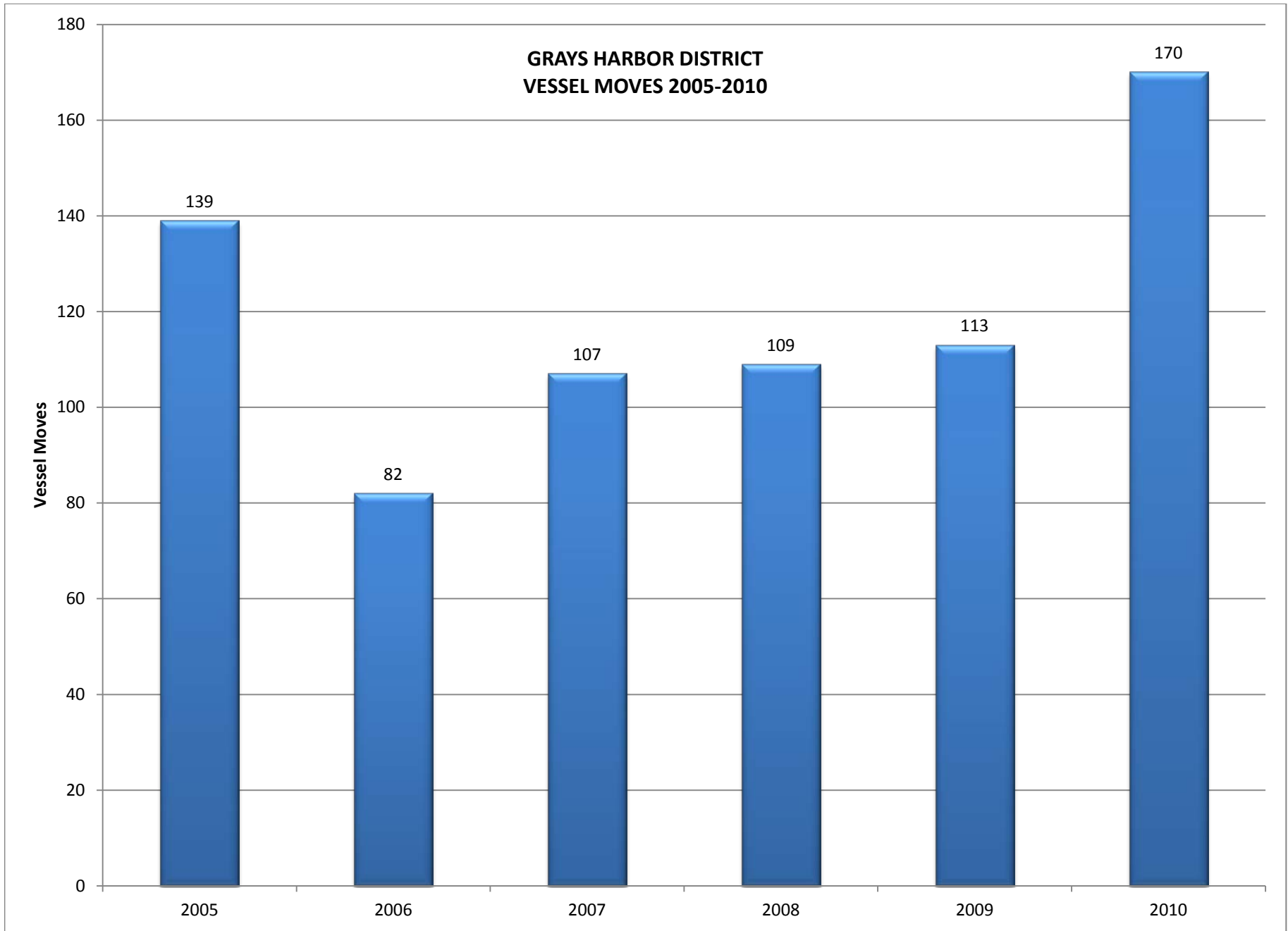


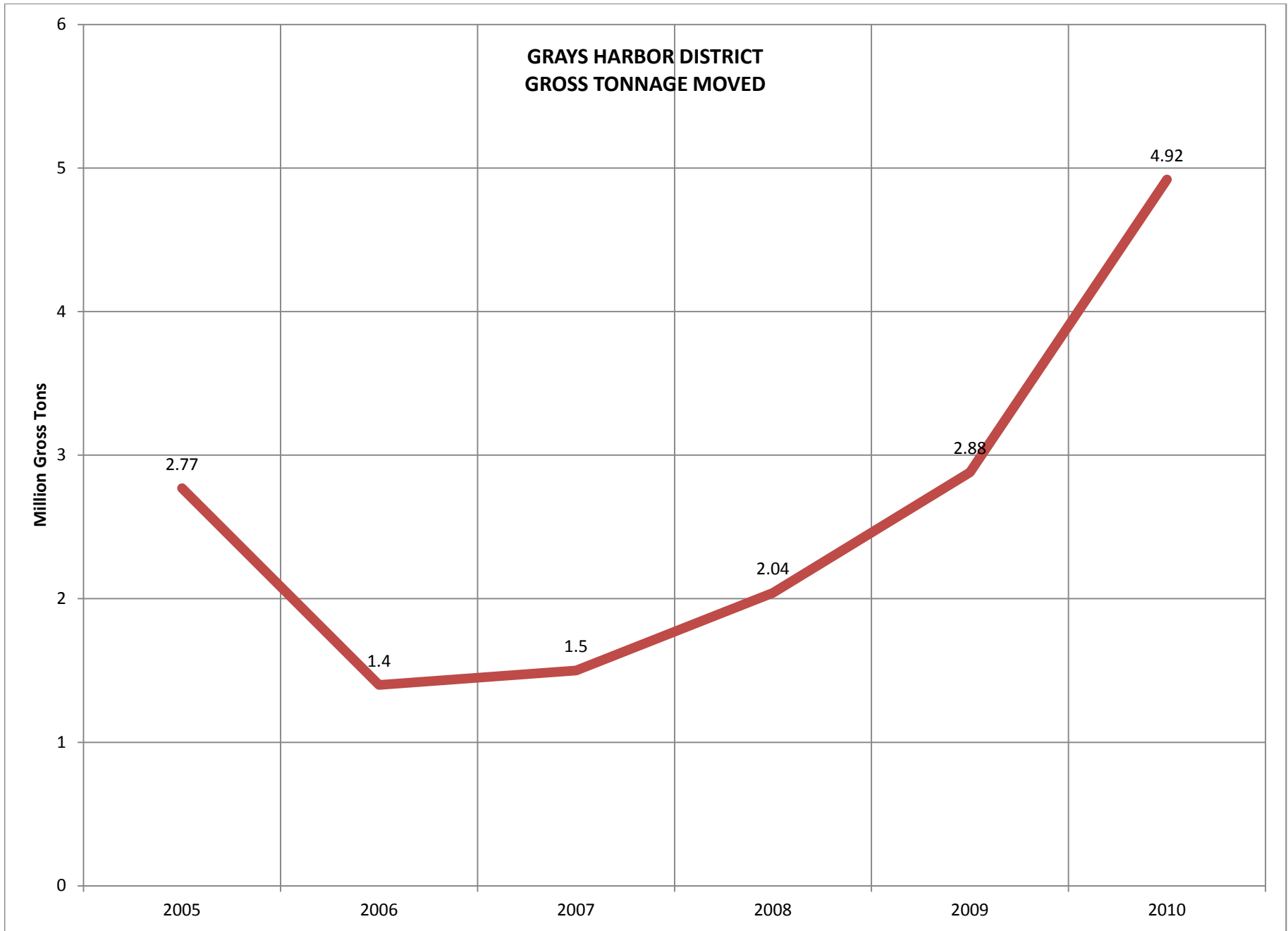
4 TOTAL PILOTAGE ASSIGNMENTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

SHIP CALLS AND ANNUAL TONNAGE

<u>Ship Calls</u>	
Total Ship Calls 2010	67
Total Ship Calls 2009	47
Total Ship Calls 2008	48
Total Ship Calls 2007	45
Total Ship Calls 2006	33
Total Ship Calls 2005	58
 <u>Assignments</u>	
Arrivals	67
Departures	66
Shifts	36
Cancellations	1
<u>Total Assignments - 2010</u>	<u>170</u>
Total Assignments - 2009	113
Total Assignments - 2008	109
Total Assignments - 2007	107
Total Assignments - 2006	82
Total Assignments - 2005	139
 <u>Gross Tonnage</u>	
Calendar Year - 2010	4.92 million GT
Calendar Year - 2009	2.88 million GT
Calendar Year - 2008	2.04 million GT
Calendar Year - 2007	1.50 million GT
Calendar Year - 2006	1.40 million GT
Calendar Year - 2005	2.77 million GT





5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS EARNED

PUGET SOUND PILOTAGE DISTRICT

PILOT EARNINGS	<u>Total</u>	Avg. Per Pilot (55.4 Full-time)
Tariff Generated Pilotage Revenue	\$ 29,028,422	\$ 523,722
Operating Expenses of Puget Sound Pilots	(6,417,828)	(115,799)
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(2,289,646)	(41,320)
Earnings after Deduction of Organization Expenses & Payments	<u>\$ 20,320,948</u>	<u>\$ 366,660</u>
 DISPOSITION OF EARNINGS		
Allocation of Pooled Revenue	\$ 16,921,555	\$ 305,323
Individual Business Expense <i>(Note 2)</i>	2,498,254	45,077
Transportation Allowances and Reimbursements	901,139	16,260
Distributed to Pilots	<u>\$ 20,320,948</u>	<u>\$ 366,660</u>

Note:

1. 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.
2. Individual Business Expense includes the provision paid for medical and disability insurance, state license fee, annual physical exam, Anacortes subsistence and lodging, and business communication costs.

Remarks:

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

TRAINEE STIPENDS EARNED

During all or part of the year there were seven pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount earned during 2010 totaled \$253,733.

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

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

GRAYS HARBOR PILOTAGE DISTRICT

	2010 Total	Per Pilot (2 Full time)
PILOT EARNINGS		
Tariff Generated Pilotage Revenue	\$ 917,423	\$ 429,797
Other Pilot Services Department Revenue	1,500	750
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 <i>(Note 3)</i>	(40,670)	(20,335)
Operating Expenses - Port of Grays Harbor Pilot Services Department	(251,772)	(125,886)
Transfer to Port of Grays Harbor Pilot Services Reserve Fund	(17,927)	(8,964)
Total Earnings	<u>\$ 608,554</u>	<u>\$ 275,362</u>
DISPOSITION OF EARNINGS		
Pilot Wages	\$ 460,710	230,335
Employer Provided Benefits	112,533	56,266
Pilot Business Expenses paid by Port of Grays Harbor	14,262	7,131
Travel Allowance and Reimbursements	21,049	10,525
Distributed to Pilots	<u>\$ 608,554</u>	<u>\$ 304,277</u>

Note:

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

Remarks:

Employer Provided Benefits includes health, life and disability insurance, federal and state taxes, and retirement funding paid by the employer. Pilot Business Expenses includes state license fee, training and business communication costs.

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

TOTAL TARIFF GENERATED REVENUE \$ 29,028,422

SUMMARIZED EXPENSES

Seattle Office Operating Expenses	\$ 3,351,250
Port Angeles Station Operating Expenses	628,229
Pilot Boat Operating Expenses	2,325,281
Payments to Retired Pilots/Widows - Puget Sound District	2,289,646
Payments to Retired Pilots/Widows - Grays Harbor District <i>(Note 4)</i>	113,068
PUGET SOUND DISTRICT - TOTAL EXPENSES	\$ <u>8,707,474</u>

SEATTLE OFFICE OPERATING EXPENSES

Attorney fees	\$ 21,240
Computer maintenance	181,837
Computer programming	3,479
Conferences	3,882
Consulting services	69,040
CPA fees	65,004
Depreciation	265,844
Drug testing	6,647
Dues	152,180
Education	2,997
Employee benefits	254,333
Employee salaries	674,207
Equipment leases	1,394
Insurance	213,638
Interest	37,632
Lobbyist	114,761
Office maintenance & repair	4,979
Office supplies	32,628
Pilot training	235,953
Political contributions	46,600
Printing & publications	20,545
Rent & parking	146,333
Taxes on payroll	52,483
Taxes, other	1,424
Taxes on revenue	529,174
Travel, entertainment, promotion	172,659
Telephone & communications	40,357
SEATTLE TOTAL	\$ <u>3,351,250</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)
PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

Depreciation	\$	92,446
Food		91,519
Insurance		19,468
Interest		17,845
Maintenance and repairs		69,836
Rent, tideland lease		3,629
Reposition pilots		258,681
Supplies		31,949
Taxes on property		11,277
Telephone & communications		13,520
Utilities		18,059
PORT ANGELES TOTAL	\$	<u>628,229</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$	325,676
Employee benefits		180,376
Employee salaries		805,656
Fuel of "Juan de Fuca"		126,031
Fuel of "Puget Sound"		203,966
Insurance		120,711
Interest		28,569
Maintenance & operation of "Juan de Fuca"		326,520
Maintenance & operation of "Puget Sound"		129,246
Taxes on payroll		69,756
Taxes on property		8,774
PILOT BOAT TOTAL	\$	<u>2,325,281</u>

Note:

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

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

Tariff Generated Pilotage Revenue	\$	917,423
Other Pilot Services Department Revenue		1,500
TOTAL REVENUE	\$	<u>918,923</u>

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$	110
Benefits		112,533
Boarding/deboarding services		148,547
Depreciation		22,506
Dues & license fees		12,000
Insurance		2,117
Legal services		589
Miscellaneous other expenses		1,135
Pension Contribution to PSP for GH Retirees		40,670
Port administrative services		40,556
Port of Grays Harbor Pilot Services Reserve Fund		17,927
Repair/maintenance		20,411
Supplies		855
Taxes		15,241
Telephone		1,792
Training		175
Travel		21,049
Wages		460,710
GRAYS HARBOR DISTRICT TOTAL EXPENSES		<u>918,923</u>

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

Effective 0001 hours July 1, 2010 through 2400 hours June 30, 2011.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$48.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

Compass Adjustment	\$349.00
Radio Direction Finder Calibration	\$349.00
Launching Vessels	\$524.00
Trial Trips, 6 hours or less (minimum \$954.00)	\$164.00 per hour
Trial Trips, over 6 hours (two pilots)	\$328.00 per hour
Shilshole Bay – Salmon Bay	\$205.00
Salmon Bay – Lake Union	\$159.00
Lake Union – Lake Washington (plus LOA zone from Webster Point)	\$205.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II
(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)	

Waterway and Bridge Charges:

Ships up to 90' beam:

A charge of \$258.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$123.00 per bridge.

Ships 90' beam and/or over:

A charge of \$350.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$244.00 per bridge.

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

Two or three pilots required:

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

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$266.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$266.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$266.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$266.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$266.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges.

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

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0082 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0846 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.1012 per gross ton.

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

Transportation to Vessels on Puget Sound:

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

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$525.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$499.00
Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver-Victoria-New Westminster Range.	\$630.00

Training Surcharge:

A surcharge of \$10.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC [363-116-078](#) shall be added to each pilotage assignment.

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	255	396	675	1,006	1,354	1,757
450 - 459	266	403	679	1,021	1,376	1,766
460 - 469	268	407	690	1,038	1,395	1,774
470 - 479	277	419	698	1,059	1,399	1,777
480 - 489	285	426	701	1,078	1,408	1,785
490 - 499	289	432	712	1,098	1,424	1,794
500 - 509	304	440	722	1,110	1,436	1,805
510 - 519	306	448	729	1,127	1,451	1,812
520 - 529	310	464	740	1,132	1,464	1,826
530 - 539	319	470	749	1,145	1,487	1,847
540 - 549	324	476	766	1,157	1,510	1,864
550 - 559	331	492	771	1,174	1,522	1,882
560 - 569	343	512	786	1,185	1,536	1,899
570 - 579	350	516	789	1,190	1,552	1,912
580 - 589	365	524	808	1,199	1,561	1,931
590 - 599	382	536	813	1,205	1,584	1,954
600 - 609	396	552	824	1,209	1,604	1,963
610 - 619	418	557	838	1,214	1,619	1,981
620 - 629	434	564	846	1,229	1,638	2,004

PUGET SOUND PILOTAGE DISTRICT (cont'd)

630 - 639	454	574	855	1,232	1,652	2,021
640 - 649	472	587	864	1,234	1,666	2,036
650 - 659	505	597	880	1,244	1,686	2,057
660 - 669	515	605	887	1,251	1,705	2,073
670 - 679	534	620	896	1,274	1,724	2,086
680 - 689	541	630	908	1,284	1,739	2,106
690 - 699	557	640	922	1,307	1,757	2,150
700 - 719	582	661	939	1,324	1,791	2,174
720 - 739	616	679	963	1,342	1,826	2,210
740 - 759	640	712	982	1,354	1,864	2,250
760 - 779	665	734	1,006	1,376	1,899	2,279
780 - 799	698	767	1,021	1,395	1,931	2,320
800 - 819	726	789	1,041	1,402	1,963	2,355
820 - 839	749	818	1,065	1,424	2,004	2,382
840 - 859	781	851	1,086	1,441	2,034	2,423
860 - 879	810	880	1,105	1,478	2,073	2,458
880 - 899	838	905	1,127	1,512	2,106	2,494
900 - 919	863	935	1,146	1,551	2,150	2,528
920 - 939	890	963	1,174	1,584	2,172	2,563
940 - 959	922	988	1,191	1,619	2,210	2,594
960 - 979	943	1,017	1,212	1,652	2,250	2,633
980 - 999	974	1,041	1,233	1,686	2,279	2,667
1000 - 1019	1,034	1,108	1,288	1,776	2,387	2,782
1020 - 1039	1,062	1,141	1,328	1,826	2,459	2,863
1040 - 1059	1,094	1,169	1,367	1,882	2,529	2,948
1060 - 1079	1,127	1,210	1,407	1,938	2,608	3,035
1080 - 1099	1,161	1,244	1,448	1,994	2,684	3,127
1100 - 1119	1,194	1,282	1,492	2,056	2,765	3,221
1120 - 1139	1,231	1,323	1,538	2,116	2,848	3,317
1140 - 1159	1,266	1,360	1,582	2,179	2,934	3,418
1160 - 1179	1,304	1,399	1,632	2,245	3,021	3,518
1180 - 1199	1,344	1,442	1,679	2,312	3,113	3,625
1200 - 1219	1,385	1,485	1,728	2,382	3,206	3,732
1220 - 1239	1,424	1,530	1,779	2,453	3,300	3,844
1240 - 1259	1,467	1,575	1,831	2,526	3,400	3,958
1260 - 1279	1,510	1,621	1,887	2,602	3,503	4,077
1280 - 1299	1,555	1,671	1,945	2,680	3,605	4,200
1300 - 1319	1,603	1,718	2,001	2,759	3,714	4,324
1320 - 1339	1,651	1,771	2,063	2,842	3,824	4,455
1340 - 1359	1,698	1,824	2,124	2,926	3,939	4,589
1360 - 1379	1,750	1,877	2,187	3,016	4,055	4,724
1380 - 1399	1,801	1,933	2,254	3,104	4,178	4,868
1400 - 1419	1,856	1,992	2,319	3,196	4,302	5,013
1420 - 1439	1,911	2,052	2,389	3,293	4,433	5,163
1440 - 1459	1,970	2,114	2,462	3,391	4,565	5,317
1460 - 1479	2,025	2,175	2,534	3,492	4,702	5,474
1480 - 1499	2,087	2,240	2,609	3,596	4,841	5,639
1500 Over	2,150	2,308	2,686	3,706	4,985	5,807

7 PILOTAGE TARIFFS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

Effective 0001 hours August 1, 2010, through 2400 hours July 31, 2011.

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

Draft and Tonnage Charges:

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

Draft	\$100.12 per meter or \$30.51 per foot
Tonnage	\$0.287 per net registered ton
Minimum Net Registered Tonnage	\$1,004.00
Extra Vessel (in case of tow)	\$562.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,562.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter	\$1,030.00
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Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$699.00
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Delays per hour	\$164.00
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Cancellation charge (pilot only)	\$274.00
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Cancellation charge (boat or helicopter only)	\$822.00
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Pension Charge:

Charge per pilotage assignment, including cancellations	\$271.00
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Travel Allowance:

Transportation charge per assignment	\$100.00
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Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$931.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	\$301.00
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Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$833.00
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Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

PUGET SOUND PILOTAGE DISTRICT

INCIDENT REPORTS

Four Incident Reports were filed in the Puget Sound Pilotage District this year.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
16-Jun-2010	Alucia	Marmol	Seattle, N. of Shilshole Bay	Mechanical damage, no pilot error
8-Aug-2010	Prague Express	Mayer	Seattle, East Waterway	Damage, no pilot error
9-Oct-2010	YM Orchid	Sliker	Tacoma, Pier 7D	Damage, no pilot error
3-Nov-2010	Salvatore Cafiero	Kalvoy	Tacoma, Temco Grain Dock	Damage, no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

INCIDENT REPORTS

One Transfer Incident Investigation was filed in the Grays Harbor Pilotage District.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
7-Apr-2010	Crystal Ocean	Cooke	Grays Harbor, transfer between vessel and pilot boat	Sussman Consulting report accepted, no action taken by Board

PUGET SOUND AND GRAYS HARBOR DISTRICTS

MARINE SAFETY OCCURRENCES

Nineteen MSO reports in the Puget Sound District: fifteen vessel equipment malfunctions or failures, one maneuver to avoid gillnets, and two avoidance maneuvers taken due to inability to communicate with the other vessel.

One MSO report in the Grays Harbor District: equipment malfunction.

A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment.

9 PETITIONS FOR VESSEL EXEMPTION

PUGET SOUND DISTRICT

During some or all of the months of 2010, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF ORIGIN</u>
ACERO AZUL	98 FT	136 GT	Petrina	Marshall Islands
AL3AGRAB	112 FT	208 GT	Catania	Cayman Islands
ALESIA MARIA	112 FT	208 GT	Alterio	British Virgin Islands
BLUE STAR	144 FT	430 GT	Harrison / Thornburn	Cayman Islands
BOARDWALK	164 FT	492 GT	Judson / Catania	Cayman Islands
C1	96 FT	190 GT	Daw	Cayman Islands
CHIMERA	90 FT	123 GT	Turner	United Kingdom
CIELO MARE	106 FT	247 GT	Angulo / Laws	Marshall Islands
COPASETIC	141 FT	491 GT	Esztergomy	Cayman Islands
CRESCENDO	112 FT	208 GT	Lane	Marshall Islands
CV-9	131 FT	322 GT	Lee	Marshall Islands
DIONE SKY	149 FT	499 GT	Harrison	Cayman Islands
ESTANCIA	112 FT	208 GT	McDowell / Jones	Cayman Islands
EVVIVA	164 FT	492 GT	Trailer / Benge	British Virgin Islands
FERIA	65 FT	95 GT	Brennikmeijer	Netherlands
GOLDEN BOY II	115 FT	236 GT	Campbell	Marshall Islands
HARMONY	164 FT	492 GT	Heath	Cayman Islands
KAUHALE KAI	90 FT	156 GT	Rushworth	Marshall Islands
LARA / HURACAN	125 FT	360 GT	Catlett	Cayman Islands
LAST MANGO	55 FT	53 GT	Lee	Great Britain
MEA CULPA	130 FT	302 GT	Hein	Cayman Islands
PELAGIAL	71 FT	76 GT	Carter	Marshall Islands
PEPPER XIII	112 FT	208 GT	Sheer / Catania	Cayman Islands
QUIVIRA	116 FT	246 GT	Twyman	Marshall Islands
ROSEHEARTY	183 FT	499 GT	Potter / Green	Isle of Man
SHEAR FANTASEA	113 FT	221 GT	Nolander	Marshall Islands
SILVERTIP B	112 FT	114 GT	MacLeod	United Kingdom
SLOJO	151 FT	495 GT	Herregods	Cayman Islands
SWEET HOPE	65 FT	73 GT	Morgan-Harris	United Kingdom
VANGO	164 FT	490 GT	Hagerman	Cayman Islands
VICTORIA CLIPPER	127 FT	427 GT	Various	Netherlands Antilles

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

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

The last exam for entry into a pilot training program for the Puget Sound District was held in the fall of 2008. A waiting list of the top fourteen candidates was established from that exam and at December 31, 2010, has six remaining to be called into the program

After successfully completing his program, the Board deemed one trainee qualified for issuance of a license, but delayed licensing until there is a need for another pilot in the Puget Sound District. A post-training program was developed for this situation and he will remain unlicensed until a pilot position becomes available.*

Status of Successful 2008 Exam Applicants as of 12/31/2010:

1.	Stephan Moreno (T-019)	Licensed (#178):	12/10/09
2.	John Scragg (T-020)	Licensed (#180):	07/08/10
3.	David Brusco (T-021)	Licensed (#179):	03/11/10
4.	James Caspers (T-022)	Training program ended:	09/29/10
5.	D. Scott Anacker (T-023)	Entered training program:	09/01/09
6.	Blair Bouma (T-024)	Qualified, licensing delayed:	11/09/10*
7.	James Kearns (T-025)	Entered training program:	06/01/10
8.	Michael Anthony (T-026)	Entered training program:	07/01/10
9.	Robert D'Angelo		
10.	Fred Engstrom		
11.	Warren Carley		
12.	William Lowery		
13.	Thomas Coryell		
14.	Daniel Brouillard		

GRAYS HARBOR PILOTAGE DISTRICT

The last pilot exam for the Grays Harbor District was held in 1992. The waiting list for entry into a training program for this district has been exhausted.

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



Washington State
Board of Pilotage Commissioners

2011 ANNUAL REPORT

2011 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2011/2010
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2011
- By-laws and Operating Rules (Puget Sound District)
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone Reports (Puget Sound District)
- Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

1 FOREWORD

Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,490 vessel moves, resulting in 7,619 piloting assignments in 2011. This is an increase in vessel moves and assignments from the previous year. The average number of full-time pilots decreased to 52.58 in 2011. The average annual number of assignments per pilot was 148 or approximately 12 assignments per month in 2011 as compared to assignments of 132 annually and 11 per month in 2010.

The Grays Harbor Pilots had a total of 155 piloting assignments in 2011, resulting from 72 vessels arrivals. There were 67 vessel arrivals generating 170 piloting assignments in 2010. The Port of Grays Harbor employed two full-time pilots.

2011 Tariff Hearings

The Board of Pilotage Commissioners is required by RCW 88.16.035(1)(e) to annually fix pilotage tariffs. The Board, along with major stakeholders, decided to transition from a fiscal year tariff approach to a calendar year tariff. Since both current tariffs for the Puget Sound and Grays Harbor Pilotage Districts expired in mid-year they were extended through December 31, 2011. Public hearings were held in the last quarter of the year to set new tariffs for the following calendar year beginning January 1, 2012.

In the **Puget Sound Pilotage District**, separate written proposals were submitted by the Puget Sound Pilots and the Pacific Merchant Shipping Association for the 2012 tariff year. Financial data used in this tariff hearing included the previous year's audited financial statement in addition to current-year unaudited data as well as some late-year projected data. The proposed tariff reflected one new tariff category and a range of adjustments as follows:

- 1) The Board considered a new tariff category proposed by PSP called the Variable Expense Component (VEC). PSP proposed a VEC charge of \$700 per pilot assignment. PMSA opposed the addition of this new line item.
- 2) The Board considered a range of across-the-board tariff adjustments between a decrease of 10% and an increase of 6.8% excluding the Training Surcharge Category and the Transportation to Vessels on Puget Sound Category. The low end of the range was proposed by the Pacific Merchant Shipping Association and the high end of the range was proposed by the Puget Sound Pilots. Also, the Board considered an adjustment to the Transportation Charge portions of the British Columbia Direct Transit Charge. PSP proposed a 2% increase. PMSA proposed no increase. The Board's decision reflected no change to the current tariff – no new VEC category, no adjustments up or down in any of the tariff categories. *Effective from 0001 hours on January 1, 2012 through 2400 hours on December 31, 2012.*

In the **Grays Harbor Pilotage District**, the tariff was adopted as proposed, reflecting an effective overall decrease to the tariff of 3% or \$159 per pilotage job. *Effective from 0001 hours on January 1, 2012 through 2400 hours on December 31, 2012.*

Legislation

There was no proposed or adopted legislation during the 2011 Legislative Session that pertained to the Pilotage Act.

Statements of Policy

Two Statements of Policy were adopted by the Board this year that are available on our web site at www.pilotage.wa.gov

January 13, 2011: Proration of Stipends to Pilot Trainees Who Request a Change in Stipend Status at Times Other Than the Beginning or End of a Month

September 8, 2011: Interpretation of the phrase “Is over the age of twenty-five years and under the age of seventy years” as used in RCW 88.16.090(2)(a)(ii) and the phrase “...reaching the age of seventy” as used in RCW 88.16.102.

Rule-Making

WAC 363-116-070: Collection of Fees. Annual pilot license fees increased by \$500 to \$6,500. *Effective January 1, 2011.*

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District. The “Training Surcharge” increased by \$5 to \$15 for each pilot trainee receiving a stipend for assessment on each pilotage assignment. *Effective January 1, 2011.*

WAC 363-116-360: Exempt Vessels. A 50% increase was applied to most all categories of vessel exemption fees. In addition, a new size category was created which covers smaller yachts measuring up to and including 50 feet LOA. *Effective January 1, 2011.*

WAC 363-116-086: Challenges to Board Actions Concerning Licensing Determinations and Appeal Procedures. This new WAC sets forth the procedures for challenging the Board’s determinations made pursuant to WAC 363-116-080 as to whether a trainee should be issued a pilot license; and includes express notice requirements, procedures for any adjudicative proceeding and pre hearing discovery, and the scope of any hearing and related procedures. It is a mechanism to handle those challenges by pilot trainees who are not continued in a training program as well as those who are continued in a training program. This rule completes the complement of procedures necessary to address challenges to written pilot exams, simulator evaluations and now, training programs. *Effective October 22, 2011.*

Setting the Number of Pilots

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

	Oct 12, 2006	April 8, 2010	Sept 30, 2010		
Puget Sound	57	54	52		
Grays Harbor	The number of pilots will increase from 2 to 3 upon the next candidate becoming successfully licensed.				

2 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
<u>CHAIR</u>		
Captain Harry Dudley	11/1/1999	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	9/29/2009	12/26/2012
Edmund I. Kiley	1/14/2010	12/26/2013
<u>REPRESENTING AMERICAN SHIPPING</u>		
Captain Craig Lee - BP Shipping (USA)	1/25/2002 10/24/2003 12/27/2007	12/26/2011
<u>REPRESENTING FOREIGN SHIPPING</u>		
Doug Coburn - General Steamship Corp	5/5/2010	12/26/2012
<u>REPRESENTING THE PILOTS</u>		
Captain Pat Hannigan - Puget Sound Pilotage District	12/26/2004 1/22/2009	12/26/2012
Captain Don Mayer - Puget Sound Pilotage District	12/27/2011	12/26/2015
Captain Richard McCurdy - Puget Sound Pilotage District	3/1/2010	12/26/2011
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Norm Davis - Spill Prevention, Preparedness & Response Program	4/15/2005	
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	9/1/2007 1/27/2011	12/26/2014
<u>LEGAL COUNSEL</u>		
Guy Bowman	8/1/2008	
<u>STAFF</u>		
Peggy Larson, Executive Director	12/8/1982	
Shawna Erickson, Sr. Project Director	1/27/2010	

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

2 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$ 163,005
Goods and Services	67,670
Trainee Stipends	185,936
Travel	8,672
TOTAL EXPENDITURES	<u>\$ 425,283</u>

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

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

3 LICENSED PILOTS PUGET SOUND DISTRICT

PILOT	at 12/31/11 or retirement	
	Lic #	Years Licensed
	147	16.1
BLAKE, Michael	163	5.5
BOUMA, Blair	181	0.4
BRUSCO, David	180	1.8
BUJACICH, Jack	164	5.5
<i>BUNDREN, William</i>	<i>119</i>	<i>25.8</i>
CARLSON, Ivan	165	5.5
COE, Frantz (Andy)	142	19.7
EMERSON, Larry	126	24.0
ENGSTROM, Carl	133	21.9
ENGSTROM, Victor	162	6.7
GIESE, Peter	143	19.2
GROBSCHMIT, David	169	4.6
HANNIGAN, Patrick	108	29.6
HANNUKSELA, James	175	3.1
HARRIS, John	123	24.0
HENSHAW, Brian	155	11.4
HURT, Gary	158	10.6
JACOBS, Thomas	131	22.0
<i>JOHNSON, Marin</i>	<i>157</i>	<i>11.1</i>
JUSTICE, Verne	128	22.9
KALVOY, Jostein	170	4.6
KELLY, Patrick	167	5.4
KLAPPERICH, Eric	172	3.9
KNOWLES, Burton	150	15.7
LARSON, Christopher	151	15.2
MACKENZIE, Delmar	124	24.0
MARMOL, Edmund	171	4.3
MAYER, Donald	121	25.4
McCURDY, Richard	141	19.7
MENDENHALL, Michael	92	34.9

PILOT	at 12/31/11 or retirement	
	Lic #	Years Licensed
MICHELSON, Bruce	136	21.5
MORENO, Stephan	178	2.1
MORK, Stuart	159	10.5
NEWMAN, Alec	125	24.0
NIEDERHAUSER, John	132	14.7
<i>PETKE, Lyle</i>	<i>137</i>	<i>20.8</i>
SANDERS, David	152	14.7
SCOGGINS, John	161	6.9
SCRAGG, John	181	1.5
SEMLER, Joseph	156	11.2
SEMLER, Stephen	174	3.6
SEYMOUR, Lawrence	177	2.5
SHAFFER, Daniel	116	26.5
SHAFFER, James	145	19.2
SHULER, Mark	154	13.8
SLIKER, William	166	5.5
SORIANO, Donald	122	25.1
THORESON, George	176	3.1
vonBRANDENFELS, Eric	148	16.1
WARD, John K.	168	5.3
WARD, Jonathan E.	160	8.3
WILDES, Gordon	173	3.9
WOOD, Micheal	134	21.8
Number of pilots as of 12/31/10:		53
<i>Number of retirements in 2011:</i>		<i>3</i>
Number of new pilots in 2011:		1
Number of pilots as of 12/31/11:		51

PILOT	at 12/31/11	
	Lic #	Years Licensed
D'Angelo, Robert	15	18.8
Cooke, Stephen	16	6.5
No changes to pilot roster in 2011		

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

4 TOTAL PILOTAGE ASSIGNMENTS BY DISTRICT

Charts of Piloting Activity in Washington State

PUGET SOUND DISTRICT 2001 – 2011
Pilot Assignments, Vessel Moves, Number of Pilots

PUGET SOUND DISTRICT 2008 – 2011
Vessel Moves by Type

PUGET SOUND DISTRICT 2009 – 2011
Number of Vessel Moves by Month and Year

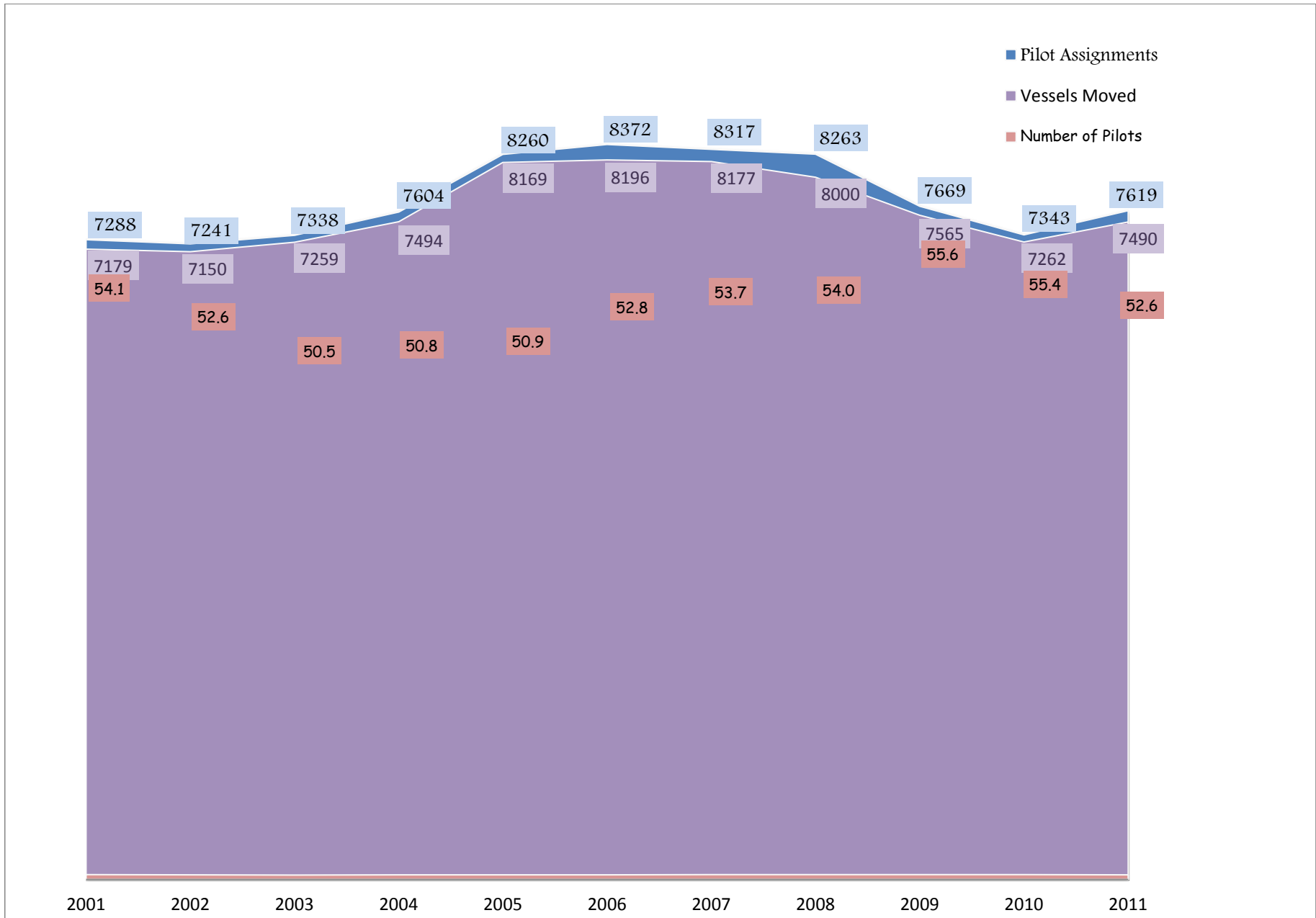
PUGET SOUND DISTRICT 2001 – 2011
Number of Vessel Moves

PUGET SOUND DISTRICT 2002 – 2011
Annual Piloting Assignments and Licensed Pilot Roster

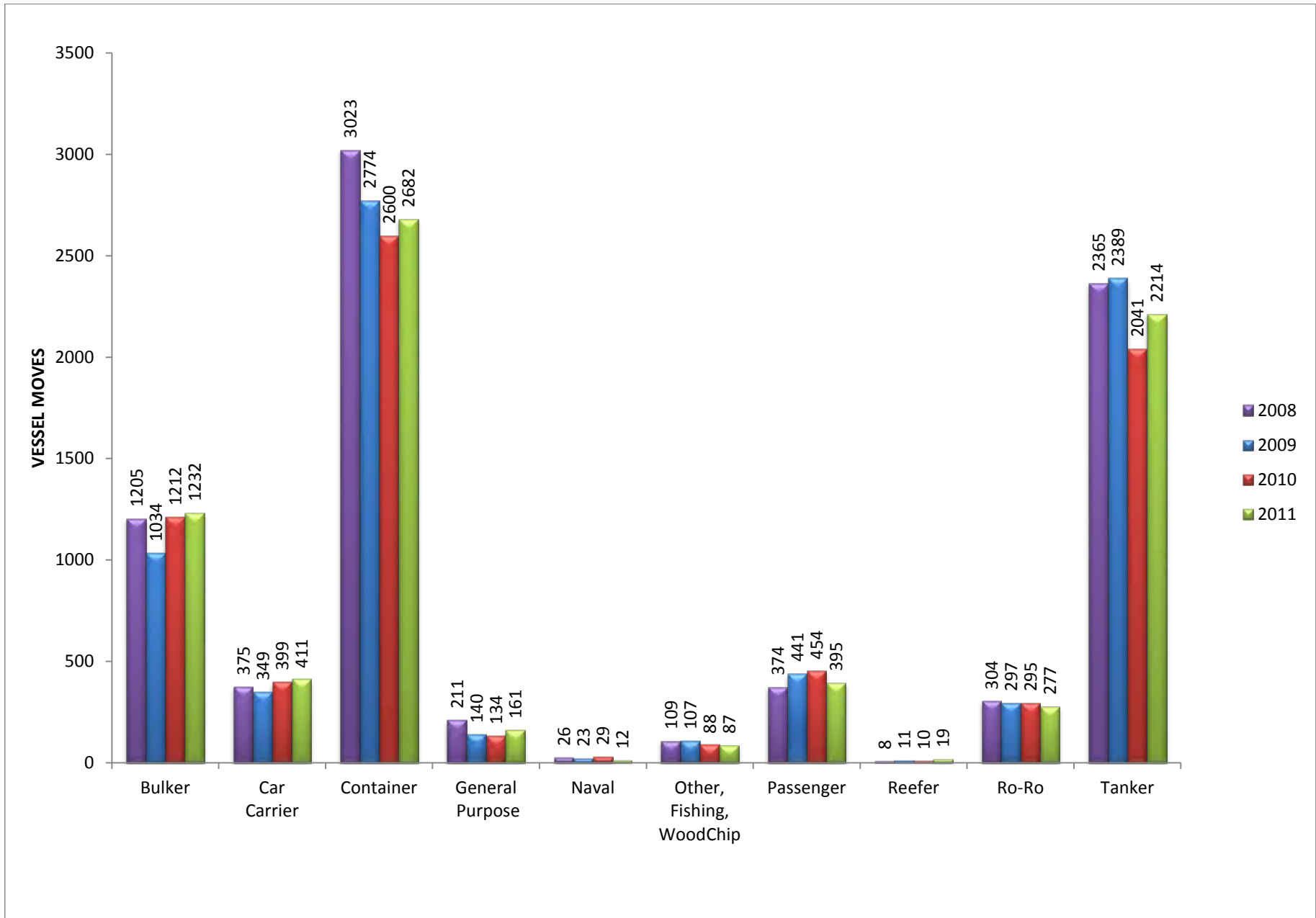
GRAYS HARBOR DISTRICT 2005 – 2011
Vessel Moves

GRAYS HARBOR DISTRICT 2005 – 2011
Gross Tonnage Moved

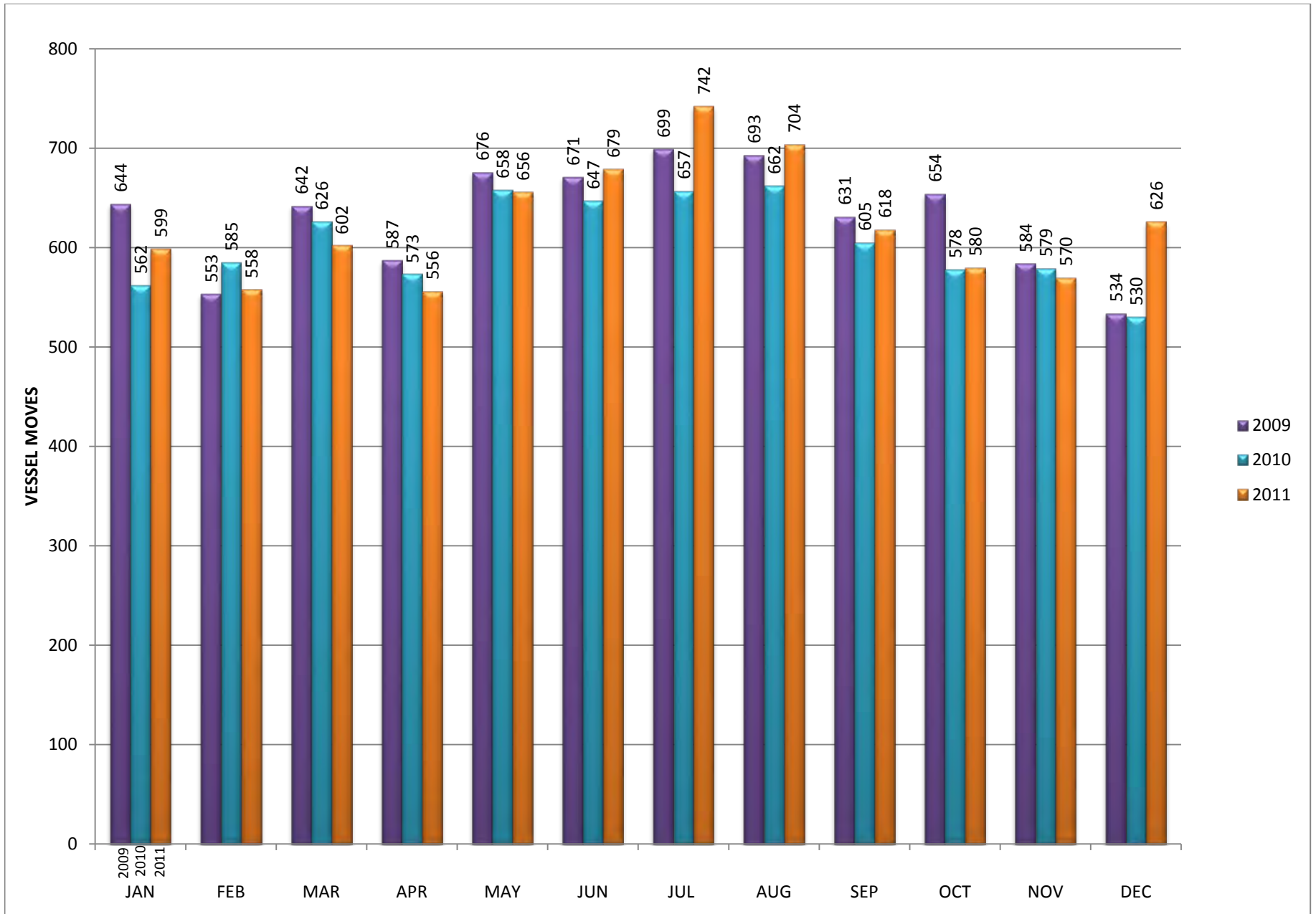
PUGET SOUND DISTRICT 2001 - 2011 Pilot Assignments, Vessel Moves, Number of Pilots



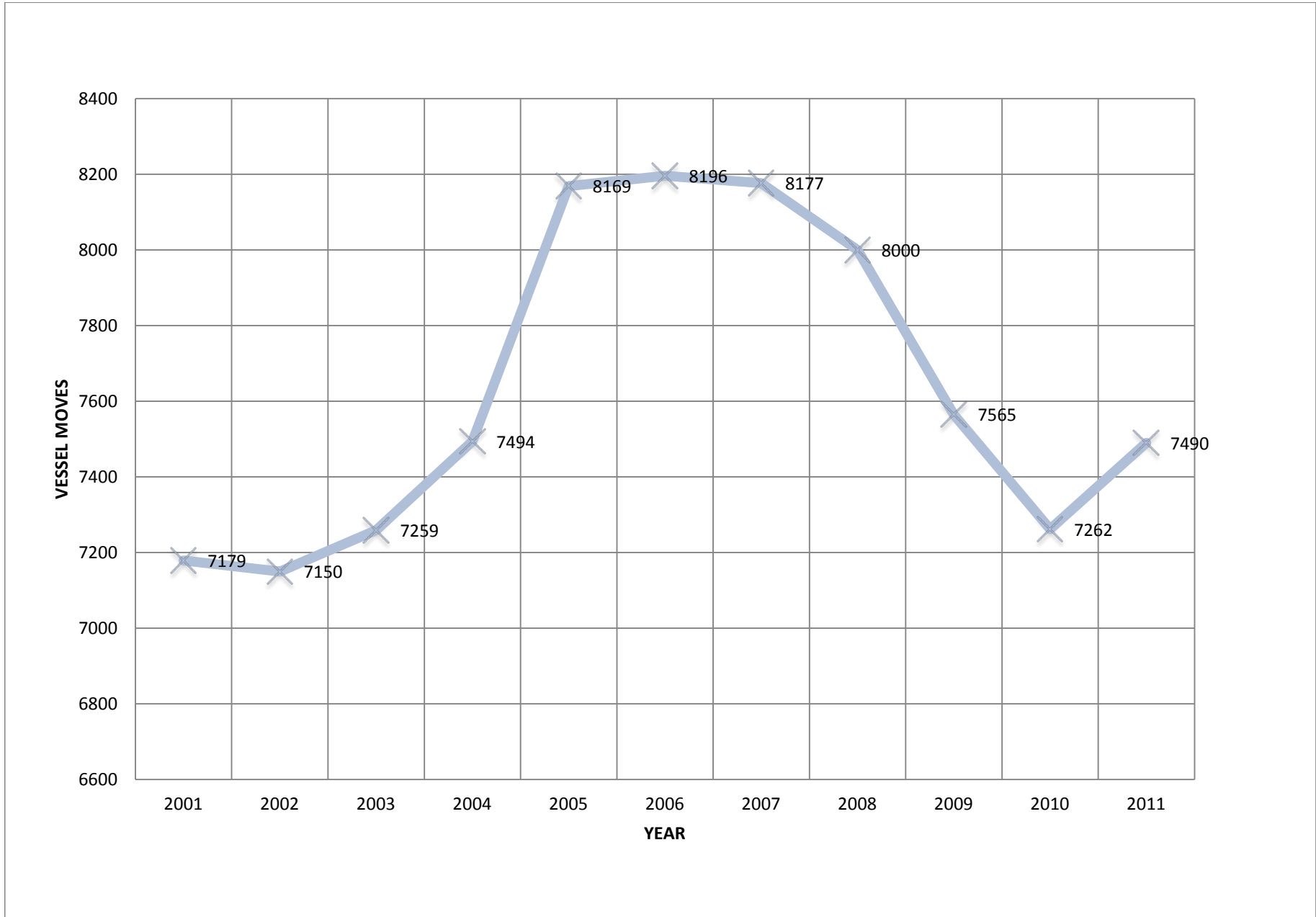
PUGET SOUND DISTRICT
 VESSEL MOVES BY TYPE
 2008-2011



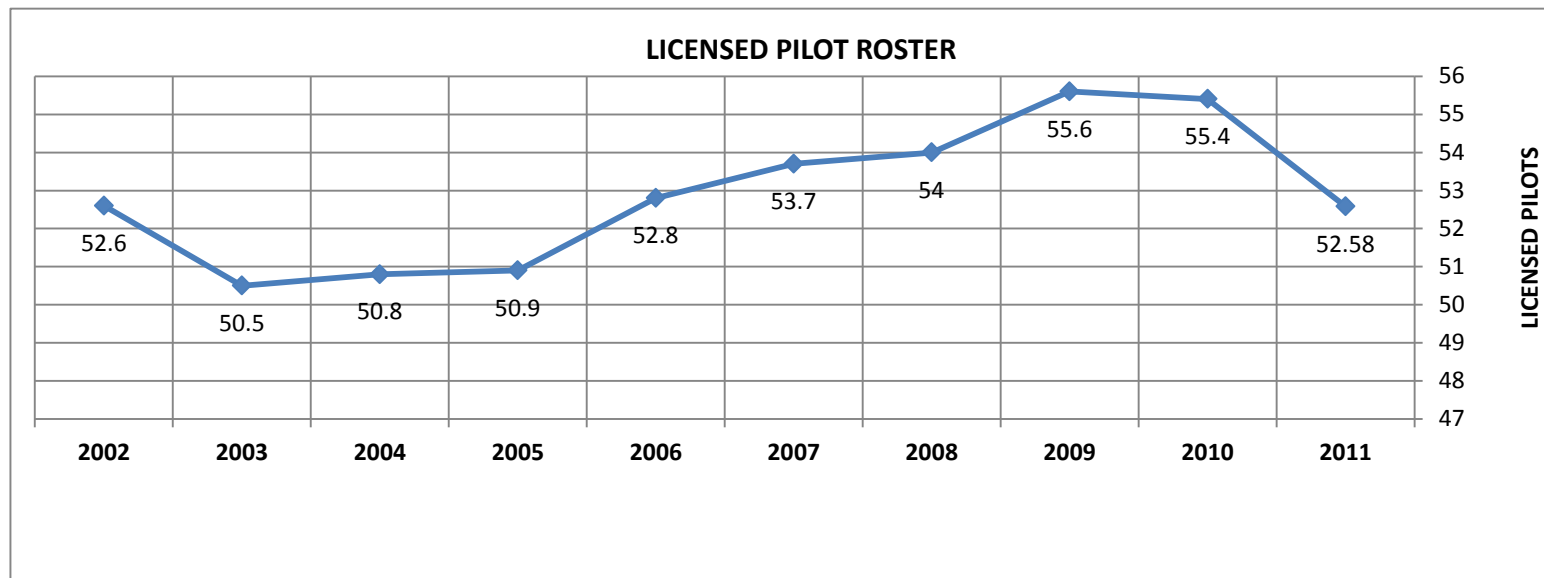
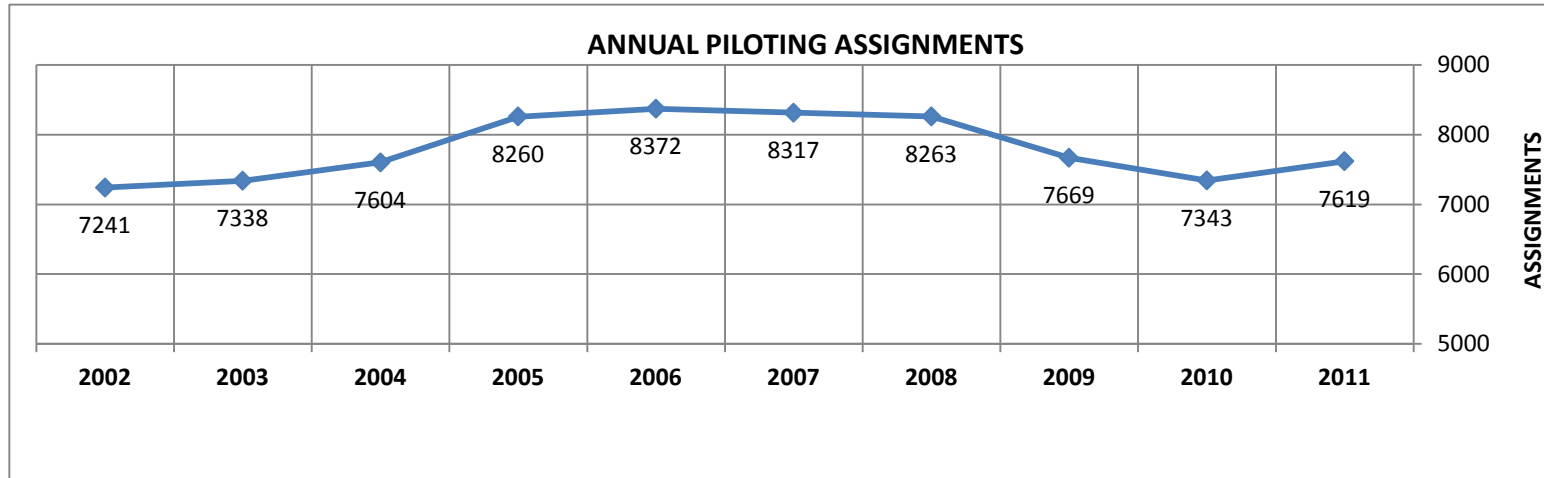
PUGET SOUND DISTRICT
NUMBER OF VESSEL MOVES
BY MONTH AND YEAR



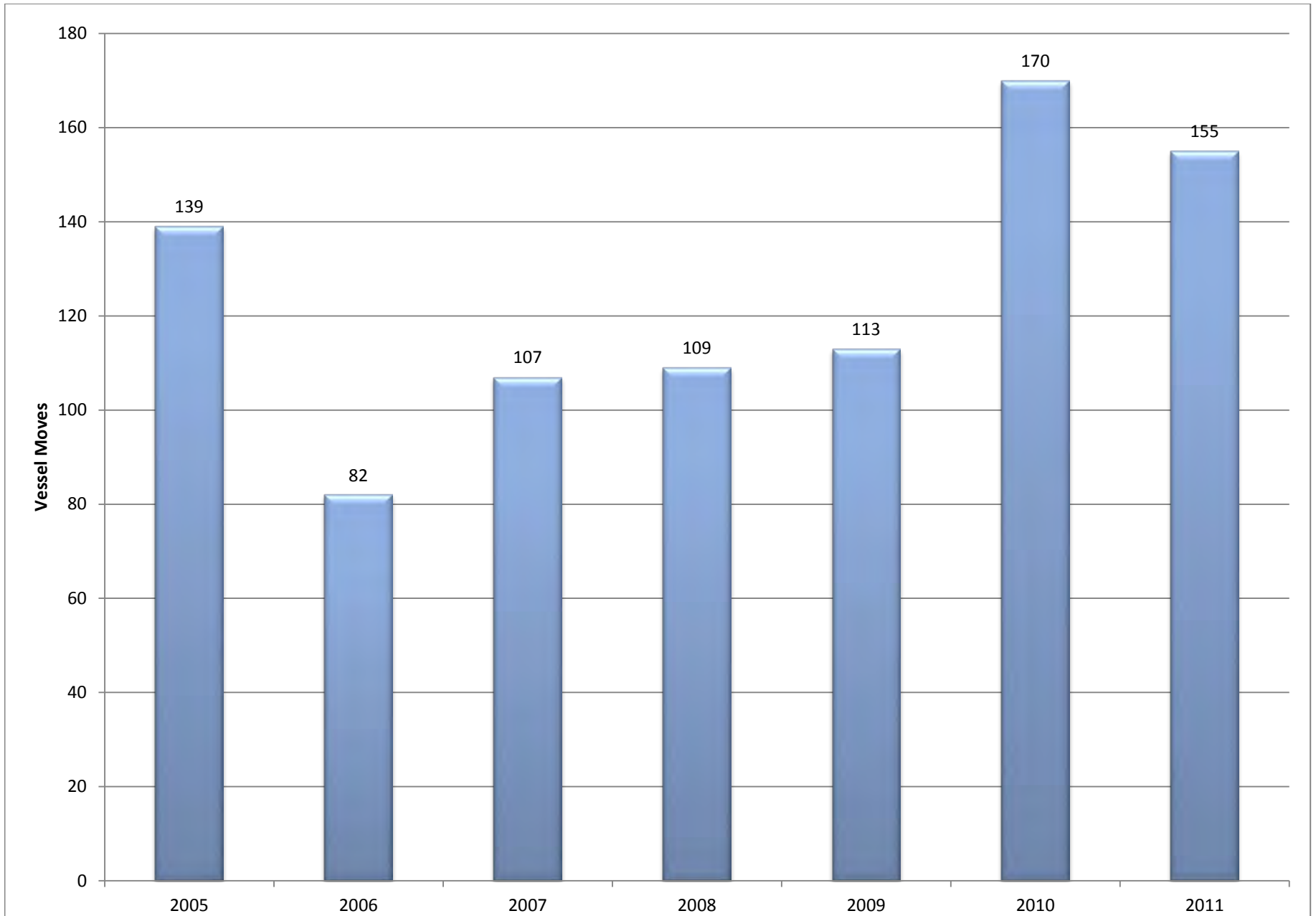
PUGET SOUND DISTRICT NUMBER OF VESSEL MOVES 2001 - 2011



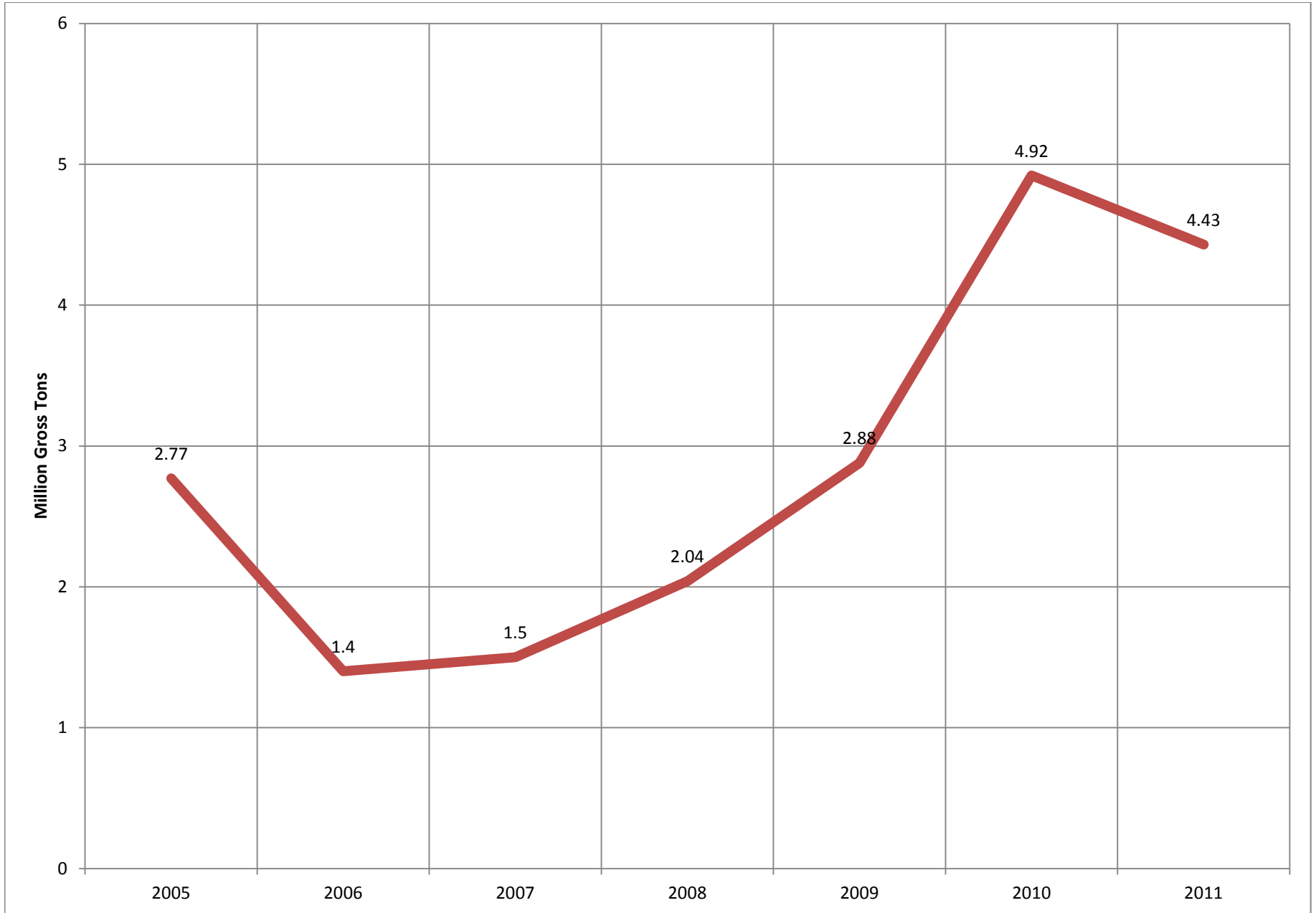
PUGET SOUND DISTRICT 2002 - 2011 Annual Piloting Assignments and Licensed Pilot Roster



GRAYS HARBOR DISTRICT VESSEL MOVES 2005 - 2011



GRAYS HARBOR DISTRICT
GROSS TONNAGE MOVED
2005 - 2011



5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS EARNED

PUGET SOUND PILOTAGE DISTRICT

	2011 Total	Avg. Per Pilot (52.6 Full- time)
Tariff Generated Pilotage Revenue	\$ 30,735,833	\$ 584,331
Operating Expenses of Puget Sound Pilots	(8,490,386)	(161,414)
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(2,610,203)	(49,624)
Earnings after Deduction of Organization Expenses & Payments	\$ 19,635,244	\$ 373,294
Allocation of Pooled Revenue	\$ 18,028,508	\$ 342,747
Individual Business Expense <i>(Note 2)</i>	651,548	12,387
Transportation Allowances and Reimbursements	955,188	18,159
Distributed to Pilots	\$ 19,635,244	\$ 373,294

Notes:

1. 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.
2. Individual Business Expense includes the provision paid for medical and disability insurance, state license fee, annual physical exam, Anacortes subsistence and lodging, and business communication costs.

Remarks:

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

TRAINEE STIPENDS EARNED

During all or part of the year there were seven pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount earned during 2011 totaled \$201,953.

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

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

GRAYS HARBOR PILOTAGE DISTRICT

	2011 Total	Per Pilot (2 Full time)
Tariff Generated Pilotage Revenue	\$ 840,043	420,022
Other Pilot Services Department Revenue	1,647	824
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 <i>(Note 3)</i>	(42,005)	(21,003)
Operating Expenses - Port of Grays Harbor Pilot Services Department	(284,755)	(142,378)
Loss absorbed by Port of Grays Harbor <i>(Note 4)</i>	135,629	67,815
Total Earnings	\$ 650,559	\$ 325,280
Pilot Wages	\$ 510,888	255,444
Employer Provided Benefits	126,391	63,196
Pilot Business Expenses paid by Port of Grays Harbor	20,116	10,058
Travel Allowance and Reimbursements	20,641	10,321
Distributed to Pilots (Compensation)	\$ 608,554	\$ 304,277

Notes:

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

4. Port of Grays Harbor absorbs any loss from the piloting division of their operations.

Remarks:

Employer Provided Benefits includes health, life and disability insurance, federal and state taxes, and retirement funding paid by the employer. Pilot Business Expenses includes state license fee, training and business communication costs.

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

	<u>2011</u>	<u>2010</u>
TOTAL TARIFF GENERATED REVENUE	\$ <u>30,735,833</u>	\$ <u>29,028,422</u>
<u>SUMMARIZED EXPENSES</u>		
Seattle Office Operating Expenses	\$ 5,526,479	\$ 3,351,250
Port Angeles Station Operating Expenses	615,787	628,229
Pilot Boat Operating Expenses	2,238,381	2,325,281
Payments to Retired Pilots/Widows - Puget Sound District	2,610,203	2,289,646
Payments to Retired Pilots/Widows - Grays Harbor District (Note 5)	109,739	113,068
PUGET SOUND DISTRICT - TOTAL EXPENSES	\$ <u>11,100,589</u>	\$ <u>8,707,474</u>

SEATTLE OFFICE OPERATING EXPENSES

Attorney fees	\$ 8,396	\$ 21,240
Comp day expense	290,385	
Computer maintenance	203,750	181,837
Computer programming	5,531	3,479
Conferences	2,946	3,882
Consulting services	149,231	69,040
CPA fees	76,440	65,004
Depreciation	233,620	265,844
Drug testing	5,434	6,647
Dues	138,425	152,180
Education	-	2,997
Employee benefits	243,396	254,333
Employee salaries	750,043	674,207
Equipment leases	1,496	1,394
Insurance	194,355	213,638
Interest	21,381	37,632
License fees - pilots	346,138	
Lobbyist	109,159	114,761
Medical insurance - pilots	1,455,769	
Office maintenance & repair	8,633	4,979
Office supplies	41,388	32,628
Pilot training	220,644	235,953
Political contributions	2,200	46,600
Printing & publications	33,258	20,545
Rent & parking	145,097	146,333
Taxes on payroll	51,968	52,483
Taxes, other	1,500	1,424
Taxes on revenue	586,721	529,174
Travel, entertainment, promotion	146,462	172,659
Telephone & communications	41,713	40,357
Uncollectable accounts receivable	11,000	
SEATTLE TOTAL	\$ <u>5,526,479</u>	\$ <u>3,351,250</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

	<u>2011</u>	<u>2010</u>
<u>PORT ANGELES STATION OPERATING EXPENSES</u>		
Depreciation	\$ 86,767	\$ 92,446
Food	85,270	91,519
Insurance	14,664	19,468
Interest	7,473	17,845
Lodging - Port Angeles	12,001	
Maintenance and repairs	96,027	69,836
Rent, tideland lease	3,681	3,629
Reposition pilots	242,870	258,681
Supplies	27,878	31,949
Taxes on property	11,581	11,277
Telephone & communications	8,462	13,520
Utilities	19,113	18,059
PORT ANGELES TOTAL	<u>\$ 615,787</u>	<u>\$ 628,229</u>
<u>PILOT BOAT OPERATING EXPENSES</u>		
Depreciation	\$ 285,834	\$ 325,676
Employee benefits	203,067	180,376
Employee salaries	795,317	805,656
Fuel of "Juan de Fuca"	209,130	126,031
Fuel of "Puget Sound"	222,646	203,966
Insurance	128,222	120,711
Interest	11,977	28,569
Maintenance & operation of "Juan de Fuca"	69,844	326,520
Maintenance & operation of "Puget Sound"	241,516	129,246
Taxes on payroll	64,666	69,756
Taxes on property	6,162	8,774
PILOT BOAT TOTAL	<u>\$ 2,238,381</u>	<u>\$ 2,325,281</u>

Note (previous page):

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

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

	<u>2011</u>	<u>2010</u>
Tariff Generated Pilotage Revenue	\$ 840,043	\$ 917,423
Other Pilot Services Department Revenue	1,647	1,500
TOTAL REVENUE	\$ <u>841,690</u>	\$ <u>918,923</u>

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 39	\$ 110
Benefits	126,391	112,533
Boarding/deboarding services	158,782	148,547
Depreciation	24,746	22,506
Dues & license fees	12,625	12,000
Engineering services		
Insurance	1,957	2,117
Legal services	1,222	589
Miscellaneous other expenses	991	1,135
Pension contribution to PSP for GH Retirees	42,005	40,670
Port administrative services	58,476	40,556
Port of Grays Harbor Pilot Services Reserve Fund		17,927
Repair/maintenance	65,207	20,411
Supplies	1,458	855
Taxes	14,062	15,241
Telephone	2,261	1,792
Training	5,050	175
Travel	20,641	21,049
Wages	510,888	460,710
GRAYS HARBOR DISTRICT TOTAL EXPENSES	\$ <u>1,046,801</u>	\$ <u>918,923</u>

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

Effective 0001 hours July 1, 2010 through 2400 hours December 31, 2011.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$48.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

Compass Adjustment	\$349.00
Radio Direction Finder Calibration	\$349.00
Launching Vessels	\$524.00
Trial Trips, 6 hours or less (minimum \$954.00)	\$164.00 per hour
Trial Trips, over 6 hours (two pilots)	\$328.00 per hour
Shilshole Bay – Salmon Bay	\$205.00
Salmon Bay – Lake Union	\$159.00
Lake Union – Lake Washington (plus LOA zone from Webster Point)	\$205.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II
(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)	

Waterway and Bridge Charges:

Ships up to 90' beam:

A charge of \$258.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$123.00 per bridge.

Ships 90' beam and/or over:

A charge of \$350.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$244.00 per bridge.

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

Two or three pilots required:

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

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$266.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$266.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$266.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$266.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$266.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges.

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

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0082 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0846 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.1012 per gross ton.

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

Transportation to Vessels on Puget Sound:

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

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$525.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$499.00
Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver-Victoria-New Westminster Range.	\$630.00

Training Surcharge:

A surcharge of \$10.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC [363-116-078](#) shall be added to each pilotage assignment. On January 1, 2011 the surcharge was increased to \$15.00 for each pilot trainee then receiving a stipend.

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	255	396	675	1,006	1,354	1,757
450 - 459	266	403	679	1,021	1,376	1,766
460 - 469	268	407	690	1,038	1,395	1,774
470 - 479	277	419	698	1,059	1,399	1,777
480 - 489	285	426	701	1,078	1,408	1,785
490 - 499	289	432	712	1,098	1,424	1,794
500 - 509	304	440	722	1,110	1,436	1,805
510 - 519	306	448	729	1,127	1,451	1,812
520 - 529	310	464	740	1,132	1,464	1,826
530 - 539	319	470	749	1,145	1,487	1,847
540 - 549	324	476	766	1,157	1,510	1,864
550 - 559	331	492	771	1,174	1,522	1,882
560 - 569	343	512	786	1,185	1,536	1,899
570 - 579	350	516	789	1,190	1,552	1,912
580 - 589	365	524	808	1,199	1,561	1,931
590 - 599	382	536	813	1,205	1,584	1,954
600 - 609	396	552	824	1,209	1,604	1,963
610 - 619	418	557	838	1,214	1,619	1,981
620 - 629	434	564	846	1,229	1,638	2,004

PUGET SOUND PILOTAGE DISTRICT (cont'd)

630 - 639	454	574	855	1,232	1,652	2,021
640 - 649	472	587	864	1,234	1,666	2,036
650 - 659	505	597	880	1,244	1,686	2,057
660 - 669	515	605	887	1,251	1,705	2,073
670 - 679	534	620	896	1,274	1,724	2,086
680 - 689	541	630	908	1,284	1,739	2,106
690 - 699	557	640	922	1,307	1,757	2,150
700 - 719	582	661	939	1,324	1,791	2,174
720 - 739	616	679	963	1,342	1,826	2,210
740 - 759	640	712	982	1,354	1,864	2,250
760 - 779	665	734	1,006	1,376	1,899	2,279
780 - 799	698	767	1,021	1,395	1,931	2,320
800 - 819	726	789	1,041	1,402	1,963	2,355
820 - 839	749	818	1,065	1,424	2,004	2,382
840 - 859	781	851	1,086	1,441	2,034	2,423
860 - 879	810	880	1,105	1,478	2,073	2,458
880 - 899	838	905	1,127	1,512	2,106	2,494
900 - 919	863	935	1,146	1,551	2,150	2,528
920 - 939	890	963	1,174	1,584	2,172	2,563
940 - 959	922	988	1,191	1,619	2,210	2,594
960 - 979	943	1,017	1,212	1,652	2,250	2,633
980 - 999	974	1,041	1,233	1,686	2,279	2,667
1000 - 1019	1,034	1,108	1,288	1,776	2,387	2,782
1020 - 1039	1,062	1,141	1,328	1,826	2,459	2,863
1040 - 1059	1,094	1,169	1,367	1,882	2,529	2,948
1060 - 1079	1,127	1,210	1,407	1,938	2,608	3,035
1080 - 1099	1,161	1,244	1,448	1,994	2,684	3,127
1100 - 1119	1,194	1,282	1,492	2,056	2,765	3,221
1120 - 1139	1,231	1,323	1,538	2,116	2,848	3,317
1140 - 1159	1,266	1,360	1,582	2,179	2,934	3,418
1160 - 1179	1,304	1,399	1,632	2,245	3,021	3,518
1180 - 1199	1,344	1,442	1,679	2,312	3,113	3,625
1200 - 1219	1,385	1,485	1,728	2,382	3,206	3,732
1220 - 1239	1,424	1,530	1,779	2,453	3,300	3,844
1240 - 1259	1,467	1,575	1,831	2,526	3,400	3,958
1260 - 1279	1,510	1,621	1,887	2,602	3,503	4,077
1280 - 1299	1,555	1,671	1,945	2,680	3,605	4,200
1300 - 1319	1,603	1,718	2,001	2,759	3,714	4,324
1320 - 1339	1,651	1,771	2,063	2,842	3,824	4,455
1340 - 1359	1,698	1,824	2,124	2,926	3,939	4,589
1360 - 1379	1,750	1,877	2,187	3,016	4,055	4,724
1380 - 1399	1,801	1,933	2,254	3,104	4,178	4,868
1400 - 1419	1,856	1,992	2,319	3,196	4,302	5,013
1420 - 1439	1,911	2,052	2,389	3,293	4,433	5,163
1440 - 1459	1,970	2,114	2,462	3,391	4,565	5,317
1460 - 1479	2,025	2,175	2,534	3,492	4,702	5,474
1480 - 1499	2,087	2,240	2,609	3,596	4,841	5,639
1500 Over	2,150	2,308	2,686	3,706	4,985	5,807

7 PILOTAGE TARIFFS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

Effective 0001 hours August 1, 2010, through 2400 hours December 31, 2011.

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

Draft and Tonnage Charges:

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

Draft	\$100.12 per meter or \$30.51 per foot
Tonnage	\$0.287 per net registered ton
Minimum Net Registered Tonnage	\$1,004.00
Extra Vessel (in case of tow)	\$562.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,562.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter	\$1,030.00
--	------------

Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$699.00
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Delays per hour	\$164.00
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Cancellation charge (pilot only)	\$274.00
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Cancellation charge (boat or helicopter only)	\$822.00
---	----------

Pension Charge:

Charge per pilotage assignment, including cancellations	\$271.00
---	----------

Travel Allowance:

Transportation charge per assignment	\$100.00
--------------------------------------	----------

Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$931.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	\$301.00
----------------------------------	----------

Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$833.00
---	----------

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

PUGET SOUND PILOTAGE DISTRICT

INCIDENT REPORTS

Four Incident Reports were filed in the Puget Sound Pilotage District this year.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
2-Jan-2011	APL Vietnam	Hurt	Seattle, Pier 5	Incident with injury, no pilot error
16-Apr-2011	Maui	Marmol	Seattle, Berth 18-4	Incident with damage, no pilot error
26-Aug-2011	Jag Lalit	Sliker / Anacker	Ferndale, Cherry Point, South dock	Incident with damage, no pilot error
4-Oct-2011	Lily Oldendorff	Wildes	Tacoma, Hylebos Waterway	Incident with damage, possible pilot error

GRAYS HARBOR PILOTAGE DISTRICT

INCIDENT REPORTS

One Transfer Incident Investigation was filed in the Grays Harbor Pilotage District.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
22-Feb-2011	Prabhu Jivesh	Cooke	Grays Harbor, Buoy #4 Bar Harbor	Incident with damage, no pilot error

PUGET SOUND AND GRAYS HARBOR DISTRICTS

MARINE SAFETY OCCURRENCES

Forty-six MSO reports in the Puget Sound District: Thirty-six vessel equipment malfunctions or failures, one of which was classified as a near-miss; one maneuver to avoid gillnets; two avoidance maneuvers taken due to inability to contact the needed party; two reports of observance of existing damage or issue on another vessel; one report due to USCG issue; two reports of tug malfunction; and two reports of dangerous activity of small vessels, both of which were classified as a near-miss.

One MSO report in the Grays Harbor District, an equipment malfunction causing loss of propulsion. This occurrence was classified as a near-miss.

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

9 PETITIONS FOR VESSEL EXEMPTION

PUGET SOUND DISTRICT

During some or all of the months of 2011, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia.

<u>Cert#</u>	<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF ORIGIN</u>	<u>EXEMPTION DATES</u>
10-01	CIELO MARE	106 FT	247 GT	Angulo / Laws	Marshall Islands	1/10-1/11
10-02	BLUE STAR	144 FT	430 GT	Harrison / Thornburn	Cayman Islands	3/10-2/11
10-03	SLOJO	151 FT	495 GT	Herregods	Cayman Islands	3/10-2/11
10-05	SWEET HOPE	65 FT	73 GT	Morgan-Harris	United Kingdom	4/10-4/11
10-07	C1	96 FT	190 GT	Daw	Cayman Islands	5/10-4/11
10-10	LAST MANGO	55 FT	53 GT	Lee	Great Britain	7/10-7/11
10-11	SHEAR FANTASEA	113 FT	221 GT	Nolander	Marshall Islands	5/10-5/11
10-12	CRESCENDO	112 FT	208 GT	Lane	Marshall Islands	11/10-11/11
10-14	MEA CULPA	130 FT	302 GT	Hein	Cayman Islands	7/10-7/11
10-17	PELAGIAL	71 FT	76 GT	Carter	Marshall Islands	6/10-6/11
10-23	DIONE SKY	149 FT	499 GT	Harrison	Cayman Islands	10/10-1/11
10-25	PEPPER XIII	112 FT	208 GT	Sheer / Catania	Cayman Islands	12/10-3/11
11-01	WABI-SABI	164 FT	492 GT	Judges	Cayman Islands	3/11-3/12
11-02	VICTORIA CLIPPER	127 FT	431 GT	Various	Netherlands Antilles	5/10-4/11
11-03	VICTORIA CLIPPER IV	131 FT	478 GT	Various	Bahamas	5/11-4/12
11-04	TAMSEN	72 FT	463 GT	Zamir	Cayman Islands	6/11-9/11
11-05	ROCHADE	156 FT	492 GT	Martin	Cayman Islands	6/11-6/12
11-06	GOLDEN BOY II	115 FT	236 GT	Campbell	Marshall Islands	4/10-4-11 5/11-5/12
11-07	VANGO	164 FT	490 GT	Hagerman	Cayman Islands	6/11-6/12
11-08	EVVIVA	164 FT	492 GT	Trailer / Benge	British Virgin Islands	6/11-6/12
11-09	ESTANCIA	112 FT	208 GT	McDowell / Jones	Cayman Islands	4/10-4/11 5/11-5/12
11-10	ETHEREAL	190 FT	494 GT	Barry	Cayman Islands	6/11-6/12
11-11	ALUMERCIA	124 FT	377 GT	Mestrom	Netherlands Antilles	6/11-6/12
11-12	ISLANDER	85 FT	155 GT	Puijman	Cayman Islands	7/11-7/12
11-13	AFTER EIGHT	151 FT	498 GT	Lindsay	Isle of Man	1/11-4/11
11-14	ERICA XII	174 FT	279 GT	Thirkettle	Bermuda	8/11-10/11
11-15	PACIFIC TIME	76 FT	114 GT	Comber	Australia	7/11-7/12
11-16	MERIDIAN	161 FT	474 GT	Galleymore	Cayman Islands	6/11-6/12
11-17	LATITUDE	146 FT	494 GT	Higgo	Cayman Islands	6/11-6/12
11-18	ZENJI	183 FT	499 GT	Quinlan	Cayman Islands	7/11-7/12
11-20	MARAMA	124 FT	456 GT	Lloyd	Cook Islands	11/11-11/12
11-21	INDIGO	105 FT	224 GT	Hubbard	Marshall Islands	10/11-1/12
11-22	LEGACY	164 FT	492 GT	Piesch	Cayman Islands	12/11-3/12
11-24	SPELLBOUND	84 FT	82 GT	Cregan	Cayman Islands	12/11-3/12
11-19 & 11-23	MONARCH	151 FT	499 GT	Heys / Johnson	Cayman Islands	7/11-10/11 12/11-12/12

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

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

The last exam for entry into a pilot training program for the Puget Sound District was held in the fall of 2008. A waiting list of the top fourteen candidates was established from that exam and at December 31, 2011, has two remaining to be called into the program.

After successfully completing his program, the Board deemed one trainee qualified for issuance of a license, but delayed licensing until there is a need for another pilot in the Puget Sound District. A post-training program was developed for this situation and he will remain unlicensed until a pilot position becomes available.*

Status of Successful 2008 Exam Applicants as of 12/31/2011:

1. Stephan Moreno (T-019)	Licensed (#178):	12/10/09
2. John Scragg (T-020)	Licensed (#180):	07/08/10
3. David Brusco (T-021)	Licensed (#179):	03/11/10
4. James Caspers (T-022)	Training program ended:	09/29/10
5. D. Scott Anacker (T-023)	Entered training program:	09/01/09
6. Blair Bouma (T-024)	Licensed (#181):	07/28/11
7. James Kearns (T-025)	Qualified, licensing delayed:	07/28/11*
8. Michael Anthony (T-026)	Entered training program:	07/01/10
9. Robert D'Angelo	Declined invitation; continues to pilot in GH District	
10. Fred Engstrom (T-027)	Entered training program:	06/01/11
11. Warren Carley (T-028)	Entered training program:	12/01/11
12. William Lowery (T-029)	Entered training program:	12/01/11
13. Thomas Coryell		
14. Daniel Brouillard		

GRAYS HARBOR PILOTAGE DISTRICT

The last pilot exam for the Grays Harbor District was held in 1992. The waiting list for entry into a training program for this district has been exhausted.

It is anticipated that in 2012 the board will determine the date of the next examination for both the Grays Harbor and Puget Sound Districts to establish a waiting list for entry into training.

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



Washington State
Board of Pilotage Commissioners

2012 ANNUAL REPORT

2012 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor’s Report (Modified Accrual Basis); 2012/2011
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2012
- By-laws and Operating Rules (Puget Sound District)
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone Reports (Puget Sound District)
- Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

1 FOREWORD

Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,637 vessel moves, resulting in 7,769 piloting assignments in 2012. This is an increase in vessel moves and assignments from the previous year. The average number of full-time pilots decreased to 51.9 in 2012. The average annual number of assignments per pilot was 149 or approximately 12 assignments per month in 2012 as compared to assignments of 148 annually and 12 per month in 2011.

The Grays Harbor Pilots had a total of 177 piloting assignments in 2012, resulting from 82 vessels arrivals. In comparison, there were 72 vessel arrivals generating 155 piloting assignments in 2011. The Port of Grays Harbor employed two full-time pilots.

2012 Tariff Hearings

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

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District – 11/15/12.

The Board's decision reflected an increase to the tariff of 3% across-the-board except in the transportation charges and the training surcharge categories, and including the Transportation Charges portion of the British Columbia Direct Transit Charge, and with the expectation the Portable Piloting Units be purchased.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District – 10/24/12.

The Board adopted an effective overall increase to the tariff of 4.3%.

Legislation

SB 6171 was enacted during the 2012 Legislative Session. It provided an increase in the size limitations for certain vessels applying for exemptions from pilotage requirements.

Information Bulletin

Information Bulletin 12-01, outlining how Washington State's laws, rules or documents are used and/or affect the Board of Pilotage Commissioners, was adopted June 21, 2012.

1 FOREWORD (cont'd)

Rule-Making

The following rules were adopted, amended or repealed:

WAC 363-11: Practice and Procedure – Board of Pilotage Commissioners.

WAC 363-116-0751: Qualifications for pilot applicants taking examinations on or after 7/1/08.

WAC 363-116-076: Examination for pilot applicants.

WAC 363-116-077: Simulator evaluation for pilot applicants.

WAC 363-116-078: Training Program.

WAC 363-116-080: Licensing of pilots.

WAC 363-116-083: Written examination protest and appeal procedures.

WAC 363-116-084: Simulator evaluation review and appeal procedures.

WAC 363-116-200: Duties of Pilots.

WAC 363-116-360: Exempt Vessels.

Setting the Number of Pilots

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

	Oct 12, 2006	April 8, 2010	Sept 30, 2010	Aug 9, 2012	
Puget Sound	57	54	52	53	
Grays Harbor	The number of pilots will increase from 2 to 3 upon the next candidate becoming successfully licensed.				

2 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>Initial Appointment</u>	<u>Term Expires</u>
<u>CHAIR</u>		
Captain Harry Dudley	11/1/1999	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	9/29/2009	12/26/2012
Captain Edmund I. Kiley	1/14/2010	12/26/2013
<u>REPRESENTING AMERICAN SHIPPING</u>		
Craig Lee - BP Shipping (USA)	1/25/2002	1/24/2012
Phil Morrell - Totem Ocean Trailer Express (TOTE)	1/25/2012	12/26/2015
<u>REPRESENTING FOREIGN SHIPPING</u>		
Doug Coburn - General Steamship Corp	5/5/2010	1/13/2012
Captain J. Grant Stewart - Westwood Shipping Lines (WSL)	3/16/2012	12/26/2012
<u>REPRESENTING THE PILOTS</u>		
Captain Pat Hannigan - Puget Sound Pilotage District	1/11/2005	12/26/2012
Captain Don Mayer - Puget Sound Pilotage District	12/27/2011	12/26/2015
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Norm Davis - Spill Prevention, Preparedness & Response	4/15/2005	N/A
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	9/1/2007	12/26/2014
<u>LEGAL COUNSEL</u>		
Guy Bowman	8/1/2008	N/A
<u>STAFF</u>		
Peggy Larson, Executive Director	12/8/1982	N/A
Shawna Erickson, Sr. Project Director	1/27/2010	N/A

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

2 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$ 167,230
Goods and Services	130,715
Trainee Stipends	263,141
Travel	10,248
TOTAL EXPENDITURES	<u>\$ 571,334</u>

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

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

3 LICENSED PILOTS PUGET SOUND DISTRICT

at 12/31/12 or retirement

PILOT	Lic #	Years
		Licensed
ANACKER, D. Scott	183	0.8
ANTHONY, Michael	184	0.4
ARNOLD, John	147	17.1
BLAKE, Michael	163	6.5
BOUMA, Blair	181	1.4
BRUSCO, David	180	2.8
BUJACICH, Jack	164	6.5
CARLSON, Ivan	165	6.5
COE, Frantz (Andy)	142	20.7
EMERSON, Larry	126	25.0
ENGSTROM, Carl	133	22.9
ENGSTROM, Fred	185	0.1
ENGSTROM, Victor	162	7.7
GIESE, Peter	143	20.2
GROBSCHMIT, David	169	56.0
HANNIGAN, Patrick	108	30.6
HANNUKSELA, James	175	4.1
HARRIS, John	123	25.0
HENSHAW, Brian	155	12.4
HURT, Gary	158	11.6
JACOBS, Thomas	131	23.0
JUSTICE, Verne	128	23.9
KALVOY, Jostein	170	5.6
KEARNS, James	182	1.0
KELLY, Patrick	167	6.4
KLAPPERICH, Eric	172	4.9
KNOWLES, Burton	150	16.7
LARSON, Christopher	151	16.2
MACKENZIE, Delmar	124	25.0
MARMOL, Edmund	171	5.3

at 12/31/12 or retirement

PILOT	Lic #	Years
		Licensed
MAYER, Donald	121	26.4
McCURDY, Richard	141	20.7
<i>MENDENHALL, Michael (Ret.)</i>	92	35.5
MICHELSON, Bruce	136	22.5
MORENO, Stephan	178	3.1
MORK, Stuart	159	11.5
NEWMAN, Alec	125	25.0
<i>NIEDERHAUSER, John (Ret.)</i>	132	22.0
SANDERS, David	152	15.7
SCOGGINS, John	161	7.9
SCRAGG, John	181	2.5
SEMLER, Joseph	156	12.2
SEMLER, Stephen	174	4.6
SEYMOUR, Lawrence	177	3.5
SHAFFER, Daniel	116	27.5
SHAFFER, James	145	20.2
SHULER, Mark	154	14.8
SLIKER, William	166	6.5
SORIANO, Donald	122	26.1
THORESON, George	176	4.1
vonBRANDENFELS, Eric	148	17.1
WARD, John K.	168	6.3
WARD, Jonathan E.	160	9.3
WILDES, Gordon	173	4.9
WOOD, Micheal	134	22.8

12/31/2011	51
<i>Number of retirements in 2012:</i>	2
Number of new pilots in 2012:	4
Number of pilots as of 12/31/12:	53

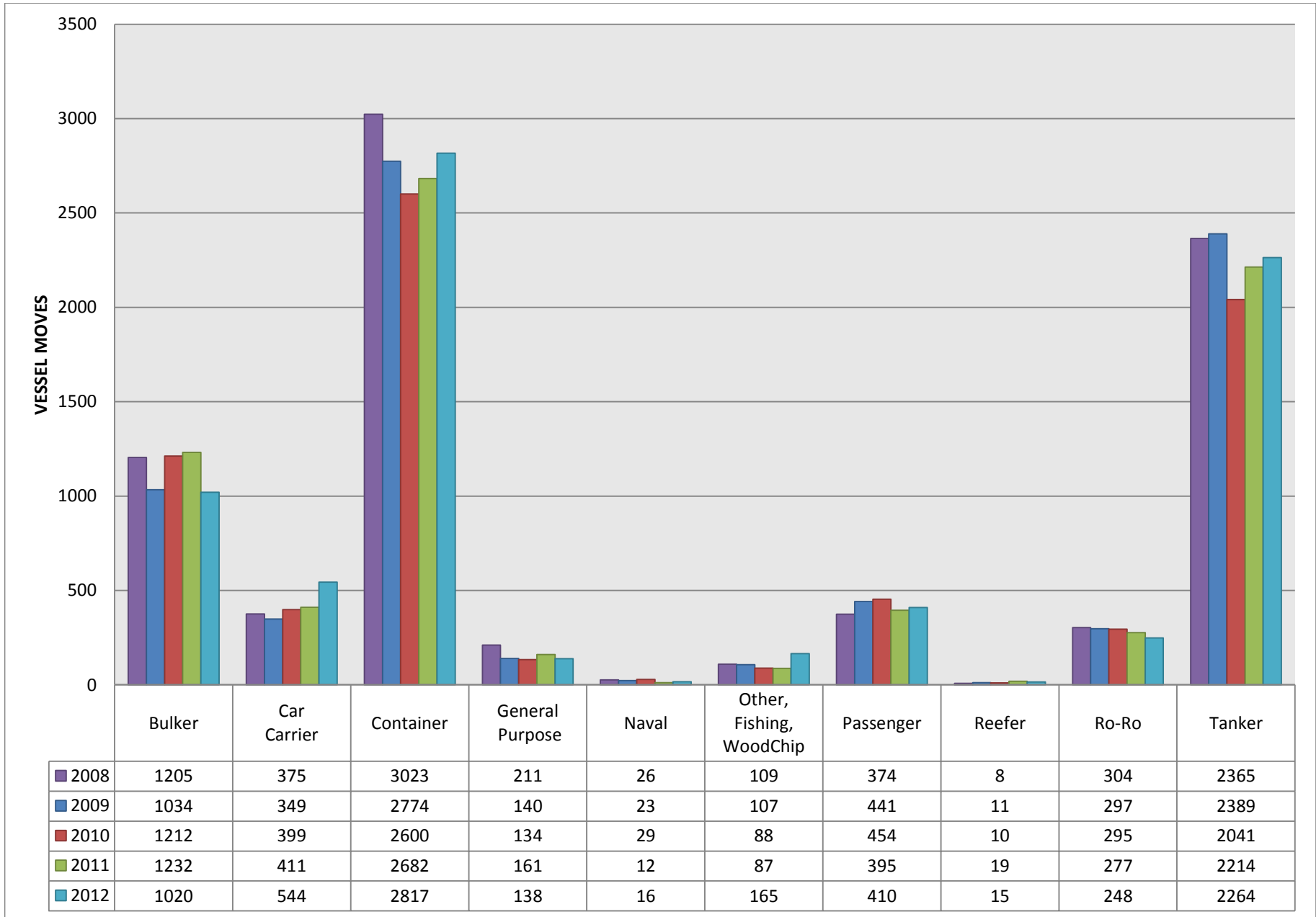
at 12/31/12

GRAYS HARBOR DISTRICT

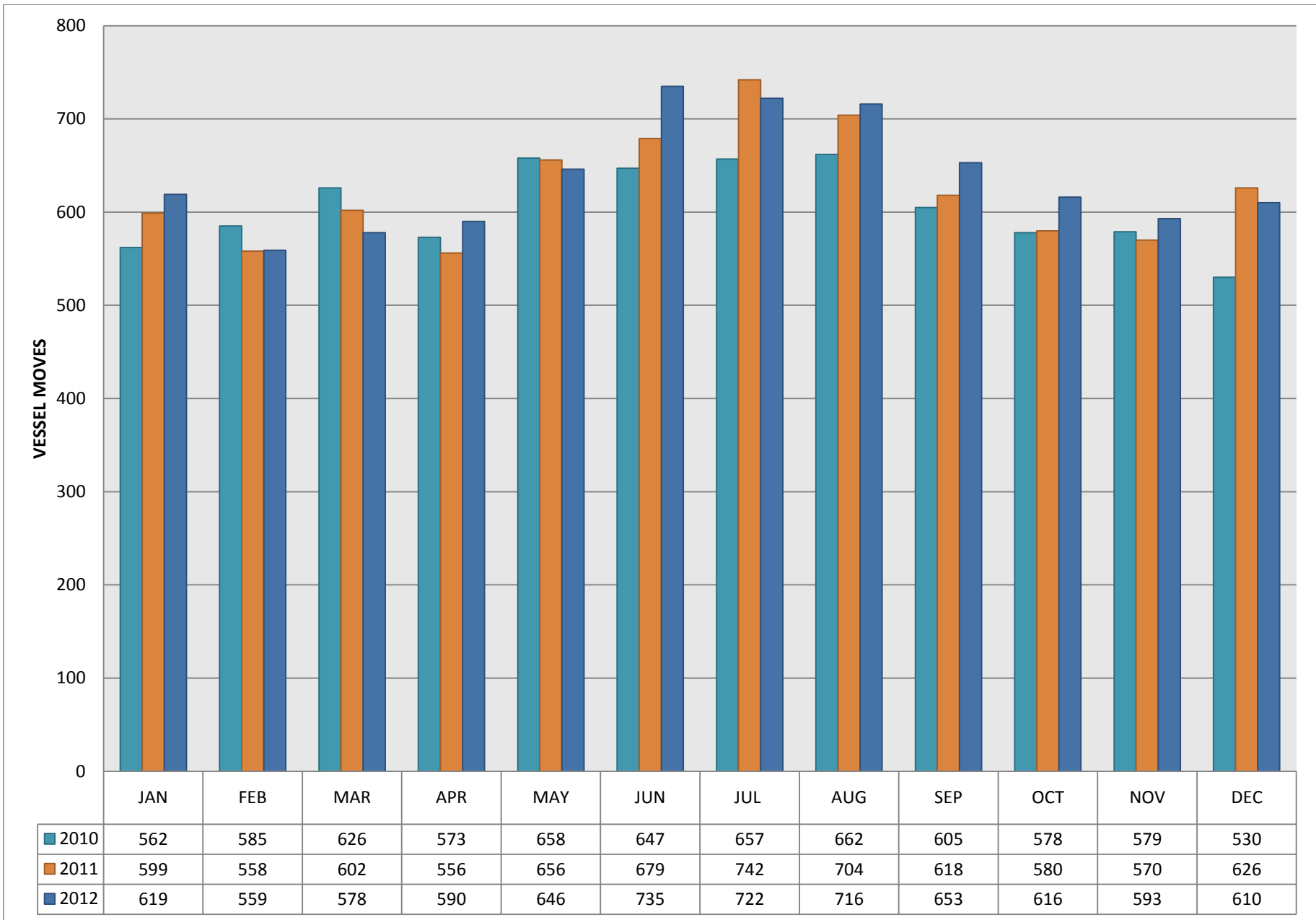
PILOT	Lic #	Years
		Licensed
D'Angelo, Robert	15	19.8
Cooke, Stephen	16	7.5
No changes to pilot roster in 2012		

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

4 COMPARATIVE VESSEL TRAFFIC INFORMATION



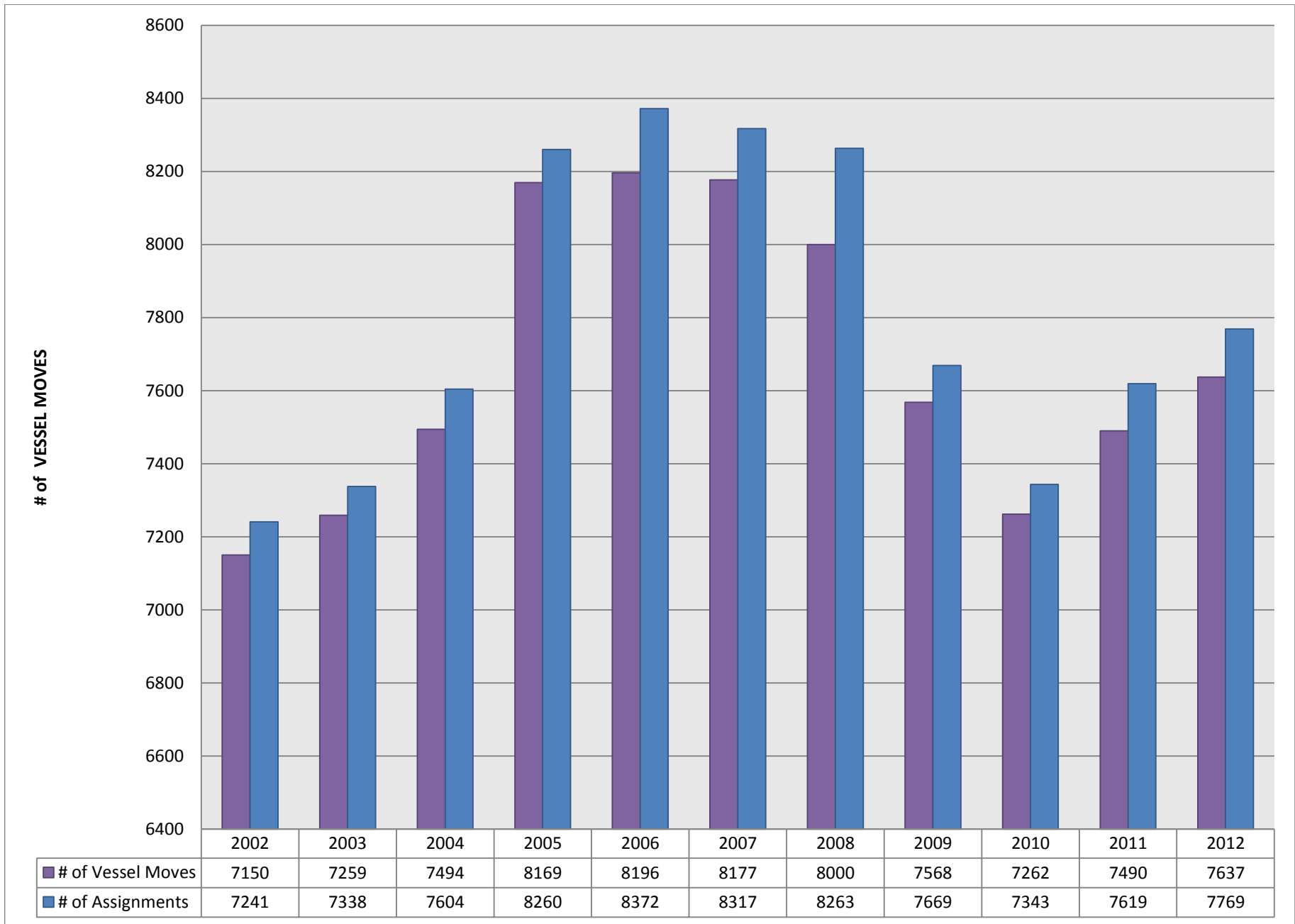
4 COMPARATIVE VESSEL TRAFFIC INFORMATION



04 COMPARATIVE VESSEL TRAFFIC INFORMATION

VESSEL MOVES vs. ASSIGNMENTS 2002-2012

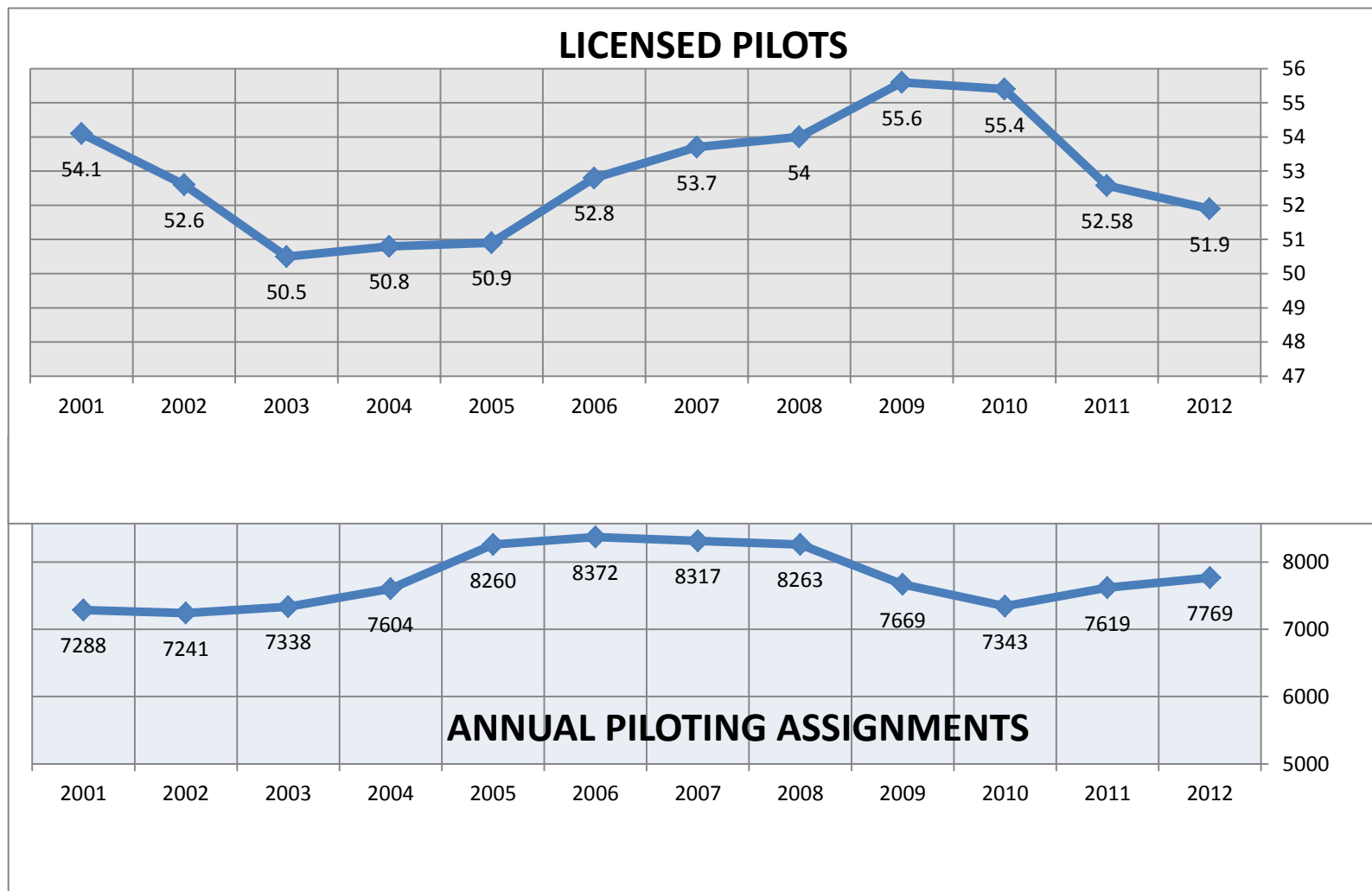
(Difference = Cancellation of Assignment)



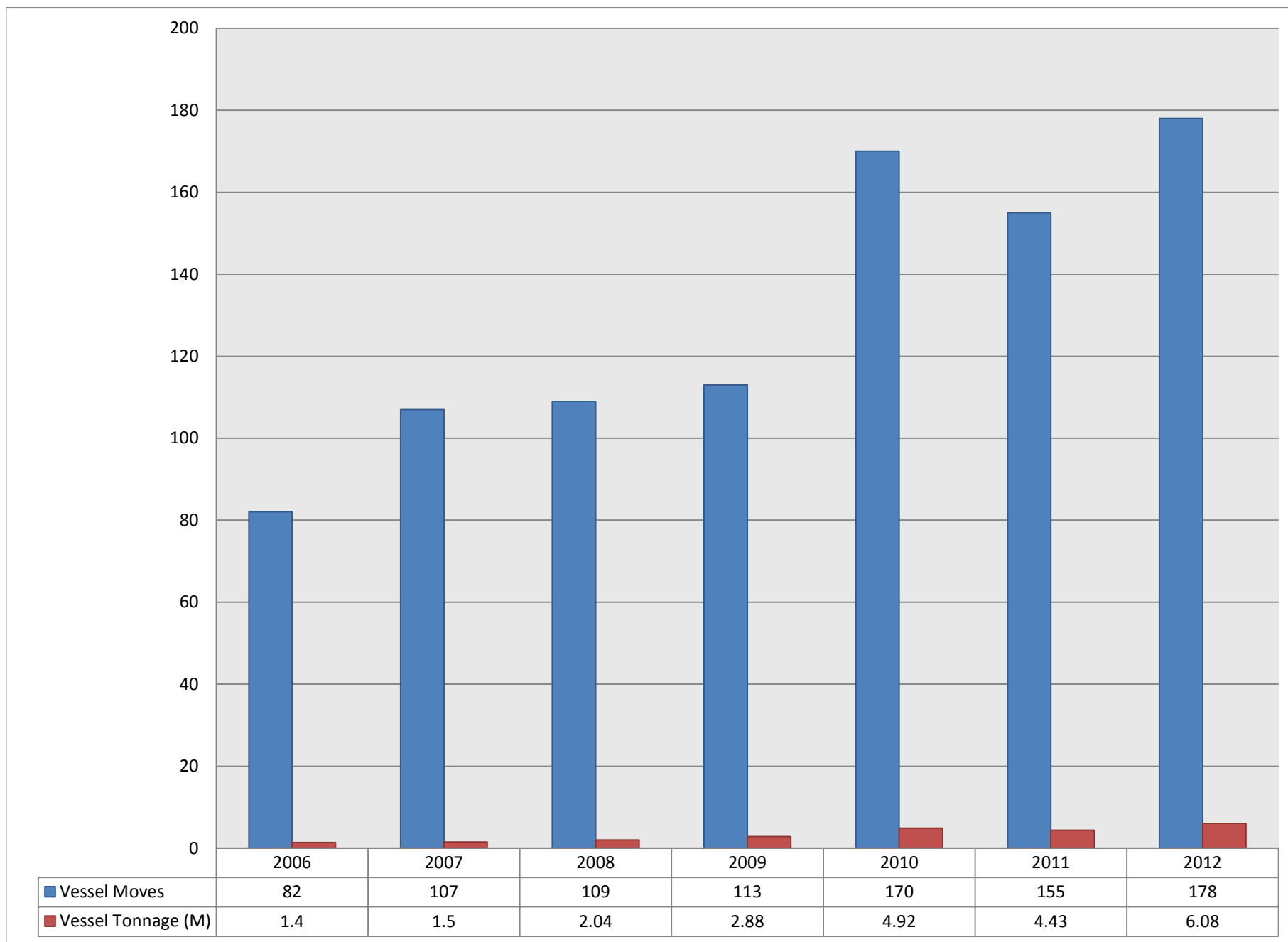
4 COMPARATIVE VESSEL TRAFFIC INFORMATION

PUGET SOUND DISTRICT
Number of Pilots
shown with
Number of Assignments
2001-2012

PUGET SOUND DISTRICT



4 COMPARATIVE VESSEL TRAFFIC INFORMATION



5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

	2012 Total	Avg. Per Pilot (51.9 Full-time)
Pilotage Tariff Revenue	\$ 31,658,445	\$ 609,989
Other Income / (Expense)	18,785	362
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(2,695,219)	(51,931)
Operating Expenses of Puget Sound Pilots	(8,592,917)	(165,567)
Group Medical Insurance Plan for Pilots <i>(shown below)</i>	1,547,037	29,808
Available Revenue Pool for Distribution	\$ 21,936,131	\$ 422,661
Income Allocation of Pooled Tariff Revenue	\$ 18,731,627	\$ 361,002
Individual Business Expense <i>(Note 2)</i>	646,939	12,468
Transportation Allowances and Reimbursements	991,743	19,109
Tariff Revenue Paid to Pilots	20,370,309	392,579
Individual Pilot Medical Insurance <i>(Note 2)</i> (group plan paid by PSP)	1,547,037	29,808
Tariff Revenue Paid to Pilots + Medical Benefit	\$ 21,917,346	\$ 422,299
		(rounding)
Undistributed Other Revenue	18,785	362
Available Revenue Pool for Distribution	\$ 21,936,131	\$ 422,661

Notes:

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

Remarks:

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

TRAINEE STIPENDS PAID

During all or part of the year there were eight pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2012 was \$263,141.

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

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

GRAYS HARBOR PILOTAGE DISTRICT

	2012 Total	Per Pilot (2 Full time)
Tariff Generated Pilotage Revenue	\$ 1,038,387	\$ 519,194
Other Pilot Services Department Revenue	1,200	600
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 <i>(Note 3)</i>	(49,560)	(24,780)
Operating Expenses - Port of Grays Harbor Pilot Services	(289,645)	(144,823)
Gain retained by Port of Grays Harbor <i>(Note 4)</i>	(49,402)	(24,701)
Net Pilotage Revenue	<u>\$ 650,980</u>	<u>\$ 325,490</u>
Pilot Wages	\$ 491,938	\$ 245,969
Employer Provided Benefits <i>(Note 5)</i>	91,940	45,970
Gain Sharing	49,402	24,701
Travel Allowance and Reimbursements	17,700	8,850
Compensation to Pilots	<u>\$ 650,980</u>	<u>\$ 325,490</u>

Notes:

3. *As part of an agreement with the Commission, Puget Sound Pilots distributes retirement benefits to the retirees of the Grays Harbor Bar Pilots. The cost is offset in part by a 2001 Puget Sound District tariff increase and the pension charge per assignment included in the Grays Harbor tariff. The Port transfers those funds to the Puget Sound Pilots to distribute to Grays Harbor pilot retirees with service credit prior to 2001.*
4. *Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.*
5. *Employer Provided Benefits includes health, life, medical, and disability insurance, federal and state taxes, and retirement funding paid by the employer.*

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

2012

TOTAL TARIFF GENERATED REVENUE \$ 31,658,445

SUMMARIZED EXPENSES

Payments to Retired Pilots/Widows - Puget Sound District	\$ 2,695,219
Pilot Medical Insurance - Puget Sound District	1,547,037
Seattle Operating/Administrative Expenses	<u>4,525,153</u>
Total Seattle Expenses	\$ 8,767,409
Port Angeles Station Operating Expenses	527,680
Pilot Boat Operating Expenses	<u>1,993,047</u>
Total PSP Operating/Administrative Expenses	\$ 11,288,136
Transportation Fees Paid Directly to Pilots	<u>991,743</u>
Total Deductions from Revenue	<u>12,279,879</u>
Balance of Revenue Pool to Distribute	\$ 19,378,566
Other Income / (Expense)	<u>18,785</u>
NET INCOME FROM POOLED OPERATIONS	\$ <u>19,397,351</u>

SEATTLE OFFICE OPERATING EXPENSES

Attorney fees	\$ 28,043
Comp day expense	603,785
Computer maintenance	216,595
Computer programming	7,041
Conferences	3,561
Consulting services	96,568
CPA fees	72,656
Depreciation	172,897
Drug testing	6,770
Dues	143,150
Employee benefits	279,626
Employee salaries	746,246
Equipment leases	1,077
Insurance	205,032
Interest	12,820
License fees - pilots	351,000
Lobbyist	113,478
Office maintenance & repair	7,136
Office supplies	34,824
Payments to Retired Pilots/Widows - Grays Harbor District	109,739
Pilot training	296,007
Printing & publications	23,086
Rent & parking	104,566
Taxes on payroll	51,398
Taxes, other	1,060
Taxes on revenue	605,237
Travel, entertainment, promotion	187,145
Telephone & communications	42,314
Uncollectable accounts receivable	2,296
Seattle Office Total	\$ <u>4,525,153</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2012</u>
Depreciation	\$ 54,069
Food	95,184
Insurance	20,303
Interest	202
Lodging - Port Angeles	161
Maintenance and repairs	41,122
Rent, tideland lease	3,893
Reposition pilots	244,011
Supplies	26,288
Taxes on property	12,619
Telephone & communications	9,549
Training	
Utilities	20,279
Port Angeles Total	<u>\$ 527,680</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28
Employee benefits	213,048
Employee salaries	802,040
Fuel of "Juan de Fuca"	222,781
Fuel of "Puget Sound"	245,321
Insurance	86,232
Interest	324
Maintenance & operation of "Juan de Fuca"	220,285
Maintenance & operation of "Puget Sound"	134,084
Taxes on payroll	63,179
Taxes on property	5,725
Pilot Boat Operations Total	<u>\$ 1,993,047</u>

Note (previous page) :

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

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

	<u>2012</u>
Tariff Generated Revenue	\$ 1,038,387
Miscellaneous Revenues	1,200
TOTAL REVENUE	\$ <u>1,039,587</u>

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 45
Benefits	91,940
Pilot launch services	153,516
Depreciation	25,134
Dues & license fees	13,000
Insurance	1,911
Legal services	2,518
Miscellaneous other expenses	249
Pension contribution to PSP for GH Retirees	49,560
Port Administrative Services	48,074
Repair/Maintenance	6,936
Supplies	2,094
Taxes	17,521
Telephone	2,625
Training	7,500
Travel/Lodging/Meals	8,523
Wages	491,938
Gain Sharing Distribution	49,402
Incremental Duty Pay	
Travel Allowance	17,700
GRAYS HARBOR DISTRICT TOTAL EXPENSES	\$ <u>990,186</u>
GRAYS HARBOR DISTRICT OPERATING INCOME	\$ <u>49,402</u>

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

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

Effective 0001 hours January 1, 2012 through 2400 hours December 31, 2012.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$48.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

Compass Adjustment	\$349.00
Radio Direction Finder Calibration	\$349.00
Launching Vessels	\$524.00
Trial Trips, 6 hours or less (minimum \$984.00)	\$164.00 per hour
Trial Trips, over 6 hours (two pilots)	\$328.00 per hour
Shilshole Bay – Salmon Bay	\$205.00
Salmon Bay – Lake Union	\$159.00
Lake Union–Lake Washington (plus LOA zone from Webster Point)	\$205.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II
(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)	

Waterway and Bridge Charges:

Ships up to 90' beam:

A charge of \$258.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$123.00 per bridge.

Ships 90' beam and/or over:

A charge of \$350.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$244.00 per bridge.

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

Two or three pilots required:

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

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$266.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$266.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$266.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$266.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$266.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges.

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

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0082 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0846 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.1012 per gross ton.

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

Transportation to Vessels on Puget Sound:

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

- (a) Intraharbor transportation for the Port Angeles port area: Transportation between Port Angeles pilot station and Port Angeles harbor docks - \$15.00.
- (b) Interport shifts: Transportation paid to and from both points.
- (c) Intraharbor shifts: Transportation to be paid both ways. If intraharbor shift is canceled on or before scheduled reporting time, transportation paid one way only.
- (d) Cancellation: Transportation both ways unless notice of cancellation is received prior to scheduled reporting time in which case transportation need only be paid one way.
- (e) Any new facilities or other seldom used terminals, not covered above, shall be based on mileage x \$2.00 per mile.

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$525.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver -Victoria - New Westminster Range of British Columbia.	\$499.00
Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver -Victoria - New Westminster Range.	\$630.00

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	255	396	675	1,006	1,354	1,757
450 - 459	266	403	679	1,021	1,376	1,766
460 - 469	268	407	690	1,038	1,395	1,774
470 - 479	277	419	698	1,059	1,399	1,777
480 - 489	285	426	701	1,078	1,408	1,785
490 - 499	289	432	712	1,098	1,424	1,794
500 - 509	304	440	722	1,110	1,436	1,805
510 - 519	306	448	729	1,127	1,451	1,812
520 - 529	310	464	740	1,132	1,464	1,826

530 - 539	319	470	749	1,145	1,487	1,847
540 - 549	324	476	766	1,157	1,510	1,864
550 - 559	331	492	771	1,174	1,522	1,882
560 - 569	343	512	786	1,185	1,536	1,899
570 - 579	350	516	789	1,190	1,552	1,912
580 - 589	365	524	808	1,199	1,561	1,931
590 - 599	382	536	813	1,205	1,584	1,954
600 - 609	396	552	824	1,209	1,604	1,963
610 - 619	418	557	838	1,214	1,619	1,981
620 - 629	434	564	846	1,229	1,638	2,004
630 - 639	454	574	855	1,232	1,652	2,021
640 - 649	472	587	864	1,234	1,666	2,036
650 - 659	505	597	880	1,244	1,686	2,057
660 - 669	515	605	887	1,251	1,705	2,073
670 - 679	534	620	896	1,274	1,724	2,086
680 - 689	541	630	908	1,284	1,739	2,106
690 - 699	557	640	922	1,307	1,757	2,150
700 - 719	582	661	939	1,324	1,791	2,174
720 - 739	616	679	963	1,342	1,826	2,210
740 - 759	640	712	982	1,354	1,864	2,250
760 - 779	665	734	1,006	1,376	1,899	2,279
780 - 799	698	767	1,021	1,395	1,931	2,320
800 - 819	726	789	1,041	1,402	1,963	2,355
820 - 839	749	818	1,065	1,424	2,004	2,382
840 - 859	781	851	1,086	1,441	2,034	2,423
860 - 879	810	880	1,105	1,478	2,073	2,458
880 - 899	838	905	1,127	1,512	2,106	2,494
900 - 919	863	935	1,146	1,551	2,150	2,528
920 - 939	890	963	1,174	1,584	2,172	2,563
940 - 959	922	988	1,191	1,619	2,210	2,594
960 - 979	943	1,017	1,212	1,652	2,250	2,633
980 - 999	974	1,041	1,233	1,686	2,279	2,667
1000 - 1019	1,034	1,108	1,288	1,776	2,387	2,782
1020 - 1039	1,062	1,141	1,328	1,826	2,459	2,863
1040 - 1059	1,094	1,169	1,367	1,882	2,529	2,948
1060 - 1079	1,127	1,210	1,407	1,938	2,608	3,035
1080 - 1099	1,161	1,244	1,448	1,994	2,684	3,127
1100 - 1119	1,194	1,282	1,492	2,056	2,765	3,221

1120 - 1139	1,231	1,323	1,538	2,116	2,848	3,317
1140 - 1159	1,266	1,360	1,582	2,179	2,934	3,418
1160 - 1179	1,304	1,399	1,632	2,245	3,021	3,518
1180 - 1199	1,344	1,442	1,679	2,312	3,113	3,625
1200 - 1219	1,385	1,485	1,728	2,382	3,206	3,732
1220 - 1239	1,424	1,530	1,779	2,453	3,300	3,844
1240 - 1259	1,467	1,575	1,831	2,526	3,400	3,958
1260 - 1279	1,510	1,621	1,887	2,602	3,503	4,077
1280 - 1299	1,555	1,671	1,945	2,680	3,605	4,200
1300 - 1319	1,603	1,718	2,001	2,759	3,714	4,324
1320 - 1339	1,651	1,771	2,063	2,842	3,824	4,455
1340 - 1359	1,698	1,824	2,124	2,926	3,939	4,589
1360 - 1379	1,750	1,877	2,187	3,016	4,055	4,724
1380 - 1399	1,801	1,933	2,254	3,104	4,178	4,868
1400 - 1419	1,856	1,992	2,319	3,196	4,302	5,013
1420 - 1439	1,911	2,052	2,389	3,293	4,433	5,163
1440 - 1459	1,970	2,114	2,462	3,391	4,565	5,317
1460 - 1479	2,025	2,175	2,534	3,492	4,702	5,474
1480 - 1499	2,087	2,240	2,609	3,596	4,841	5,639
1500 Over	2,150	2,308	2,686	3,706	4,985	5,807

7 PILOTAGE TARIFFS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

WAC 363-116-185 Pilotage Rates for the Grays Harbor Pilotage District.

Effective 0001 hours January 1, 2012, through 2400 hours December 31, 2012.

CLASSIFICATION

RATE

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

Draft and Tonnage Charges:

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

Draft	\$96.79 per meter or \$29.49 per foot
Tonnage	\$0.277 per net registered ton
Minimum Net Registered Tonnage	\$970.00
Extra Vessel (in case of tow)	\$543.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,377.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

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

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$676.00
Delays per hour	\$159.00
Cancellation charge (pilot only)	\$265.00
Cancellation charge (boat or helicopter only)	\$795.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$676.00 and in addition, when a bridge is transited the bridge transit charge of \$291.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations	\$280.00
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Travel Allowance:

Transportation charge per assignment	\$100.00
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Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$931.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	\$291.00
Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$805.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1½ % per month late charge.

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

PUGET SOUND PILOTAGE DISTRICT

INCIDENT REPORTS

Nine Incident Reports were filed in the Puget Sound Pilotage District in the year 2012.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
26-Jan-2012	Hyundai Jakarta	Grobschmit, D	Tacoma, Blair Waterway	Incident w/damage; no pilot error
28-Feb-2012	North Star	Giese, P	Tacoma, Hylebos Waterway	Incident w/low un- quantified damage; no pilot error
9-Apr-2012	MT Energy Century Sanders, D		Rosario Straits, Southbound	Incident w/damage; no pilot error
16-Jul-2012	Portland Bay	Anacker, S	Seattle, Duwamish River	Incident w/damage; pilot error; pilot to develop a Lessons Learned report in addition to further Duwamish River training trips as specified by TEC
11-Aug-2012	Ever Uranus	Shaffer, D	Tacoma, Blair Waterway	Incident w/damage; no pilot error
25-Aug-2012	Manoa	Moreno, S	Seattle, East Waterway	Incident w/damage; no pilot error
19-Oct-2012	Tolomaru Bay	Brusco, D Carley, W (trainee)	Apple Cove Point, traffic lanes	Incident w/no apparent damage; no pilot error
24-Nov-2012	Alaskan Frontier	Engstrom, V	Ferndale, Cherry Point	Incident w/damage; no pilot error
4-Dec-2012	Polar Resolution	Soriano, D	Ferndale, Cherry Point	Incident w/damage; no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

INCIDENT REPORTS

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

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

(cont.)

PUGET SOUND AND GRAYS HARBOR DISTRICTS

MARINE SAFETY OCCURRENCES

Thirty-one MSO reports were filed in the Puget Sound District, three of which were reported as a near-miss:

- Twenty-six vessel equipment malfunctions or failures;
- one issue involving a spring line and the dock;
- one where neither the pilot nor the Coast Guard could make contact with a pleasure boat crossing crossing the traffic lanes;
- one involving a tug operator in training;
- one situation requiring an additional pilot dispatched to vessel due to medical issue; and,
- one assignment to move a vessel off the dock to anchorage due to impending extreme low tide.

Two MSO reports in the Grays Harbor District, both reporting an equipment malfunction; neither were reported as a near-miss.

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

9 PETITIONS FOR VESSEL EXEMPTION

PUGET SOUND DISTRICT

During some or all of the months of 2012, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF REGISTRY</u>
AFTER EIGHT	151 FT	498 GT	Lindsay	Isle of Man
ALUMERCIA	124 FT	377 GT	Mestrom	Netherlands Antilles
ANGEL WINGS	130 FT	333GT	Gossweiler	Cayman Islands
ANNASTAR	164 FT	492 GT	Catania / Loveall	Cayman Islands
ARCADIA	117 FT	308 GT	Pizzarusso	Cayman Islands
ARROWHEAD	115 FT	193 GT	Pierre	Marshall Islands
CASINO ROYALE	164 FT	491 GT	Cook	Marshall Islands
CIELO MARE	106 FT	247 GT	Angulo / Laws	Marshall Islands
CV-9	131 FT	322 GT	Lee	Marshall Islands
DRUMBEAT	159 FT	361 GT	Personnic	Cayman Islands
EL MIRAR II	98 FT	204 GT	Wangelin	British Virgin Islands
ESTANCIA	112 FT	208 GT	McDowell / Jones	Cayman Islands
ETHEREAL	190 FT	494 GT	Barry	Cayman Islands
EVVIVA	164 FT	492 GT	Trailer / Benge	British Virgin Islands
FLIPPER	105 FT	178 GT	Johnson	Cayman Islands
FORTRUS	111 FT	284 GT	Newson	Cayman Islands
GOLDEN BOY II	115 FT	236 GT	Campbell	Marshall Islands
ICE BEAR	171 FT	614 GT	Butler	Cayman Islands
INDIGO	105 FT	224 GT	Hubbard	Marshall Islands
ISLANDER	85 FT	155 GT	Puijman	Cayman Islands
JANICE OF WYOMING	130 FT	198 GT	Wilson	Cayman Islands
KURIOSO	58 FT	57 GT	Soland	Switzerland
LATITUDE	146 FT	494 GT	Higgo	Cayman Islands
LEGACY	164 FT	492 GT	Piesch	Cayman Islands
MARAMA	124 FT	456 GT	Lloyd	Cook Islands
MEA CULPA	130 FT	302 GT	Hein	Cayman Islands
MERIDIAN	161 FT	474 GT	Galleymore	Cayman Islands
MICHAELA ROSE	141 FT	525 GT	Noorman	United Kingdom
MONARCH	151 FT	499 GT	Heys / Johnson	Cayman Islands
PACIFIC TIME	76 FT	114 GT	Comber	Australia
ROCHADE	156 FT	492 GT	Martin	Cayman Islands
SIN OR SWIM	116 FT	248 GT	Du Plessis	St. Vincent & the Grenadines
SIRIUS	78 FT	114 GT	Carter	Marshall Islands
SPELLBOUND	84 FT	82 GT	Cregan	Cayman Islands
TAMSEN	72 FT	463 GT	Zamir	Cayman Islands
VANGO	164 FT	490 GT	Hagerman	Cayman Islands
VICTORIA CLIPPER	127 FT	431 GT	Various	Netherlands Antilles
VICTORIA CLIPPER IV	131 FT	478 GT	Various	Bahamas
WABI-SABI	164 FT	492 GT	Judges	Cayman Islands
WESTPORT 40M	130 FT	333 GT	Catania	Cayman Islands
ZENJI	183 FT	499 GT	Quinlan	Cayman Islands

Certain foreign flag vessels may petition for a three-month or one-year exemption from pilotage requirements if the vessel meets the qualifications and remits payment as set forth in RCW 88-16 -070 and WAC 363-116-360.

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

An exam for entry into a pilot training program for either the Puget Sound District or Grays Harbor District was held in the fall of 2012. Information regarding pre-examination requirements can be found in RCW 88.16.090 and WAC 363-116-076; in addition, applicants must meet specific sea service requirements as master, while holding a minimum license as master of steam or motor vessels of not more than 1600GRT or 3000GT (ITC) as shown in the chart below.

Vessel Type	Minimum Size	Waters	Minimum Time
Cargo or tank	5000 GRT or 10,000 GT (ITC)	Ocean or near coastal	1 year
Cargo or tank	700 GRT or 1400 GT (ITC)	Ocean or near coastal	2 years
Cargo or tank	1600 GRT or 3000 GT (ITC)	Inland	2 years
Passenger or ferry	1600 GRT or 3000 GT (ITC)	Ocean, near coastal or inland	2 years
Towing	150 GRT or 300 GT (ITC)	Ocean, near coastal or inland	2 years

Of the 31 qualified applicants, there were 2 women and 29 men. The number of qualified applicants from each category is shown below:

- 7 Cargo or tank vessels not less than 5000 GRT or 10,000 GT (ITC) on Ocean or near coastal waters.
- 2 Cargo or tank vessels not less than 700 GRT or 1400 GRT (ITC) on Ocean or near coastal waters.
- 0 Cargo or tank vessels not less than 1600 GRT or 3000 GT (ITC) on inland waters.
- 7 Passenger or ferry vessels of not less than 1600 GRT or 3000 GT (ITC) on Ocean, near coastal or inland waters.
- 11 Towing vessels of 150 GRT or 300 GT (ITC) on Ocean, near coastal or inland waters.
- 2 Active member of an organized professional pilot association or a government employed pilot during which periods the pilot was actively engaged in piloting while holding a minimum license as a master of steam or motor vessels of not more than 1600 GRT or 3000 GT (ITC) upon oceans, near coastal waters or inland waters.
- 1 Commanding officer or master of US government vessels of not less than 3000 displacement tons.
- 1 Special Purpose vessels of not less than 1600 GRT or 3000 GT (ITC) while holding a minimum license as a master of steam or motor vessels of not more than 1600 GRT or 3000 GT (ITC) with documentation per WAC 363-116-0751 (2) (c).

The final ranked list of candidates had not been determined at December 31, 2012.

10 PILOT EXAMINATIONS & TRAINING PROGRAMS (cont.)

PUGET SOUND PILOTAGE DISTRICT

The remaining two candidates from the exam held in the fall of 2008 were called into training and at December 31, 2012, there are four continuing to train. During 2012, four trainees were licensed. After successfully completing his program, the Board deemed one trainee qualified for issuance of a license, but delayed licensing until there is a need for another pilot in the Puget Sound District. A post-training program was developed for this situation and he will remain unlicensed until a pilot position becomes available.*

Status of Successful 2008 Exam Applicants as of 12/31/2012:

1. Stephan Moreno (T-019)	Licensed (#178):	12/10/09
2. John Scragg (T-020)	Licensed (#180):	07/08/10
3. David Brusco (T-021)	Licensed (#179):	03/11/10
4. James Caspers (T-022)	Training program ended:	09/29/10
5. D. Scott Anacker (T-023)	Licensed (#183):	03/27/12
6. Blair Bouma (T-024)	Licensed (#181):	07/28/11
7. James Kearns (T-025)	Licensed (#182):	01/12/12
8. Michael Anthony (T-026)	Licensed (#184):	07/24/12
9. Robert D'Angelo	Declined invitation to train for Puget Sound District	
10. Fred Engstrom (T-027)	Licensed (#185):	11/15/12
11. Warren Carley (T-028)	Qualified, licensing delayed:	12/11/12*
12. William Lowery (T-029)	Entered training program:	12/01/11
13. Thomas Coryell (T-030)	Entered training program:	05/01/12
14. Daniel Brouillard (T-031)	Entered training program:	05/01/12

GRAYS HARBOR PILOTAGE DISTRICT

The last pilot exam held exclusively for the Grays Harbor District was held in 1992. The waiting list for entry into a training program for this district from that exam has been exhausted. Applicants taking the exam given in 2012 were given a choice to be called into training for either the Puget Sound District or Grays Harbor District; the final ranked list of candidates had not been determined at December 31, 2012.

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



Washington State
Board of Pilotage Commissioners

2013 ANNUAL REPORT

2013 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor’s Report (Modified Accrual Basis); 2013/2012
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2013
- By-laws and Operating Rules (Puget Sound District)
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone Reports (Puget Sound District)
- Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

1 FOREWORD

Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,702 vessel moves, resulting in 7,819 piloting assignments in 2013. This is an increase in vessel moves and assignments from the previous year. The average number of full-time pilots increased to 53.1 in 2013. The average annual number of assignments per pilot was 147 or approximately 12 assignments per month in 2013 as compared to assignments of 149 annually and 12 per month in 2012.

The Grays Harbor Pilots had a total of 246 piloting assignments in 2013, resulting from 103 vessels arrivals. In comparison, there were 82 vessel arrivals generating 177 piloting assignments in 2012. The Port of Grays Harbor employed two full-time pilots.

2013 Tariff Hearings

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

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District – 12/13/13.

The Board's decision reflected no changes to the current tariff except for an 8% increase to the *Boarding Charge* from \$49 to \$53.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District – 10/15/13.

The Board adopted an effective overall increase of 3.5%.

Legislation

There was no proposed or adopted legislation during the 2013 Legislative Session that pertained to the Pilotage Act.

Statement of Policy

One Statement of Policy was adopted by the Board this year that is available on our web site at www.pilotage.wa.gov

June 19, 2013: Interpretation of the phrase "...person not holding a license as a pilot..." and the phrase "...pilot rates payable..." as used in RCW 88.16.130.

1 FOREWORD (cont'd)

Rule-Making

The following rule was adopted, amended or repealed:

WAC 363-116-078: Training Program.

Setting the Number of Pilots

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

	Oct 12, 2006	April 8, 2010	Sept 30, 2010	Aug 9, 2012	May 14, 2013
Puget Sound	57	54	52	53	54
Grays Harbor	The number of pilots will increase from 2 to 3 upon the next candidate becoming successfully licensed.				

2 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>Initial Appointment</u>	<u>Term Expires</u>
<u>CHAIR</u>		
Captain Harry Dudley	11/1/1999	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	9/29/2009	12/26/2016
Captain Edmund I. Kiley	1/14/2010	12/26/2013
<u>REPRESENTING AMERICAN SHIPPING</u>		
Phil Morrell - Totem Ocean Trailer Express (TOTE)	1/25/2012	12/26/2015
<u>REPRESENTING FOREIGN SHIPPING</u>		
Captain J. Grant Stewart - Westwood Shipping Lines (WSL)	3/16/2012	12/26/2016
<u>REPRESENTING THE PILOTS</u>		
Captain Pat Hannigan - Puget Sound Pilotage District	1/11/2005	1/10/2013
Captain Edmund Marmol - Puget Sound Pilotage District	4/24/2013	12/26/2016
Captain Don Mayer - Puget Sound Pilotage District	12/27/2011	12/26/2015
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Norm Davis - Spill Prevention, Preparedness & Response	4/15/2005	N/A
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	9/1/2007	12/26/2014
<u>LEGAL COUNSEL</u>		
Guy Bowman	8/1/2008	N/A
<u>STAFF</u>		
Peggy Larson, Executive Director	12/8/1982	N/A
Shawna Erickson, Sr. Project Director	1/27/2010	N/A

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

2 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$ 164,982
Goods and Services	147,267
Trainee Stipends	327,643
Travel	10,944
TOTAL EXPENDITURES	<u>\$ 650,836</u>

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

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

3 LICENSED PILOTS PUGET SOUND DISTRICT

at 12/31/13 or retirement

PILOT	Lic #	Years Licensed
ANACKER, D. Scott	183	1.8
ANTHONY, Michael	184	1.4
ARNOLD, John	147	18.1
BLAKE, Michael	163	7.5
BOUMA, Blair	181	2.4
BROUILLARD, Dan	188	0.4
BRUSCO, David	180	3.8
BUJACICH, Jack	164	7.5
CARLEY, Warren (Bud)	186	1.0
CARLSON, Ivan	165	7.5
COE, Frantz (Andy)	142	21.7
CORYELL, Tom	189	0.05
EMERSON, Larry	126	26.0
<i>ENGSTROM, Carl (Ret.)</i>	<i>133</i>	<i>23.0</i>
ENGSTROM, Fred	185	1.1
ENGSTROM, Victor	162	8.7
GIESE, Peter	143	21.2
GROBSCHMIT, David	169	6.6
<i>HANNIGAN, Patrick (Ret.)</i>	<i>108</i>	<i>30.7</i>
HANNUKSELA, James	175	5.1
HARRIS, John	123	26.0
HENSHAW, Brian	155	13.4
HURT, Gary	158	12.6
<i>JACOBS, Thomas (Ret.)</i>	<i>131</i>	<i>23.9</i>
JUSTICE, Verne	128	24.9
KALVOY, Jostein	170	6.6
KEARNS, James	182	2.0
KELLY, Patrick	167	7.4
KLAPPERICH, Eric	172	5.9
KNOWLES, Burton	150	17.7
LARSON, Christopher	151	17.2

at 12/31/13 or retirement

PILOT	Lic #	Years Licensed
LOWERY, William (Bill)	187	0.9
MACKENZIE, Delmar	124	26.0
MARMOL, Edmund	171	6.3
MAYER, Donald	121	27.4
McCURDY, Richard	141	21.7
MICHELSON, Bruce	136	23.5
MORENO, Stephan	178	4.1
MORK, Stuart	159	12.5
NEWMAN, Alec	125	26.0
SANDERS, David	152	16.7
SCOGGINS, John	161	8.9
SCRAGG, John	181	3.5
SEMLER, Joseph	156	13.2
SEMLER, Stephen	174	5.6
SEYMOUR, Lawrence	177	4.5
SHAFFER, Daniel	116	28.5
SHAFFER, James	145	21.2
SHULER, Mark	154	15.8
SLIKER, William	166	7.5
SORIANO, Donald	122	27.1
THORESON, George	176	5.1
vonBRANDENFELS, Eric	148	18.1
WARD, John K.	168	7.3
WARD, Jonathan E.	160	10.3
WILDES, Gordon	173	5.9
WOOD, Micheal	134	23.8

12/31/2012	53
<i>Number of retirements in 2013:</i>	<i>3</i>
Number of new pilots in 2013:	4
Number of pilots as of 12/31/13:	54

at 12/31/13

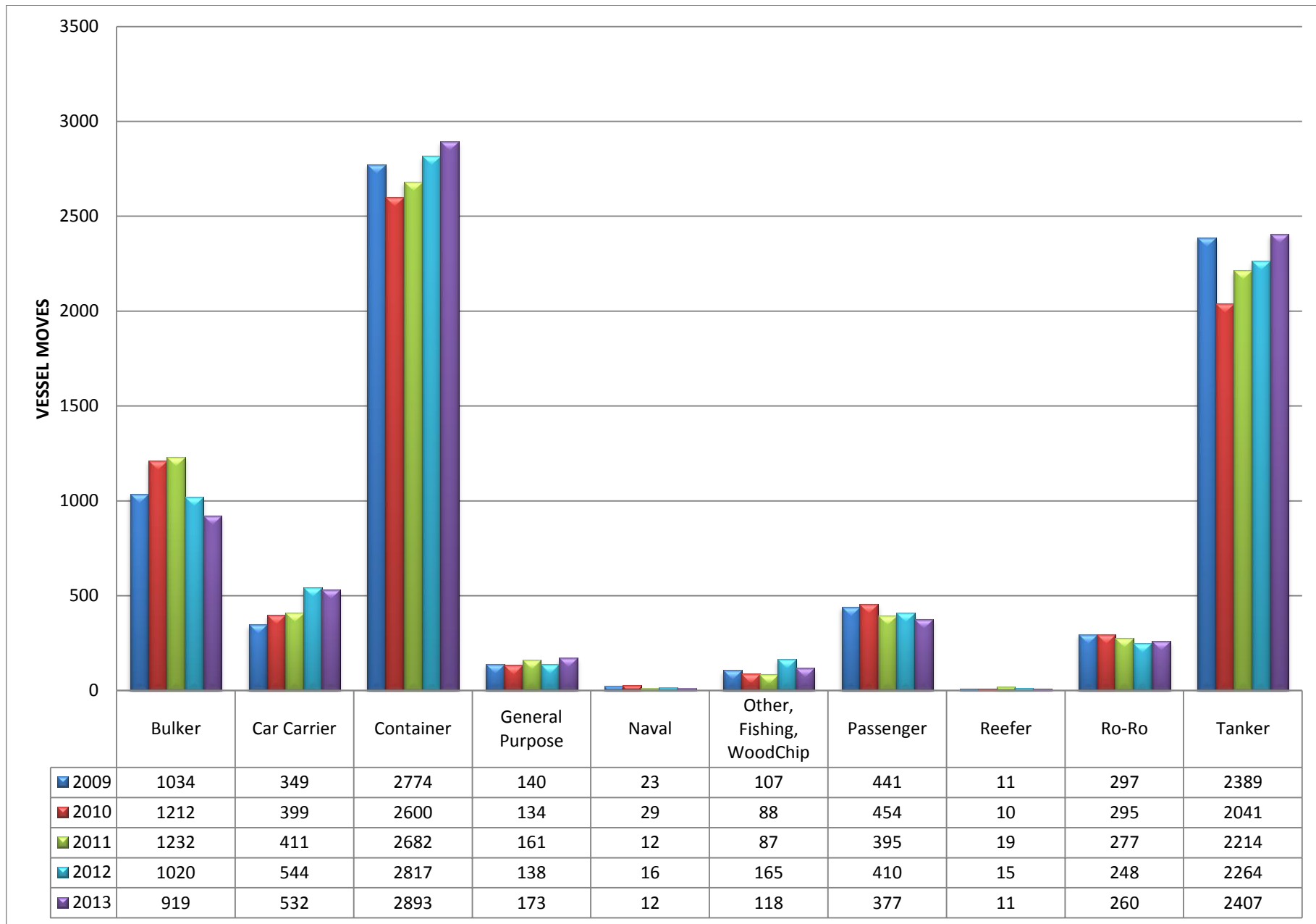
GRAYS HARBOR DISTRICT

PILOT	Lic #	Years Licensed
D'Angelo, Robert	15	20.8
Cooke, Stephen	16	8.5

No changes to pilot roster in 2013

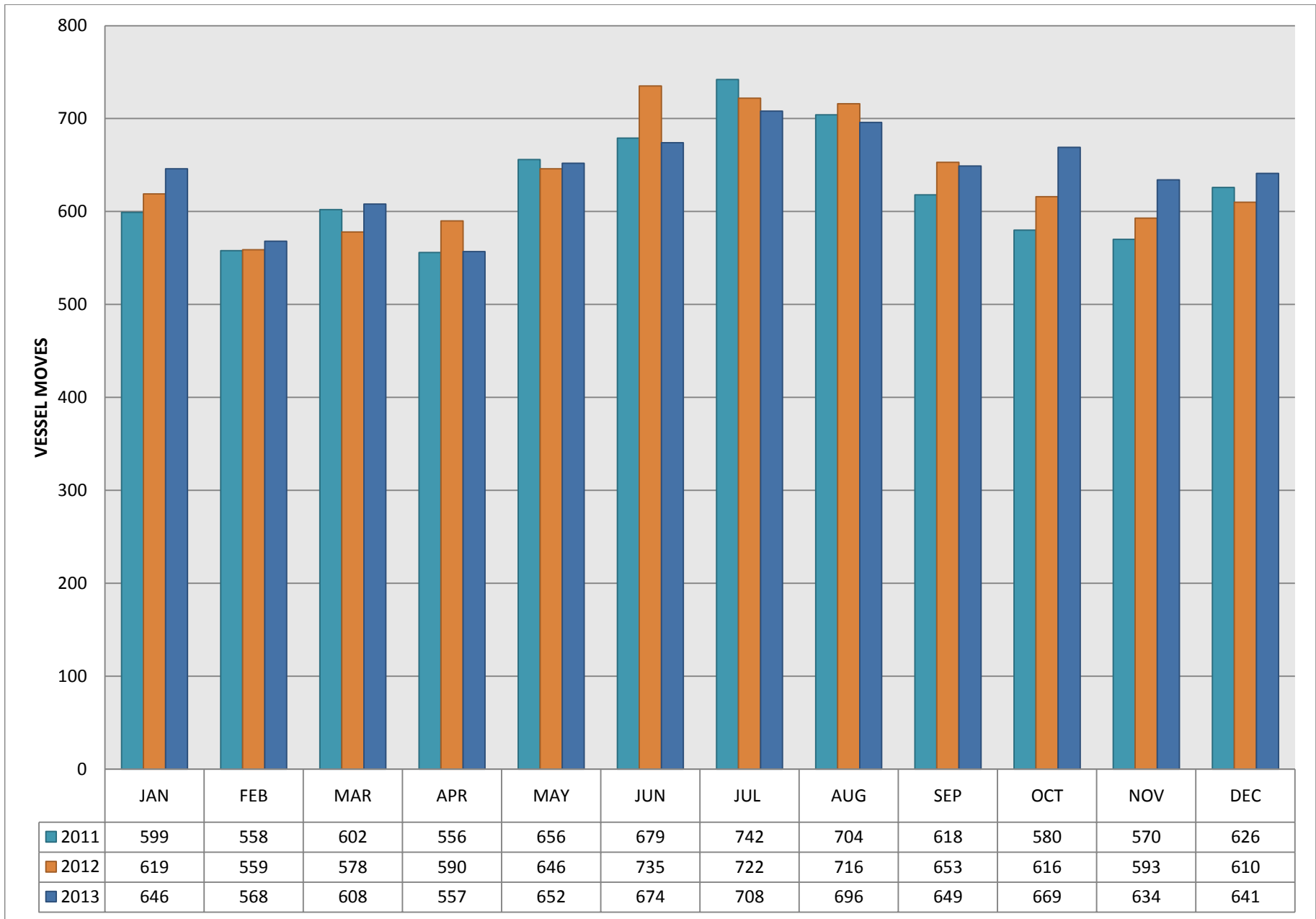
The Board issues licenses to pilots after qualifying for and passing a written examination, simulator evaluation, and successfully completing a training program established by the Board. Licenses are renewed annually after passing a physical examination and paying a license fee.

4 COMPARATIVE VESSEL TRAFFIC INFORMATION

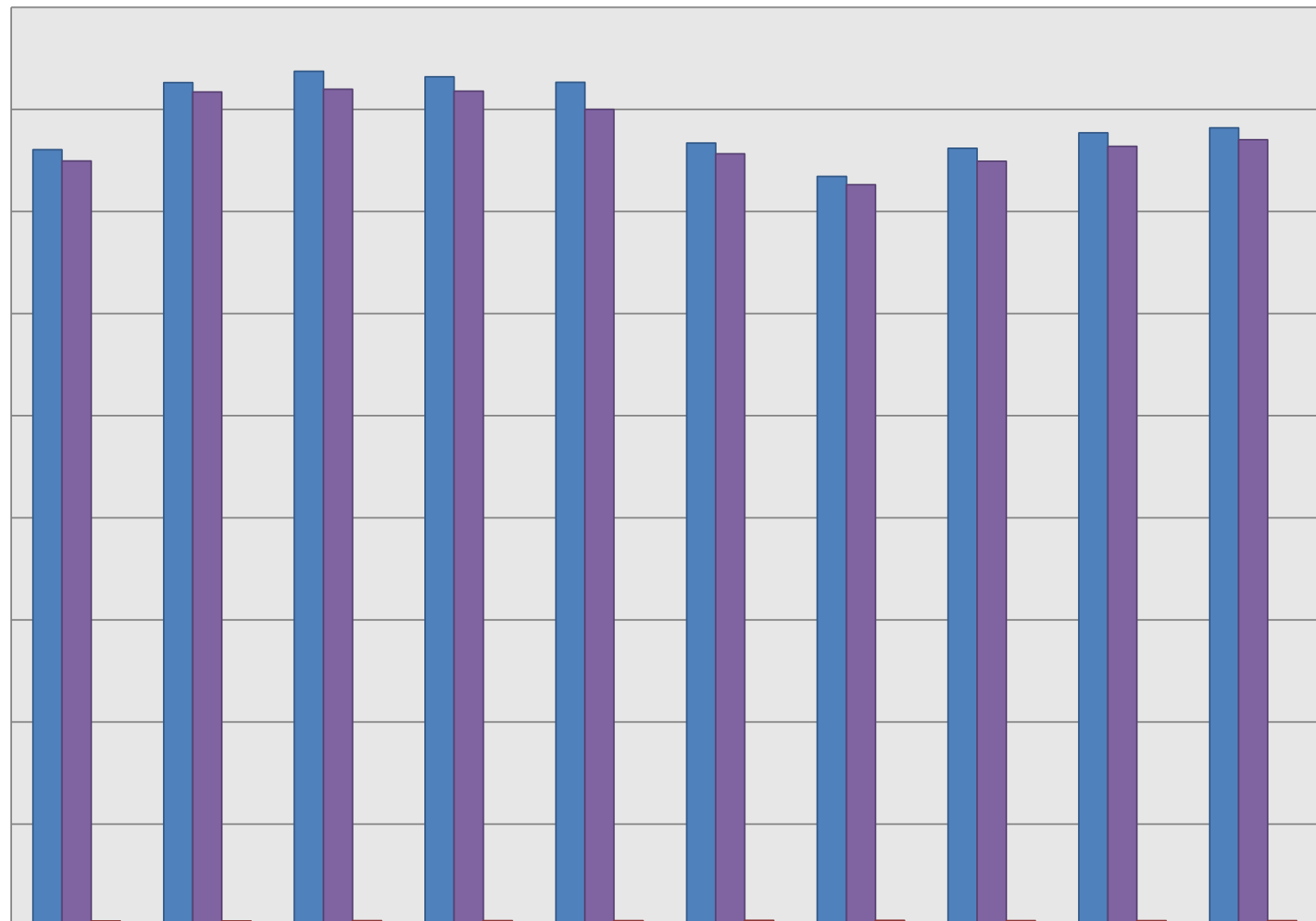


4 COMPARATIVE VESSEL TRAFFIC INFORMATION

PUGET SOUND DISTRICT 2011 - 2013
 NUMBER OF VESSEL MOVES
 (cancellations not included)
 BY MONTH AND YEAR



4 COMPARATIVE VESSEL TRAFFIC INFORMATION

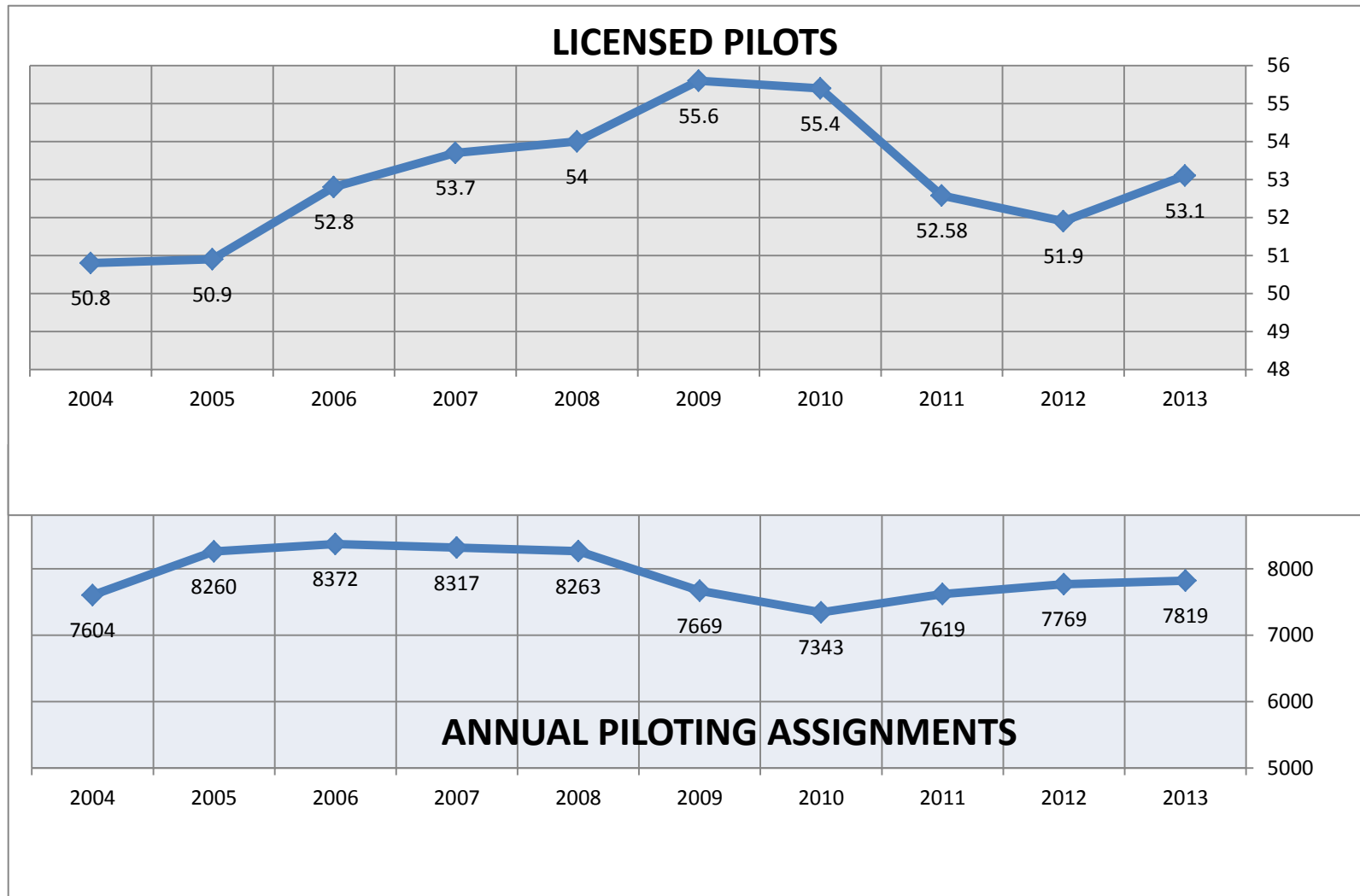


	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
■ Pilot Assignments	7604	8260	8372	8317	8263	7669	7343	7619	7769	7819
■ Vessels Moved	7494	8169	8196	8177	8000	7565	7262	7490	7637	7702
■ Number of Pilots	50.8	50.9	52.8	53.7	54	55.6	55.4	52.58	51.9	53.1

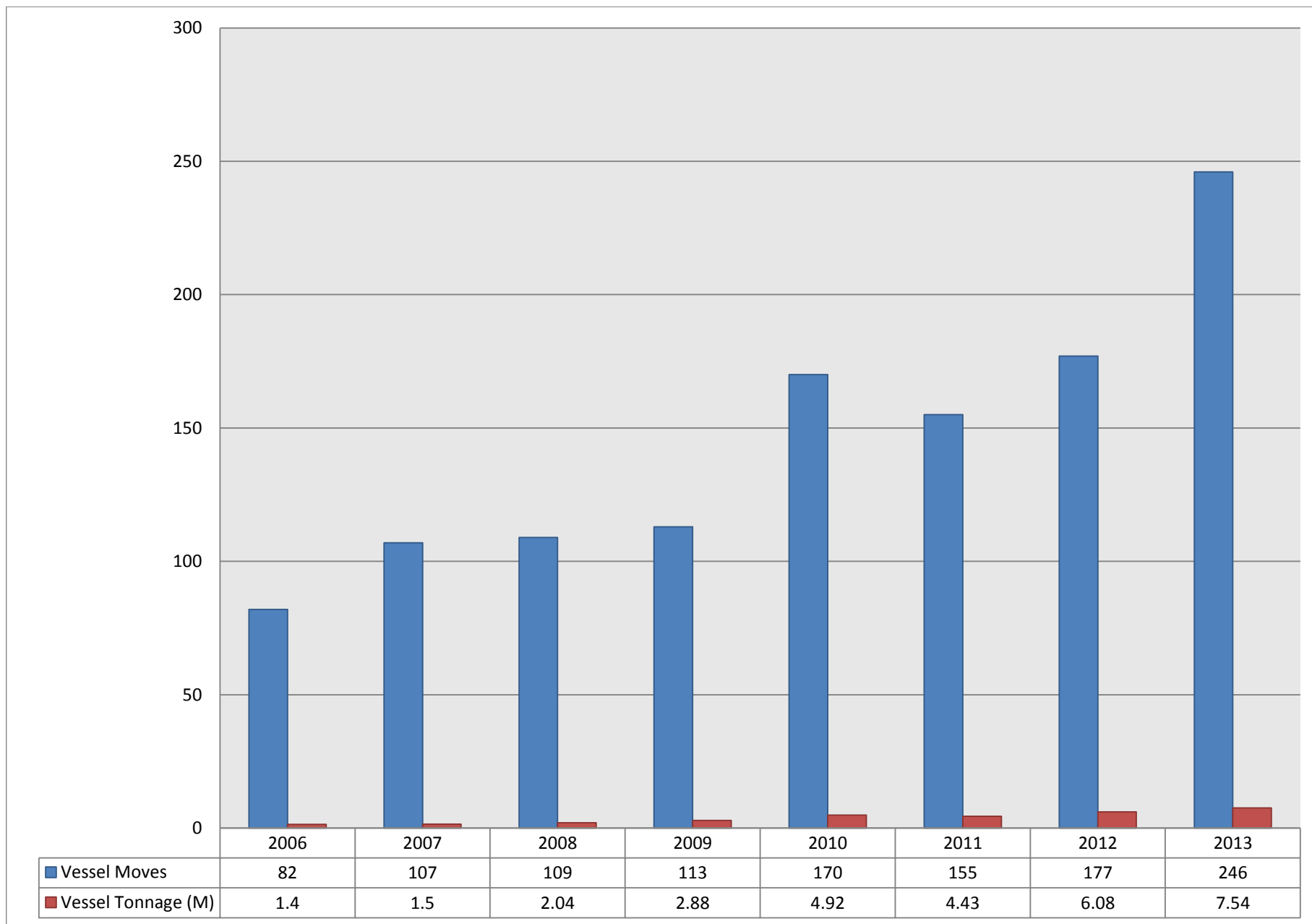
4 COMPARATIVE VESSEL TRAFFIC INFORMATION

Number of Pilots
shown with
Number of Assignments

PUGET SOUND DISTRICT



4 COMPARATIVE VESSEL TRAFFIC INFORMATION



5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

	2013 Total	Avg. Per Pilot (53.1 Full-time)
Pilotage Tariff Revenue	\$ 32,797,816	\$ 617,428
Other Income / (Expense)	18,337	345
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(3,044,158)	(57,329)
Operating Expenses of Puget Sound Pilots	(8,869,083)	(167,026)
Group Medical Insurance Plan for Pilots <i>(shown below)</i>	1,529,975	28,813
Available Revenue Pool for Distribution	\$ 22,432,887	\$ 422,232
Income Allocation of Pooled Tariff Revenue	\$ 19,213,681	\$ 361,625
Individual Business Expense Allowance <i>(Note 2)</i>	534,078	10,052
Transportation Allowances and Reimbursements	1,136,816	21,409
Tariff Revenue Paid to Pilots	20,884,575	393,086
Individual Pilot Medical Insurance <i>(Note 2)</i> (group plan paid by PSP)	1,529,975	28,813
Tariff Revenue Paid to Pilots + Medical Benefit	\$ 22,414,538	\$ 421,887
		(rounding)
Undistributed Other Income	18,337	345
Available Revenue Pool for Distribution	\$ 22,432,875	\$ 422,232

Notes:

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

Remarks:

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

TRAINEE STIPENDS PAID

During all or part of the year there were ten pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2013 was \$277,320.

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

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

GRAYS HARBOR PILOTAGE DISTRICT

	2014 Total	Per Pilot (2 Full time)
Tariff Generated Pilotage Revenue	\$ 1,378,082	\$ 689,041
Other Pilot Services Department Revenue	1,201	601
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 <i>(Note 3)</i>	(86,838)	(43,419)
Operating Expenses - Port of Grays Harbor Pilot Services <i>(Note 4)</i>	(477,159)	(238,580)
Gain retained by Port of Grays Harbor <i>(Note 5)</i>	(60,837)	(30,419)
Net Pilotage Revenue	<u>\$ 754,449</u>	<u>\$ 377,225</u>
Pilot Wages	\$ 516,534	\$ 258,267
Incremental Duty Pay	16,320	8,160
Employer Provided Benefits <i>(Note 6)</i>	131,179	65,590
Gain Sharing	65,816	32,908
Travel Allowance and Reimbursements	24,600	12,300
Compensation to Pilots	<u>\$ 754,449</u>	<u>\$ 377,225</u>

Notes:

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

4. During all or part of the year there were two pilot trainees working on their respective training programs. Neither were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2013 was \$50,323.

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

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

2013

TOTAL TARIFF GENERATED REVENUE \$ 32,797,816

SUMMARIZED EXPENSES

Payments to Retired Pilots/Widows - Puget Sound District	\$ 3,044,158
Pilot Medical Insurance - Puget Sound District	1,529,975
Seattle Operating/Administrative Expenses	4,753,864
Total Seattle Expenses	\$ 9,327,997
Port Angeles Station Operating Expenses	516,048
Pilot Boat Operating Expenses	2,069,196
Total PSP Operating/Administrative Expenses	11,913,241
Transportation Fees Paid Directly to Pilots	1,136,816
Total Deductions from Revenue	13,050,057
Balance of Revenue Pool to Distribute	\$ 19,747,759
Other Income / (Expense)	18,337
NET INCOME FROM POOLED OPERATIONS	\$ <u>19,766,096</u>

SEATTLE OFFICE OPERATING / ADMINISTRATIVE EXPENSES

Attorney fees	\$ 11,578
Comp day expense	760,596
Computer maintenance	203,166
Computer programming	3,541
Conferences	24,063
Consulting services	155,342
CPA fees	67,249
Depreciation	87,706
Drug testing	7,007
Dues	150,739
Employee benefits	333,115
Employee salaries	693,674
Equipment leases	1,565
Insurance	220,120
Interest	7,277
License fees - pilots	357,500
Lobbyist	121,007
Office maintenance & repair	9,700
Office supplies	38,459
Payments to Retired Pilots/Widows - Grays Harbor District	109,739
Pilot training	419,487
Printing & publications	25,108
Rent & parking	107,692
Taxes on payroll	50,754
Taxes, other	1,169
Taxes on revenue	575,613
Travel, entertainment, promotion	165,956
Telephone & communications	44,942
Uncollectable accounts receivable	
Seattle Office Total	\$ <u>4,753,864</u>

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2013</u>
Depreciation	\$ 54,552
Food	92,548
Insurance	14,347
Interest	-
Lodging - Port Angeles	-
Maintenance and repairs	35,878
Rent, tideland lease	3,685
Reposition pilots	246,945
Supplies	23,682
Taxes on property	13,191
Telephone & communications	10,945
Training	-
Utilities	20,275
Port Angeles Total	<u>\$ 516,048</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28
Employee benefits	219,482
Employee salaries	800,699
Fuel of "Juan de Fuca"	219,873
Fuel of "Puget Sound"	205,993
Insurance	115,380
Interest	
Maintenance & operation of "Juan de Fuca"	133,265
Maintenance & operation of "Puget Sound"	306,756
Taxes on payroll	62,674
Taxes on property	5,046
Pilot Boat Operations Total	<u>\$ 2,069,196</u>

Note (previous page):

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

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

	<u>2013</u>
Tariff Generated Revenue	\$ 1,378,082
Miscellaneous Revenues	1,201
TOTAL REVENUE	\$ <u>1,379,283</u>

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 58
Benefits	131,179
Pilot launch services	250,391
Depreciation	25,213
Dues & license fees	13,000
Insurance	1,892
Legal services	514
Miscellaneous other expenses	555
Pension contribution to PSP for GH retirees	86,838
Pilot trainee stipend	50,323
Port administrative services	61,044
Repair/maintenance	26,302
Supplies	17,576
Taxes	21,229
Telephone	3,692
Training	1,105
Travel/lodging/meals	4,265
Wages	516,534
Gain sharing distribution	65,816
Incremental duty pay	16,320
Travel allowance	24,600
GRAYS HARBOR DISTRICT TOTAL EXPENSES	\$ <u>1,318,446</u>
 GRAYS HARBOR DISTRICT OPERATING INCOME	 \$ <u>60,837</u>

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

WAC 363-116-300

Pilotage rates for the Puget Sound pilotage district.

Effective 0001 hours January 1, 2013, through 2400 hours December 31, 2013.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Boarding charge:	\$49.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug LOA of tow beam of tow	

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

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

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

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Sailing Delay:

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

Slowdown:

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

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$274.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges.

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

Tonnage Charges:

0 to 20,000 gross tons:

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

20,000 to 50,000 gross tons:

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

50,000 gross tons and up:

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

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

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50

Mukilteo	65.00
Olympia	155.00
Point Wells	42.50
Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$525.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$514.00
Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver-Victoria-New Westminster Range.	\$649.00

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	263	408	695	1,036	1,395	1,810
450 - 459	274	415	699	1,052	1,417	1,819
460 - 469	276	419	711	1,069	1,437	1,827
470 - 479	285	432	719	1,091	1,441	1,830
480 - 489	294	439	722	1,110	1,450	1,839
490 - 499	298	445	733	1,131	1,467	1,848
500 - 509	313	453	744	1,143	1,479	1,859
510 - 519	315	461	751	1,161	1,495	1,866
520 - 529	319	478	762	1,166	1,508	1,881
530 - 539	329	484	771	1,179	1,532	1,902
540 - 549	334	490	789	1,192	1,555	1,920
550 - 559	341	507	794	1,209	1,568	1,938
560 - 569	353	527	810	1,221	1,582	1,956
570 - 579	361	528	813	1,226	1,599	1,969
580 - 589	376	540	832	1,235	1,608	1,989
590 - 599	393	552	837	1,241	1,632	2,013
600 - 609	408	538	849	1,245	1,652	2,022
610 - 619	431	574	863	1,250	1,668	2,040
620 - 629	447	581	871	1,266	1,687	2,064
630 - 639	468	591	881	1,269	1,702	2,082
640 - 649	486	605	890	1,271	1,716	2,097
650 - 659	520	615	906	1,281	1,737	2,119
660 - 669	530	623	914	1,289	1,756	2,135
670 - 679	550	639	923	1,312	1,776	2,149
680 - 689	557	649	935	1,323	1,791	2,169
690 - 699	574	659	950	1,346	1,810	2,215
700 - 719	599	681	967	1,364	1,845	2,239
720 - 739	634	699	992	1,382	1,881	2,276
740 - 759	659	733	1,011	1,395	1,920	2,318
760 - 779	685	756	1,036	1,417	1,956	2,347
780 - 799	719	790	1,052	1,437	1,989	2,390
800 - 819	748	813	1,072	1,444	2,022	2,426
820 - 839	771	843	1,097	1,467	2,064	2,453
840 - 859	804	877	1,119	1,484	2,095	2,496
860 - 879	834	906	1,138	1,522	2,135	2,532
880 - 899	863	932	1,161	1,557	2,169	2,569

900 - 919	889	963	1,180	1,598	2,215	2,604
920 - 939	917	992	1,209	1,632	2,237	2,640
940 - 959	950	1,018	1,227	1,668	2,276	2,672
960 - 979	971	1,048	1,248	1,702	2,318	2,712
980 - 999	1,003	1,072	1,270	1,737	2,347	2,747
1000 - 1019	1,065	1,141	1,327	1,829	2,459	2,865
1020 - 1039	1,094	1,175	1,368	1,881	2,533	2,949
1040 - 1059	1,127	1,204	1,408	1,938	2,605	3,036
1060 - 1079	1,161	1,246	1,449	1,996	2,686	3,126
1080 - 1099	1,196	1,281	1,491	2,054	2,765	3,221
1100 - 1119	1,230	1,320	1,537	2,118	2,848	3,318
1120 - 1139	1,268	1,363	1,584	2,179	2,933	3,417
1140 - 1159	1,304	1,401	1,629	2,244	3,022	3,521
1160 - 1179	1,343	1,441	1,681	2,312	3,112	3,624
1180 - 1199	1,384	1,485	1,729	2,381	3,206	3,734
1200 - 1219	1,427	1,530	1,780	2,453	3,302	3,844
1220 - 1239	1,467	1,576	1,832	2,527	3,399	3,959
1240 - 1259	1,511	1,622	1,886	2,602	3,502	4,077
1260 - 1279	1,555	1,670	1,944	2,680	3,608	4,199
1280 - 1299	1,602	1,721	2,003	2,760	3,713	4,326
1300 - 1319	1,651	1,770	2,061	2,842	3,825	4,454
1320 - 1339	1,701	1,824	2,125	2,927	3,939	4,589
1340 - 1359	1,749	1,879	2,188	3,014	4,057	4,727
1360 - 1379	1,803	1,933	2,253	3,106	4,177	4,866
1380 - 1399	1,855	1,991	2,322	3,197	4,303	5,014
1400 - 1419	1,912	2,052	2,389	3,292	4,431	5,163
1420 - 1439	1,968	2,114	2,461	3,392	4,566	5,318
1440 - 1459	2,029	2,177	2,536	3,493	4,702	5,477
1460 - 1479	2,086	2,240	2,610	3,597	4,843	5,638
1480 - 1499	2,150	2,307	2,687	3,704	4,986	5,808
1500 - Over	2,215	2,377	2,767	3,817	5,135	5,981

7 PILOTAGE TARIFFS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

WAC 363-116-100

Pilotage Rate for the Grays Harbor District

Effective 0001 hours January 1, 2013, through 2400 hours December 31, 2013

CLASSIFICATION

RATE

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

Draft and Tonnage Charges:

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

Draft	\$100.66 per meter, or \$30.68 per foot
Tonnage	\$0.288 per net registered ton
Minimum Net Registered Tonnage	\$1,009.00
Extra Vessel (in case of tow)	\$565.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$5,592.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

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

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$703.00
Delays per hour	\$165.00
Cancellation charge (pilot only)	\$276.00
Cancellation charge (boat or helicopter only)	\$827.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$703.00 and in addition, when a bridge is transited the bridge transit charge of \$303.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations	\$353.00
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Travel Allowance:

Transportation charge per assignment	\$100.00
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Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$931.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	\$303.00
Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$829.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

PUGET SOUND PILOTAGE DISTRICT

INCIDENT REPORTS

Seven Incident Reports were filed in the Puget Sound Pilotage District in the year 2013.

DATE	VESSEL	PILOT	LOCATION	BOARD DECISION
10-Mar-2013	Dimitrus L	Mork, S	Tacoma Temco Dock	Incident w/no damage; no injury; no pilot error
20-Mar-2013	Pride / Barge 650-7	Shaffer, J	Cherry Point BP Refinery, North Pier	Incident w/damage; no pilot error
10-Sep-2013	Polar Discovery	Engstrom, V	Ferndale, Phillips 66 Dock	Incident w/possible but inconclusive damage; no pilot error
23-Sep-2013	Sun Ruby	Mayer, D; Emerson, L; Coryell, T (trainee)	Seattle, Duwamish Waterway, just north of Spokane St Bridge	Incident w/undetermined damage; no pilot error
28-Oct-2013	S S Kodiak	Emerson, L	0.5 miles east of the east end of Ediz Hook	Incident w/no injury or damage; no pilot error
2-Nov-2013	Zim Los Angeles	Engstrom, V; Bujacich, J	Tacoma, Blair WW, Washington United Terminal	Incident w/damage, w/pilot error; Notation- wharf protection is substandard, damage could have been averted with better engineered protection of wharf face; No action in accordance with RCW 88.16.100
1-Dec-2013	CMA CGM Dalila	Emerson, L	Port Angeles; Near Ediz Hook Light	Incident w/o damage, injury, or pilot error

GRAYS HARBOR PILOTAGE DISTRICT

INCIDENT REPORTS

Two Incident Reports were filed in the Grays Harbor Pilotage District.

31-Mar-2013	Dresden	D'Angelo, R	Grays Harbor, Terminal 4	Incident w/damage; no pilot error
5-Dec-2013	CSAV Rio Illapel	D'Angelo, R Surface, D (trainee)	Aberdeen, Terminal 2	Incident w/damage and pilot error; pilot to develop a Lessons Learned report in addition to taking one Puget Sound waterway trip specified by TEC

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

(cont.)

PUGET SOUND AND GRAYS HARBOR DISTRICTS

MARINE SAFETY OCCURRENCES

Thirty-six MSO reports were filed in the Puget Sound District:

- * Thirty vessel equipment malfunctions or failures, four of which were classified as a near-miss;
- * one issue where the draft of the ship was greater than the water depth at the dock;
- * two where neither the pilot nor the Coast Guard could make contact with a fishing vessel, one of which was classified as a near-miss; and,
- * three involving tug equipment malfunctions.

Four MSO reports were filed in the Grays Harbor District:

- * one reporting an equipment malfunction;
- * one communication situation with gill netters;
- * two situations causing evasive actions to avoid close quarters with a buoy or fishing vessel, both of which were classified as a near-miss.

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

9 PETITIONS FOR VESSEL EXEMPTION**PUGET SOUND DISTRICT**

During some or all of the months of 2013, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in the waters of the Puget Sound Pilotage District and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF REGISTRY</u>
5011 HARMONY	164 FT	492 GT	Clemens	Cayman Islands
A2	150 FT	458 GT	Pexton	Cayman Islands
ADELA	180 FT	169 GT	Perkins	Cayman Islands
AFTER EIGHT	151 FT	498 GT	Lindsay	Isle of Man
AMERICAN PRIDE	123 FT	298 GT	Thomas	Marshall Islands
ANNASTAR	164 FT	492 GT	Catania / Loveall	Cayman Islands
ANTARES	130 FT	298 GT	Smith	Marshall Islands
ARCADIA	117 FT	308 GT	Pizzarusso	Cayman Islands
ARROWHEAD	115 FT	193 GT	Pierre	Marshall Islands
AVEDAN	76 FT	93 GT	Gardner	British Virgin Islands
BLUE STAR	145 FT	430 GT	Thornburn / Harrison	Cayman Islands
CASINO ROYALE	164 FT	491 GT	Cook	Marshall Islands
CIELO MARE	106 FT	247 GT	Angulo / Laws	Marshall Islands
CRACKER BAY	147 FT	491 GT	Taylor	Cayman Islands
CV-9	131 FT	322 GT	Lee	Marshall Islands
EVVIVA	164 FT	492 GT	Trailer / Benge	Cayman Islands
FORTRUS	111 FT	284 GT	Newson	Cayman Islands
FRUITION	130 FT	333 GT	Various	Cayman Islands
GOLDEN BOY II	115 FT	236 GT	Campbell	Marshall Islands
ICE BEAR	171 FT	614 GT	Butler	Cayman Islands
ISLANDER	85 FT	155 GT	Puijman / Hayes	Cayman Islands
KAHU	122 FT	201 GT	Adams	New Zealand
KURIOSO	58 FT	57 GT	Soland	Switzerland
LAST SAMURAI	65 FT	60 GT	MacClure	Australia
LEGACY	164 FT	492 GT	Piesch	Cayman Islands
MARAMA	124 FT	456 GT	Lloyd	Cook Islands
MEA CULPA	130 FT	302 GT	Hein	Cayman Islands
POLAR BEAR	93 FT	216 GT	Milton	New Zealand
RENEGADE	57 FT	69 GT	Luckerath	Republic of Panama
REST ASSURED	87 FT	153 GT	Chabala / Slattery	Cayman Islands
SIN OR SWIM	116 FT	248 GT	Du Plessis	St. Vincent & the Grenadines
SIRIUS	78 FT	114 GT	Carter	Marshall Islands
SPIRIT OF ULYSSES	76 FT	94 GT	Maybin	United Kingdom
TAMSEN	72 FT	463 GT	Zamir	Cayman Islands
TRITON	163 FT	527 GT	Johns	Marshall Islands
VICTORIA CLIPPER	127 FT	431 GT	Various	Netherlands Antilles
VICTORIA CLIPPER IV	131 FT	478 GT	Various	Bahamas
WESTPORT 40M	130 FT	333 GT	Catania	Cayman Islands
ZENITH	135 FT	461 GT	Steenbohm	Cayman Islands

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

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

An exam for entry into a pilot training program for either the Puget Sound District or the Grays Harbor District was held in the fall of 2012. A waiting list of the top sixteen candidates was established from that exam and at December 31, 2013, six had been called into the program for the Puget Sound District and two for the program in the Grays Harbor District.

Status of Successful 2012 Exam Applicants as of 12/31/2013:

1. Scott Coleman	(T-033)	Entered PS training program:	06/01/13
2. Jamie Galvin	(T-034)	Entered PS training program:	06/01/13
3. Eric Lichty	(T-035)	Entered PS training program:	06/01/13
4. Brian Jensen	(T-037)	Entered PS training program:	10/01/13
5. Brad Lowe	(T-038)	Entered PS training program:	10/01/13
6. Jim Carstensen	(T-039)	Entered PS training program:	11/01/13
7. Ryan White	(T-032)	Entered GH training program:	05/01/13
8. Neil Kelleher			
9. Dave Henderson			
10. Al Furst			
11. Christopher Rounds			
12. Philip Hunter			
13. Rodney Myers			
14. David Surface	(T-036)	Entered GH training program:	08/01/13
15. Lee Vestal			
16. Keith Kridler			

Status of Successful 2008 Exam Applicants as of 12/31/2013:

1. Stephan Moreno	(T-019)	Licensed PS (#178):	12/10/09
2. John Scragg	(T-020)	Licensed PS (#180):	07/08/10
3. David Brusco	(T-021)	Licensed PS (#179):	03/11/10
4. James Caspers	(T-022)	PS training program ended:	09/29/10
5. D. Scott Anacker	(T-023)	Licensed PS (#183):	03/27/12
6. Blair Bouma	(T-024)	Licensed PS (#181):	07/28/11
7. James Kearns	(T-025)	Licensed PS (#182):	01/12/12
8. Michael Anthony	(T-026)	Licensed PS (#184):	07/24/12
9. Robert D'Angelo		Declined invitation; remains a pilot in GH District	
10. Fred Engstrom	(T-027)	Licensed PS (#185):	11/15/12
11. Warren Carley	(T-028)	Licensed PS (#186):	01/10/13
12. William Lowery	(T-029)	Licensed PS (#187)	02/11/13
13. Thomas Coryell	(T-030)	Licensed PS (#189)	12/13/13
14. Daniel Brouillard	(T-031)	Licensed PS (#188)	07/31/13

GRAYS HARBOR PILOTAGE DISTRICT

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

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



Washington State
Board of Pilotage Commissioners

2014 ANNUAL REPORT

2014 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

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

1 FOREWORD 2014

Piloting Activity in Washington State

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

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

2014 Tariff Hearings

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

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

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

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

The Board adopted an effective overall increase of 5.3%.

Legislation

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

Rule-Making

The following rule was adopted, amended or repealed:

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

1 FOREWORD 2014 (cont'd)

Setting the Number of Pilots

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

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

2 BOARD MEMBERS & EXPENSES

COMMISSIONERS

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

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

2 BOARD MEMBERS & EXPENSES (cont'd)

ANNUAL EXPENSES

BOARD OPERATING EXPENSES

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

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

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

3 LICENSED PILOTS PUGET SOUND DISTRICT

at 12/31/14 or retirement

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

at 12/31/14 or retirement

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

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

at 12/31/14

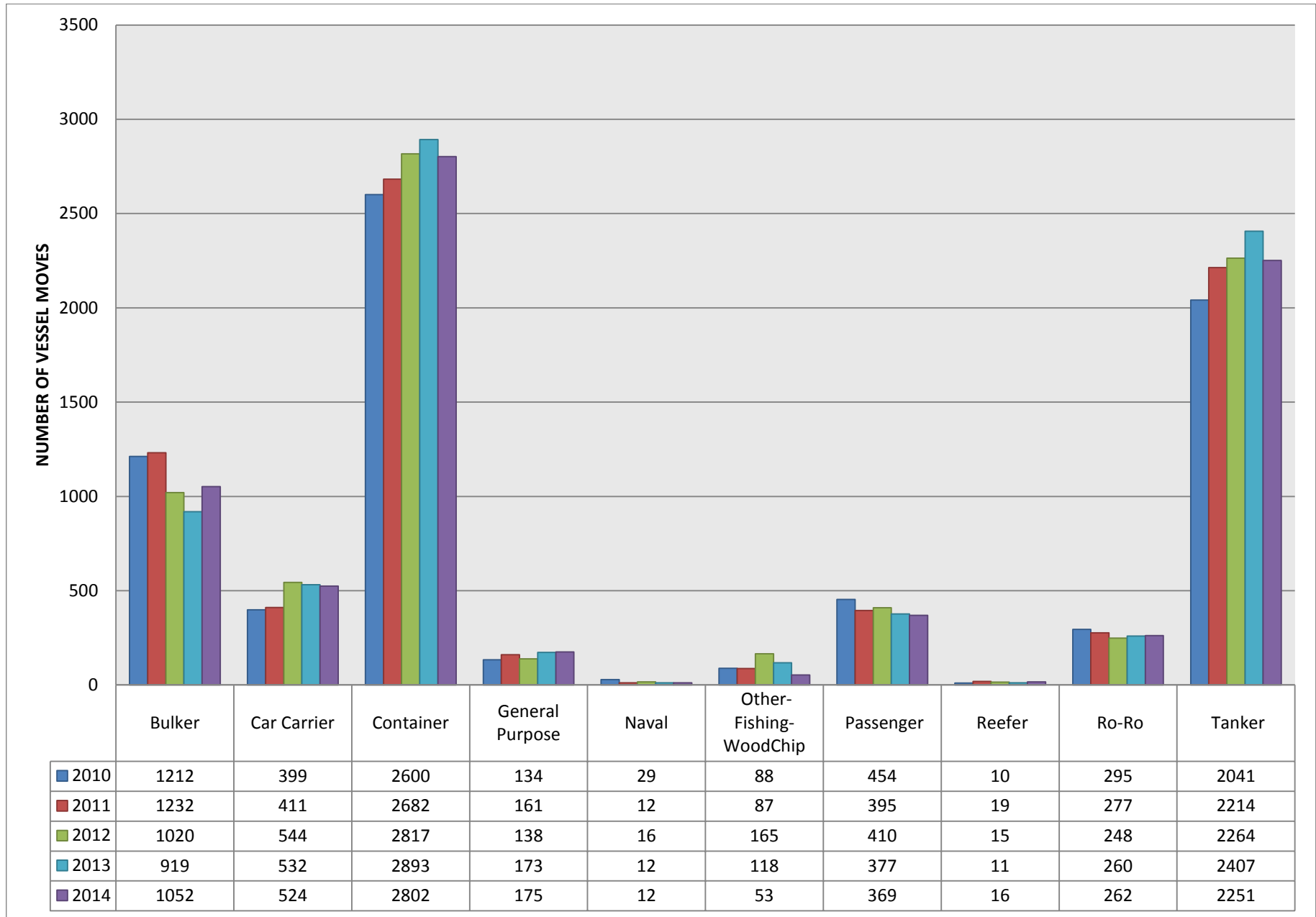
GRAYS HARBOR DISTRICT

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

No changes to pilot roster in 2014

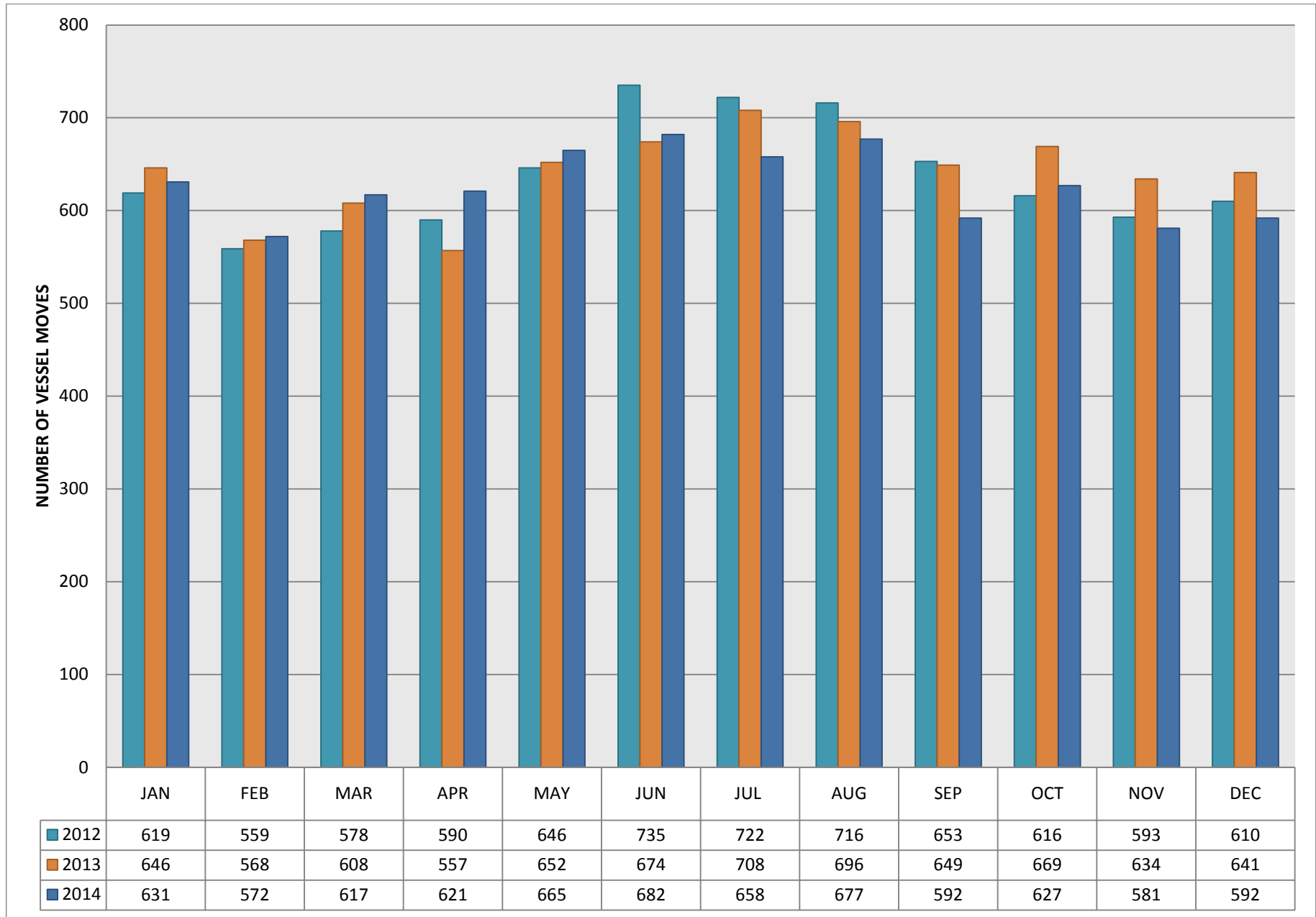
The Board issues licenses to pilots after qualifying for and passing a written examination, simulator evaluation, and successfully completing a training program established by the Board. Licenses are renewed annually after passing a physical examination and paying a license fee.

4 COMPARATIVE TRAFFIC INFORMATION

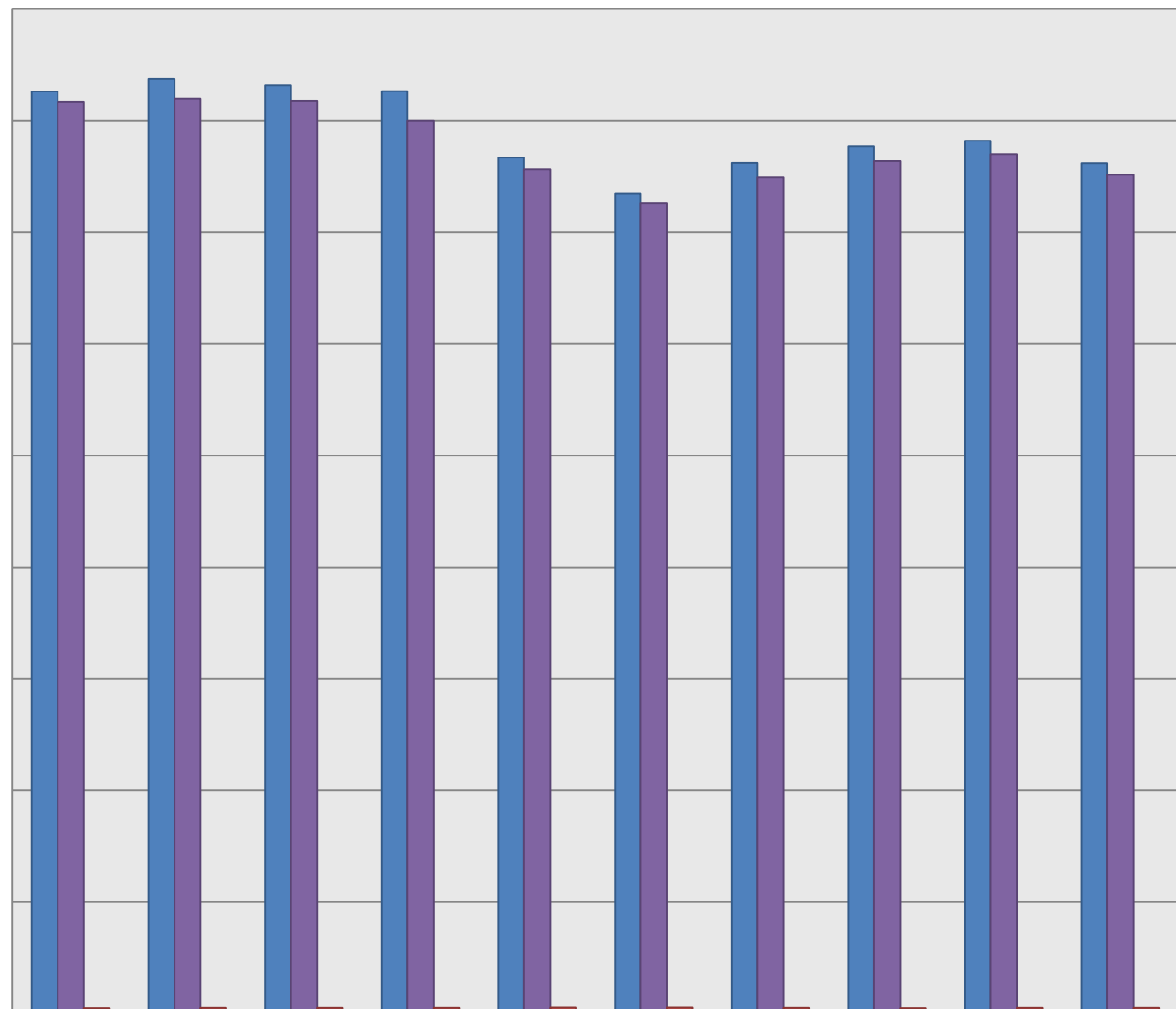


4 COMPARATIVE TRAFFIC INFORMATION

NUMBER OF VESSEL MOVES
BY MONTH AND YEAR



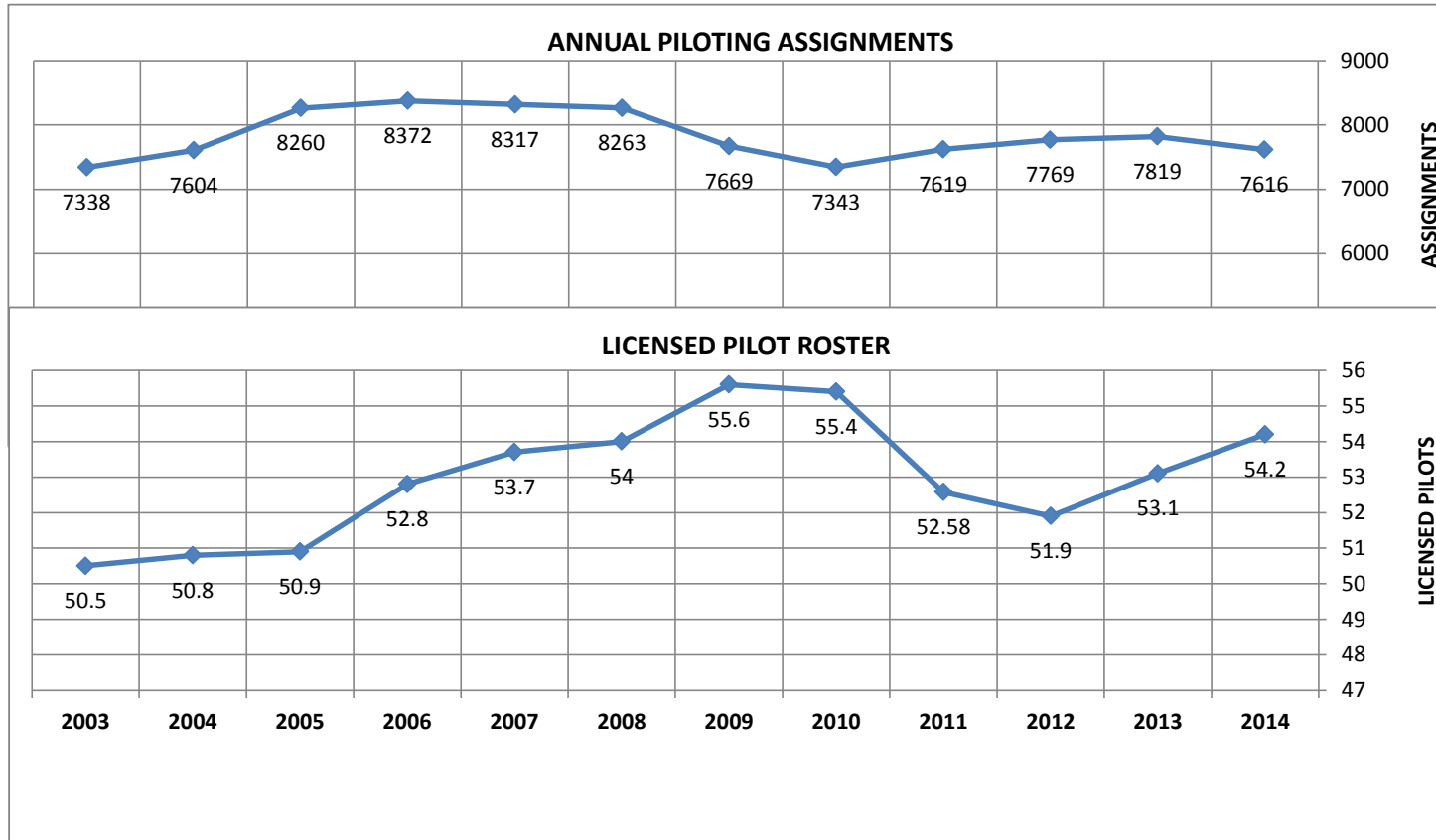
4 COMPARATIVE TRAFFIC INFORMATION



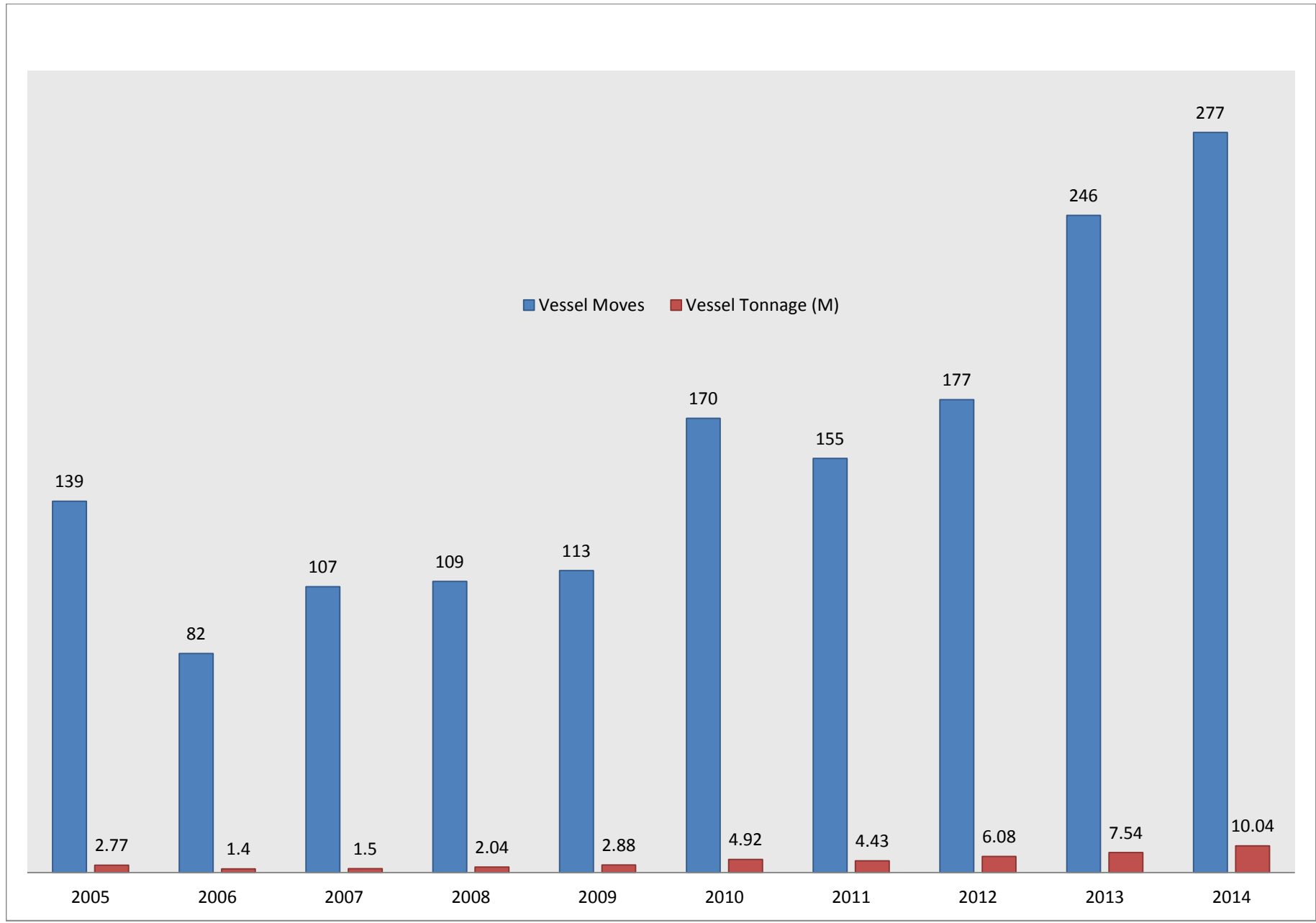
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
All Piloting Assignments	8260	8372	8317	8263	7669	7343	7619	7769	7819	7616
Vessels Moved (not including cancellations)	8169	8196	8177	8000	7565	7262	7490	7637	7702	7515
Number of Licensed Pilots	50.9	52.8	53.7	54	55.6	55.4	52.58	51.9	53.1	54.2

4 COMPARATIVE TRAFFIC INFORMATION

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



4 COMPARATIVE TRAFFIC INFORMATION



5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

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

Notes:

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

Remarks:

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

TRAINEE STIPENDS PAID

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

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

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

GRAYS HARBOR PILOTAGE DISTRICT

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

Notes:

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

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

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

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS

PUGET SOUND PILOTAGE DISTRICT

2014

TOTAL TARIFF GENERATED REVENUE \$ 32,623,068

SUMMARIZED EXPENSES

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

SEATTLE OFFICE OPERATING EXPENSES

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

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

PILOT BOAT OPERATING EXPENSES

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

Note (previous page):

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

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

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

6 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

PERSONNEL EMPLOYED

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

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

GRAYS HARBOR DISTRICT EXPENSES

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

7 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

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

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

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

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

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

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

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Sailing Delay:

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

Slowdown:

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

Delayed Arrival – Port Angeles:

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

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

Tonnage Charges:

0 to 20,000 gross tons:

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

20,000 to 50,000 gross tons:

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

50,000 gross tons and up:

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

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

Transportation to Vessels on Puget Sound:

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

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

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

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

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

Training Surcharge:

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

LOA Rate Schedule:

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

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

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

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

7 PILOTAGE TARIFFS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

WAC 363-116-100

Pilotage Rate for the Grays Harbor District

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

CLASSIFICATION

RATE

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

Draft and Tonnage Charges:

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

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

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

Boarding Charge:

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

Harbor Shifts:

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

Delays per hour \$ 173.00

Cancellation charge (pilot only) \$ 289.00

Cancellation charge (boat or helicopter only) \$ 865.00

Two Pilots Required:

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

Pension Charge:

Charge per pilotage assignment, including cancellations \$ 362.00

Travel Allowance:

Transportation charge per assignment \$ 100.00

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

Bridge Transit:

Charge for each bridge transited \$ 317.00

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

Miscellaneous:

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

8 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

PUGET SOUND PILOTAGE DISTRICT

INCIDENT REPORTS

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

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

GRAYS HARBOR PILOTAGE DISTRICT

INCIDENT REPORTS

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

PUGET SOUND AND GRAYS HARBOR DISTRICTS

MARINE SAFETY OCCURRENCES

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

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

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

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

9 PETITIONS FOR VESSEL EXEMPTION

PUGET SOUND DISTRICT

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

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

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

10 PILOT EXAMINATIONS & TRAINING PROGRAMS

PUGET SOUND PILOTAGE DISTRICT

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

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

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

GRAYS HARBOR PILOTAGE DISTRICT

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

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

11 DIVERSITY ACTION PLAN

Washington State Board of Pilotage Commissioners

INTRODUCTION:

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

STATEMENT OF PURPOSE:

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

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

DIVERSITY ACTION PLAN:

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

Actions:

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

11 DIVERSITY ACTION PLAN (cont'd)

Washington State Board of Pilotage Commissioners

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

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

Actions:

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

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

Actions:

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

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

Actions:

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

11 DIVERSITY ACTION PLAN (cont'd)

Washington State Board of Pilotage Commissioners

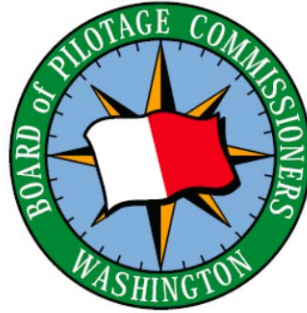
Goal – Continue to improve this Diversity Action Plan.

Actions:

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

CONCLUSION:

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



Washington State Board of Pilotage Commissioners

2015 ANNUAL REPORT



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2015 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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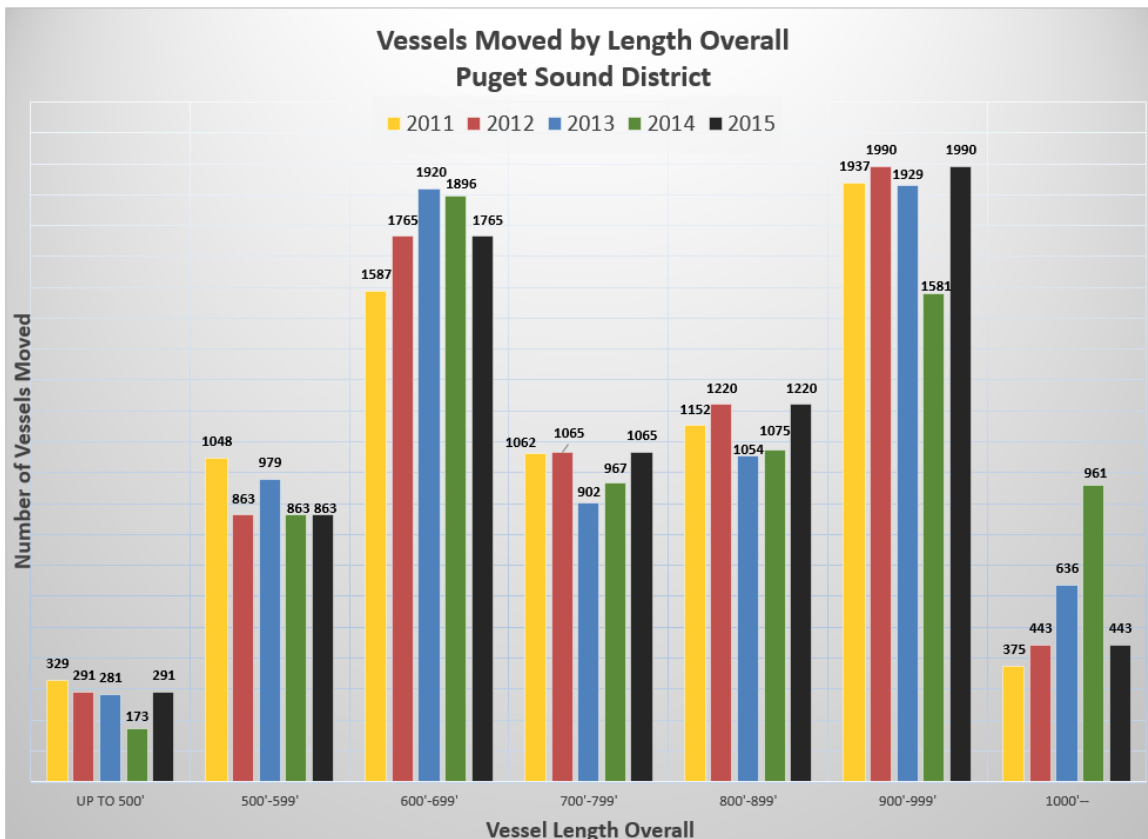
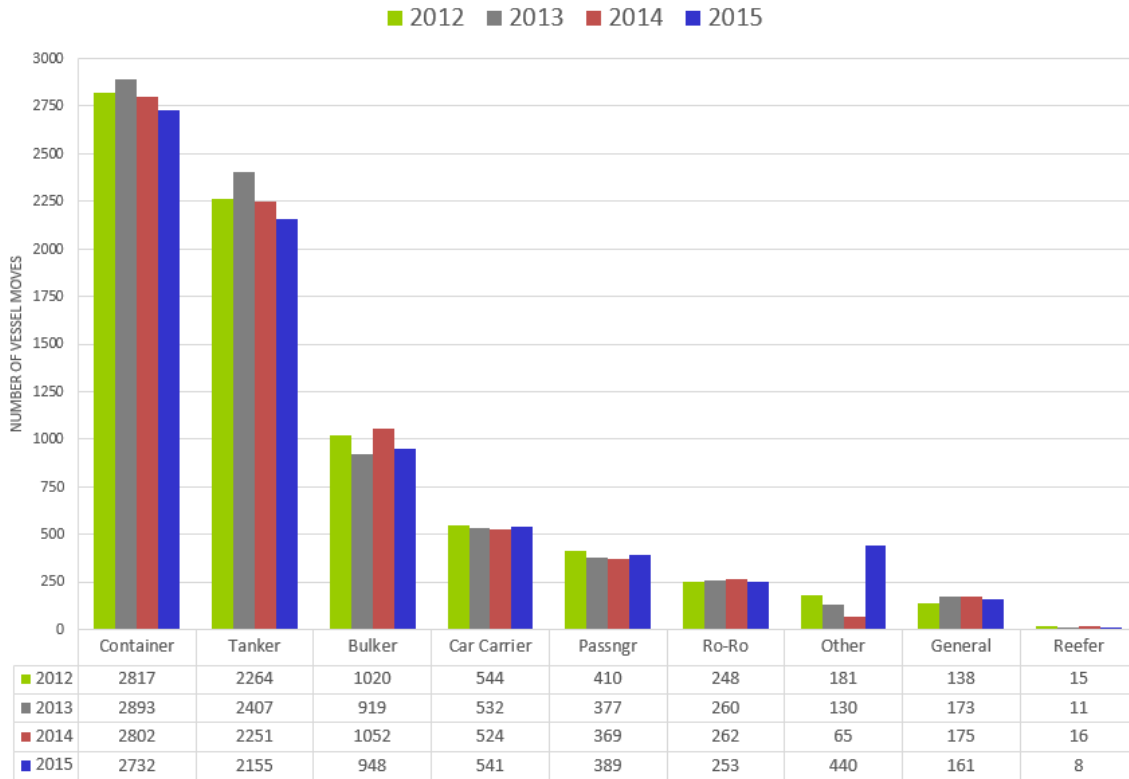
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The following reports and manuals are the source documents for preparation of this annual report and are on file at the office of the Board of Pilotage Commissioners, 2901 Third Avenue, First Floor, Seattle, WA 98121.

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2015/2014
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2015
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone & Earned Revenue Reports (Puget Sound District)

- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

MOVES BY VESSEL TYPE - PUGET SOUND DISTRICT



A Message from the Chair of the Board of Pilotage Commissioners

The primary responsibility of Puget Sound and Grays Harbor pilots is the safe, incident and accident free passage of vessels through our waters. In 2015, these pilots completed over 7700 vessel moves with a total of only 8 incidents. Four of these incidents resulted in relatively minor damage, mainly to docks, piers, or pilings. Each incident is taken very seriously, is investigated, and each is discussed in the monthly open meetings of the Board, and each is acted on by the Board.

The Board licenses and regulates all pilots serving Washington waters in Puget Sound and Grays Harbor. The major responsibilities of the Board are to identify potential trainees through a rigorous examination process, develop an appropriate training program, license the pilots, set tariffs for pilotage services, and investigate marine incidents.

Each year the Pilotage Commission prepares a report providing data that is required by the Revised Code of Washington. This year we have added to that data to provide definitions, show trends, and move toward more analysis of the data. We appreciate your feedback and questions as we work to provide a useful and informative document. Please let us know how we can continue to improve the report.

As 2015 ended, the Board began the process of preparing for a pilotage examination scheduled for early 2016. It also grappled with the significant issue of the lack of gender and ethnic diversity among licensed pilots. With the potential for a new 2016 list of trainees, the Board began the process of reviewing, evaluating, and strengthening the training program to be sure that the most important and challenging skills are evaluated to give trainees appropriate feedback on the path to licensure. The goal is to have this program in place at the time a trainee from the 2016 list begins training.

Two board members completed service in 2015. After 19 years of dedicated attention to pilotage and the safety of Washington waters, Captain Harry Dudley completed his term as Board Chair. During his time on the Board, Harry handled a myriad of serious issues and we owe him a debt of gratitude for his tireless service. Captain Scott Ferguson represented the Washington State Department of Ecology during 2015, and provided excellent service. His Coast Guard experience was invaluable to the Commission.

Finally, the staff, which grew to three this year, deserves our huge vote of thanks for being the guardians of critical information for examinations, for trainees and pilots, for the Board, and for vessel exemptions. The work never stops but Peggy Larson, Shawna Erickson, and Jaimie Bever ensure operations of this regulatory Board are efficiently maintained.

We invite you to join us at our monthly Board meetings.

Sincerely yours,



Sheri J Tohn, 2016 Chair

A Message from the Executive Director of the Board of Pilotage Commissioners

Since the beginning – my beginning that is, back in 1982 – as I reflect back, I cannot begin to describe the changes I’ve experienced as each new year unfolds . . . **2015** was no exception.

For the past 16 years I had the privilege of working alongside our longest seated Chairman of the Board, Captain Harry Dudley. At the end of December, he moved on to the ranks of “those-with-one-less-job-and-still-not-retired”. During his reign, there were 41 pilot licenses issued, 32 tariff hearings presided over, 3 pilot exams administered producing 48 trainees, more than 125,000 vessels moved - 37,000 of those being oil tankers, 0 reportable oil spills, and the list goes on. Harry, thank you for your superior leadership!

We had several new faces seated in our Board Room this year. A mix of 12 men and women changed places.

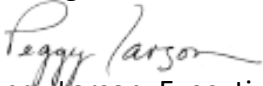
- ❖ Sheri Tonn replaced Elsie Hulsizer as the Marine Water Environmental Representative
- ❖ Sheri Tonn replaced Harry Dudley as Chair, to begin serving in 2016
- ❖ Capt. Scott Ferguson replaced Dale Jensen and then Alice Helker as the Dept. of Ecology Representative
- ❖ Shawna Erickson completed her sixth year as the Board’s Sr. Project Director
- ❖ Ms. Jaimie Bever joined the staff on November 1st as the Board’s Program Facilitator

The Board’s designated committees were very active during 2015. The Exam Committee prepared for the 2016 Marine Pilot Exam, scheduled for April 4, 2016, with the official announcement and call for applications circulated on November 30, 2015. The Trainee Evaluation Committee (TEC) continued to closely monitor and evaluate the active trainees from the 2012 Exam. Two successful candidates from the 2012 Exam entered the training program in 2015. A Train-the-Trainer course was facilitated by the TEC and held in June 2015 for new pilots licensed since 2012 who will be supervising pilot trainees. The Tariff Policy Committee helped to establish a Definition of Terms, which was adopted on April 16, 2015 by the Board.

The Board issued a Safety Advisory Bulletin on November 19, 2015 addressing loss of propulsion due to various factors including engineering practices, fuel switching, and engine maintenance, to name a few. The Board encouraged mariners to review the U.S. Coast Guard low sulfur fuel oil Marine Safety Alert included in the bulletin.

The Board Designated Physicians roster changed a bit in 2015. Two of our physicians, Dr. Stevens and Dr. Nitsche, resigned after a combined 38 years of service performing pilot physical examinations. The Board welcomed Dr. Peter Lehmann to the group.

Best regards,

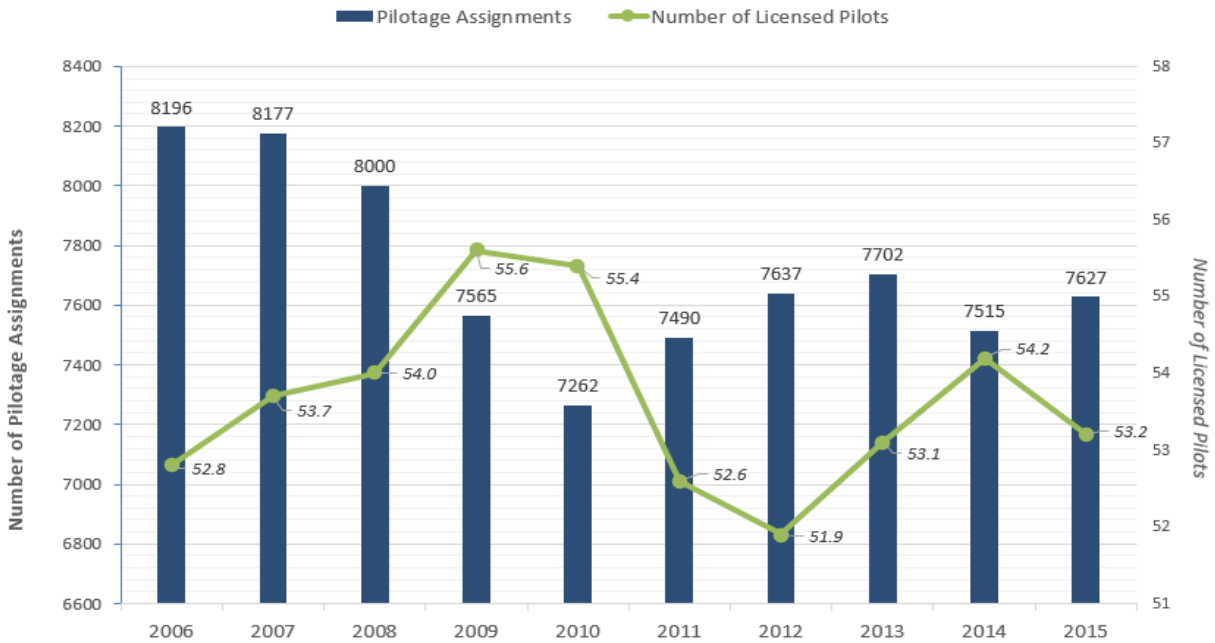

Peggy Larson, Executive Director

01 FOREWORD

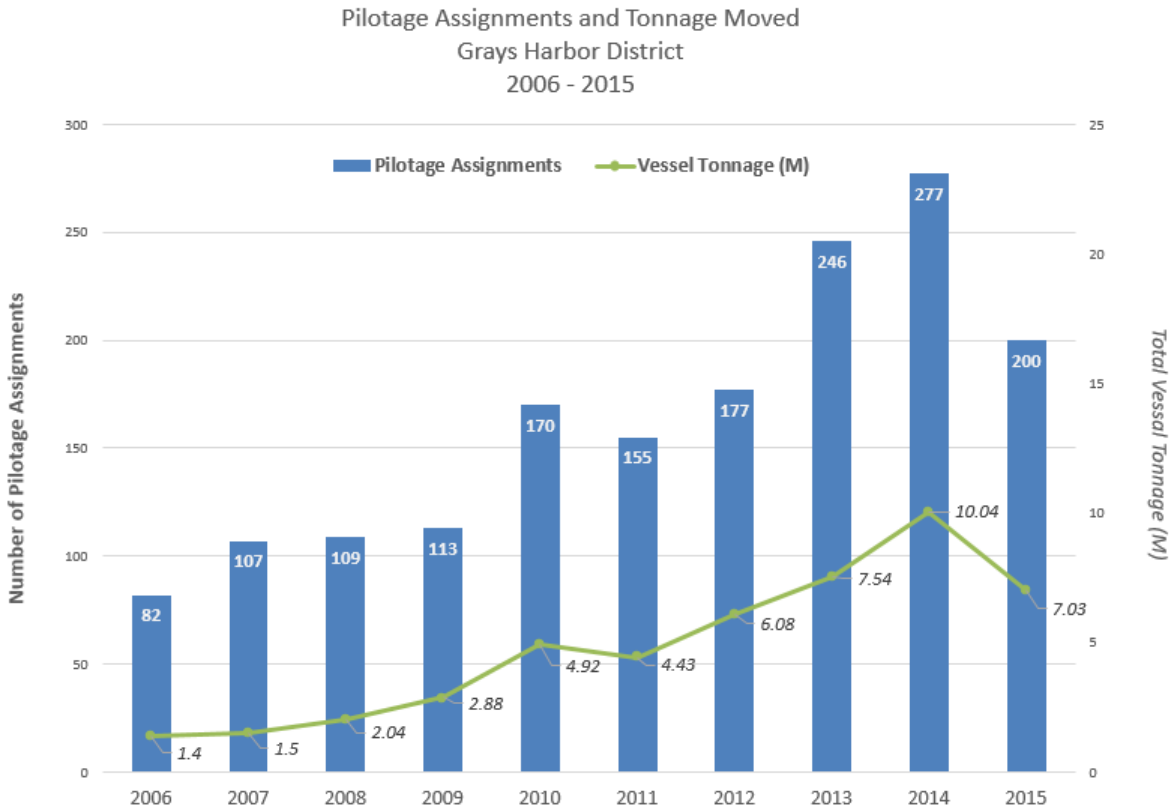
Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,627 vessel moves, resulting in 7,788 piloting assignments in 2015. This is an increase in vessel moves and assignments from the previous year. The average number of full-time pilots decreased to 53.2 in 2015. The average annual number of assignments per pilot was 146 or approximately 12 assignments per month in 2015 as compared to assignments of 140 annually and 11 per month in 2014.

Puget Sound District
Piloting Assignments and Licensed Pilots
2006 - 2015



The Grays Harbor Pilots had a total of 200 piloting assignments in 2015, resulting from 82 vessels arrivals. In comparison, there were 113 vessel arrivals generating 277 piloting assignments in 2014. The Port of Grays Harbor employed two full-time pilots.



2015 Tariff Hearings

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

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District – 5/14/15.

The Board adopted a minimum tonnage charge of \$500 which was applied to all LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and all LOA Zone II and greater assignments. The effective period of this new tariff is the fiscal year 7/1/15 through 6/30/16.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District – 11/19/15.

The Board adopted an increase of 4% in all tariff categories except the Pension Charge which was increased from \$403 to \$463 and the Travel Allowance which remained at \$105 per assignment. The effective period of this new tariff is 1/1/16 through 12/31/16.

Rule-Making

The following rule was adopted, amended or repealed:

WAC 363-116-082: Limitations on New Pilots. (continued from 2014)

Setting the Number of Pilots

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

	9/30/10	8/9/12	5/14/13	6/19/14	11/18/14	2/19/15	8/1/15
Puget Sound	52	53	54	55	54	53	52
Grays Harbor	The number of pilots will increase from 2 to 3 upon the next candidate becoming successfully licensed.						



02 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
<u>CHAIR</u>		
Capt. Harry Dudley	11/01/1999	12/31/2015
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	09/29/2009	12/26/2016
Capt. Edmund I. Kiley	01/14/2010	12/26/2017
<u>REPRESENTING AMERICAN SHIPPING</u>		
Phil Morrell - Totem Ocean Trailer Express (TOTE)	01/25/2012	12/26/2015
<u>REPRESENTING FOREIGN SHIPPING</u>		
Capt. J. Grant Stewart - Westwood Shipping Lines (WSL)	03/16/2012	12/26/2016
<u>REPRESENTING THE PILOTS</u>		
Capt. Edmund Marmol - Puget Sound Pilotage District	04/24/2013	12/26/2016
Capt. Don Mayer - Puget Sound Pilotage District	03/01/2010	12/26/2015
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Capt. Scott Ferguson - Spill Prevention, Preparedness & Response Program	03/07/2015	N/A
Alice Helker - Spill Prevention, Preparedness & Response Program	01/15/2015	02/28/2015
Dale Jensen - Spill Prevention, Preparedness & Response Program	02/01/2014	01/15/2015
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	09/01/2007	02/17/2015
Sheri J. Tonn	02/18/2015	12/31/2015
<u>LEGAL COUNSEL</u>		
Guy Bowman	08/01/2008	
<u>STAFF</u>		
Peggy Larson, Executive Director	12/08/1982	
Shawna Erickson, Sr. Project Director	01/27/2010	
Jaimie Bever, Program Facilitator	11/02/2015	

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

02 BOARD MEMBERS & EXPENSES (cont'd)

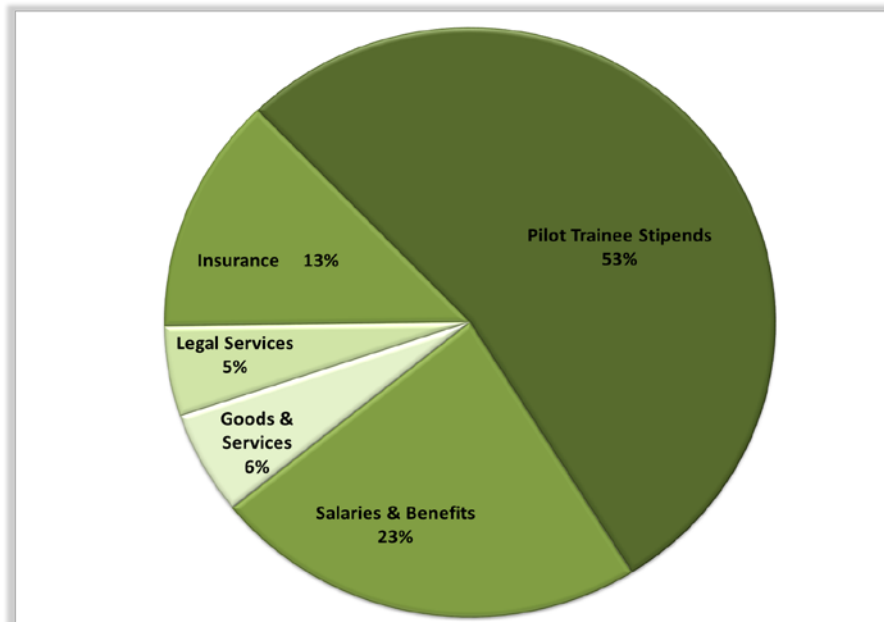
ANNUAL REVENUE & EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$239,224
Goods and Services	59,006
Legal Services	51,173
Insurance	134,806
Trainee Stipends	553,473

TOTAL EXPENDITURES

\$1,037,682



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

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

03 LICENSED PILOTS PUGET SOUND DISTRICT

at 12/31/15 or retirement

at 12/31/15 or retirement

PILOT	Lic #	Years Licensed
ANACKER, D. Scott	183	3.8
ANTHONY, Michael	184	3.4
ARNOLD, John	147	20.1
BLAKE, Michael	163	9.5
BOUMA, Blair	181	4.4
BROUILLARD, Dan	188	2.4
BRUSCO, David	180	5.8
BUJACICH, Jack	164	9.5
CARLEY, Warren (Bud)	186	3.0
CARLSON, Ivan	165	9.5
CARSTENSEN, James	195	0.3
COE, Frantz (Andy)	142	23.7
COLEMAN, Scott	191	1.3
CORYELL, Tom	189	2.0
EMERSON, Larry	126	28.0
ENGSTROM, Fred	185	3.1
ENGSTROM, Victor	162	10.7
GALVIN, Jamie	192	1.1
GIESE, Peter	143	23.2
GROBSCHMIT, David	169	8.6
HANNUKSELA, James	175	7.1
HARRIS, John	123	28.0
HENSHAW, Brian	155	15.4
HURT, Gary	158	14.6
JENSEN, Brian	193	1.0
JUSTICE, Verne	128	26.9
KALVOY, Jostein	170	8.6
KEARNS, James	182	4.0
KELLY, Patrick	167	9.4
KLAPPERICH, Eric	172	7.9
LICHTY, Eric	190	1.7
LOWE, Brad	194	0.3
LOWERY, William (Bill)	187	2.9
MARMOL, Edmund	171	8.3
MAYER, Donald	121	29.4
MICHELSON, Bruce (Ret.)	136	24.6

PILOT	Lic #	Years Licensed
MORENO, Stephan	178	6.1
MORK, Stuart	159	14.5
NEWMAN, Alec	125	28.0
SANDERS, David	152	18.7
SCOGGINS, John	161	10.9
SCRAGG, John	181	5.5
SEMLER, Joseph	156	15.2
SEMLER, Stephen	174	7.6
SEYMOUR, Lawrence	177	6.5
SHAFFER, Daniel	116	30.5
SHAFFER, James	145	23.2
SHULER, Mark	154	17.8
SLIKER, William	166	9.5
SORIANO, Donald	122	29.1
THORESON, George	176	7.1
vonBRANDENFELS, Eric	148	20.1
WARD, John K. (Ret.)	168	8.9
WARD, Jonathan E. (Ret.)	160	12.0
WILDES, Gordon	173	7.9
WOOD, Micheal (Ret.)	134	25.8
Number of PS pilots at 12/31/2014		54
Pilots retiring in 2015 :		4
Pilots licensed in 2015:		2
Number of PS pilots as of 12/31/15:		52

GRAYS HARBOR DISTRICT

at 12/31/15

PILOT	Lic #	Years Licensed
D'Angelo, Robert	15	22.8
Cooke, Stephen (Ret.)	16	9.6
White, Ryan	17	1.0
Number of GH pilots at 12/31/2014		2
Pilots retiring in 2015 :		1
Pilots licensed in 2015:		1
Number of GH pilots as of 12/31/15:		2

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

04 PILOT EDUCATION

Pilot Training

The Board mandates vessel simulator training for a licensed pilot subject to RCW [88.16.105](#) at least once every five years for all active pilots. Pilots have generally chosen to attend manned-model simulator training. This year, three pilots licensed within the last 12 months traveled to Port Revel, France to attend the Basic Manned-model simulator training class with another attending simulator training at the Center for Maritime Training in Massachusetts. Additionally, there were another four pilots attending the Advanced Shiphandling class held in Port Ilawa, Poland.



Licensed pilots are offered various off-site training for refresher courses in 2015. The classes attended in 2015 were:

- Electronic Charts and Information System (ECDIS) for Pilots (pilots learn common functions, benefits and limitations of onboard ECDIS systems; required by PSP every 5 years)
- Bridge Resource Management Refresher (a combination of the BRM class & simulator experience designed to improve situational awareness; required by PSP every 5 years)

05 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

	2015 Total	Avg. Per Pilot (53.2 Full- time)
Pilotage Tariff Revenue	\$ 32,881,003	\$ 618,064
Other Income / (Expense)	31,088	584
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(3,885,653)	(73,039)
Operating Expenses of Puget Sound Pilots	(8,333,339)	(156,642)
Group Medical Insurance Plan for Pilots <i>(shown below)</i>	1,604,390	30,158
Available Revenue Pool for Distribution	\$ 22,297,489	\$ 419,126
Income Allocation of Pooled Tariff Revenue	\$ 19,011,724	\$ 357,363
Individual Business Expense Allowance <i>(Note 2)</i>	530,881	9,979
Transportation Allowances and Reimbursements	1,119,406	21,041
Tariff Revenue Paid to Pilots	20,662,011	388,384
Individual Pilot Medical Insurance <i>(Note 2)</i> (group plan paid by PSP)	1,604,390	30,158
Tariff Revenue Paid to Pilots + Medical Benefit	\$ 22,266,401	\$ 418,541
Undistributed Other Income	31,088	584
Available Revenue Pool for Distribution	\$ 22,297,489	\$ 419,126

Notes:

1. According to their own by-laws, amounts necessary for payment of benefits under the Puget Sound Pilots Trust Contract of 1952, the Puget Sound Pilots Retirement Agreement of 1978 and the Amended Retirement Program of Puget Sound Pilots are deducted and paid to the designated beneficiaries prior to distribution of income to current pilots.

2. Individual Business Expense includes the provision paid for disability insurance, annual physical exam, Anacortes subsistence and lodging, and business communication costs. Medical insurance premiums previously reported in this category (IBE) are now paid by the Association (noted above).

Remarks:

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

TRAINEE STIPENDS PAID

During all or part of the year there were ten pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2015 was \$364,542.

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

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

GRAYS HARBOR PILOTAGE DISTRICT

	2015 Total	Average Per Pilot (2 Full time)
Tariff Generated Pilotage Revenue	\$ 1,281,226	\$ 640,613
Other Pilot Services Department Revenue	1,200	600
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 (Note 3)	(80,600)	(40,300)
Operating Expenses - Port of Grays Harbor Pilot Services (Note 4)	(548,252)	(274,126)
(Gain)/Loss retained by Port of Grays Harbor (Note 5)	224,965	112,483
Net Pilotage Revenue	\$ 878,539	\$ 439,270
Pilot Wages	\$ 559,102	\$ 279,551
Incremental Duty Pay	78,000	39,000
Employer Provided Benefits (Note 6)	218,892	109,446
Gain Sharing (Note 7)	-	-
Travel Allowance and Reimbursements	22,545	11,273
Compensation to Pilots	\$ 878,539	\$ 439,270

Notes:

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

4. During all or part of the year there were two pilot trainees working on their respective training programs. Neither were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2015 was \$71,667.

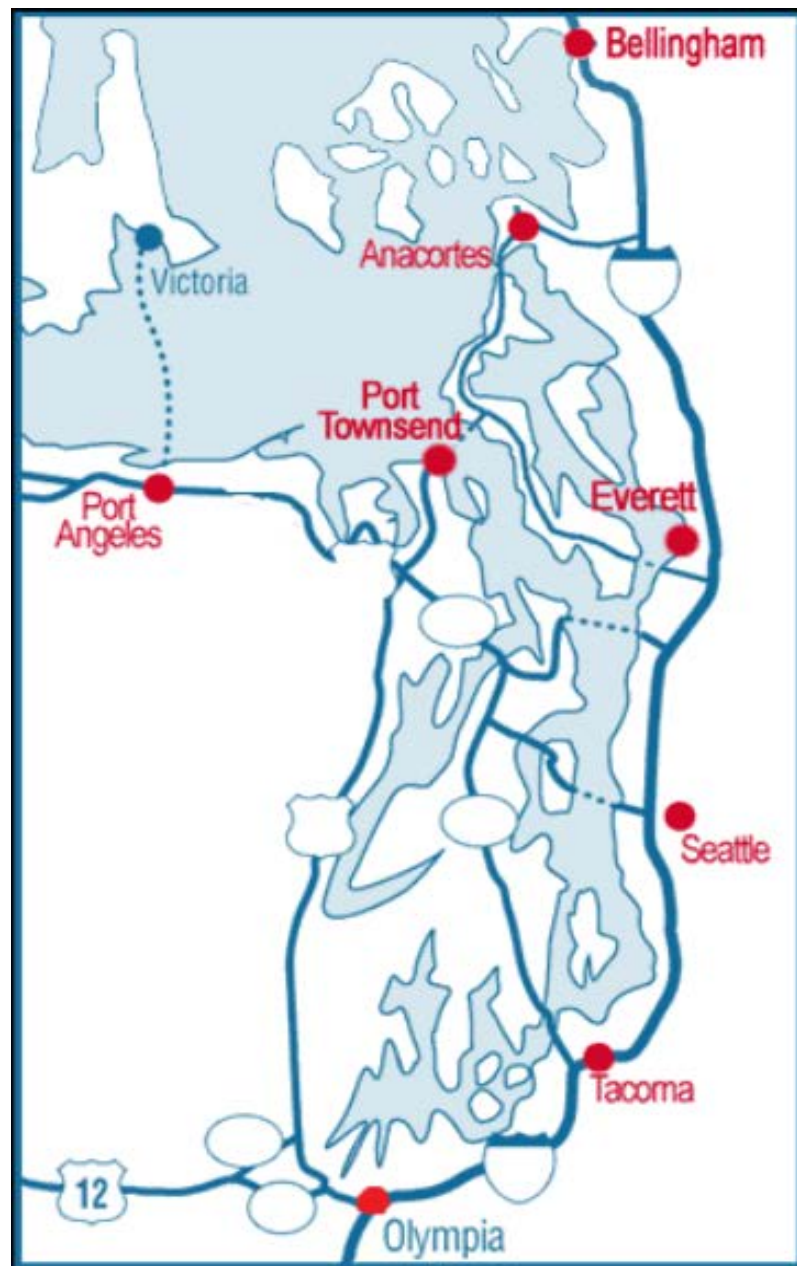
5. Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.

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

7. A salary premium is paid when upon various thresholds being met creating a positive net income for the Port. The final net income is shared between the Port and the pilots who, in turn, share equally in the salary premium when this occurs.

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

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS
PUGET SOUND PILOTAGE DISTRICT



	2015	2014
TOTAL TARIFF GENERATED REVENUE	\$ <u>32,881,003</u>	\$ <u>32,623,068</u>
SUMMARIZED EXPENSES		
Payments to Retired Pilots/Widows - Puget Sound Dis	\$ 3,885,653	\$ 3,288,449
Pilot Medical Insurance - Puget Sound District	1,604,390	1,625,825
Seattle Other Operating/Administrative Expenses	<u>4,511,969</u>	<u>4,682,123</u>
Total Seattle Expenses	\$ 10,002,012	\$ 9,596,397
Port Angeles Station Operating Expenses	521,300	572,372
Pilot Boat Operating Expenses	<u>1,695,680</u>	<u>2,037,993</u>
Total PSP Operating/Administrative Expenses	\$ 12,218,992	\$ 12,206,762
Transportation Fees Paid Directly to Pilots	<u>1,119,406</u>	<u>1,083,551</u>
Total Deductions from Revenue	<u>13,338,398</u>	<u>13,290,313</u>
Balance of Revenue Pool to Distribute	\$ 19,542,605	\$ 19,332,755
Other Income / (Expense)	<u>31,088</u>	<u>21,854</u>
NET INCOME FROM POOLED OPERATIONS	\$ <u>19,573,693</u>	\$ <u>19,354,609</u>

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT

<u>SEATTLE OFFICE OPERATING EXPENSES</u>		
Attorney fees	\$ 51,605	\$ 96,244
Comp day expense	163,120	407,238
Computer maintenance	329,568	278,310
Computer programming	4,862	4,466
Conferences	34,347	76,749
Consulting services	284,359	91,942
CPA fees	56,665	63,512
Depreciation	320,884	308,493
Drug testing	6,737	5,381
Dues	169,583	154,715
Employee benefits	295,484	341,201
Employee salaries	851,238	702,636
Equipment leases	2,915	1,596
Gifts	13,127	-
Insurance	197,078	223,602
Interest	17,660	23,266
License fees - pilots	344,500	357,500
Lobbyist	112,294	106,099
Office maintenance & repair	6,042	7,634
Office supplies	31,432	43,994
Payments to Retired Pilots/Widows - Grays Harbor Dis	109,739	109,739
Payment to Retired Former Director	5,792	-
Pilot training	164,232	370,187
Printing & publications	5,532	24,615
Rent & parking	113,957	110,502
Taxes on payroll	61,007	50,737
Taxes, other	9,662	1,081
Taxes on revenue	536,666	536,164
Travel, entertainment, promotion	171,926	144,285
Telephone & communications	39,956	40,235
Seattle Office Total	\$ <u>4,511,969</u>	\$ <u>4,682,123</u>

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)
PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2015</u>	<u>2014</u>
Depreciation	\$ 52,397	\$ 55,036
Food	93,855	85,609
Insurance	38,580	58,450
Interest	-	-
Lodging - Port Angeles	219	-
Maintenance and repairs	34,460	48,760
Rent, tideland lease	3,679	3,562
Reposition pilots	229,830	245,478
Supplies	18,994	25,915
Taxes on property	13,668	13,527
Telephone & communications	12,847	12,958
Training	-	405
Utilities	22,771	22,672
Port Angeles Total	<u>\$ 521,300</u>	<u>\$ 572,372</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28	\$ 28
Employee benefits	237,200	233,357
Employee salaries	750,119	773,729
Fuel of "Juan de Fuca"	128,517	166,737
Fuel of "Puget Sound"	135,906	250,022
Insurance	104,574	98,317
Interest	-	-
Maintenance & operation of "Juan de Fuca"	115,482	374,751
Maintenance & operation of "Puget Sound"	160,031	76,235
Taxes on payroll	59,512	60,428
Taxes on property	4,311	4,389
Pilot Boat Operations Total	<u>\$ 1,695,680</u>	<u>\$ 2,037,993</u>

Note (previous page):

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

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

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

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

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT



	2015	2014
Vessel Arrivals / Pilot Assignments	113 / 277	82 / 200
Tariff Generated Revenue	\$ 1,281,226	\$ 1,665,533
Miscellaneous Revenues	1,200	1,200
TOTAL REVENUE	\$ 1,282,426	\$ 1,666,733

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 50	\$ 53
Benefits	218,892	144,968
Pilot launch services	237,499	332,992
Depreciation	19,557	18,642
Dues & license fees	16,250	13,000
Insurance	1,821	1,869
Legal services	1,117	1,087
Miscellaneous other expenses	7,665	4,659
Pension contribution to PSP for GH Retirees	80,600	100,274
Pilot Trainee Stipend	71,667	63,330
Port Administrative Services	85,328	82,183
Repair/maintenance	60,318	67,912
Supplies	9,922	9,245
Taxes	19,690	21,490
Telephone	3,265	3,881
Training	6,784	0
Travel/Lodging/Meals	7,319	3,839
Wages	559,102	532,030
Gain Sharing Distribution	0	112,166
Incremental Duty Pay	78,000	7,991
Travel Allowance	22,545	27,700
GRAYS HARBOR DISTRICT TOTAL EXPENSES	\$ 1,507,391	\$ 1,549,311
GRAYS HARBOR DISTRICT OPERATING INCOME	\$ (224,965)	\$ 117,422

07 PUGET SOUND DISTRICT PILOTAGE RATES

WAC 363-116-300 Pilotage Rates for the Puget Sound Pilotage District.

Effective 0001 hours January 1, 2015, through 2400 hours June 30, 2015.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

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

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

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Sailing Delay:

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

Slowdown:

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

Delayed Arrival – Port Angeles:

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

Tonnage Charges:

0 to 20,000 gross tons:

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

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton.

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

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00

Olympia	155.00
Point Wells	42.50
Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

Direct Transit Charge \$ 2,107.00
Sailing Delay Charge. \$ 283.00 per hour
Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.

Slow Down Charge. \$ 283.00 per hour
Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.

Cancellation Charge. \$ 525.00
Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.

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

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

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	263	381	650	968	1,304	1,692
450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
470 - 479	285	404	672	1,020	1,347	1,711
480 - 489	294	410	675	1,038	1,355	1,719
490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
510 - 519	315	431	702	1,085	1,398	1,744
520 - 529	319	447	712	1,090	1,410	1,758
530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946
640 - 649	486	566	832	1,188	1,604	1,960
650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,494	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

07 PUGET SOUND DISTRICT PILOTAGE RATES

**WAC 363-116-300 Pilotage Rates for the Puget Sound Pilotage District.
Effective 0001 hours July 1, 2015, through 2400 hours June 30, 2016.**

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

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

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

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Sailing Delay:

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

Slowdown:

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

Delayed Arrival – Port Angeles:

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

Tonnage Charges:

0 to 20,000 gross tons:

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

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton.

Notwithstanding the above tonnage charges, there shall be a minimum tonnage charge of \$500.00 applied to:

- (1) All LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and
- (2) All LOA Zone II and greater assignments.

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

Transportation to Vessels on Puget Sound:

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

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

Direct Transit Charge

\$ 2,107.00

Sailing Delay Charge.

\$ 283.00 per hour

Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.

Slow Down Charge.

\$ 283.00 per hour

Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.

Cancellation Charge. \$ 525.00

Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.

Transportation Charge Vancouver Area. \$ 514.00

Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.

Transportation Charge Outports. \$ 649.00

Vessels departing or arriving at British Columbia ports other than those in the Vancouver- Victoria-New Westminster Range.

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
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450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
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490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
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530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
640 - 649	486	566	832	1,188	1,604	1,960
650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,497	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

07 GRAYS HARBOR DISTRICT PILOTAGE RATES

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District.

Effective 0001 hours January 1, 2015, through 2400 hours December 31, 2015.

CLASSIFICATION

RATE

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

Draft and Tonnage Charges:

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

Draft	\$ 110.55 per meter – or - \$ 33.69 per foot
Tonnage	\$ 0.316 per net registered ton
Minimum Net Registered Tonnage	\$ 1,108.00
Extra Vessel (in case of tow)	\$ 621.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$6,141.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter	\$ 1,050.00
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Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$ 772.00
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Delays per hour	\$ 182.00
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Cancellation charge (pilot only)	\$ 303.00
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Cancellation charge (boat or helicopter only)	\$ 908.00
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Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$772.00 and in addition, when a bridge is transited the bridge transit charge of \$333.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations	\$ 403.00
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Travel Allowance:

Transportation charge per assignment	\$ 105.00
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Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$1,023.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	\$ 333.00
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Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$ 910.00
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Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1-1/2% per month late charge.

08 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

INCIDENT REPORTS

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 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 his/her 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 his/her duties on a vessel, regardless of whether the incident results in physical injury to the pilot or pilot trainee.

PUGET SOUND PILOTAGE DISTRICT

Eight Incident Reports were filed in the Puget Sound Pilotage District in the year 2015.

DATE	VESSEL	PILOT(S)	LOCATION	BOARD DECISION
9-Mar-2015	Aiviq	Coleman, S	Everett, Pier 3 South <i>While shifting between docks, thrusters malfunctioned resulting in cracked stringers due to the unexpected momentum of the approach to the dock.</i>	Incident with damage; no pilot error
5-May-2015	Hyundai Faith	Harris, J Brusco, D	Tacoma, Blair Waterway, Pier 3 <i>Stern line parted on moored ship CHISWICK BRIDGE during inbound transit.</i>	Incident with damage; no pilot error
23-Jun-2015	Westwood Olympia	Hannuksela, J	Everett, off Pacific Terminal <i>Contact was thought to be made with shallow mud shoal; ship captain did not believe the ship went aground.</i>	Insignificant incident without placement in pilot file; no further action
25-Aug-2015	Alaskan Explorer	Mayer, D	Ferndale, between N & S berths @ Cherry Point <i>Vessel's port propeller cut an anchor line of a spill boom buoy on its approach to the dock.</i>	Incident with damage; pilot error; no further action; update electronic data recommended
31-Aug-2015	Otago Harbour	Scragg, J; Jensen, B; trainee Henderson, D	Seattle, Duwamish Waterway, Glacier W. dock <i>While docking, vessel came flat alongside with no excessive speed; it appeared two pilings were damaged in the process. The pilings in question were rotten and weak; other pilings were previously damaged.</i>	Insignificant incident without placement in pilot files; no further action
5-Nov-2015	Astoria Bay	Engstrom, F trainee Furst, A	Port Angeles, T-Pier <i>Vessel was not landed flat, consequently the stern laid on the camel and was forced into a piling; trainee was at the con.</i>	Incident with damages and with pilot error

25-Nov-2015	Akinada Bridge	Seymour, L	Between Whidbey Island and Marrowstone Island <i>Pilot was informed of an alleged injury to the operator of a 35' Nordic tug as they passed each other near Bush Point.</i>	Incident with alleged injury; no pilot error
9-Dec-2015	Morning Crown	Thoreson, G	Tacoma, Blair Terminal berth <i>A large gust of wind forced the vessel off the dock tearing the aft lines loose; tugs brought it back alongside.</i>	Incident with damage; no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

No Incident Reports were filed in the Grays Harbor Pilotage District in the year 2015.

MARINE SAFETY OCCURRENCES

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

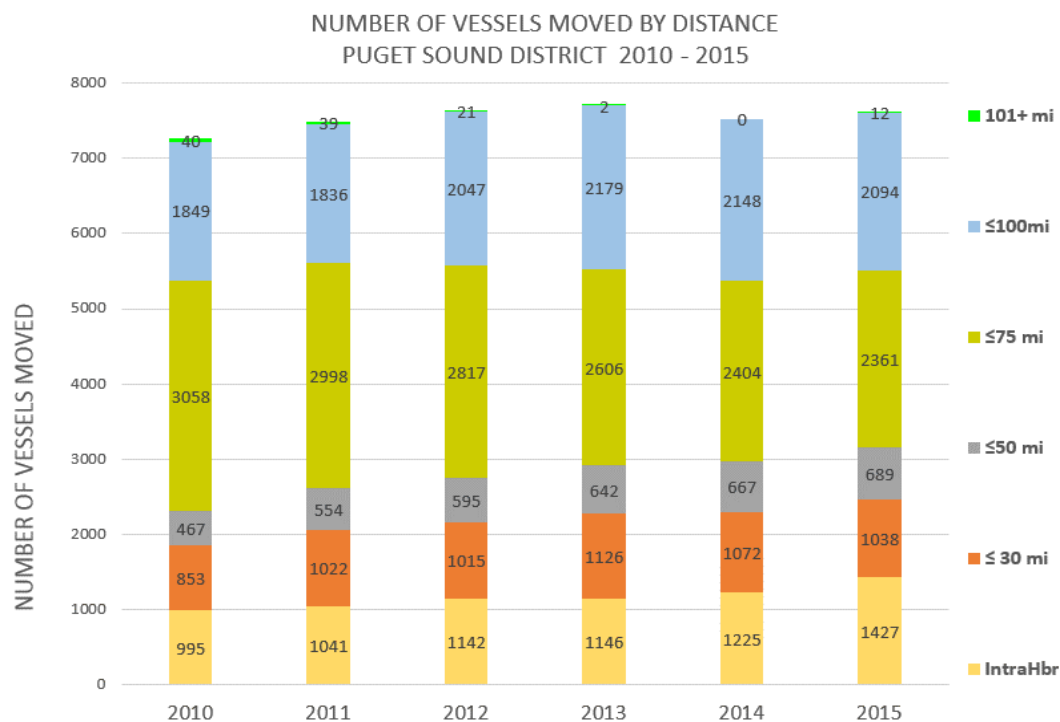
PUGET SOUND AND GRAYS HARBOR DISTRICTS

Thirty-eight MSO reports were filed in the Puget Sound District:

- * thirty-four vessel equipment malfunctions or failures, three were classified as near-miss;
- * four instances necessitating sounding a danger signal; one vessel responded appropriately; three did not respond, avoidance measures were employed and were classified as near miss.

Three MSO reports were filed the Grays Harbor District:

- * two vessel equipment malfunctions or failures, neither classified as near-miss;
- * one report classified as correspondence only as the narrative given was informational only.



09 PETITIONS FOR VESSEL EXEMPTION

During 2015, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in Washington waters and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF REGISTRY</u>
ARCTIC PRIDE	123 FT	297 GRT	Seethoff	Jamaica
AFTER EIGHT	151 FT	498 GRT	Lindsay	Isle of Man
ARROWHEAD	115 FT	193 GRT	St. Pierre	Marshall Islands
AZUL	94 FT	152 GRT	McCouat	Cayman Islands
CALEX	164 FT	492 GRT	Clemens	Cayman Islands
CAROLINA	156 FT	499 GRT	Stevens	Cayman Islands
ELISA	150 FT	456 GRT	Hill	Marshall Islands
EVVIVA	164 FT	492 GRT	Bracewell / Trailer	Cayman Islands
HONEY	164 FT	492 GRT	Trailer / Smart	Cayman Islands
ICE BEAR	171 FT	614 GRT	Butler	Cayman Islands
IMPROMPTU	120 FT	244 GRT	Hagedorn	Grand Cayman
INVADER	164 FT	608 GRT	Wakeham / Batchelder	Cayman Islands
ISLANDER	84 FT	155 GRT	Hayes	Cayman Islands
KYA	71 FT	119 GRT	Wilkinson	Marshall Islands
LAGNIAPPE	136 FT	398 GRT	Bramhill	Marshall Islands
MEA CULPA	130 FT	302 GRT	Cziraki	Cayman Islands
MY WAY	112 FT	208 GRT	Roush	Cayman Islands
MYSKY	167 FT	648 GRT	Biscoe / Royet	Cayman Islands
NOMADESS	121 FT	298 GRT	Collins	Cayman Islands
POLAR BEAR	93 FT	216 GRT	Milton	New Zealand
RASA	116 FT	394 GRT	Llop	Grand Cayman
REST ASSURED	92 FT	153 GRT	Chabala / Slattery	Cayman Islands
SATISFACTION	130 FT	334 GRT	Various	Cayman Islands
SHARON ANN	104 FT	185 GRT	Marschke	Marshall Islands
SOJOURN	130 FT	264 GRT	Glover	Jamaica
SOUTHERN WAY III	121 FT	218 GRT	Petrina	Cayman Islands
SWEET HOPE 2	76 FT	108 GRT	Morgan-Harris	United Kingdom
TOROA	68 FT	74 GRT	Bumgardner	Cayman Islands
TRITON	163 FT	527 GRT	Johns / Herregods	Marshall Islands
VICTORIA CLIPPER	127 FT	431 GRT	Various	Netherland Antilles
VICTORIA CLIPPER IV	118 FT	478 GRT	Various	Bahamas

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 five 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 seven hundred fifty 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.

10 PILOT EXAMINATIONS

PUGET SOUND PILOTAGE DISTRICT

An exam for entry into a pilot training program for either the Puget Sound District or the Grays Harbor District was held in the fall of 2012. A waiting list of the top sixteen candidates was established from that exam and at December 31, 2015, twelve had been called into the program for the Puget Sound District and two for the program in the Grays Harbor District. In 2015, two trainees were deemed qualified for licensure in the Puget Sound District and two from the list were invited and accepted to train. One trainee was deemed qualified for licensure in the Grays Harbor District in 2015. There are two candidates remaining on the list from the 2012 exam.

Status of Successful 2012 Exam Applicants as of 12/31/2015:

1.	Scott Coleman	(T-033)	Licensed PS (#191):	08/27/14
2.	Jamie Galvin	(T-034)	Licensed PS (#192):	11/11/14
3.	Eric Lichty	(T-035)	Licensed PS (#190):	05/01/14
4.	Brian Jensen	(T-037)	Licensed PS (#193):	12/22/14
5.	Brad Lowe	(T-038)	Licensed PS (#194):	09/23/15
6.	Jim Carstensen	(T-039)	Licensed PS (#195):	09/30/15
7.	Ryan White	(T-032)	Licensed GH (#17):	01/02/15
8.	Neil Kelleher	(T-040)	Entered PS training program:	03/01/14
9.	Dave Henderson	(T-041)	Entered PS training program:	03/01/14
10.	Al Furst	(T-042)	Entered PS training program:	07/05/14
11.	Christopher Rounds	(T-043)	Entered PS training program:	10/01/14
12.	Philip Hunter	(T-044)	Entered PS training program:	10/15/15
13.	Rodney Myers	(T-045)	Entered PS training program:	10/15/15
14.	David Surface	(T-036)	Entered GH training program:	08/01/13
15.	Lee Vestal			
16.	Keith Kridler			

GRAYS HARBOR PILOTAGE DISTRICT

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

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

11 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 Training Program is intended to allow the trainee to demonstrate that the standards set in WAC 363-116-080 have been met. The Board evaluates performance to determine whether the trainee has been consistently successful in completing the elements of the program. The criteria the Board 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. In order to allow the Board to determine that a trainee has been consistently successful in demonstrating the requisite skills and knowledge, the Training Program is designed to be comprehensive, demanding, and at times difficult.

The Training Program provides for an orientation and the assignment of a requisite number of Observation-only, Training, and Evaluation trips with licensed pilots for the assigned pilotage district, and ship assist/tanker escort tug masters

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. (See RCW 88.16.035 and 88.16.090.) Training Programs are designed to enhance the skills of a trainee who has met the minimum thresholds required by the Board's qualifications, and the written examination and simulator examination. During the Training Program existing local, technical, and procedural ship handling knowledge and skills to the act of piloting vessels will be applied in real time. It is not the purpose of the Training Program to teach basic ship handling, technical and procedural knowledge, or other fundamentals of piloting. It is presumed that trainees have mastered many of the ship handling and fundamental piloting skills and these will be applied, under supervision, to improve piloting expertise with the intention of becoming a superior mariner and licensed pilot.

12 DIVERSITY PROGRAM

INTRODUCTION:

In 2015, the Washington Legislature issued a proviso to the Washington State Board of Pilotage Commissioners (Board) to include a Diversity Action Plan in the Annual Report of the Board, and establish policies and procedures necessary to increase the diversity of pilots, trainees, and applicants. They further required the diversity action plan must articulate a comprehensive vision of the board's diversity goals and the steps it will take to reach those goals. The following is the second annual report outlining the goals and the accomplishments of the past year.

STATEMENT OF PURPOSE:

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

This plan outlines steps accomplished to date in promoting diversity among licensed pilots in Washington. The Board established a Diversity Committee and has begun to collect and summarize statistics regarding diversity in pilotage locally, regionally and nationally, and will report the statistics as they are developed in each annual report. The Board is in the process of reviewing its licensure and training program to ensure that it is fair and objective and will encourage qualified diverse applicants to apply for the training program. It is also reviewing the standards of pilotage for any form of discrimination that could prevent any qualified individual from completing the program and becoming a licensed pilot. Where potential improvements to policies and procedures are identified, they will be modified to promote diversity in pilotage.

BACKGROUND:

The merchant marine industry is one of the most culturally and ethnically diverse industries in the world. However, it also has a very small percentage of females. This is well documented and, as a result, has prompted various industry organizations including the International Maritime Organization (IMO) and maritime companies to launch programs to increase in the number of women throughout the maritime industry. The US Coast Guard Data Management Branch reported that in 2014 there were 109 women among the 4022 federally licensed pilots. In Oregon, 2 of the 62 active pilots are women. Unfortunately, there are no women among the British Columbia or San Francisco pilots. Some east coast and southeastern pilotage districts represent the majority of women pilots in the US at present, though the percentages of women are in single digits.

Washington State has licensed shipboard pilots since the 1800s. Throughout that history there have been some licensed pilots from diverse cultural backgrounds but there has not been a female Washington State licensed pilot. Until 2005, no women who made application to take the examination were qualified to enter the pilot training program. The lone woman who applied that year eventually entered the training program but she was unsuccessful in the training program and was denied a pilot's license by the Board.

Over the past 10 years, at any time there have been between 50 and 56 licensed Puget Sound pilots and 2 or 3 Grays Harbor Pilots. The number of pilots is reviewed by the Pilotage Commission with a goal of keeping the number of pilotage assignments appropriate to maintain an optimum level of safety. From 2006 to 2015, 34 pilots have been licensed and 31 have retired, giving an annual turnover of just over 3 pilots per year. The pilotage application and exam process takes place at least every four years, with a roster of successful exam applicants of 14 people in 2008 and 16 people in 2012. Two individuals remain eligible to enter the training program from the 2012 roster. The exam was offered in April 2016, and 12 applicants were successful. The highest ranking candidate on the list is a woman. Trainees are called up from the list in anticipation of future pilotage needs. On average it takes trainees 18 to 24 months to complete the training program and to be issued a license (if they successfully complete the training program).

In the initial application process, the Board does not collect any information about an applicant that directly indicates the applicant's ethnicity, gender, or any connection to a protected class other than the applicant's birthdate which is for the sole purpose of determining if the applicant's age is within the bounds set by the RCW. During the process used to determine the qualifications of an applicant, information about the applicant is known only to a small committee which is assigned the task of determining if the applicant meets the minimum criteria set in the RCW and the Washington Administrative Code (WAC). As indicated, the only information collected by the Board that might indicate that the applicant is a member of a protected class is the person's name, citizenship, and date of birth. All the other information collected by the Board is for the purpose of determining whether or not he/she meets that qualification requirements set by the RCW/WAC.

Once the examination and evaluation process starts, the applicants are identified only by a number which is set by an independent contractor so the scores attained by applicants are not associated with a person's name. Only after the list of successful applicants is published is any information about the individual applicants revealed to the Board (and the public) and then that information is limited to what can be garnered by names (which may not be reliable since some names cross genders as well as ethnic backgrounds).

The development of diversity among the ranks of pilots is a long-term process and the Board will be just one of the many entities that must take action over time in order to realize increases in diversity. Pilots sit at the pinnacle of the ship handling profession, and they gain knowledge of local waters through the training program. In order to be a qualified applicant, mariners work their way to master level licensing through various fields. This "pipeline" has relatively few women among its ranks. The relative lack of women entering maritime

academies, working their way up through a shipping company to master a vessel, and then earning enough sea time means that pool of qualified applicants is much more limited than in the general population of mariners.

Various elements within the maritime industry have recognized the dearth of young people (particularly women) who seek careers in the industry and have launched recruiting efforts to try to turn that situation around. For example, the United State Maritime Administration (MARAD) has supported “Women on the Water Conferences” for the past seven years. Held at maritime academies, these conferences are designed to support women in maritime careers.

The Board will continue to encourage these efforts to support women and minorities where it can. For example, the Board has supported the initiatives of Puget Sound Pilots (PSP) to reach out to sources of mariners such as the maritime academies in an effort to attract woman to the concept of starting on a career path that can ultimately lead to being licensed as a Washington pilot. The Board Chair attended the 2016 Women on the Water Conference at the California Maritime Academy and plans to attend the 2017 conference as well. The Board maintains a perpetual list of all individuals who have indicated an interest in the pilotage exam or who have taken the exam in the past but did not earn a passing score. They are notified of the application process and of the date of the next exam. The Board will ensure that announcements about upcoming application opportunities are broadcast to as wide a spectrum of potential candidates as possible.

In the United States, the number of young people who set their sights on a career in the maritime industries seems to be diminishing. As the maritime industry in America has shrunk, so has the desire of young people to be a part of it. There are some school programs that are attempting to reverse that attitude by providing courses that provide an introduction to the maritime world. Various elements within the maritime industry have recognized the shortage of young people (particularly women) who seek careers in the industry and have launched various educational efforts to turn around that situation.

The Board has taken numerous steps since 2008 to adjust and improve its training program to be as objective and reliable as possible. These steps include hiring psychometric experts to validate the training program; separating the training program into three distinct phases of observation, training, and evaluation; offering Train-the-Trainer courses to pilots who complete trip evaluation forms on the trainees; etc. The Board is currently working with Progeny Systems Corporation to revise the training program for the 2016 trainees and will have a new set of criteria ready before the first trainee begins training. The Board will continue to ensure that all of the processes that it uses to ultimately license pilots are free from bias or discrimination.

In addition, the Board has removed the requirement for local federal pilotage licensure as a prerequisite to sitting for the Board’s examination in an effort to broaden the pool of available applicants. (Applicants then complete federal licensure during the training program, and must hold federal licenses before a state license may be issued.) The Board will continue to modify and improve the training program to make it the most comprehensive, objective, and fair training program possible.

It is a goal of the Board to have a more diverse group of pilots in the coming years. This includes a desire to see more cultural, race, and gender diversity. But, as stated above, an important element to that stated goal is that anyone who gets licensed must be qualified.

DIVERSITY ACTION PLAN: 2015- 2016 actions are shown in italics

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

Actions:

- Establish a Diversity Committee of board members and mariners interested in promoting policies to encourage diversity to the extent allowed by law.

A Diversity Committee has been established with the following goals:

Support trainees in the Washington Pilotage Board training program

Identify and touch base with potential candidates for the next pilotage exam, likely to be given in 2019

Look at possible barriers to entry to pilotage and how to mitigate them

Discuss the training program and ways of making it more effective

Monitor and learn from diversity activities in other pilotage districts

Consider strategies necessary to build a diverse pool of interested candidates

Encourage youth and young adults to consider professional mariner careers

Develop ideas generated by the committee and other interested individuals

Develop a Diversity Committee document expressing mission, goals and key messages

- Forecast the need for licensed pilots due to mandatory retirement at age 70 and projected shipping activity. Use such data to prepare a five-year forecast for pilotage. Use the five-year forecast to predict potential needs for new pilots out to ten years.

This is limited to the use of mandatory retirement age because long term shipping activity projections are not available.

- Collect and report demographic data for all licensed pilots in Washington (as allowed by the privacy provisions of the RCW). Each pilot will submit data on an annual basis and the data will be aggregated for reporting. All individual data will be kept confidential. This is not yet accomplished.

Puget Sound Pilots (PSP) will be asked to prepare aggregated data.

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

Actions:

- Develop and use comprehensive means of notifying mariners of the pilotage application and examination. Ensure announcements of upcoming examination cycles are published in a wide spectrum of maritime publications and other modes of reaching mariners and pilots in other pilotage grounds.

2016 Exam was announced on our web-site, through e-mail distribution, and in well over a dozen publications, significantly more than in the past.

- Participate in conferences groups like “Women on the Water,” sponsored, by MARAD and maritime academies.

The Board Chair participated in the conference and informally met with cadets about pilotage.

- Monitor and support the activities of a wide range of government and industry organizations that have programs to broaden the diversity of the maritime industry through actions such as advertising and recruiting.

The Diversity Committee will undertake this in the future.

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

Actions:

- Hire a third-party independent consultant to do another review of the training program with an eye toward ensuring absolute fairness at every level.

Progeny has been engaged to lead a full review of the training program to be instituted for the 2016 list of trainees.

- Provide diversity training for all pilots as part of the Train the Trainer course given by the Board.

This will be incorporated into the next Train the Trainer course.

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

Actions:

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

Support of school programs is a longer term priority.

Goal – Continue to improve this Diversity Action Plan.

Actions:

- Have other agencies within Washington that have expertise and experience in diversity action planning such as the Department of Transportation’s Diversity Coordinator (Labor & Personnel Division) and their Office of Equal Opportunity plus Attorney General attorneys who specialize in labor and personnel matters review the plan and provide feedback for possible improvements.
- Compare the plan to any such plans maintained by other entities that have similar relationships with shipboard pilots (i.e. other pilotage commissions).
- Investigate successful diversity initiatives conducted by other pilotage commissions to glean ideas for improving this plan.

- Review and update the plan at least annually, and include the plan in the Board's annual report.
- Monitor the results of the plan and modify it as needed to ensure that it is as up-to-date and effective as possible.

These goals are a priority for year 2, after the Diversity Committee develops a stronger and more complete plan.

CONCLUSION:

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

13 OIL TANKER TUG INFORMATION

The following are the names and horsepower of tug boats for any and all oil tankers subject to the provisions of RCW 88.16.190:

Tug Information										
Vessel Name	Phone #	HP	Propulsion	Bollard Pull Ahead	Bollard Pull Astern	Tension Gage	LOA	Breadth	Draft	Year Build
Brusco	(425) 879-2211									
Bo Brusco		4,750	Z-Drive	61.5			78'	31'	14.5'	
Cleo Brusco		2,400	Twin/Kort	26			72'	24'	0'	1969
Ellis Brusco		2,200	Twin/Kort	26			78'	26'	9'	1980
Mary Rose										
Roland Brusco										
Crowley	(206) 332-8201									
Chief	(206) 396-2774	4,800	Voith	50		Y	105'	36'	17'	1999
Goliah	(510) 367-7171	4,400	Z-Drive	63		N	105'	36'	16'	1997
Guard	(206) 245-6091	5,500	Voith	54		Y	120'	42'	19'	1996
Guide	(206) 510-3520	4,800	Voith	50		Y	105'	36'	17'	1999
Hunter	(206) 915-9461	7,200	Twin	67		N	136'	36'	20'	1977
Protector	(206) 225-5903	5,500	Voith	54		Y	120'	42'	19'	1996
Response	(206) 331-0094	7,200	Voith	70		Y	130'	46'	19'	2002
Tioga	(206) 419-2316	4,400	Z-Drive	46	43	Y	78'	30'	15'	1996
Valor	(206) 240-3751	6,800	Z-Drive	82		Y	100'	45'	22'	2007
Vigilant	(907) 299-9999	6,800	Z-Drive	82		Y	100'	45'	22'	2007
Foss	(206) 281-3810									
Andrew Foss	(206) 396-7334	4,000	Voith	43	37	Y	100'	36'	12'	1982
Barbara Foss		5,400	Twin/Kort	65		N	120'	34'	15'	1976
Garth Foss	(206) 396-7374	8,000	Voith	79	66	Y	155'	46'	19'	1994

Henry Foss	(206) 396-7373	4,700	Voith + Z	52	38	Y	100'	36'	12'	1982
Jeffery Foss		5,400	Twin/Kort	65		N	120'	34'	15'	1970
Lindsey Foss	(206) 396-7375	8,000	Voith	79	66	Y	155'	46'	19'	1998
Pacific Star	(206) 396-7337	6,610	Z-Drive	81	74	Y	98'	40'	18'	2008
Sandra Foss		2,900	Twin/Kort	42		N	111'	31'	12'	1976
Stacey Foss		2,900	Twin/Kort	42		N	111'	31'	12'	1976
Weddell Foss	(206) 396-7377	4,700	Voith + Z	52	38	Y	100'	36'	12'	1982
Olympic Tug	(206) 628-0051									
Brian S	(206) 423-8803	3,000	Twin	40	22	N	98	30	12	
Millennium Falcon	(206) 348-2479	4,400	Z-Drive	63	58	N	105'	34'	17'	2000
Millennium Star	(510) 381-4551	4,400	Z-Drive	63	58	N	105'	34'	17'	2000
Western Towboat	(206) 789-9000									
Pacific	(206) 793-1188	1,550	Twin			N	72			1994
Wasp	(206) 793-5674	1,000	Twin/Kort			N	65'			1968
West Point	(206) 793-5675	1,200	Z-Drive			N	60'			1993
Westrac	(206) 793-5678	2,400	Z-Drive			N	76'			1987
Westrac II	(206) 255-1119	2,400	Z-Drive			N	76'			1995

**14 PUGET SOUND PILOTS
OPERATING RULES**

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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 except as otherwise provided, shall be placed at the head of the assignment list according to their relative "reporting in times" at the time of commencing respite or vacation. Members off-duty for any cause shall be placed at the head of the rotation list upon returning to duty, however members returning from off-duty status 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.
- B. Pilots Working Three Consecutive Nights. Pilots who work three consecutive nights shall be assigned their next assignment in compliance with this Section B.

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A pilot shall be considered to have worked at night if any part of the pilot's bridge time or travel time to or from an assignment occurs at any time between and including the hours of 0100 and 0500.

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

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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**

At Seattle, the minimum off-duty period before and after an inter-port or sea-trial assignment, and before the first of multiple harbor shift assignments is eight (8) hours between the pilot's check-in time and the call time. At Port Angeles, except as provided in Section A (12) below, the minimum off duty period after a vessel assignment is eight (8) hours. The minimum off-duty period does not apply to repositionings or locals.

A pilot who has received a minimum eight (8) hour off-duty period at Port Angeles before being repositioned to Seattle at one of the first three (3) repositionings of the day, may be immediately assigned to an inter-port assignment after check-in at Seattle.

A pilot who has received a minimum eight (8) hour off-duty period at Seattle before being repositioned to Port Angeles at one of the first three (3) repositionings of the day, may be immediately assigned to an inter-port assignment after check-in at Port

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Angeles. AMENDED: 6/96, 8/02, 5/03, 5/09, 8/15.

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.

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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

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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. Members returning from respite shall be placed in proper sequence at the head of the rotation list at 0800 Tuesday. AMENDED: 10/85, 11/87, 12/91, 1/97.

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

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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.

12. Round Trip Assignments. A member on respite, may be assigned an inbound ship in conjunction with an outbound comp day assignment bound for the station if the requirements below are met. An off duty pilot who declines such a round trip may be passed over by the dispatcher. The round trip pilot shall have the right to choose the inbound job.
 - a. Total combined bridge time of both jobs is projected to be 11 hours or less and the inbound job is scheduled to end within 24 hours of the call time for the outbound job;
 - b. Rest provided at Port Angeles shall be at least 5 hours, except that there is no rest required if the inbound check-in time is scheduled to be before 2200 and the call time for the outbound job is at least 24 hours after the pilot's most recent check-in.

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c. All state imposed rest rules are observed. Section 12 added 5/09.

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 eight (8) hours and who has at least ten (10) hours between the call time of a local assignment and their scheduled inbound assignment. A Pilot whose respite commences at 2400 of

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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. Round Trip Assignments on Certain Cruise Ships. A pilot at the station may be assigned a round trip assignment on a cruise ship, if that cruise ship has suitable clean and quiet sleeping quarters available to the pilot while the ship is at the dock and if the vessel is expected to be at the dock for at least eight (8) hours. A pilot intending to take the book rather than take the vessel outbound, shall inform the dispatcher before he departs the pilot station on the inbound leg. Section 2 added 5/09, 8/15.

C) OUTPORTS

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

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D) COMPLETION OF ASSIGNMENTS

- 1) Within sixty (60) minutes of the completion of any assignment, Pilots shall inform the Seattle Pilot Office or telephone exchange of their check-in time. AMENDED: 7/84.
- 2) Arrival time at all ports shall be the time the Pilot leaves the ship. This time is to be noted on the pilotage service rendered slip.
- 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

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(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 Westminister, 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.

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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

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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.

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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. The pilot shall also be randomly assigned three consecutive Extra Respite Days starting on a Tuesday or a Saturday outside of the cruise season. Extra Respite Days shall start and end at 1100 except for those beginning on a rotation change day which shall start and end at 0800. The first random assignment of Extra Respite Days shall take place as early as possible in 2012, provided that any pilot who wishes to keep the Extra Respite Days already assigned for the 2012 – 2013 non-cruise season, may do so by notifying the President that the pilot does not wish to be part of the 2012 random drawing. The random selection process shall be designed, to the extent possible, to avoid more than one pilot having Extra Respite Days on any given day. Extra Respite Days may fall on holidays. Assignments of Peak Work Shifts and Extra Respite Days will not interfere with vacations and any training conflicts will be addressed by the President. Assigned Peak Work Shifts and Extra Respite days can be traded together or separately. New pilots will be assigned a Peak Work Shift

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by the President. Retiring pilots and those going on Major Medical will be given credit for accrued but unused Extra Respite Days as though they were comp days. On Peak Work Shifts, pilots will be randomly assigned as numbers one, two and three at 1100 on Friday and will be checked in by Monday at 1100. 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.

3. Peak Period Adjustment. To the extent consistent with rotation, pilots with unlimited pilot's license may volunteer to work an altered shift for a 25 day period (25 Day Shift) during peak periods under the following terms and conditions:
 - a. The shift shall start on a Thursday that is 9 days after the pilot finishes his/her normal watch;
 - b. The shift shall end at 1000 on the Monday morning that is 25 days later.
 - c. The shift shall begin during the months of May through September.
 - d. During the shift, the pilot shall be on duty. The pilot shall be number 1 at 1000 on Thursday and shall be checked in from his/her last job before 1000 of the following Monday. Pilots on this shift may be bumped up to jobs for which they are rested when necessary to insure a timely check-in. The pilot shall be on respite from 1000 each Monday to 1000 each Thursday during the shift.
 - e. At the end of the shift, the pilot shall remain on respite until the start of

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his/her normal watch 8 days later.

e. In return for completing such a 25 Day Shift, the pilot shall be given 2 Make-up Days. A Make-up day shall be treated exactly like a comp day, except that it may not accrue beyond May 1 of the following year and it can only be used, subject to the limits of Rule 10 below, to take a duty day off after October 31 and before May 1 of the following year.

f. By each February 1 (or as soon thereafter as is practical), the Board of Directors shall set a date by which all members may request to work for one or more 25 Day Shifts during the upcoming season. The board shall grant such requests as it deems appropriate to meet the expected work load requirements. The Board shall attempt to spread the available 25 Day Shifts as evenly as possible among the members and to insure that the number of pilots on 25 Day Shifts is balanced from May through September. The Board shall consider and may grant as it deems appropriate requests received after February 1 for 25 Day Shifts. Section 3 added 5/09, amended 2/12.

4. 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.

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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. The President shall not carry over any vacation days into a subsequent term, if re-elected, nor shall the President carry over any vacation days past the end of the President's term of office. AMENDED: 4/91, 2/12.

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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 INCOMPLETED ASSIGNMENTS

A member whose assignment is canceled by the owner, master or agent within the allotted travel time, according to Rule Two, may elect to go to the bottom or to the top of the rotation list unless that pilot is assigned to a harbor shift or repositioning. An assignment of such a pilot to a harbor shift or repositioning will be done only when it will avoid the need to hire a pilot on respite and will be subject to normal call time

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requirements. 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.

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.

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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

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following the death. AMENDED: 5/87, 1/88.

RULE 14
PILOT COMMISSION MEMBERS

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, Part D, Subsection 3. Pilot Commissioners who attend regular, special or board committee meetings during their respite periods, shall not be entitled to an additional day for attendance at a regular or special committee meeting of the Board of Pilotage Commissioners. Amended: 4/87, 10/90, 10/07.

RULE 15
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.

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

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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

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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 Secretary¹, 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 work day, 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 debts 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 work days with respect to a Pilot's right to respite days and vacation time. AMENDED: 4/92, 5/04.

Timed Comp Days. Comp days earned on or after September 1, 2012, by a pilot who then has an accrued balance of 60 or more comp days shall be referred to as a Timed Comp Day. Timed Comp Days must be used within one year of being earned. Timed

¹ 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.

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Comp Days may be traded but this does not extend their expiration date. PSP shall account for Timed Comp Days separately from regular comp days on a first-in/first-out basis, e.g. if a pilot with 60 or more regular comp days earns Timed Comp Days and then takes a day off, he/she will use the earliest of the Timed Comp Days first. Days off will not be debited from regular comp days until all of a pilot's Timed Comp Days have all been used. Nothing in this amendment instituting Timed Comp Days shall affect or limit the use of comp days existing on August 31, 2012 or comp days earned in the future by pilots then having fewer than 60 accrued comp days outstanding. AMENDED 9-12.

RULE 19 **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 20 **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

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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

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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.

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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 21 **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 22 **TRAVEL EXPENSES**

Each Pilot will pay the Pilot's own transportation cost to any assignment. Any transportation charges paid by the Association on a Pilot's behalf such as plane or taxi, will be deducted from that Pilot's share of that Pilot's distribution. AMENDED: 4/82.

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RULE 23
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 24
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.

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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.
5. 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.

15

BYLAWS OF PUGET SOUND PILOTS

August 1, 2016

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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 Bylaws or the Operating Rules.

3. **Definitions.** The following terms used in these 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 who is not retired, is actively involved in the business of the Association, and is available for Assignments.

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

3.3 “**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.

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

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

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

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

3.8 “**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.

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

3.10 “**Claimant**” is a Member (Pilot) against whom a claim has been brought, and who seeks indemnification, as further described in Section 18.1 herein.

3.11 “**Combined Duty Days**” shall mean all of the Duty Days of all of the Pilots during a calendar month as further described in Section 16.3 herein.

3.12 “**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 or Vacation Period as further described in Section 16.4.4.1 herein.

3.13 “**Daily Rate of Income**” shall mean The Total Pilotage Services Fees shall 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 16.5.2 herein.

3.14 “**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.

3.15 “**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 16.3 herein.

3.16 “**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 16.5 herein.

3.17 “**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 16.6.1 herein.

3.18 “**Expenses,**” are the costs of business paid by the Association as further described in Section 16.6 herein.

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

3.20 “**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.

3.21 “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 16.6.1 herein

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

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

3.24 “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 5.5.1 herein.

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

3.26 “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.

3.27 “Pilot” shall mean the qualified and licensed Pilots that are either Members of the Association, or are the owners of a corporate entity that is a Member of the Association as further described in Section 5.1 herein.

3.28 “Pilotage Services Fees” shall be the fees earned by the Pilots for their services piloting vessels as further described in Section 16.1 herein, and shall not include any Transportation Fees.

3.29 “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 16.4.2 herein.

3.30 “Terminating Member” is the Member whose Membership is being terminated for any reason, as more specifically described in Section 5.6.1 herein.

3.31 “Termination Payment” is the payment made to a Member whose Membership in the Association is terminated as further described in Section 5.6.1 herein.

3.32 “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 16.1 herein.

3.33 “Transportation Fees” are those fees reimbursed to the Pilots for their costs of transportation to and from Assignments as further described in Section 16.1 herein.

3.34 “**Vacation Period**” is the period of time during which a Pilot not expected to receive Assignments, as further described in Section 16.4.3 herein.

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

3.36 “**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.

3.37 “**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.

3.38 “**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 16.4.1 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 individuals who hold a valid Puget Sound Pilots License issued by the Board of Pilotage Commissioners of the State of Washington (“**Pilot**” or “**Pilots**”), and business entities owned by those individuals 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 licensed Pilot 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 licensed Pilot 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 incorporate themselves or form a limited liability company, 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.

5.5.1 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**”) equal to the gross income of the Association, less the mandatory deductions of the Members from income as further described herein, but not less the personal expenses that may have been paid by the Association on behalf of Members, the average of which is calculated for the three (3) years prior to the year in which the applicant or the applicant’s Authorized Entity becomes a Member, divided by the number of Members during each of those three (3) years (the “**Net Income**”).

5.5.2 This 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 Net 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 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 Membership Payments shall be deposited into the General Account of the Association.

5.5.3 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.

5.6 Terminating Member’ Payment.

5.6.1 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 pursuant to the terms of Section 5.5.1 above which is in effect at the time of the Member’s termination, and not the Membership Payment originally paid by that Member (the “**Termination Payment**”).

5.6.1.1 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 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, except as described in Section 5.5.2 herein, and provided however, that if the payment

is based on an average of three (3) years' Net Income and prior year Net 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, 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 already retired and receiving payments.

5.6.1.2 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 16.11 herein, then the Association shall be entitled to deduct all such sums owed from the next Termination Payments due to the Terminating Member.

5.6.2 Notwithstanding the foregoing, however, that in all cases in which the Terminating Member had not been a Member of the Association for the full specified period of payments of his/her 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 5.5.1 herein.

5.7 International Organization of Masters, Mates and Pilots Membership. Upon becoming a Member, each Member (or that Member's 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.

5.8 Compliance. Every Member 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 shall treat fellow Members 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 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 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 Rule 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 Members who choose to be a candidate for Pilot Commissioner shall submit their name in writing to the Board of Directors. If only one Member 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 Member 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 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. Pooling and Distribution of Income and Expense.

16.1 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.**"

16.2 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 16.2.

16.3 Duty Days. Unless otherwise specified by the Board of Directors, each day during which an Active Pilot is an active Member of the Association, and 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 Members (Pilots) for that month shall be combined to be the total Duty Days for all the Members (the "**Combined Duty Days**").

16.4 Work Period; Respite Period; Vacation Period.

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

16.4.2 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.

16.4.3 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 to vessels. 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.

16.4.4 Compensatory Days.

16.4.4.1 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**”).

16.4.4.2 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 17 herein.

16.4.4.3 The Board of Directors may elect to forego the requirements of Section 16.4.4.2 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.

16.5 Allocation of Total Pilotage Services Fees.

16.5.1 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**”).

16.5.2 In the event that a Member’s Equal Income Share is to be reduced pursuant to the terms of Section 16.4.4.2 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.

16.6 Determination and Allocation of Expense Share. Expenses of the Association, and the Members (the “**Expenses,**”), subject to the terms of Section 16.4 herein, are then determined and allocated as follows.

16.6.1 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.**”

16.6.1.1 In the event that (1) a Member (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 16.4.3.3 herein, and (2) said Member has performed no pilotage services in the calendar month for which the Member seeks exemption, then, upon majority Board Vote, that Member shall not be charged his/her Individual Expense Share for that month.

16.6.1.2 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 16; or (2) the death or retirement of a Member; or (3) admission of a new Member.

16.6.2 Allocation of Expense Share.

16.6.2.1 Each Member's account shall be charged each month, except as set forth in Section 16.6.1.1 and 16.6.1.2 herein, with his/her resulting Individual Expense Share.

16.7 **New Members.**

16.7.1 In the event that a new Member (Pilot) commences his/her first Assignment(s) on other than the first day of a calendar month, that new Member 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 or accrued in that calendar month by that new Member.

16.7.2 New Members shall be charged, for his her 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 during the month, and the denominator of which is the number of days in that month.

16.8 **Retiring Members.**

16.8.1 A retiring Member shall be paid, for his/her last month of service, an amount equal to his/her 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 retirement.

16.8.2 Members retiring 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 during the month, and the denominator of which is the number of days in that month. By way of further clarification, a Member retiring on or before the last day of a calendar month shall be charged no part of the Expense Pool for the month following the last day of service.

16.9 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.

16.10 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:

- 16.10.1** Personal accident, liability and license insurance of each pilot.
- 16.10.2** Personal transportation costs charged to the Association.
- 16.10.3** Other personal charges that a Member may charge to the Association.

16.11 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 during the period when the Pilot was not taking Assignments.

17. 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 Member 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 Member 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 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:

17.1 The written accusation shall be delivered to the Member charged with misconduct

17.2 The 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.

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

17.4 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 17.5 and 17.6 herein, not including the vote of the subject Member.

17.5 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.

17.6 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.

17.7 If the recommended punishment covered in this Section 17 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 by the Membership upon second submission, the action shall be deemed terminated.

17.8 To the extent that a violation of Puget Sound Pilots' Anti-harassment Policy or this Section 17.8 by a Member exposes the Association, or another Member, to financial liability, including liability for attorney's fees, the violating Member 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 17.8 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.

17.9 Failure of 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.

18. Limitation of Liability and Indemnification.

18.1 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, employee or advisor of the Association, whether the basis of such proceeding is alleged action in an official capacity as a Director, Officer, 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 18.2 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.

18.2 Right of Claimant to Bring Suit. If a claim for which indemnity is required under Section 18.1 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.

18.2.1 The Claimant shall be presumed to be entitled to indemnification under this Section 18 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.

18.2.2 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.

18.3 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 18 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.

18.4 Limitation. Notwithstanding the provisions of Section 18.1 and 18.2 herein, the Association may not indemnify a Director or Officer or employee from or on account of:

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

18.4.2 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;

18.4.3 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.

18.5 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.

19. Amendment of Bylaws and Operating Rules.

19.1 Amendment of Bylaws.

19.1.1 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.

19.1.2 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.

19.2 Amendment of Operating Rules.

19.2.1 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.

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

20. General Obligations; Non-Competition.

20.1 Each Member (and each Pilot) agrees, as a condition to his/her 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 the time. Each Member agrees, as a condition to his/her 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.

20.2 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.

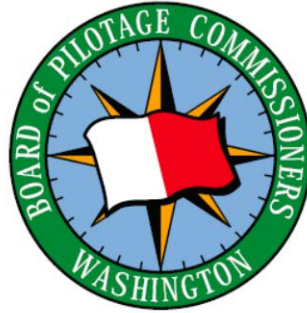
20.3 Each Member agrees that should such Member retire, withdraw or resign from the Association, or be expelled from the Association pursuant to the terms of Section 17, or should such Member's Membership in the Association be terminated for any reason whatsoever, such Member or then-former Member will 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 retirement, withdrawal, resignation, expulsion or termination of Membership.

20.3.1 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 5.6 herein, and under any unvested Pension Plan, be agreed to be reasonable as liquidated damages for any such violation.

20.3.2 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 20.

20.4 The Members, bound by the provisions of these Bylaws, now and in the future, further agree that upon retirement, withdrawal, resignation, expulsion or termination of Membership from the Association, he or she will promptly surrender his/her state license to the appropriate state agency for cancellation. The Members further agree that no monies shall be paid as Termination Payment under Section 5.6 herein unless and until said state license is canceled.

These Bylaws are adopted effective as of the _____ day of _____, 2016.



State of Washington
Board of Pilotage Commissioners



2016 ANNUAL REPORT

2901 Third Avenue, Suite 500 | Seattle, Washington 98121 | (206) 515-3904
www.pilotage.wa.gov

2016 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2016/2015
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2016/2015
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone & Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

A Message from the Chair of the Board of Pilotage Commissioners

The primary responsibility of Puget Sound and Grays Harbor pilots is the safe, incident and accident free passage of vessels through our waters. In 2016, these pilots completed over 7500 vessel moves with a total of only 6 incidents. Two of these incidents resulted in relatively minor damage, mainly to docks, piers, or pilings, and no pilot error associated with either; another reported no apparent damage and no pilot error. Two submitted reports were reclassified by the board as Marine Safety Occurrences (MSO), and one was deemed an insignificant incident. Each was investigated, then reviewed by the entire commission at a public meeting.

The Board trains, licenses, and regulates all pilots serving Washington waters in Puget Sound and Grays Harbor. The major responsibilities of the Board are to identify potential trainees through a rigorous examination process, develop an appropriate training program, license the pilots, set tariffs for pilotage services, investigate marine incidents, and determines pilot's fitness for duty. The Board has a strong commitment to develop a diverse pilotage corps.

Each year the Pilotage Commission prepares a report providing data that is required by State law. We include data to provide definitions, to show trends and provide analysis of the data. We appreciate your feedback and questions as we work to provide a useful and informative document. Please let us know how we can continue to improve the report.


In 2016, the Board gave an examination and developed a list of individuals to start training as new pilots are needed. The last exam was given in 2012, and the list of qualified applicants was fully utilized by October 2016. It also grappled with the significant issue of the lack of gender and ethnic diversity among licensed pilots. With a new 2016 list of trainees, the Board strengthened the training program to be sure that the most important and challenging skills are evaluated to give trainees appropriate feedback on the path to licensure. This program is in place for the trainees from the 2016 list.

One Board member completed service in 2016. Sara Thompson joined the Board in February as the Washington State Department of Ecology representative, replacing Captain Scott Ferguson. In January, Eleanor Kirtley, PhD., filled the position to represent the Marine Water Environment due to the appointment of Sheri Tonn to the position of Chair.

Finally, the staff of three, deserves our huge vote of thanks for being the guardians of critical information for examinations, for trainees and pilots, for the Board, and for vessel exemptions. The work never stops but Peggy Larson, Shawna Erickson, and Jaimie Bever ensure operations of this regulatory Board are efficiently maintained.

We invite you to join us at our monthly Board meetings.

Sincerely yours,



Sheri J Tonn, 2016 Chair

A Message from the Executive Director of the Board of Pilotage Commissioners

June 30, 2017

Over the past several years I've seen many of my associates wave good-bye as they moved on to their next exciting chapter in life – now it's my turn! I write this on the eve of my last day of state service 39 + years. I am fortunate to have served this Board for 35 of those years! I feel proud in knowing I'm leaving our agency in very capable hands – a very proficient and enthusiastic staff along with our nine steadfast and dedicated Commissioners.

Changes to our Board member roster this year were:

- ❖ Sheri Tonn took the helm as Commission Chair in January of 2016
- ❖ Eleanor Kirtley replaced Sheri Tonn as the Marine Water Environmental Representative
- ❖ Sara Thompson replaced Capt. Scott Ferguson as the Dept. of Ecology Representative

Board Designated Physician, Dr. Hang Kim, retired after 22 years of service performing pilot physical examinations.

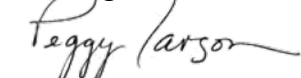
Following the Marine Pilot Exam held on April 4, 2016, the Training Program Evaluation Committee (TPEC) was formed as a follow-on committee with a mission to identify and implement processes to enhance the psychometric qualities of the pilot training program, making it more consistent with the written exam and simulator evaluation.

The Trainee Evaluation Committee (TEC) continuously monitored and evaluated trainees in both districts – Puget Sound and Grays Harbor. The two remaining successful candidates from the 2012 Exam entered their training programs in late 2016, totaling 9 trainees in various stages of their programs throughout the year.

The Joint Diversity Committee (JDC) was established in late 2015 by the Board and Puget Sound Pilots. Committee membership includes the first female pilot in the U.S., Captain Deb Dempsey, now retired from the Columbia River Bar Pilots. Active Columbia River pilot Anne McIntyre is also a committee member. The full roster and committee activities are outlined in the Diversity Report.

Until we meet again

Best regards,

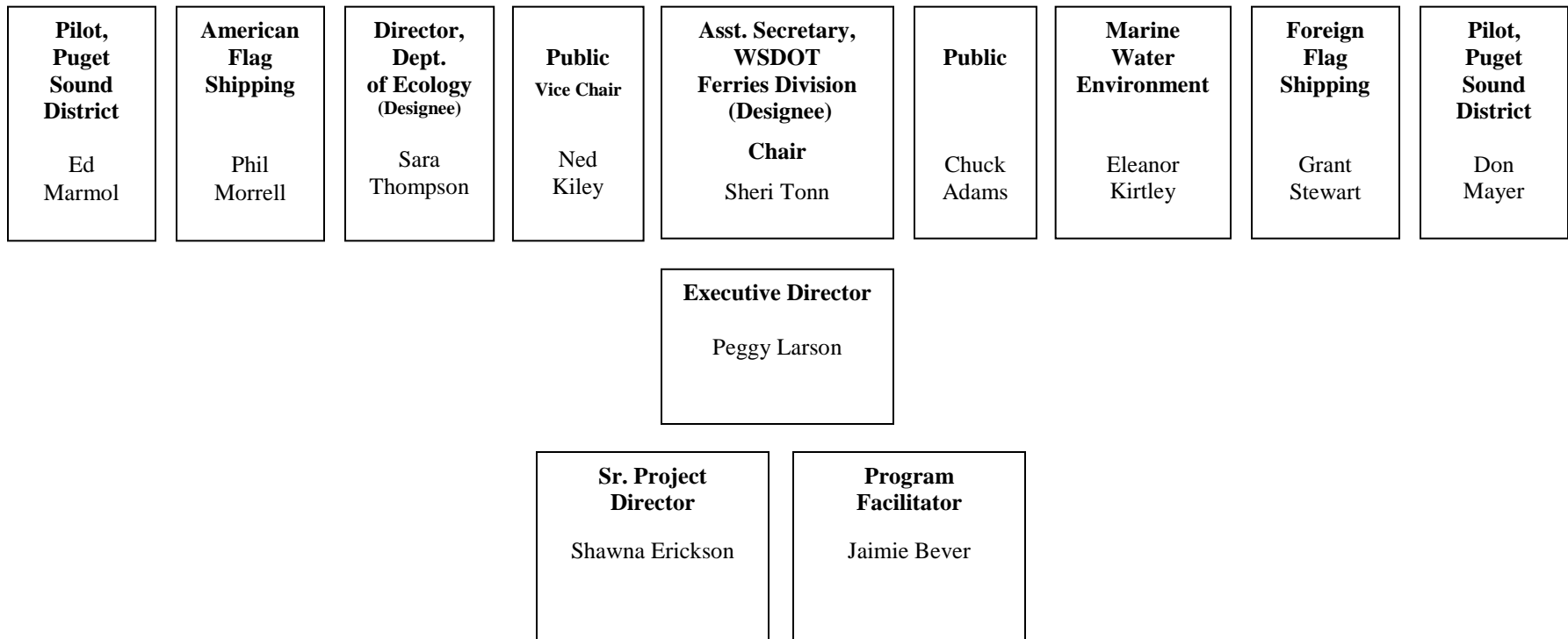


Peggy Larson, Executive Director



BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.010



Puget Sound Pilotage District (PSPD)

PSPD is one of the largest and most challenging pilotage districts in the nation, encompassing over **7000 square miles** and **12 ports**, including:

- | | | |
|--------------|---------------|------------|
| Port Angeles | Anacortes | Bremerton |
| Cherry Point | Port Townsend | Manchester |
| Ferndale | Everett | Tacoma |
| Bellingham | Seattle | Olympia |

Grays Harbor Pilotage District (GHPD) ~280 sq mi

To efficiently provide **“board on arrival”** service to vessels transiting the large coverage area, pilots are dispatched from 2 hubs:

Port Angeles Pilot Station and **Seattle**



01 FOREWORD

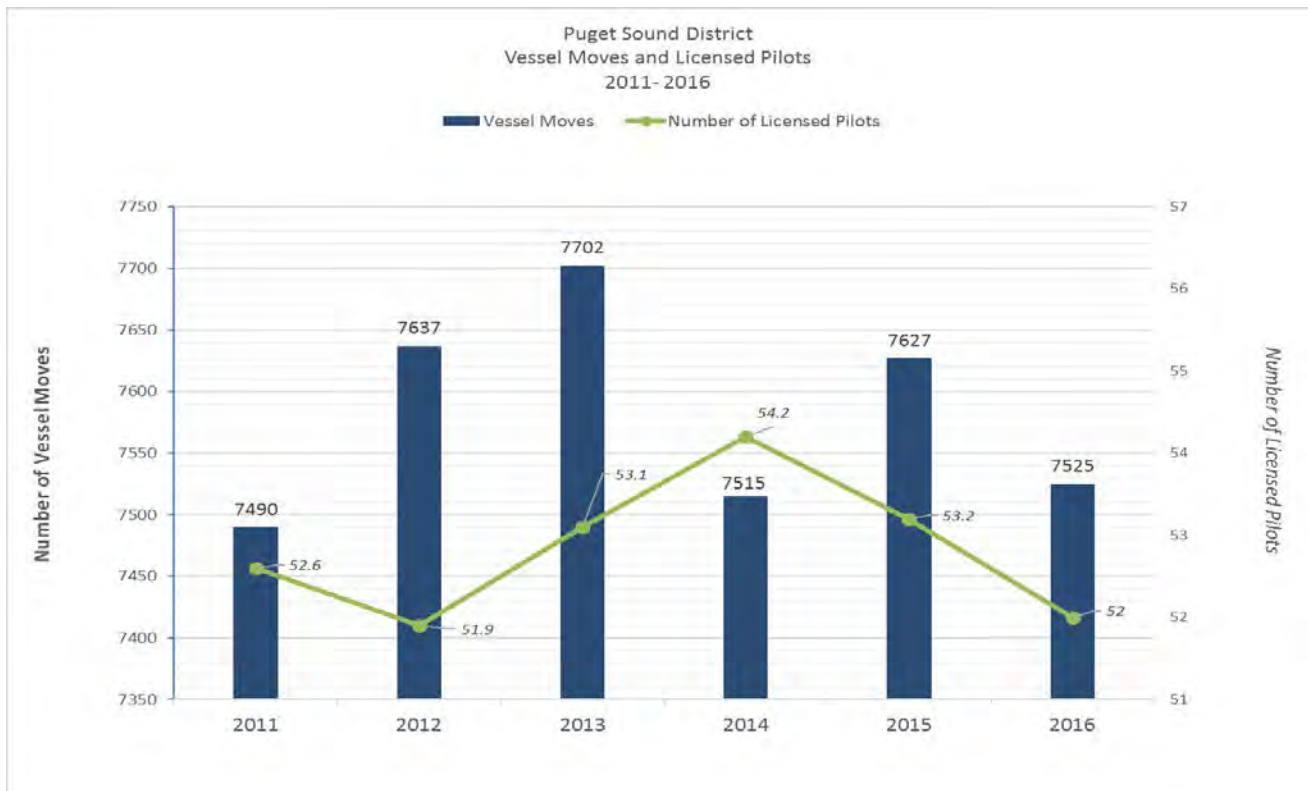
Board Mission

The mission of the Washington State Board of Pilotage Commissioners (Board) is to ensure against the loss of lives, loss of damage to property and vessels, and to protect the marine environment by maintain efficient and competent pilotage service on our State’s inland waters.

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 annual tariffs for the Puget Sound and Grays Harbors Pilotage Districts, administers testing, training and licensing of marine pilots, and established standards for reporting and investigating incidents involving State-piloted vessels.

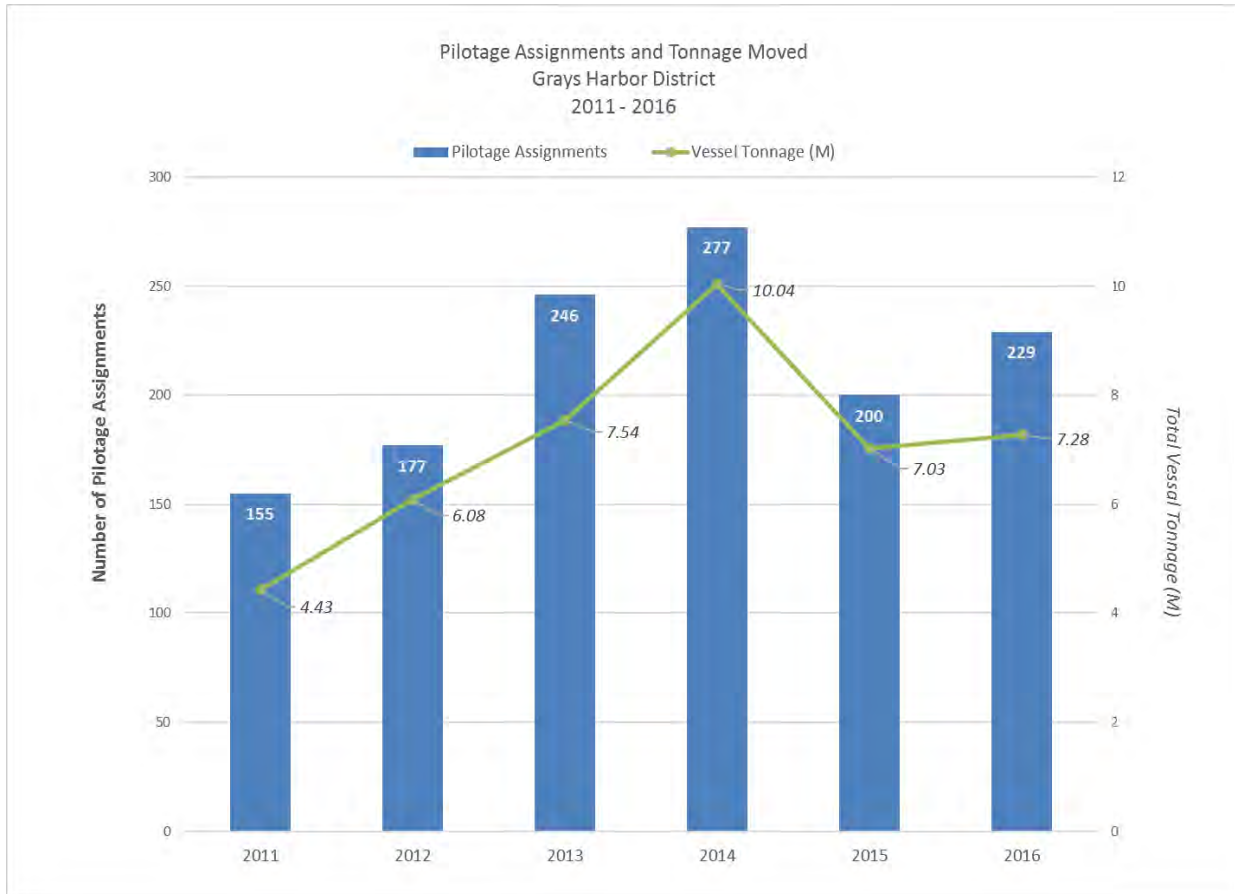
Piloting Activity in Washington State

In 2016, the Puget Sound Pilots had a total of 7,660 revenue producing assignments, of which 7,525 were actual vessel moves, and were 135 cancellations. This is a decrease in vessel moves and assignments from the previous year. The average number of full-time pilots decreased to 52 in 2016. The average annual number of assignments per pilot was 147 or approximately 12 assignments per month in 2016.



The actual number of pilots fluctuates during any given year due to the timing of retirements and licensing of new pilots; the above is the yearly average, as reported in the Puget Sound Pilots’ annual audited financial statements.

The Grays Harbor Pilots had a total of 229 piloting assignments in 2016, resulting from 99 vessel arrivals. In comparison, there were 82 vessel arrivals generating 200 piloting assignments in 2015. The Port of Grays Harbor employed two full-time pilots.



2016 Tariff Hearings

The Board of Pilotage Commissioners is required by RCW 88.16.035(1)(e) to fix pilotage tariffs annually. Two hearings were held for the Puget Sound district and one was held for the Grays Harbor district.

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District – 5/12/16 & 11/10/16

The Board did not support any change to the current tariff at the May hearing. That tariff was extended for another six months, through December 31, 2016 to return to calendar year tariff reviews. The November hearing again produced no change to the tariff, with an effective period of 1/1/2017 through 12/31/2017.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District – 10/20/16.

The Board adopted an increase in the *Pension Charge* from \$463 to \$528. The effective period of this new tariff is 1/1/17 through 12/31/17. This pension charge provides funding for retired pilots and widows who worked before 2001. After that date, pilots became employees of the Port of Grays Harbor.



Puget Sound District, Seattle, WA

Inbound Duwamish Waterway to offload cargo of gypsum from Mexico



Grays Harbor District, Aberdeen, WA

Car carrier (right) departing Terminal 4 with a bulker (left) at Terminal 4

Rule-Making

The following rule was adopted, amended or repealed:

Several WACs are under review. No hearings were scheduled in 2016, except for the two tariff WACs listed above.

Setting the Number of Pilots

The Board will, from time to time, set the number of pilots to be licensed in each pilotage district that is best calculated to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service. (WAC 363-116-065) The Board reviewed the number of Puget Sound pilots in March and determined it should remain at 52.

	9/30/10	8/9/12	5/14/13	6/19/14	11/18/14	2/19/15	8/1/15
Puget Sound	52	53	54	55	54	53	52
Grays Harbor	The number of pilots remains at 2.						

Collaborative Efforts

On November 4, 2015, a 145' barge sank in the Hylebos Waterway, in Tacoma, WA. The barge was retrieved but the cargo, consisting of 200 tons of rock, remained resulting in an encumbrance and navigational hazard in the waterway. On May 5, 2016 a joint letter was signed by users of the waterway and concerned citizens and sent to the Army Corps of Engineers urging the removal of the rocks. . Signatories included John Wolfe, CEO, NWSA and Port of Tacoma; Captain David Grobschmit, President, Puget Sound Pilots; Raymond Wambaja, General Manager, Schnitzer Steel Industries; Bryan Graham, Sr. Environmental Manager, Schnitzer Steel Industries; Jerry Ashby, President, TPT U.S. Limited; Tom Pierson, President and CEO, Tacoma-Pierce County Chamber of Commerce; Eric Schinfeld, President, Washington Council on International Trade; Kristin Meira, Executive Director, Pacific Northwest Waterways Association; Eric Johnson, Executive Director, Washington Public Ports Association; Sheri Tonn, Chair, Washington State Board of Pilotage Commissioners; and Melissa Malott, Executive Director, Citizens for a Healthy Bay. This successful display of a collaborative effort resulted in the clearing of the hazardous rocks from the channel.

Other collaborative initiatives include the Trainee Evaluation Committee (TEC), the Training Program Evaluation Committee (TPEC), and the Joint Diversity Committee (JDC). The Commission appreciates the voluntary role of Puget Sound Pilots (PSP) in each of these committees.

Legal Matters

Captain Katharine Sweeney and the Washington State Board of Pilotage Commissioners announced that they agreed to resolve Captain Sweeney's lawsuit against the Board by settlement and without further litigation between the parties. The parties determined that resolving this matter by settlement rather than through further litigation is in the best interests of Captain Sweeney, the Board, and the people of Washington State.

02 BOARD MEMBERS & EXPENSES

COMMISSIONERS

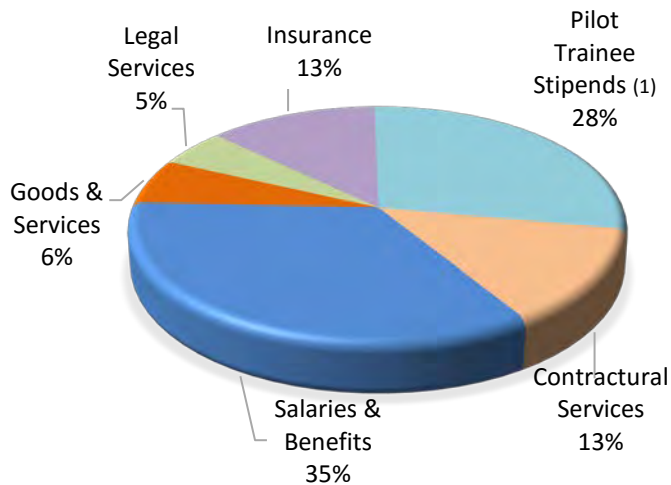
	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
<u>CHAIR</u>		
Sheri J. Tonn, PhD	01/01/2016	N/A
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams, JD	09/29/2009	12/26/2016
Capt. Edmund I. Kiley	01/14/2010	12/26/2017
<u>REPRESENTING AMERICAN SHIPPING</u>		
Phil Morrell - Totem Ocean Trailer Express (TOTE)	01/25/2012	12/26/2019
<u>REPRESENTING FOREIGN SHIPPING</u>		
Capt. J. Grant Stewart - Westwood Shipping Lines (WSL)	03/16/2012	12/26/2016
<u>REPRESENTING THE PILOTS</u>		
Capt. Edmund Marmol - Puget Sound Pilotage District	04/24/2013	12/26/2016
Capt. Don Mayer - Puget Sound Pilotage District	03/01/2010	12/26/2019
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Capt. Scott Ferguson - Spill Prevention, Preparedness & Response Program	03/07/2015	1/31/2016
Sara Thompson - Spills Program, Vessel & Oil Transfer Unit Supervisor	02/01/2016	N/A
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Eleanor Kirtley, PhD., Green Marine-West Coast Program Manager Appointed to this position for the remainder of the term previously held by the current chair, Sheri Tonn.	01/28/2016	12/26/2018
<u>LEGAL COUNSEL</u>		
Guy Bowman, JD	08/01/2008	
<u>STAFF</u>		
Peggy Larson, Executive Director	12/08/1982	06/30/2017
Shawna Erickson, Sr. Project Director	01/27/2010	
Jaimie Bever, Program Facilitator	11/02/2015	

The Board is comprised of the Assistant Secretary, Ferries Division, Department of Transportation or designee; the Director of the Department of Ecology, or designee; and seven members appointed by the governor. Each appointed member's term is for four years. If a commissioner is filling a former member's position prior to the expiration of the term, they are eligible to be re-appointed for another four years.

2016 ANNUAL EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$380,375
Goods and Services	67,881
Legal Services	56,527
Insurance	139,352
Trainee Stipends (1)	309,343
Contractual Services	145,362
TOTAL EXPENDITURES	<u><u>\$1,098,840</u></u>



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

(1) 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.

03 LICENSED PILOTS PUGET SOUND DISTRICT

at 12/31/16 or retirement

at 12/31/16 or retirement

PILOT	Lic #	Years
		Licensed
ANACKER, D. Scott	183	4.8
ANTHONY, Michael	184	4.4
ARNOLD, John	147	21.1
BLAKE, Michael	163	10.5
BOUMA, Blair	181	5.4
BROUILLARD, Dan	188	3.4
BRUSCO, David	180	6.8
BUJACICH, Jack	164	10.5
CARLEY, Warren (Bud)	186	4.0
CARLSON, Ivan	165	10.5
CARSTENSEN, James	195	1.3
COE, Frantz (Andy)	142	24.7
COLEMAN, Scott	191	2.3
CORYELL, Tom	189	3.0
EMERSON, Larry	126	29.0
ENGSTROM, Fred	185	4.1
ENGSTROM, Victor	162	11.7
GALVIN, Jamie	192	2.1
GIESE, Peter	143	24.2
GROBSCHMIT, David	169	9.6
HANNUKSELA, James	175	8.1
HARRIS, John	123	29.0
HENSHAW, Brian	155	16.4
HURT, Gary	158	15.6
JENSEN, Brian	193	2.0
JUSTICE, Verne (Ret.)	128	27.0
KALVOY, Jostein	170	9.6
KEARNS, James	182	5.0
KELLEHER, Neil	196	0.7
KELLY, Patrick	167	10.4
KLAPPERICH, Eric	172	8.9
LICHTY, Eric	190	2.7
LOWE, Brad	194	1.3
LOWERY, William (Bill)	187	3.9

PILOT	Lic #	Years
		Licensed
MARMOL, Edmund	171	9.3
MAYER, Donald	121	30.4
MORENO, Stephan	178	7.1
MORK, Stuart	159	15.5
NEWMAN, Alec	125	29.0
SANDERS, David	152	19.7
SCOGGINS, John	161	11.9
SCRAGG, John	181	6.5
SEMLER, Joseph	156	16.2
SEMLER, Stephen	174	8.6
SEYMOUR, Lawrence	177	7.5
SHAFFER, Daniel	116	31.5
SHAFFER, James	145	24.2
SHULER, Mark	154	18.8
SLIKER, William	166	10.5
SORIANO, Donald	122	30.1
THORESON, George	176	8.1
vonBRANDENFELS, Eric	148	21.1
WILDES, Gordon	173	7.9

Number of PS pilots at 12/31/2015	52
<i>Pilots retiring in 2016 :</i>	<i>1</i>
Pilots licensed in 2016:	1
Number of PS pilots as of 12/31/16:	52

GRAYS HARBOR DISTRICT

at 12/31/16

PILOT	Lic #	Years
		Licensed
D'Angelo, Robert	15	22.8
White, Ryan	17	1.0

Number of GH pilots at 12/31/2015	2
<i>Pilots retiring in 2016 :</i>	<i>0</i>
Pilots licensed in 2016:	0
Number of GH pilots as of 12/31/16:	2

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

04 PILOT EDUCATION

Pilot Training

The Board mandates vessel simulator training for a licensed pilot at least once every five years for all active pilots (RCW [88.16.105](#)). Pilots have generally chosen to attend manned-model simulator training. This year, two pilots licensed within the last 12 months traveled to Port Ilawa, Poland to attend the Basic Manned-model simulator training. Additionally, two pilots attended the Advanced Shiphandling class held in Port Ilawa, Poland and another two attended the class in Port Revel, France.

As depicted below and summarized from the schools' web-sites, training on the manned 1:25 scale models is a valuable complement to training as it provides extra experience that could never be gained on real ships. Manned model training reproduces realism of emergency situations, close proximity realism, anchoring and other special maneuvers, and maneuvers in current and tide. These schools provide the training to make the difference between being good and being the best.



Licensed pilots were offered various off-site training for refresher courses in 2016. The classes attended in 2016 were:

- Electronic Charts and Information System (ECDIS) for Pilots
Pilots learn common functions, benefits and limitations of onboard ECDIS systems; PSP requires this training every 5 years.
- Azipod
A total of 40 pilots attended a 2.5 day class held locally, at Pacific Maritime Institute, for training or refresher on propulsion systems used on cruise ships entering the area.

Pilot Outreach

Members of the Puget Sound Pilots Association are participants in many activities and committees, and have a presence or are speakers at meetings relevant to maritime endeavors. This effort is outside of commitments to their own Board of Directors and the Board of Pilotage Commissioners, and often requires considerable time during their respite or off-rotation interval. Listed below are some of the committees or topics to which the pilots contribute their time and expertise:

- Harbor Safety Committee
- Bollard pull testing
- Tacoma Rotary Club speaker
- Salish Sea Risk Assessment
- VTRA – Vessel Traffic Risk Assessment
- Puget Soundkeeper
- NW Maritime Center
- Private yacht clubs
- Safe Practices – Cold Storage
- USCG Rescue Exercise
- Nordic Tug Seminar
- Safe Practices
- Cruise Ship GPS
- Lost Crab Pot Prevention
- RPS Consulting Group - tidal and current environmental impact
- NW Straits Committee
- Area Maritime Security Committee
- TPM (Theory+Practice in Marketing) Conference
- 18,000 TEU class vessel simulator experience

05 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

	2016 Total	Avg. Per Pilot 52	2015 Total	Avg. Per Pilot 53.2
Gross Earnings from Tariff Revenue	\$ 34,183,294	\$ 657,371	\$ 32,881,003	\$ 618,064
Pilot Organization Deductions				
Retirement Paid to Retired Puget Sound Pilots <i>(Note 1)</i>	\$ 4,206,583	\$ 80,896	\$ 3,885,653	\$ 73,039
Operating Expenses of Puget Sound Pilots	6,394,794	122,977	6,728,949	126,484
Net Earnings after Deduction of Organization Expenses	<u>\$ 23,581,917</u>	<u>\$ 453,498</u>	<u>\$ 22,266,401</u>	<u>\$ 418,541</u>
Disposition of Net Earnings				
Individual Pilot Medical Insurance <i>(Note 2)</i>	\$ 1,515,117	\$ 29,137	\$ 1,604,390	\$ 30,158
Individual Business Expense Allowance <i>(Note 2)</i>	519,006	9,981	530,881	9,979
Transportation Allowances and Reimbursements	1,097,109	21,098	1,119,406	21,041
Earnings Distributed to Pilots	<u>20,450,685</u>	<u>393,282</u>	<u>19,011,724</u>	<u>357,363</u>
Tariff Generated Earnings to Pilots	<u>\$ 23,581,917</u>	<u>\$ 453,498</u>	<u>\$ 22,266,401</u>	<u>\$ 418,541</u>

Notes:

1. 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.

2. Individual Business Expense (IBE) includes the provision paid pilots for disability insurance, annual physical exam, Anacortes subsistence and lodging, and business communication costs. Medical insurance premiums previously reported in this category (IBE) are now paid by the Association (noted above).

Remarks:

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

TRAINEE STIPENDS

During all or part of the year there were eight pilot trainees working on their respective training programs in the Puget Sound district. Not all were eligible for the stipend every month during the twelve month period. The collective amount paid in 2016 was \$292,543.

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

GRAYS HARBOR PILOTAGE DISTRICT

	2016	Average	2015	Average
	Total	Per Pilot (2 Full time)	Total	Per Pilot (2 Full time)
Gross Earnings from Tariff Revenue	\$ 1,526,328	\$ 763,164	\$ 1,281,226	\$ 640,613
Other Pilot Services Department Revenue	1,950	975	1,200	600
All PGH Pilotage Division Revenue	<u>\$ 1,528,278</u>	<u>\$ 764,139</u>	<u>\$ 1,282,426</u>	<u>\$ 641,213</u>
Pilot Organization Deductions				
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot retirees with service credit prior to 2001 <i>(Note 3)</i>	\$ 106,027	\$ 53,014	\$ 80,600	\$ 40,300
Operating Expenses - PGH Pilot Services Division	493,649	246,825	548,529	274,265
Gain/(Loss) retained by Port of Grays Harbor <i>(Note 4)</i>	81,631	40,816	(225,242)	(112,621)
	<u>681,307</u>		<u>403,887</u>	
Net Earnings after Deduction of Organization Expenses	<u>\$ 846,971</u>	<u>\$ 423,486</u>	<u>\$ 878,539</u>	<u>\$ 439,270</u>
Disposition of Net Earnings				
Pilot Wages <i>(Note 5)</i>	\$ 532,030	\$ 266,015	\$ 559,102	\$ 279,551
Incremental Duty Pay	43,034	21,517	78,000	39,000
Employer Provided Benefits <i>(Note 6)</i>	168,016	84,008	218,892	109,446
Gain Sharing <i>(Note 7)</i>	81,631	40,816	-	-
Travel Allowance and Reimbursements	22,260	11,130	22,545	11,273
Tariff Generated Earnings to Pilots	<u>\$ 846,971</u>	<u>\$ 423,486</u>	<u>\$ 878,539</u>	<u>\$ 439,270</u>

Notes:

3. As part of an agreement with the Commission, Puget Sound Pilots distributes retirement benefits to the retirees of the Grays Harbor Bar Pilots. The cost is offset in part by a 2001 Puget Sound District tariff increase and the pension charge per assignment included in the Grays Harbor tariff. The Port transfer those funds to the Puget Sound Pilots to distribute to Grays Harbor pilot retirees with service credit prior to 2001.
4. Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.
5. Licensed pilots are employees of the Port of Grays Harbor as opposed to being independent contractors belonging to an association.
6. Employer Provided Benefits include health, life, medical, and disability insurance, federal and state taxes, and retirement funding paid by the employer.
7. A salary premium is paid when upon various thresholds being met creating a positive net income for the Port. The final net income is shared between the Port and the pilots who, in turn, share equally in the salary premium when this occurs.

TRAINEE STIPEND

During all or part of the year there was one pilot trainee working on his respective training program for the Grays Harbor district. He was not eligible to take the stipend every month during the twelve month period. The total amount paid during 2016 was \$16,800.

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

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS
PUGET SOUND PILOTAGE DISTRICT



	<u>2016</u>	<u>2015</u>
TOTAL TARIFF GENERATED REVENUE	\$ <u>34,183,294</u>	\$ <u>32,881,003</u>
<u>SUMMARIZED EXPENSES</u>		
Payments to Retired Pilots/Widows - Puget Sound Dist	\$ 4,206,583	\$ 3,885,653
Pilot Medical Insurance - Puget Sound District	1,515,117	1,604,390
Seattle Other Operating/Administrative Expenses	<u>4,067,522</u>	<u>4,511,969</u>
Total Seattle Expenses	\$ 9,789,222	\$ 10,002,012
Port Angeles Station Operating Expenses	498,628	521,300
Pilot Boat Operating Expenses	<u>1,828,644</u>	<u>1,695,680</u>
Total PSP Operating/Administrative Expenses	\$ 12,116,494	\$ 12,218,992
Transportation Fees Paid Directly to Pilots	1,097,109	1,119,406
Individual Business Expense Allowance Paid to Pilots	<u>519,006</u>	<u>530,881</u>
Total Deductions from Revenue	\$ 13,732,609	\$ 13,338,398
Balance of Revenue Pool to Distribute	\$ 20,450,685	\$ 19,542,605
Other Income / (Expense)	48,843	31,088
NET INCOME FROM POOLED OPERATIONS	<u>\$ 20,499,528</u>	<u>\$ 19,573,693</u>

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SEATTLE OFFICE OPERATING EXPENSES

	<u>2016</u>	<u>2015</u>
Attorney fees	\$ 74,855	\$ 51,605
Comp day expense	-	163,120
Computer maintenance & programming	202,645	334,430
Conferences	72,024	34,347
Consulting services	37,029	284,359
CPA fees	76,104	56,665
Depreciation	379,135	320,884
Drug testing	3,922	6,737
Dues	162,884	169,583
Employee benefits	190,681	295,484
Employee salaries	830,582	851,238
Equipment leases	3,993	2,915
Gifts	7,239	13,127
Insurance	183,676	197,078
Interest	21,462	17,660
License fees - pilots	338,000	344,500
Lobbyist	53,717	112,294
Medical insurance - pilots	1,515,117	1,604,390
Office maintenance & repair	5,353	6,042
Office supplies	32,379	31,432
Payments to Retired Pilots/Widows - Grays Harbor District (Note 5)	109,739	109,739
Payments to Retired Pilots/Widows - Puget Sound District	4,206,583	3,885,653
Payment to Retired Former Director	69,502	5,792
Pilot training	303,640	164,232
Printing & publications	27,217	5,532
Rent & parking	117,845	113,957
Taxes on payroll	55,883	61,007
Taxes, other	5,889	9,662
Taxes on revenue	562,762	536,666
Travel, entertainment, promotion	99,532	171,926
Telephone & communications	39,833	39,956
Seattle Office Total	<u>\$ 9,789,222</u>	<u>\$ 10,002,012</u>

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

PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2016</u>	<u>2015</u>
Depreciation	\$ 48,609	\$ 52,397
Food	84,766	93,855
Insurance	36,857	38,580
Lodging - Port Angeles	-	219
Maintenance and repairs	28,747	34,460
Rent, tideland lease	4,001	3,679
Reposition pilots	220,376	229,830
Supplies	25,657	18,994
Taxes on property	12,488	13,668
Telephone & communications	13,581	12,847
Training	405	-
Utilities	23,141	22,771
Port Angeles Total	<u>\$ 498,628</u>	<u>\$ 521,300</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28	\$ 28
Employee benefits	235,524	237,200
Employee salaries	751,901	750,119
Fuel of "Juan de Fuca"	129,025	128,517
Fuel of "Puget Sound"	102,487	135,906
Insurance	93,080	104,574
Maintenance & operation of "Juan de Fuca"	59,447	115,482
Maintenance & operation of "Puget Sound"	394,394	160,031
Taxes on payroll	58,714	59,512
Taxes on property	4,044	4,311
Pilot Boat Operations Total	<u>\$ 1,828,644</u>	<u>\$ 1,695,680</u>

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

<u>Employee</u>	<u>Position</u>
M. Acheson	Deckhand / Engineer
S. Terriquez	AR Clerk
T. Burnell	Dispatcher/Clerk
J. Clark	Relief Deckhand/Engineer
A. Dreyer	Boat Operator
M. Gregson	Deckhand/Engineer
K. Houston	Dispatcher/Clerk
P. Jacobsen	Deckhand/Engineer
M. Juskevich	Boat Operator
J. Melvin	Deckhand
P. Moore	Accountant/Dispatcher/Clerk
J. Rushton	Deckhand/Engineer
D. Shideler	Lead Boat Operator
L. Styrk	Executive Director
B. Valentine	Dispatcher/Clerk
R. Welch	Boat Operator

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

GRAYS HARBOR PILOTAGE DISTRICT



Full-time Pilots employed by Port of Grays Harbor: Captain R. D'Angelo, Captain R. White
Port of Grays Harbor employees providing administration: Gary Nelson, Mary Nelson, Tracy Ewing

	<u>2016</u>	<u>2015</u>
Vessel Arrivals / Pilot Assignments	99 / 229	82 / 200
Tariff Generated Revenue	\$ 1,526,328	\$ 1,281,226
Miscellaneous Revenues	1,950	1,200
TOTAL REVENUE	\$ <u>1,528,278</u>	\$ <u>1,282,426</u>

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 53	\$ 50
Benefits	168,016	218,892
Pilot launch services	309,229	237,499
Depreciation	20,417	19,557
Dues & license fees	13,000	16,250
Insurance	1,684	1,821
Legal services	957	1,117
Miscellaneous other expenses	675	7,982
Pension contribution to PSP for GH Retirees	106,027	80,600
Pilot Trainee Stipend	16,800	71,667
Port Administrative Services	85,172	85,328
Repair/maintenance	1,442	60,318
Supplies	5,692	9,922
Taxes	19,270	19,690
Telephone	5,597	3,225
Training	375	6,784
Travel/Lodging/Meals	13,286	7,319
Wages	532,030	559,102
Gain Sharing Distribution	81,631	0
Incremental Duty Pay	43,034	78,000
Travel Allowance	22,260	22,545
GRAYS HARBOR DISTRICT TOTAL EXPENSES	\$ <u>1,446,647</u>	\$ <u>1,507,668</u>
GRAYS HARBOR DISTRICT OPERATING INCOME	\$ <u>81,631</u>	\$ <u>(225,242)</u>

MAJOR CAPITAL ASSETS

- PUGET SOUND DISTRICT

Property, boats and equipment are summarized as follows:

	2016	2015
Port Angeles station building	\$ 2,104,532	\$ 2,095,254
Port Angeles station furnishings & equipment	153,542	153,542
Pilot boat "Juan de Fuca"	3,229,434	3,229,434
Pilot boat "Puget Sound"	3,718,327	3,718,327
Seattle office furnishings, furniture, computers, & equipment	1,756,010	1,548,441
Portable pilot units	1,141,572	1,141,572
Portable radio equipment	95,659	95,659
	<u>\$ 12,199,076</u>	<u>\$ 11,982,229</u>
Less accumulated depreciation & amortization	10,599,068	10,172,900
	<u><u>\$ 1,600,008</u></u>	<u><u>\$ 1,809,329</u></u>

- GRAYS HARBOR DISTRICT

Property, boats and equipment are summarized as follows:

	2016	2015
Pilot Boat "Chehalis"	\$ 277,629	\$ 274,054
Computer equipment (mobile)	54,877	52,580
Radio equipment	15,882	15,881
	<u>\$ 348,388</u>	<u>\$ 342,515</u>
Less accumulated depreciation	249,987	238,876
	<u><u>\$ 98,401</u></u>	<u><u>\$ 103,639</u></u>

07 PILOTAGE TARIFFS

PUGET SOUND PILOTAGE DISTRICT

**WAC 363-116-300 Pilotage Rates for the Puget Sound Pilotage District.
Effective 0001 hours July 1, 2015 through 2400 hours June 30, 2016.**

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

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

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

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Sailing Delay:

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

Slowdown:

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

Delayed Arrival – Port Angeles:

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

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

Tonnage Charges:

0 to 20,000 gross tons:

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

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton.

Notwithstanding the above tonnage charges, there shall be a minimum tonnage charge of \$500.00 applied to:

(1) All LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and

(2) All LOA Zone II and greater assignments.

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

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00
Olympia	155.00
Point Wells	42.50

Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

British Columbia Direct Transit Charge:

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

Direct Transit Charge \$ 2,107.00

Sailing Delay Charge. \$ 283.00 per hour

Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.

Slow Down Charge. \$ 283.00 per hour

Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.

Cancellation Charge. \$ 525.00

Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.

Transportation Charge Vancouver Area. \$ 514.00

Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.

Transportation Charge Outports. \$ 649.00

Vessels departing or arriving at British Columbia ports other than those in the Vancouver- Victoria-New Westminster Range.

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles +
UP to 449	263	381	650	968	1,304	1,692
450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
470 - 479	285	404	672	1,020	1,347	1,711
480 - 489	294	410	675	1,038	1,355	1,719
490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
510 - 519	315	431	702	1,085	1,398	1,744
520 - 529	319	447	712	1,090	1,410	1,758
530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946
640 - 649	486	566	832	1,188	1,604	1,960

650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,497	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

GRAYS HARBOR PILOTAGE DISTRICT

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District.
Effective 0001 hours January 1, 2015, through 2400 hours December 31, 2015.

CLASSIFICATION

RATE

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

Draft and Tonnage Charges:

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

Draft	\$ 110.55 per meter – or - \$ 33.69 per foot
Tonnage	\$ 0.316 per net registered ton
Minimum Net Registered Tonnage	\$ 1,108.00
Extra Vessel (in case of tow)	\$ 621.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$6,141.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter \$ 1,050.00

Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage \$ 772.00

Delays per hour \$ 182.00

Cancellation charge (pilot only) \$ 303.00

Cancellation charge (boat or helicopter only) \$ 908.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$772.00 and in addition, when a bridge is transited the bridge transit charge of \$333.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations \$ 403.00

Travel Allowance:

Transportation charge per assignment \$ 105.00

Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$1,023.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited \$ 333.00

Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam \$ 910.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1-1/2% per month late charge.

08 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

INCIDENT REPORTS

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 his/her 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 his/her duties on a vessel, regardless of whether the incident results in physical injury to the pilot or pilot trainee.

PUGET SOUND PILOTAGE DISTRICT

Six Incident Reports were filed in the Puget Sound Pilotage District in the year 2016.

DATE	VESSEL	PILOT(S)	LOCATION	BOARD DECISION
6-Apr-2016	WESTWOOD FRASIER	Jensen, B	Everett, Pier 1 North <i>Injury of ordinary seaman due to slacked line.</i>	Insignificant incident without placement in pilot file; no further action
9-Jul-2016	BRITISH COUNCILLOR	Harris, J	Ferndale, Intalco Dock <i>Damage to northerly fender pad in the form of two bolts shearing and deformation of the steel structure supporting the rubber absorption pads, and possible horizontal checking of wooden fender piles behind the fender pad.</i>	Incident with damage; no pilot error
25-Jul-2016	PUELO	Soriano, D	Seattle, Pier 37 <i>Injury of vessel crew member's hand due to tug lines.</i>	Reclassified as MSO
26-Jul-2016	HYUNDAI SHANGHAI	Mork, S	Port Angeles, North of Morse Creek, east of Pilot Station <i>Loss of power due to blower failure to the vessel's turbochargers.</i>	Reclassified as MSO
23-Sep-2016	SAFARI VOYAGER	Lowe, B	Seattle, Fisherman's Terminal Dock 3 <i>Allision with moored vessel due to Captain engaging the rudder control instead of the bow thruster</i>	Incident with no pilot error; no apparent damage
10-Nov-2016	EVER LIVING	Giese, P; Anthony, M	Tacoma, Blair Waterway <i>Damage to gangway of moored vessel due to vessel wake.</i>	Incident with damage; no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

No Incident Reports were filed in the Grays Harbor Pilotage District in the year 2016.

MARINE SAFETY OCCURRENCES

WAC 363-116-200(1)(b): A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment. A report of Marine Safety Occurrence may be voluntarily submitted on an out-of-the-ordinary occurrence or concern for navigational safety that is encountered or observed during the course of piloting a vessel.

PUGET SOUND AND GRAYS HARBOR DISTRICTS

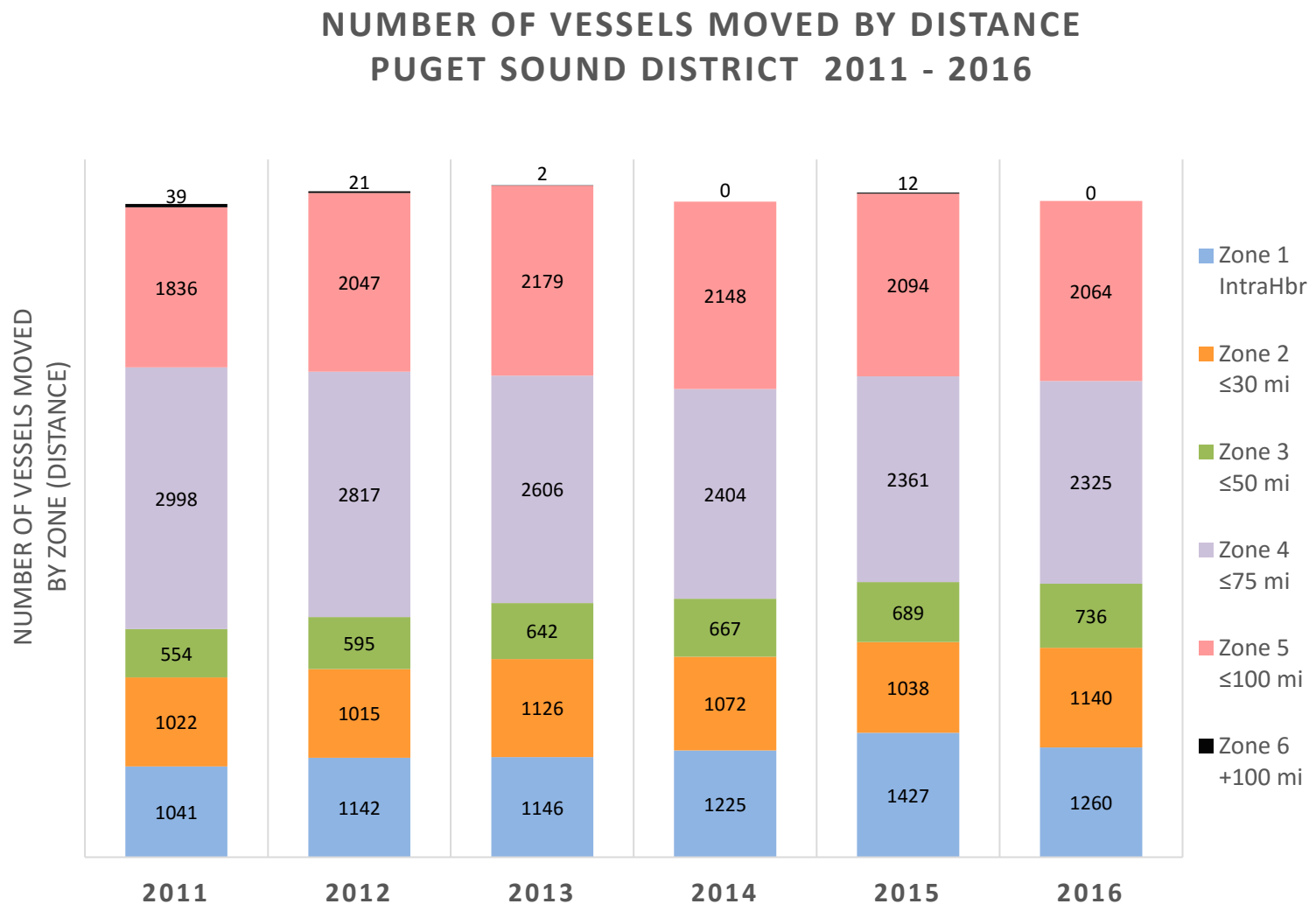
Twenty-seven MSO reports were filed in the Puget Sound District:

- * twenty-five vessel equipment malfunctions or failures, three were classified as near-miss;
- * two were originally filed as Incidents and were reclassified as MSOs by the BPC.

Five MSO reports were filed the Grays Harbor District:

- * five vessel equipment malfunctions or failures, neither classified as near-miss;
- * one report classified as correspondence only, the narrative given was informational only.

The Board is 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. Depicted below is the number of vessels and the distance traveled for the years 2011-2016 for the Puget Sound district.

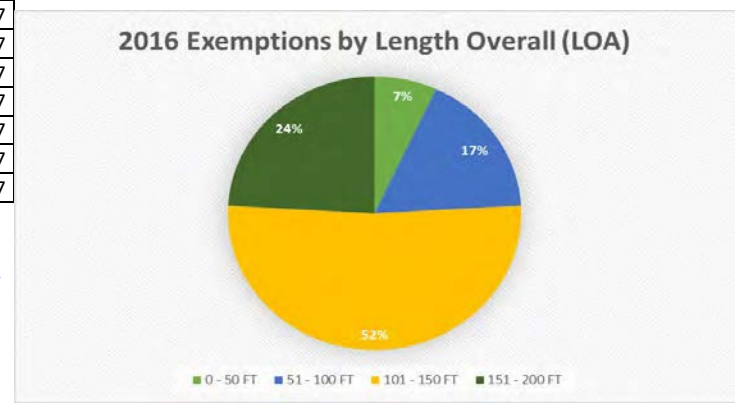
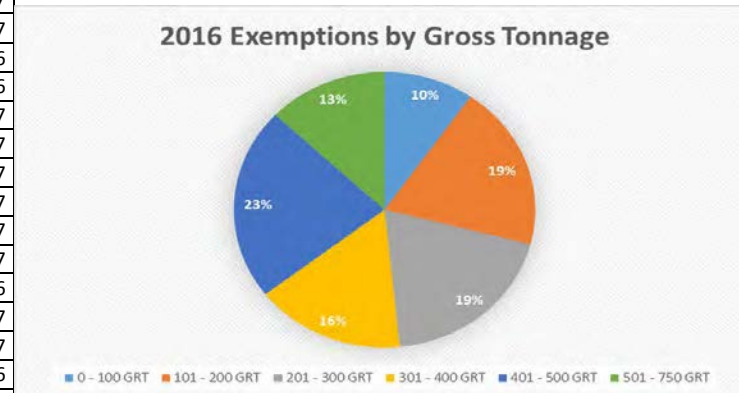
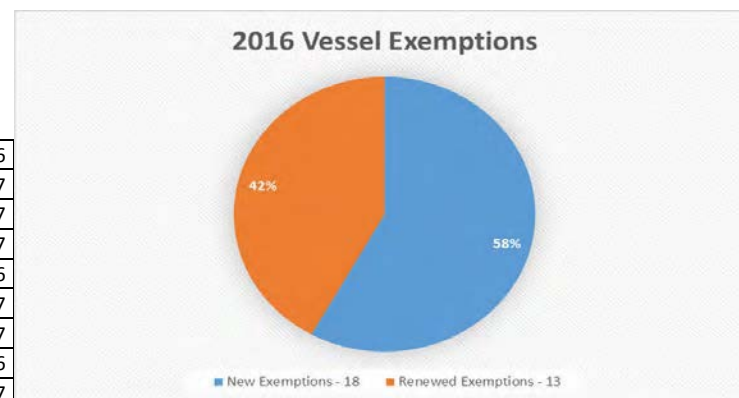


09 PETITIONS FOR VESSEL EXEMPTION

During 2016, the following vessels with foreign registries were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in Washington waters and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF REGISTRY</u>	
ALCHEMY	132 FT	235 GRT	Jeffrey	Marshall Islands	08/17/16 - 11/16/16
AMARELLA F	79 FT	259 GRT	Sepik / Diez	United Kingdom	04/20/16 - 04/19/17
ANNASTAR	164 FT	492 GRT	Loveall	Cayman Islands	06/09/16 - 06/08/17
ARROWHEAD	115 FT	193 GRT	St. Pierre	Marshall Islands	06/23/16 - 06/22/17
BLACK GOLD	125 FT	329 GRT	Gaus	British Virgin Islands	09/08/16 - 12/07/16
CIELO MARE	127 FT	247 GRT	Angulo / Laws	Marshall Islands	05/01/16 - 04/30/17
CV-9	131 FT	322 GRT	Lee	Cayman Islands	10/15/16 - 01/14/17
EILEEN	164 FT	622 GRT	Sheils/Wakeham	Marshall Islands	06/06/16 - 09/05/16
ELISA	150 FT	456 GRT	Hill	Marshall Islands	06/23/16 - 06/22/17
ICE BEAR	171 FT	614 GRT	Butler	Cayman Islands	06/07/16 - 06/06/17
INVADER	164 FT	608 GRT	Batchelder	Cayman Islands	05/14/16 - 05/13/17
JANICE OF WYOMING	130 FT	198 GRT	Wilson	Cayman Islands	08/01/16 - 11/01/16
KAWIL	112 FT	132 GRT	Foxell	Marshall Islands	08/19/16 - 11/18/16
LAGNIAPPE	136 FT	398 GRT	Bramhill	Marshall Islands	05/15/16 - 05/14/17
MEA CULPA	130 FT	302 GRT	Grant	Cayman Islands	12/21/16 - 10/20/17
MY GIRL	164 FT	492 GRT	Various	Cayman Islands	03/11/16 - 03/10/17
PENDANA	68 FT	80 GRT	Ellingford	Australia	10/01/16 - 09/30/17
POLAR BEAR	93 FT	216 GRT	Milton	New Zealand	12/01/16 - 11/30/17
REST ASSURED	92 FT	153 GRT	Chabala	Cayman Islands	05/15/16 - 05/14/17
SIN OR SWIM	116 FT	248 GRT	Du Plessis	St. Vincent	09/07/16 - 12/06/16
SIPANGO	44 FT	19 GRT	Raies	Argentina	06/01/16 - 05/31/17
STAMPEDE	117 FT	191 GRT	Allen	Marshall Islands	05/22/16 - 05/21/17
TAMSEN	172 FT	463 GRT	Zamir/Catlett	Cayman Islands	06/01/16 - 08/31/16
THALIA	159 FT	294 GRT	Lehmann	Cayman Islands	08/01/16 - 11/01/16
TRITON	163 FT	527 GRT	Johns/Piesch/Herregods	Marshall Islands	05/15/16 - 05/14/17
VICTORIA CLIPPER	127 FT	431 GRT	Various	Curacao	05/01/16 - 04/30/17
VICTORIA CLIPPER IV	118 FT	478 GRT	Various	Bahamas	05/01/16 - 04/30/17
VIRGINIA DEL MAR	121 FT	341 GRT	Talasek	Cayman Islands	06/20/16 - 06/19/17
WATTA RYDE	92 FT	199 GRT	Kane	Cayman Islands	02/24/16 - 02/23/17
WOFANU	47 FT	25 GRT	Hildebrand	Germany	05/14/16 - 05/13/17
ZENITH	135 FT	470 GRT	Steenbhom	Cayman Islands	02/08/16 - 02/07/17

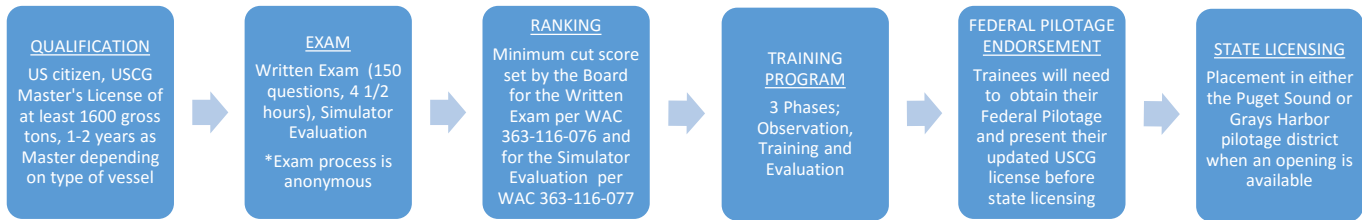
Under the authority of RCW 88.16.070, application may be made to the board of pilotage commissioners to seek exemption from the pilotage requirements for the operation of a limited class of small passenger vessels, which are not more than five hundred gross tons (international), do not exceed two hundred 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 seven hundred fifty 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.



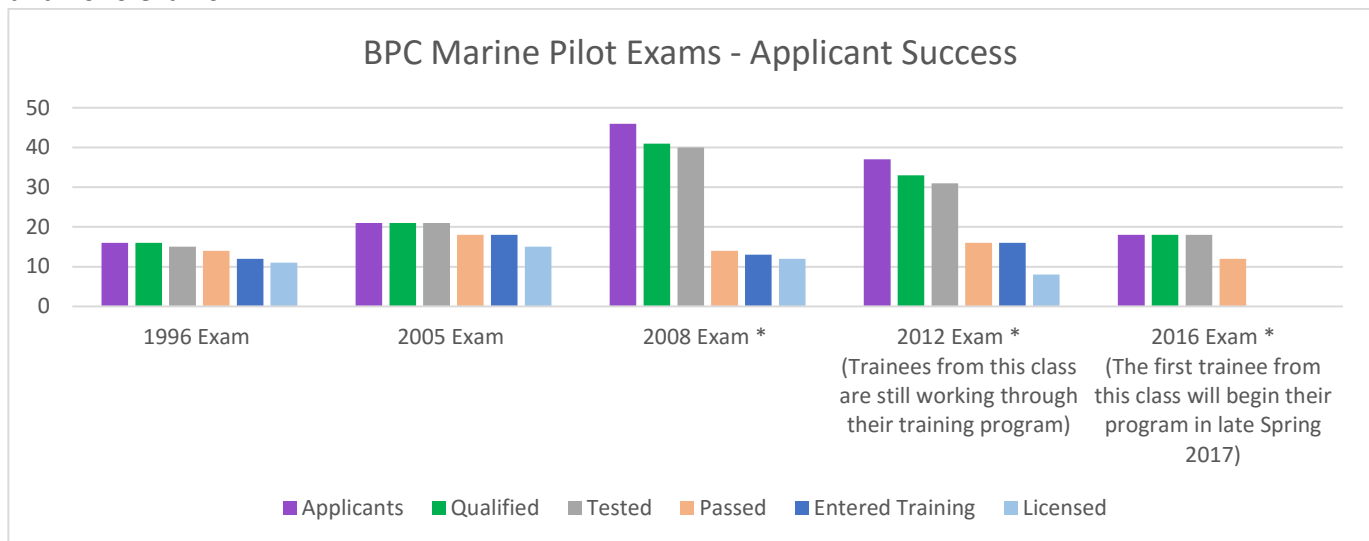
10 PATHWAY TO LICENSURE

OVERVIEW OF MARINE PILOT EXAM, TRAINING, AND LICENSING

The path to become a licensed marine pilot in Washington State is a multi-step process of qualification, examination, ranking, training, and finally licensing.



The Washington State Board of Pilotage Commissioners (BPC) is committed to providing a professional, equitable, and highly specialized exam and training experience for all qualified mariners to reach the pinnacle of the maritime profession. The exam process was updated and implemented for the 2008, 2012 and 2016 exams.



* Note: A Federal Pilotage Endorsement for the area was no longer required for exam qualification beginning with the 2008 Exam

PILOT EXAMINATIONS

PUGET SOUND PILOTAGE DISTRICT

An exam was held on April 4, 2016 to establish a list for entry into a Pilot Training program for either the Puget Sound District or the Grays Harbor District. A total of 19 application forms were received. One applicant did not meet the minimum requirements to take the exam. The exam consists of two portions – a written exam and a simulator evaluation. Those applicants successful in the multiple choice written test may advance to the simulator evaluation. Fifteen applicants advanced to the simulator evaluation, where twelve scored above the minimum cut score. The board set the cut score in conformance with a

psychometrically validated process. A ranked waiting list of the top twelve candidates was established from the combined results of both portions of the exam.

As of this date, the first two candidates from the 2016 exam have started training in the Puget Sound District; candidate #3 withdrew his name from our list and began training in San Francisco.

2016 Exam Results - Successful Applicants Ranking and Preferred District:

1. Sandra Bendixen	PS or GH	5. Patrick Ninburg	PS or GH	9. Matt Miller	PS or GH
2. Ken Grieser	PS or GH	6. Adam Seamans	PS	10. Trevor Bozina	PS
3. Jesse Pullin	PS	7. David Melin	PS	11. Joseph Siddell	PS or GH
4. Travis McGrath	PS or GH	8. Matt Stevens	PS	12. Pete Velarde	PS or GH

All candidates from the 2012 exam had been called into training by December 31, 2016. In 2016, one trainee was deemed qualified for licensure in the Puget Sound District, and the final two candidates from the 2012 exam began their training within the compulsory time parameters of RCW 88.16.090.

Status of Successful 2012 Exam Applicants as of 12/31/2016:

1. Scott Coleman (T-033)	Licensed PS (#191):	08/27/14
2. Jamie Galvin (T-034)	Licensed PS (#192):	11/11/14
3. Eric Lichty (T-035)	Licensed PS (#190):	05/01/14
4. Brian Jensen (T-037)	Licensed PS (#193):	12/22/14
5. Brad Lowe (T-038)	Licensed PS (#194):	09/23/15
6. Jim Carstensen (T-039)	Licensed PS (#195):	09/30/15
7. Ryan White (T-032)	Licensed GH (#17):	01/02/15
8. Neil Kelleher (T-040)	Licensed PS (#196):	04/14/16
9. Dave Henderson (T-041)	Entered PS training program:	03/01/14
10. Al Furst (T-042)	PS training program ended:	10/19/16
11. Christopher Rounds (T-043)	Entered PS training program:	10/01/14
12. Philip Hunter (T-044)	Entered PS training program:	10/15/15
13. Rodney Myers (T-045)	Entered PS training program:	10/15/15
14. David Surface (T-036)	GH training program ended:	06/16/16
15. Lee Vestal (T-046)	Entered PS training program:	10/01/16
16. Keith Kridler (T-047)	Entered PS training program:	10/01/16

GRAYS HARBOR PILOTAGE DISTRICT

The exams held in 2016 and 2012 gave the applicants the opportunity to be invited to train in either district. There were no candidates called to train in the Grays Harbor District during 2016.

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

TRAINING PROGRAM

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, the standards set in WAC 363-116-080. 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 Board evaluates performance to determine whether the trainee has been consistently successful in completing the elements of the program. The criteria the Board 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 trainees are called into the Training Program they begin training on a rigorous full-time schedule. They must resign from current employment. The BPC pays a \$6,000.00/month stipend to the trainees while they are in the program if the minimum monthly requirements are met.

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 gives the trainee 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 Board 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 Board's Trainee Evaluation Committee (TEC) for discussion and review of their progress. The TEC gives updates on all trainees to the Board at monthly BPC 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 25 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 Board 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, they will be considered by the Board for state licensing.

Pictured are the ship Captain, Pilot Trainees Myers and Bendixen, and Puget Sound Pilot Captain Brouillard.



11 TRAINING PROGRAM EVALUATION PROJECT

OVERVIEW:

In August of 2016, Washington State Board of Pilotage Commissioners (BPC) in partnership with Progeny Systems Corporation, began an evaluation of the BPC's existing training program. The purpose of the evaluation was to identify and implement processes to enhance the psychometric qualities of the pilot training program, making it more consistent with the written exam and simulator evaluation. The BPC formed a Training Program Evaluation Committee (TPEC) comprised of BPC members, staff and pilots, along with Dr. Norman Hertz, Progeny. The committee met monthly to review and update various components of the training program.

ENHANCEMENTS

Enhancements to the training program trainee evaluation documents were developed using a "criterion based" evaluation system and the criteria was directly matched to a job analysis survey previously completed by subject matter experts (licensed pilots). The program evaluation process ensures that every trainee receives the same opportunity to reach the same level of knowledge and expertise by linking training and evaluation to the pilot's job analysis.

TRAIN-THE-TRAINER

Two sessions of an updated Train-the-Trainer course are scheduled for the Spring of 2017, and two more will be considered for the Fall of 2017, to ensure that all pilots are fully experienced in using the new training materials and evaluation documents.

TRAINING MANUAL

A new manual for trainees qualifying through the 2016 exam has been prepared for distribution to all new trainees. The training agreement language has also been updated.

In addition, BPC's policies on Anti-Discrimination and Sexual Harassment have been expanded to ensure they capture trainees and training pilot volunteers.

12 DIVERSITY PROGRAM

INTRODUCTION:

The Washington State Board of Pilotage Commissioners strongly supports ethnic and gender inclusion and diversity among pilots licensed by the Board. The Board has reviewed required qualifications, the examination and selection process, the ranking system for trainees, the training program and policies related to pilotage. The Joint Diversity Committee, described further below, is examining barriers to pilotage, as well as ways of interesting potential candidates in becoming marine pilots.

OVERVIEW:

The Board is committed to ensuring qualified pilotage in Washington State. Throughout the history of pilotage, the profession has been comprised of white males, with very few exceptions. As with many male dominated professions, the prevailing assumption is that women and underrepresented minorities do not wish to enter the field. The Board is committed to changing this assumption and to developing a more diverse workforce of qualified pilots. The Board recognizes the need to enhance opportunities for all professional mariners to become pilots, though the number of licensed pilots is small and the competition is strong. It is imperative for the prevention of loss of life or property damage and protection of the environment that all licensed pilots be highly trained and highly skilled. The process the Board follows to issue a license must be rigorous and utilize a full job analysis with respect to importance and difficulty of required skills so that those who are licensed are highly qualified.

This plan outlines steps accomplished to date in working toward a fair and equitable workplace free of bias among licensed pilots in Washington. The Board established a Diversity Committee and has begun to understand possible barriers to becoming a pilot. As statistics are developed, the Board will report them in each annual report. The Board has reviewed the process of its licensure and training program to ensure that it is fair and objective and will encourage qualified diverse applicants to apply for the training program. It has reviewed the standards of pilotage for any form of discrimination that could prevent any qualified individual from completing the program and becoming a licensed pilot. Each of these areas will be reviewed in this report.

THE PILOTAGE PIPELINE:

The merchant marine industry is one of the most culturally and ethnically diverse industries in the world. However, it has a very small percentage of females and underrepresented minorities. The industry also has challenges with attrition of licensed mariners and with an aging workforce. At the same time, as described later in this report, there is reason for optimism in creating a more diverse pilotage corps.

Various industry organizations including the International Maritime Organization (IMO) and maritime companies have to launch programs to increase in cultural, ethnic and gender diversity in the maritime industry. They recognize that success depends on official policies and crew management as well as the attitudes of fellow crew members. It is clear that they struggle with some of the same issues encountered by the Board of Pilotage Commissioners, and that we will

have challenges in developing a diverse pilotage corps if the industry is challenged in developing their diverse work force. It is in our interests, then, to do what we can to contribute to diversity in the pipeline – from high school to maritime academies, to employers to candidates to take the pilotage examination.

It is challenging to collect data regarding gender and ethnic diversity among licensed pilots. The US Coast Guard Data Management Branch reported that in 2014 there were 109 women among the 4,022 federally licensed pilots. In Oregon, 2 of the 62 active pilots are women. Unfortunately, there are no women among the British Columbia or San Francisco pilots. Some east coast and southeastern pilotage districts represent the majority of women pilots in the US at present, though the percentages of women are in single digits. Informal surveys suggest that there are 30 to 40 women who serve as state licensed pilots across the United States. Worldwide, firsts are being reported – Elizabeth Marami, the first female marine pilot in East Africa, and Xoliswa Bekiswa in Port Elizabeth, South Africa.

Washington State pilots come mainly from four backgrounds: blue water vessels, tugs and regional vessels, ferries, and the US Coast Guard. All state pilots hold federal licensure as well, though Washington pilots may earn their federal licensure as they train for Washington State licensure. Washington State has licensed shipboard pilots since the 1800s. Over the past 10 years, at any time there have been between 50 and 56 licensed Puget Sound pilots and 2 or 3 Grays Harbor Pilots. The number of pilots is reviewed by the Board with a goal of keeping the number of pilotage assignments appropriate to maintain an optimum level of safety. From 2006 to 2016, 35 pilots have been licensed and 32 have retired, giving an annual turnover of just over 3 pilots per year. The pilotage application and exam process takes place at least every four years, with a roster of successful exam applicants of 14 people in 2008 and 16 people in 2012, and 12 in 2016. Trainees are called up from the list in anticipation of future pilotage needs. On average it takes trainees 18 to 24 months to complete the training program and to be issued a license (if they successfully complete the training program).

Throughout that history there have been some licensed pilots from diverse cultural backgrounds but there has not been a female Washington State licensed pilot. Until 2005, no women who made application to take the examination were qualified to enter the pilot training program. The lone woman who applied that year eventually entered the training program but she was unsuccessful in the training program and was denied a pilot's license by the Board. The 2012 exam produced two qualified women applicants, however, neither passed the written portion of the exam. In April 2016, a woman took the examination and placed at the top of the list of potential trainees. She began training as a Puget Sound pilot in May 2017.

In the initial application process, the Board does not collect any information about an applicant that directly indicates the applicant's ethnicity, gender, or any connection to a protected class other than the applicant's birthdate which is for the sole purpose of determining if the applicant's age is within the bounds set by the RCW. During the process used to determine the qualifications of an applicant, information about the applicant is known only to a small committee which is assigned the task of determining if the applicant meets the minimum criteria set in the RCW and the Washington Administrative Code (WAC). As indicated, the only information collected by the Board that might indicate that the applicant is a member of a protected class is the person's

name, citizenship, and date of birth. All other information collected by the Board is for the purpose of determining whether or not he/she meets that qualification requirements set by the RCW/WAC.

Once the examination and evaluation process starts, the applicants are identified only by a number which is set by an independent contractor so the scores attained by applicants are not associated with a person's name. Only after the list of successful applicants is published is any information about the individual applicants revealed to the Board (and the public) and then that information is limited to what can be garnered by names (which may not be reliable since some names cross genders as well as ethnic backgrounds).

The Board has taken numerous steps since 2008 to adjust and improve its training program to be as objective and reliable as possible. These steps include hiring psychometric experts to review and revise the training program; separating the training program into three distinct phases of observation, training, and evaluation; offering Train-the-Trainer courses to pilots who complete trip evaluation forms on the trainees; etc. The Board worked with Progeny Systems Corporation to revise the training program for the 2016 trainees and developed new of criteria for training and evaluation. These criteria are tied to the job functions of pilots. During the evaluation phase of training, the training pilot remains "hands off" unless a significant problem is developing. When the training pilot has to take the helm from a "trainee," this action is called an intervention. The Board has now developed a definition for an intervention, and has established the maximum number of interventions at which time a trainee is terminated from training. The Board will continue to ensure that all of the processes that it uses to ultimately license pilots are free from bias or discrimination.

The development of diversity among the ranks of pilots is a long-term process and the Board will be just one of the many entities that must take action over time in order to realize increases in diversity. Pilots sit at the pinnacle of the ship handling profession, and they gain knowledge of local waters through the training program. In order to be a qualified applicant, mariners work their way to master level licensing through various fields. This "pipeline" has relatively few women among its ranks. The relative lack of women entering maritime academies, working their way up through a shipping company to master a vessel, and then earning enough sea time means that pool of qualified applicants is limited.

Various elements within the maritime industry have recognized the dearth of young people (particularly women) who seek careers in the industry and have launched recruiting efforts to try to turn that situation around. For example, the United State Maritime Administration (MARAD) has supported "Women on the Water Conferences" for the past eight years. Held at maritime academies, these conferences are designed to support women in maritime careers.

In January 2017, the US Coast Guard Journal of Safety and Security at Sea, Proceedings of the Marine Safety and Security Council published an issue entitled The 21st Century Maritime Workforce (www.uscg.mil/proceedings). This issue outlined some of the challenges and opportunities facing US merchant marine officers, the pool from which most pilots are drawn. The six state academies and the US. Merchant Marine Academy at Kings Point provide about 95% of all licensed officers. Academies report a new generation is enrolling – with students who were born in the late 1990's and are more diverse and inclusive. The president of the State University

of New York Maritime College describes the students as “high caliber intellectually, more capable of working in an inclusive team environment, more comfortable with technology, and capable of adapting...” He also points out that “there are 45 maritime and marine science high schools across the country, with more opening each year.”

The Board will continue to encourage these efforts to support women and minorities and has budget funds to initiate outreach activities in the 2017-2019 biennium.

Local programs aimed at increasing youth involvement include those of the Tacoma Youth Marine Center, the Ports of Tacoma and Seattle, and internships with the Washington State Ferry System. The Seattle Maritime Academy is another route for young men and women to learn about the maritime industry.

It is a goal of the Board to have a more diverse group of pilots in the coming years. This includes a desire to see more cultural, race, and gender diversity. But, as stated above, an important element to that stated goal is that anyone who gets licensed must be qualified.

DIVERSITY ACTION PLAN: 2016-2017 actions are shown in italics

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

Actions:

- Establish a Diversity Committee of board members and mariners interested in promoting policies to encourage diversity to the extent allowed by law.

The Puget Sound Pilots (PSP) and the Board have established a Joint Diversity Committee with the following goals:

Support trainees in the Washington Pilotage Board training program

Identify and build a list of potential candidates for the next pilotage exam, likely to be given in 2019

Examine possible barriers to entry to pilotage and how to mitigate them

Review the training program and ways of making it more effective

Monitor and learn from diversity activities in other pilotage districts

Develop strategies necessary to build a diverse pool of interested candidates

Encourage youth and young adults to consider professional mariner careers

Develop ideas generated by the committee and other interested individuals

Develop a Diversity Committee document expressing mission, goals and key messages

Committee members include active male and female pilots, a retired female pilot, maritime industry leaders, and graduates of maritime academics.

- Forecast the need for licensed pilots due to mandatory retirement at age 70 and projected shipping activity. Use such data to prepare a five-year forecast for pilotage. Use the five-year forecast to predict potential needs for new pilots out to ten years.

The Board TEC committee regularly surveys pilots with respect to retirement plans and projects the likely need for new trainees in the next 3-5 years. Factored into this assessment are any projected changes in shipping volume

- Collect and report demographic data for all licensed pilots in Washington (as allowed by the privacy provisions of the RCW). Each pilot will submit data on an annual basis and the data will be aggregated for reporting. All individual data will be kept confidential. This is not yet accomplished.

Puget Sound Pilots (PSP) will be asked to prepare aggregated data.

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

Actions:

- Develop and use comprehensive means of notifying mariners of the pilotage application and examination. Ensure announcements of upcoming examination cycles are published in a wide spectrum of maritime publications and other modes of reaching mariners and pilots in other pilotage grounds.

2016 Exam was announced on our web-site, through e-mail distribution, and in well over a dozen publications, significantly more than in the past. Future goals include collaborating with other pilotage districts to identify candidates, rather than just competing for exam candidates

- Participate in conferences groups like “Women on the Water,” sponsored, by MARAD and maritime academies.

The Board Chair participated in the 2015 and 2016 conference and informally met with cadets and young officers about pilotage.

The committee has identified groups involved in supporting women mariners –

WISTA – Women’s International Shipping and Trading Association

Sea Sisters – womenoffshore.org

- Monitor and support the activities of a wide range of government and industry organizations that have programs to broaden the diversity of the maritime industry through actions such as advertising and recruiting.

The Diversity Committee membership includes maritime professionals in industry.

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

Actions:

- Hire a third-party independent consultant to do another review of the training program with an eye toward ensuring absolute fairness at every level.

Progeny was engaged to lead a full review of the training program and it has been instituted for the 2016 list of trainees.

- Provide diversity training for all pilots as part of the Train the Trainer course given by the Board.

This was incorporated into the 2017 Train the Trainer courses.

The Board also updated Anti-discrimination and harassment policies to include trainees. This was included in new training agreements, as was an arbitration policy. Expanded grievance policies are being developed.

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

Actions:

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

Scholarship and Internship funds have been included in the 2017-2019 biennial budget of the Board. The Attorney General for the Board has reviewed state laws and rules regarding scholarships and internships and has informed of us of what we are able to do.

Goal – Continue to improve this Diversity Action Plan.

Actions:

- Have other agencies within Washington that have expertise and experience in diversity action planning such as the Department of Transportation’s Diversity Coordinator (Labor & Personnel Division) and their Office of Equal Opportunity plus Attorney General attorneys who specialize in labor and personnel matters review the plan and provide feedback for possible improvements.

Amy Scarton and Liz Kosa, representatives of the Washington State Ferry System have joined the Diversity Committee.

- Compare the plan to any such plans maintained by other entities that have similar relationships with shipboard pilots (i.e. other pilotage commissions).
- Investigate successful diversity initiatives conducted by other pilotage commissions to glean ideas for improving this plan.

The Board chair and staff have met with representatives of the San Francisco and Oregon Commissions to discuss diversity and other issues involving pilotage. We will promote commissions sharing information and jointly encouraging qualified applicants to take exams.

- Review and update the plan at least annually, and include the plan in the annual report of the Board.

This work continues!

- Monitor the results of the plan and modify it as needed to ensure that it is as up-to-date and effective as possible.

The Committee continues to discuss ways of addressing attrition of officers, barriers to qualified individuals actually taking the examination, and barriers to pilotage for women and underrepresented minorities.

CONCLUSION:

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

2016 Joint Diversity Committee Roster

Co-Chair - Sheri Tonn, Chair, Board of Pilotage Commissioners
Co-Chair - Linda Styrk, Executive Director, Puget Sound Pilots
Peggy Larson, Executive Director, Board of Pilotage Commissioners
Jaimie Bever, Program Facilitator, Board of Pilotage Commissioners
Sara Thompson, Commissioner, Board of Pilotage Commissioners
Eric vonBrandenfels, President, Puget Sound Pilots
Captain Deborah Dempsey, Retired Columbia River Bar Pilot
Captain Anne McIntyre, Columbia River Pilot
Clare Petrich, Commissioner, Port of Tacoma
Erica Whisenant, Woodard Bay Design Build
Maggie Williams, Executive Vice President, KALM Seas Insurance
Emily Reiter, Director of Marketing & Communications, Saltchuk

13 TUG INFORMATION

The following are the names and horsepower of tug boats for any and all oil tankers subject to the provisions of RCW 88.16.190:

Tug Information										
Vessel Name	Phone #	HP	Propulsion	Bollard Pull Ahead	Bollard Pull Astern	Tension Gage	LOA	Breadth	Draft	Year Build
Brusco	(425) 879-2211									
Bo Brusco		4,750	Z-Drive	61.5			78'	31'	14.5'	
Cleo Brusco		2,400	Twin/Kort	26			72'	24'	0'	1969
Ellis Brusco		2,200	Twin/Kort	26			78'	26'	9'	1980
Mary Rose										
Roland Brusco										
Crowley	(206) 332-8201									
Chief	(206) 396-2774	4,800	Voith	50		Y	105'	36'	17'	1999
Goliah	(510) 367-7171	4,400	Z-Drive	63		N	105'	36'	16'	1997
Guard	(206) 245-6091	5,500	Voith	54		Y	120'	42'	19'	1996
Guide	(206) 510-3520	4,800	Voith	50		Y	105'	36'	17'	1999
Hunter	(206) 915-9461	7,200	Twin	67		N	136'	36'	20'	1977
Protector	(206) 225-5903	5,500	Voith	54		Y	120'	42'	19'	1996
Response	(206) 331-0094	7,200	Voith	70		Y	130'	46'	19'	2002
Tioga	(206) 419-2316	4,400	Z-Drive	46	43	Y	78'	30'	15'	1996
Valor	(206) 240-3751	6,800	Z-Drive	82		Y	100'	45'	22'	2007
Vigilant	(907) 299-9999	6,800	Z-Drive	82		Y	100'	45'	22'	2007
Foss	(206) 281-3810									
Andrew Foss	(206) 396-7334	4,000	Voith	43	37	Y	100'	36'	12'	1982
Barbara Foss		5,400	Twin/Kort	65		N	120'	34'	15'	1976
Garth Foss	(206) 396-7374	8,000	Voith	79	66	Y	155'	46'	19'	1994

Henry Foss	(206) 396-7373	4,700	Voith + Z	52	38	Y	100'	36'	12'	1982
Jeffery Foss		5,400	Twin/Kort	65		N	120'	34'	15'	1970
Lindsey Foss	(206) 396-7375	8,000	Voith	79	66	Y	155'	46'	19'	1998
Pacific Star	(206) 396-7337	6,610	Z-Drive	81	74	Y	98'	40'	18'	2008
Sandra Foss		2,900	Twin/Kort	42		N	111'	31'	12'	1976
Stacey Foss		2,900	Twin/Kort	42		N	111'	31'	12'	1976
Weddell Foss	(206) 396-7377	4,700	Voith + Z	52	38	Y	100'	36'	12'	1982
Olympic Tug	(206) 628-0051									
Brian S	(206) 423-8803	3,000	Twin	40	22	N	98	30	12	
Millennium Falcon	(206) 348-2479	4,400	Z-Drive	63	58	N	105'	34'	17'	2000
Millennium Star	(510) 381-4551	4,400	Z-Drive	63	58	N	105'	34'	17'	2000
Western Towboat	(206) 789-9000									
Pacific	(206) 793-1188	1,550	Twin			N	72			1994
Wasp	(206) 793-5674	1,000	Twin/Kort			N	65'			1968
West Point	(206) 793-5675	1,200	Z-Drive			N	60'			1993
Westrac	(206) 793-5678	2,400	Z-Drive			N	76'			1987
Westrac II	(206) 255-1119	2,400	Z-Drive			N	76'			1995

**14 PUGET SOUND PILOTS
OPERATING RULES**

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OPERATING RULES

PUGET SOUND PILOTS

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Operating Rules (Page 2)

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 except as otherwise provided, shall be placed at the head of the assignment list according to their relative "reporting in times" at the time of commencing respite or vacation. Members off-duty for any cause shall be placed at the head of the rotation list upon returning to duty, however members returning from off-duty status 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.
- B. Pilots Working Three Consecutive Nights. Pilots who work three consecutive nights shall be assigned their next assignment in compliance with this Section B.

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A pilot shall be considered to have worked at night if any part of the pilot's bridge time or travel time to or from an assignment occurs at any time between and including the hours of 0100 and 0500.

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

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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**

At Seattle, the minimum off-duty period before and after an inter-port or sea-trial assignment, and before the first of multiple harbor shift assignments is eight (8) hours between the pilot's check-in time and the call time. At Port Angeles, except as provided in Section A (12) below, the minimum off duty period after a vessel assignment is eight (8) hours. The minimum off-duty period does not apply to repositionings or locals.

A pilot who has received a minimum eight (8) hour off-duty period at Port Angeles before being repositioned to Seattle at one of the first three (3) repositionings of the day, may be immediately assigned to an inter-port assignment after check-in at Seattle.

A pilot who has received a minimum eight (8) hour off-duty period at Seattle before being repositioned to Port Angeles at one of the first three (3) repositionings of the day, may be immediately assigned to an inter-port assignment after check-in at Port

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Angeles. AMENDED: 6/96, 8/02, 5/03, 5/09, 8/15.

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.

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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

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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. Members returning from respite shall be placed in proper sequence at the head of the rotation list at 0800 Tuesday. AMENDED: 10/85, 11/87, 12/91, 1/97.

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

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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.

12. Round Trip Assignments. A member on respite, may be assigned an inbound ship in conjunction with an outbound comp day assignment bound for the station if the requirements below are met. An off duty pilot who declines such a round trip may be passed over by the dispatcher. The round trip pilot shall have the right to choose the inbound job.
 - a. Total combined bridge time of both jobs is projected to be 11 hours or less and the inbound job is scheduled to end within 24 hours of the call time for the outbound job;
 - b. Rest provided at Port Angeles shall be at least 5 hours, except that there is no rest required if the inbound check-in time is scheduled to be before 2200 and the call time for the outbound job is at least 24 hours after the pilot's most recent check-in.

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c. All state imposed rest rules are observed. Section 12 added 5/09.

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 eight (8) hours and who has at least ten (10) hours between the call time of a local assignment and their scheduled inbound assignment. A Pilot whose respite commences at 2400 of

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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. Round Trip Assignments on Certain Cruise Ships. A pilot at the station may be assigned a round trip assignment on a cruise ship, if that cruise ship has suitable clean and quiet sleeping quarters available to the pilot while the ship is at the dock and if the vessel is expected to be at the dock for at least eight (8) hours. A pilot intending to take the book rather than take the vessel outbound, shall inform the dispatcher before he departs the pilot station on the inbound leg. Section 2 added 5/09, 8/15.

C) OUTPORTS

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

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D) COMPLETION OF ASSIGNMENTS

- 1) Within sixty (60) minutes of the completion of any assignment, Pilots shall inform the Seattle Pilot Office or telephone exchange of their check-in time. AMENDED: 7/84.
- 2) Arrival time at all ports shall be the time the Pilot leaves the ship. This time is to be noted on the pilotage service rendered slip.
- 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

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(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 Westminister, 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.

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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

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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.

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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. The pilot shall also be randomly assigned three consecutive Extra Respite Days starting on a Tuesday or a Saturday outside of the cruise season. Extra Respite Days shall start and end at 1100 except for those beginning on a rotation change day which shall start and end at 0800. The first random assignment of Extra Respite Days shall take place as early as possible in 2012, provided that any pilot who wishes to keep the Extra Respite Days already assigned for the 2012 – 2013 non-cruise season, may do so by notifying the President that the pilot does not wish to be part of the 2012 random drawing. The random selection process shall be designed, to the extent possible, to avoid more than one pilot having Extra Respite Days on any given day. Extra Respite Days may fall on holidays. Assignments of Peak Work Shifts and Extra Respite Days will not interfere with vacations and any training conflicts will be addressed by the President. Assigned Peak Work Shifts and Extra Respite days can be traded together or separately. New pilots will be assigned a Peak Work Shift

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by the President. Retiring pilots and those going on Major Medical will be given credit for accrued but unused Extra Respite Days as though they were comp days. On Peak Work Shifts, pilots will be randomly assigned as numbers one, two and three at 1100 on Friday and will be checked in by Monday at 1100. 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.

3. Peak Period Adjustment. To the extent consistent with rotation, pilots with unlimited pilot's license may volunteer to work an altered shift for a 25 day period (25 Day Shift) during peak periods under the following terms and conditions:
 - a. The shift shall start on a Thursday that is 9 days after the pilot finishes his/her normal watch;
 - b. The shift shall end at 1000 on the Monday morning that is 25 days later.
 - c. The shift shall begin during the months of May through September.
 - d. During the shift, the pilot shall be on duty. The pilot shall be number 1 at 1000 on Thursday and shall be checked in from his/her last job before 1000 of the following Monday. Pilots on this shift may be bumped up to jobs for which they are rested when necessary to insure a timely check-in. The pilot shall be on respite from 1000 each Monday to 1000 each Thursday during the shift.
 - e. At the end of the shift, the pilot shall remain on respite until the start of

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his/her normal watch 8 days later.

e. In return for completing such a 25 Day Shift, the pilot shall be given 2 Make-up Days. A Make-up day shall be treated exactly like a comp day, except that it may not accrue beyond May 1 of the following year and it can only be used, subject to the limits of Rule 10 below, to take a duty day off after October 31 and before May 1 of the following year.

f. By each February 1 (or as soon thereafter as is practical), the Board of Directors shall set a date by which all members may request to work for one or more 25 Day Shifts during the upcoming season. The board shall grant such requests as it deems appropriate to meet the expected work load requirements. The Board shall attempt to spread the available 25 Day Shifts as evenly as possible among the members and to insure that the number of pilots on 25 Day Shifts is balanced from May through September. The Board shall consider and may grant as it deems appropriate requests received after February 1 for 25 Day Shifts. Section 3 added 5/09, amended 2/12.

4. 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.

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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. The President shall not carry over any vacation days into a subsequent term, if re-elected, nor shall the President carry over any vacation days past the end of the President's term of office. AMENDED: 4/91, 2/12.

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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 INCOMPLETED ASSIGNMENTS

A member whose assignment is canceled by the owner, master or agent within the allotted travel time, according to Rule Two, may elect to go to the bottom or to the top of the rotation list unless that pilot is assigned to a harbor shift or repositioning. An assignment of such a pilot to a harbor shift or repositioning will be done only when it will avoid the need to hire a pilot on respite and will be subject to normal call time

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requirements. 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.

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.

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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

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following the death. AMENDED: 5/87, 1/88.

RULE 14
PILOT COMMISSION MEMBERS

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, Part D, Subsection 3. Pilot Commissioners who attend regular, special or board committee meetings during their respite periods, shall not be entitled to an additional day for attendance at a regular or special committee meeting of the Board of Pilotage Commissioners. Amended: 4/87, 10/90, 10/07.

RULE 15
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.

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

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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

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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 Secretary¹, 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 work day, 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 debts 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 work days with respect to a Pilot's right to respite days and vacation time. AMENDED: 4/92, 5/04.

Timed Comp Days. Comp days earned on or after September 1, 2012, by a pilot who then has an accrued balance of 60 or more comp days shall be referred to as a Timed Comp Day. Timed Comp Days must be used within one year of being earned. Timed

¹ 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.

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Comp Days may be traded but this does not extend their expiration date. PSP shall account for Timed Comp Days separately from regular comp days on a first-in/first-out basis, e.g. if a pilot with 60 or more regular comp days earns Timed Comp Days and then takes a day off, he/she will use the earliest of the Timed Comp Days first. Days off will not be debited from regular comp days until all of a pilot's Timed Comp Days have all been used. Nothing in this amendment instituting Timed Comp Days shall affect or limit the use of comp days existing on August 31, 2012 or comp days earned in the future by pilots then having fewer than 60 accrued comp days outstanding. AMENDED 9-12.

RULE 19 **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 20 **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

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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

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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.

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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 21 **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 22 **TRAVEL EXPENSES**

Each Pilot will pay the Pilot's own transportation cost to any assignment. Any transportation charges paid by the Association on a Pilot's behalf such as plane or taxi, will be deducted from that Pilot's share of that Pilot's distribution. AMENDED: 4/82.

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RULE 23
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 24
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.

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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.
5. 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.

15

BYLAWS OF PUGET SOUND PILOTS

August 1, 2016

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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 Bylaws or the Operating Rules.

3. **Definitions.** The following terms used in these 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 who is not retired, is actively involved in the business of the Association, and is available for Assignments.

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

3.3 “**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.

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

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

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

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

3.8 “**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.

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

3.10 “**Claimant**” is a Member (Pilot) against whom a claim has been brought, and who seeks indemnification, as further described in Section 18.1 herein.

3.11 “**Combined Duty Days**” shall mean all of the Duty Days of all of the Pilots during a calendar month as further described in Section 16.3 herein.

3.12 “**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 or Vacation Period as further described in Section 16.4.4.1 herein.

3.13 “**Daily Rate of Income**” shall mean The Total Pilotage Services Fees shall 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 16.5.2 herein.

3.14 “**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.

3.15 “**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 16.3 herein.

3.16 “**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 16.5 herein.

3.17 “**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 16.6.1 herein.

3.18 “**Expenses,**” are the costs of business paid by the Association as further described in Section 16.6 herein.

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

3.20 “**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.

3.21 “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 16.6.1 herein

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

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

3.24 “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 5.5.1 herein.

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

3.26 “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.

3.27 “Pilot” shall mean the qualified and licensed Pilots that are either Members of the Association, or are the owners of a corporate entity that is a Member of the Association as further described in Section 5.1 herein.

3.28 “Pilotage Services Fees” shall be the fees earned by the Pilots for their services piloting vessels as further described in Section 16.1 herein, and shall not include any Transportation Fees.

3.29 “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 16.4.2 herein.

3.30 “Terminating Member” is the Member whose Membership is being terminated for any reason, as more specifically described in Section 5.6.1 herein.

3.31 “Termination Payment” is the payment made to a Member whose Membership in the Association is terminated as further described in Section 5.6.1 herein.

3.32 “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 16.1 herein.

3.33 “Transportation Fees” are those fees reimbursed to the Pilots for their costs of transportation to and from Assignments as further described in Section 16.1 herein.

3.34 “**Vacation Period**” is the period of time during which a Pilot not expected to receive Assignments, as further described in Section 16.4.3 herein.

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

3.36 “**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.

3.37 “**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.

3.38 “**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 16.4.1 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 individuals who hold a valid Puget Sound Pilots License issued by the Board of Pilotage Commissioners of the State of Washington (“**Pilot**” or “**Pilots**”), and business entities owned by those individuals 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 licensed Pilot 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 licensed Pilot 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 incorporate themselves or form a limited liability company, 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.

5.5.1 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**”) equal to the gross income of the Association, less the mandatory deductions of the Members from income as further described herein, but not less the personal expenses that may have been paid by the Association on behalf of Members, the average of which is calculated for the three (3) years prior to the year in which the applicant or the applicant’s Authorized Entity becomes a Member, divided by the number of Members during each of those three (3) years (the “**Net Income**”).

5.5.2 This 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 Net 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 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 Membership Payments shall be deposited into the General Account of the Association.

5.5.3 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.

5.6 Terminating Member’ Payment.

5.6.1 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 pursuant to the terms of Section 5.5.1 above which is in effect at the time of the Member’s termination, and not the Membership Payment originally paid by that Member (the “**Termination Payment**”).

5.6.1.1 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 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, except as described in Section 5.5.2 herein, and provided however, that if the payment

is based on an average of three (3) years' Net Income and prior year Net 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, 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 already retired and receiving payments.

5.6.1.2 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 16.11 herein, then the Association shall be entitled to deduct all such sums owed from the next Termination Payments due to the Terminating Member.

5.6.2 Notwithstanding the foregoing, however, that in all cases in which the Terminating Member had not been a Member of the Association for the full specified period of payments of his/her 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 5.5.1 herein.

5.7 International Organization of Masters, Mates and Pilots Membership. Upon becoming a Member, each Member (or that Member's 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.

5.8 Compliance. Every Member 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 shall treat fellow Members 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 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 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 Rule 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 Members who choose to be a candidate for Pilot Commissioner shall submit their name in writing to the Board of Directors. If only one Member 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 Member 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 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. Pooling and Distribution of Income and Expense.

16.1 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.**"

16.2 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 16.2.

16.3 Duty Days. Unless otherwise specified by the Board of Directors, each day during which an Active Pilot is an active Member of the Association, and 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 Members (Pilots) for that month shall be combined to be the total Duty Days for all the Members (the "**Combined Duty Days**").

16.4 Work Period; Respite Period; Vacation Period.

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

16.4.2 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.

16.4.3 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 to vessels. 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.

16.4.4 Compensatory Days.

16.4.4.1 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**”).

16.4.4.2 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 17 herein.

16.4.4.3 The Board of Directors may elect to forego the requirements of Section 16.4.4.2 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.

16.5 Allocation of Total Pilotage Services Fees.

16.5.1 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**”).

16.5.2 In the event that a Member’s Equal Income Share is to be reduced pursuant to the terms of Section 16.4.4.2 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.

16.6 Determination and Allocation of Expense Share. Expenses of the Association, and the Members (the “**Expenses,**”), subject to the terms of Section 16.4 herein, are then determined and allocated as follows.

16.6.1 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.**”

16.6.1.1 In the event that (1) a Member (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 16.4.3.3 herein, and (2) said Member has performed no pilotage services in the calendar month for which the Member seeks exemption, then, upon majority Board Vote, that Member shall not be charged his/her Individual Expense Share for that month.

16.6.1.2 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 16; or (2) the death or retirement of a Member; or (3) admission of a new Member.

16.6.2 Allocation of Expense Share.

16.6.2.1 Each Member's account shall be charged each month, except as set forth in Section 16.6.1.1 and 16.6.1.2 herein, with his/her resulting Individual Expense Share.

16.7 **New Members.**

16.7.1 In the event that a new Member (Pilot) commences his/her first Assignment(s) on other than the first day of a calendar month, that new Member 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 or accrued in that calendar month by that new Member.

16.7.2 New Members shall be charged, for his her 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 during the month, and the denominator of which is the number of days in that month.

16.8 **Retiring Members.**

16.8.1 A retiring Member shall be paid, for his/her last month of service, an amount equal to his/her 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 retirement.

16.8.2 Members retiring 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 during the month, and the denominator of which is the number of days in that month. By way of further clarification, a Member retiring on or before the last day of a calendar month shall be charged no part of the Expense Pool for the month following the last day of service.

16.9 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.

16.10 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:

- 16.10.1** Personal accident, liability and license insurance of each pilot.
- 16.10.2** Personal transportation costs charged to the Association.
- 16.10.3** Other personal charges that a Member may charge to the Association.

16.11 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 during the period when the Pilot was not taking Assignments.

17. 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 Member 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 Member 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 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:

17.1 The written accusation shall be delivered to the Member charged with misconduct

17.2 The 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.

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

17.4 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 17.5 and 17.6 herein, not including the vote of the subject Member.

17.5 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.

17.6 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.

17.7 If the recommended punishment covered in this Section 17 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 by the Membership upon second submission, the action shall be deemed terminated.

17.8 To the extent that a violation of Puget Sound Pilots' Anti-harassment Policy or this Section 17.8 by a Member exposes the Association, or another Member, to financial liability, including liability for attorney's fees, the violating Member 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 17.8 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.

17.9 Failure of 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.

18. Limitation of Liability and Indemnification.

18.1 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, employee or advisor of the Association, whether the basis of such proceeding is alleged action in an official capacity as a Director, Officer, 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 18.2 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.

18.2 Right of Claimant to Bring Suit. If a claim for which indemnity is required under Section 18.1 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.

18.2.1 The Claimant shall be presumed to be entitled to indemnification under this Section 18 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.

18.2.2 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.

18.3 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 18 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.

18.4 Limitation. Notwithstanding the provisions of Section 18.1 and 18.2 herein, the Association may not indemnify a Director or Officer or employee from or on account of:

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

18.4.2 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;

18.4.3 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.

18.5 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.

19. Amendment of Bylaws and Operating Rules.

19.1 Amendment of Bylaws.

19.1.1 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.

19.1.2 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.

19.2 Amendment of Operating Rules.

19.2.1 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.

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

20. General Obligations; Non-Competition.

20.1 Each Member (and each Pilot) agrees, as a condition to his/her 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 the time. Each Member agrees, as a condition to his/her 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.

20.2 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.

20.3 Each Member agrees that should such Member retire, withdraw or resign from the Association, or be expelled from the Association pursuant to the terms of Section 17, or should such Member's Membership in the Association be terminated for any reason whatsoever, such Member or then-former 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 retirement, withdrawal, resignation, expulsion or termination of Membership.

20.3.1 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 5.6 herein, and under any unvested Pension Plan, be agreed to be reasonable as liquidated damages for any such violation.

20.3.2 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 20.

20.4 The Members, bound by the provisions of these Bylaws, now and in the future, further agree that upon retirement, withdrawal, resignation, expulsion or termination of Membership from the Association, he or she will promptly surrender his/her state license to the appropriate state agency for cancellation. The Members further agree that no monies shall be paid as Termination Payment under Section 5.6 herein unless and until said state license is canceled.

These Bylaws are adopted effective as of the _____ day of _____, 2016.





STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS



2017 ANNUAL REPORT

2017 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2017/2016
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2017/2016
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone & Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

A MESSAGE FROM THE CHAIR

The first pilotage commission in Washington was created 150 years ago while Washington was still a territory. The need for safe and efficient pilotage was acknowledged then, and continues to today. In 2017, pilots in Puget Sound and Grays Harbor completed over 7,500 revenue producing vessel moves with a total of only 4 incidents, which were all docking-related and minor.

In 2017, 5 pilots retired, and 4 new pilots were licensed. We thank Captains Blake, Engstrom, Giese, Hurt, and Mork for a cumulative of 61 years of pilotage and we welcome Captains Henderson, Hunter, Myers, and Rounds to the ranks of licensed Puget Sound pilots. After rigorous training, it takes a new pilot 5 additional years to gain an unlimited license to pilot vessels of any size. It is hard to see seasoned pilots move on, and exciting to have new pilots join us. The list of eligible trainees is nearly exhausted, and the Board will give an examination this November. Additional information is available on the BPC website.

During the 2017 legislative session, the Joint Transportation Committee commissioned a study assessing pilotage practices and to provide recommendations regarding diversity, tariff and rate setting, and governance and best practices for the Board of Pilotage Commissioners. The study was completed in late 2017, and led the Washington State Legislature to transfer the process of tariff setting to the Washington State Utilities and Transportation Commission. The [full report](#) is posted to the BPC website.

The Board considered best practices in fatigue management, and invited Dr. Charles Czeisler to review our statute, rules, and policies for fatigue and to examine the practices of Puget Sound Pilots regarding rest rules. He presented his recommendations at the December 14, 2017 Board meeting. As a result, the Board established a Fatigue Management Committee to review these recommendations and help the Board implement best practices. The committee includes pilots, shippers, additional Board members, and an occupational health/Board-Designated physician. I expect the Board will adopt recommendations in an upcoming meeting.

After 35 years of service to the Board, Peggy Larson retired on June 30th, 2017. Her knowledge is encyclopedic, and her dedication to safe pilotage is unmatched. We have wished her a well-deserved retirement, and continue to use her sage advice and to fill in gaps in process and knowledge. Peggy did a superb job of documenting Board actions and files, making our jobs so much easier. Jaimie Bever has stepped into Peggy's shoes and has served admirably in her role as Executive Director. Jolene Hamel joined the staff in 2017, and has quickly come up to speed in the myriad of tasks confronting the front desk – trip reports, licensing requirements, trainee evaluations and exemptions from mandatory pilotage represent only a few of the tasks she tackles every day. Shawna Erickson continues to provide outstanding data management and compiles critical information for reports such as this one. Thanks as well to our dedicated and engaged Board members.

If you check our website, you will find additional information there, including meeting agendas, minutes, and materials. We welcome your feedback regarding additional information you would like to see there, and we invite you to join us at our monthly Board meetings.



A handwritten signature in blue ink that reads "Sheri J. Tonn". The signature is written in a cursive, flowing style.

Sheri J. Tonn, Chair

A MESSAGE FROM THE EXECUTIVE DIRECTOR

It has been a year of change for the Washington State Board of Pilotage Commissioners. In June of 2017, Executive Director Peggy Larson, who kept us on course for 35 years, retired. She was commemorated for her exceptional service at her final Board meeting on June 15, 2017. I was very fortunate to have worked with Peggy for nearly two years before she retired. When I took over as Interim Executive Director July 1st, I felt fully equipped to continue her important work. We thank Peggy for her service and wish her all the best in her well-earned retirement!



We were very pleased to bring Jolene Hamel onboard September 1, 2017 as the Board's new Program Coordinator, filling our much needed third staff position. She has been an incredible help so far and we are very fortunate to have her. Welcome Jolene!

The Board bade farewell to Assistant Attorney General Guy Bowman. Guy was with us since 2008 and provided excellent legal counsel during his time here. Many thanks to Guy for the outstanding service! The Board welcomed Albert Wang in May 2017 as our new Assistant Attorney General.

2017 was a busy legislative year for the Board. The Joint Transportation Committee (JTC) requested a study on pilotage best practices, which was conducted by Community Attributes Inc. and Gleason & Associates. The final report was presented to the JTC December 14, 2017. Chair Tonn and I gave a presentation to the JTC providing an overview of the Board prior to that on November 15, 2017.

Board-Designated Physician, Dr. Marc Cordova, retired after several years of service performing pilot physical examinations. The Board welcomed 6 new physicians to the roster, further detailed in the Overview of this report.

The Training Program Evaluation Committee (TPEC) concluded its work identifying and implementing processes to enhance the psychometric qualities of our pilot training program, making it more consistent with the written exam and simulator evaluation.

The Trainee Evaluation Committee (TEC) continuously monitored and evaluated trainees in both districts — Puget Sound and Grays Harbor. The first successful candidate from the 2016 Exam class began her training on May 1, 2017, with the second beginning August 1, 2017.

The Joint Diversity Committee (JDC), established in late 2015 by the Board and Puget Sound Pilots, met periodically. I've had the privilege of attending 3 maritime conferences focused on diversity over the last couple of years. It's very inspiring to see so many bright and motivated young women charting their maritime futures, some of which include pilotage!

At the November regular monthly meeting, the Board appointed me as Executive Director after serving in the interim role for four months. I am so pleased to be given the opportunity. The future holds great things for our Board and for pilotage in Washington State!



A handwritten signature in black ink, appearing to read "Jaimie C. Bever".

Jaimie C. Bever, Executive Director

01 - OVERVIEW

Board Mission

The mission of the Washington State Board of Pilotage Commissioners (Board) 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.

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 annual tariffs for the Puget Sound and Grays Harbors Pilotage Districts (until July 1, 2019 due to legislative action in 2018), 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.

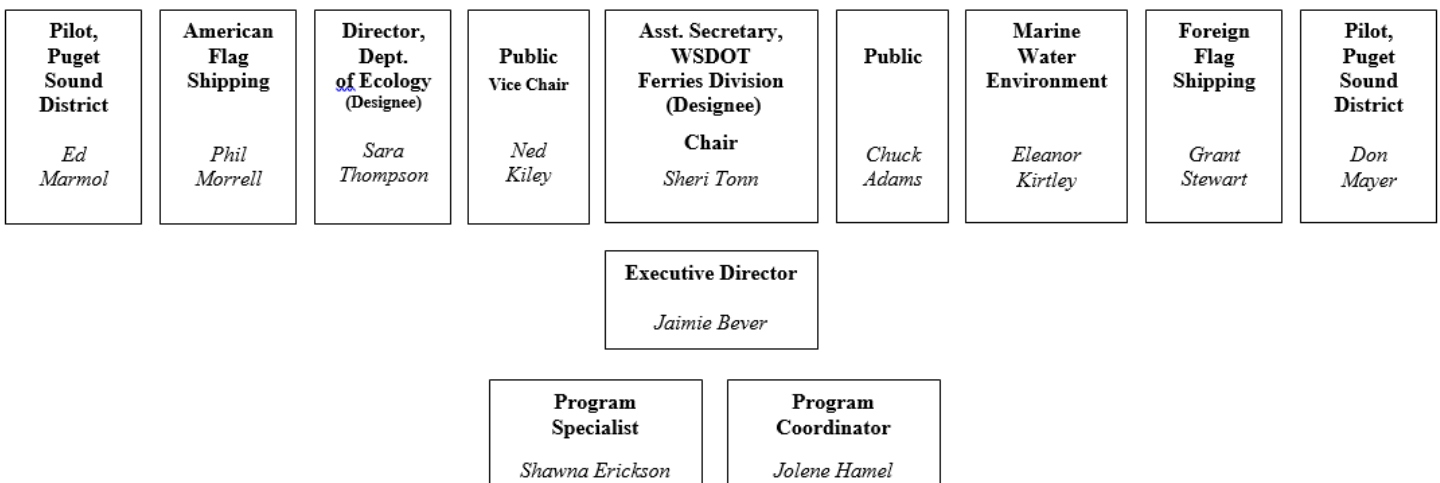
Board Meetings

In 2017, the Board held twelve (12) Regular Meetings, and one (1) Special Meeting. The August 17, 2017 meeting was held in the Commission Room of the Port of Grays Harbor in Aberdeen, WA. The Board toured the Port facilities via tug and got a first-hand look at Port operations.



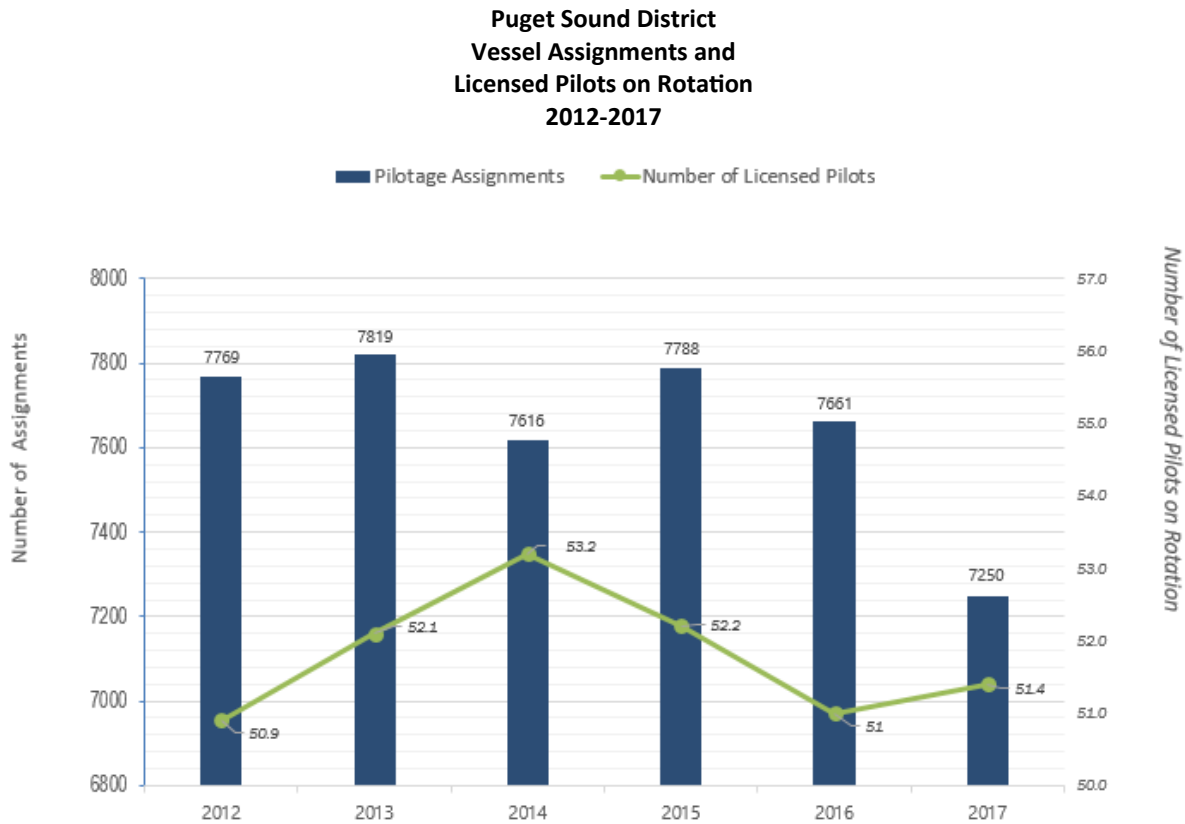
Commission Room at the Port of Grays Harbor: From left to right are Legal Counsel Albert Wang, Commissioner Grant Stewart, Commissioner Sara Thompson, Commissioner Chuck Adams, Commissioner Don Mayer, Chair Sheri Tonn, Executive Director (Interim) Jaimie Bever, Commissioner Ed Marmol, Commissioner Ned Kiley, and Commissioner Eleanor Kirtley

Board Organizational Chart (as of 12/31/17)

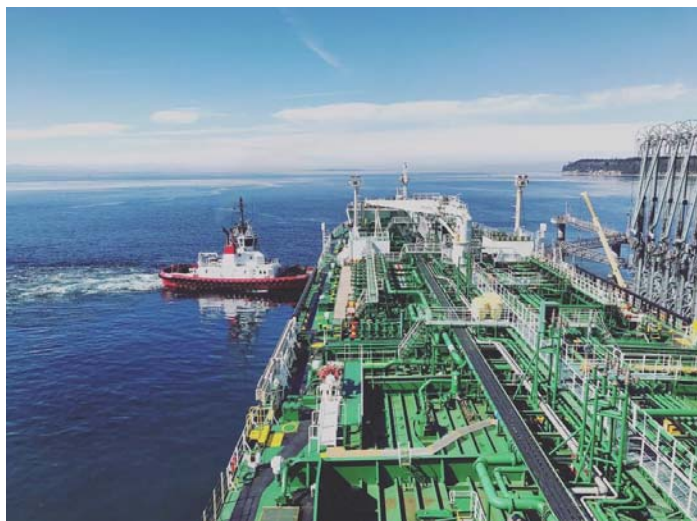


Piloting Activity in Washington State — Puget Sound Pilotage District

In 2017, the Puget Sound Pilots had a total of 7,250 vessel assignments, of which 7,093 were actual vessel moves, and 156 were cancellations. In comparison, there were 7,660 vessel assignments in 2016. This is a decrease in vessel moves and assignments from the previous year. The average number of full-time pilots remained steady at 52 in 2017. The average annual vessel assignments per pilot was 139, or approximately 12 assignments per 15-day dispatch cycle, 24/7, in 2017.



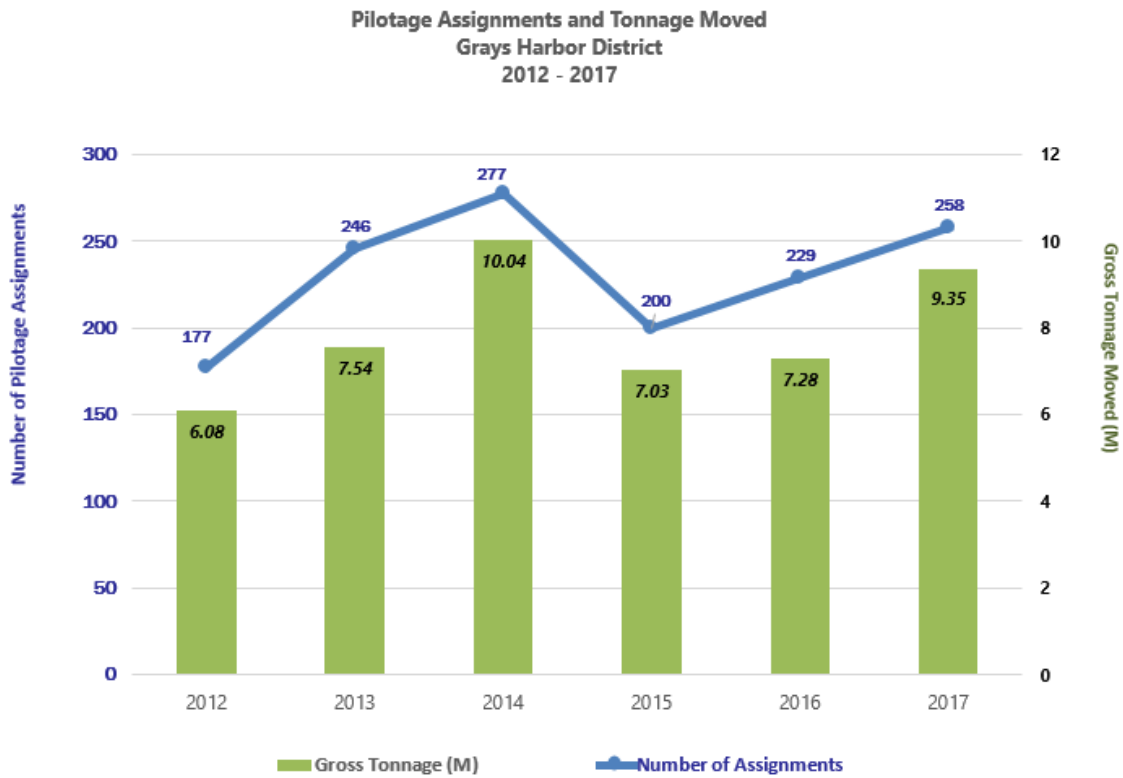
The actual number of pilots fluctuates during any given year due to the timing of retirements and licensing of new pilots; the above is the yearly average, as reported in the Puget Sound Pilots' annual audited financial statements.



Tanker EMPIRE STATE inbound to Cherry Point Refinery. Photo Credit: Puget Sound Pilots

Piloting Activity in Washington State — Grays Harbor Pilotage District

The Grays Harbor Pilots had a total of 258 piloting assignments in 2017, resulting from 109 vessel arrivals. In comparison, there were 99 vessel arrivals generating 229 piloting assignments in 2016. The Port of Grays Harbor employed two full-time pilots.



Aerial of the Port of Grays Harbor Marine Terminals. Photo Credit: Grays Harbor Talk

2017 Tariff Hearings

In 2017 the Board of Pilotage Commissioners was required by [RCW 88.16.035\(1\)\(e\)](#) to fix pilotage tariffs annually. However, the 2017 Legislative Session resulted in the freeze of the Puget Sound Pilotage District Tariff.

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District

The only tariff action in 2017 was rolling over the effective dates of the Puget Sound Pilotage District Tariff per the tariff freeze implemented by Engrossed Senate Bill 5096. The Hearing was held on November 9, 2017.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District

On October 19, 2017, the Board adopted a decrease in the *Pension Charge* from \$528 to \$500. This reduction was due to lower pension expenses. The effective period of this new tariff is 1/1/18 through 12/31/18. This pension charge provides funding for retired pilots and widows who worked before 2001. After that date, pilots became employees of the Port of Grays Harbor

Legislation

[Engrossed Senate Bill 5096](#) became law on May 16, 2017. The bill appropriated \$1,100,000 from the Multimodal Transportation Account solely for self-insurance liability premium expenditures contingent upon the following conditions: (1) Annual depositing the first one hundred fifty thousand dollars collected through the Puget Sound Pilotage District tariff; (2) Maintaining the Puget Sound Pilotage District Tariff at the rate of existence on January 1, 2017; and (3) Assessing a self-insurance premium surcharge of sixteen dollars per pilotage assignment on vessels requiring pilotage in the Puget Sound Pilotage District.

[Substitute Senate Bill 5262](#) amended RCW 88.16.070, which is the Board's statute concerning vessel exemptions. The legislation increased the tonnage exemption for yachts from 750 to 1,300 gross tons (international) and for small passenger vessels from 500 to 1,300 gross tons (international) and required that small vessels be manned by US-licensed deck and engine officers appropriate to the size of the vessel with merchant mariner credentials issued by the United States Coast Guard or Canadian deck and engine officers with Canadian-issued certificates of competency appropriate to the size of a vessel. The Board reviews each exemption application and may grant an exemption based on vessel safety record, crew experience in Washington waters, the experience and license of the master, and other factors. The Board may restrict the vessel to specific waters or require that a pilot be brought aboard.

Rule-Making

Several WACs were under review and the Board held several hearings throughout 2017. The Board adopted, via emergency action at the May 18th meeting, new [WAC 363-116-301](#) *New revenue collection* in order to comply with the legislative intent through the passage of Engrossed Senate Bill 5096 which stipulated certain conditions in order for the Board to receive a transfer of funds from the State Multimodal Transportation Account solely for self-insurance liability premium expenditures (further described above). A hearing for the new WAC was held on September 21, 2017 resulting in the passage of the language. On June 15, 2017 the Board held a hearing on [WAC 363-116-360](#) *Exempt vessels* in order to implement statutory changes via Substitute Senate Bill 5262. The fee schedule for vessel exemptions was also modified.

The Board's Rule-Making Calendar and current filings can be found on our website at

<https://pilotage.wa.gov/rule-making.html>

Setting the Number of Pilots

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

	9/2010	8/2012	5/2013	6/2014	11/2014	2/2015	8/2015	3/2016
Puget Sound	52	53	54	55	54	53	52	52
Grays Harbor	Remains at 2							

New Board-Designated Physicians

The Board welcomed the following physicians to the roster:

- Dr. Satish Subramaniam, Franciscan Occupational Health — Port Clinic
- Dr. Paul Darby, Franciscan Occupational Health — Port Clinic
- Dr. Andrew Le, AFC Doctors Express South Center
- Dr. Raymond Jarris, Discovery Health c/o MedNorthwest (1956— 2018)
- Dr. Michael Grabinski, Polyclinic
- Dr. Mel Strange, Family Practice Center of Grays Harbor

Legal Matters

Assistant Attorney General, Guy Bowman, moved on from the Board after providing excellent legal service for over 9 years. Guy will remain assigned to the Board for any ongoing legal actions. Assistant Attorney General Albert Wang was assigned. He attended his first Board meeting on April 20, 2017.

In Memoriam



Board-Designated Physician and celebrated maritime enthusiast Dr. Raymond Jarris, Jr. passed away on April 13, 2018. Dr. Jarris worked with the maritime community for many years providing medical training and support for mariners. He was excited to become one of our physicians and really enjoyed working with marine pilots. As stated by a Puget Sound Pilot, his contributions to personal safety on the water were significant. The Board is very thankful to have been able to work with him. He will be missed.

Board members and staff, as well as Grays Harbor staff, prepare for a tug tour of Port operations, led by Kevin Campbell of Brusco Tugs, following the August 17th meeting in Aberdeen, WA.



02 - BOARD MEMBERS, REVENUE, & EXPENSES

Commissioners

CHAIR	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
Sheri J. Tonn, PhD	01/01/2016	N/A
REPRESENTING THE PUBLIC AT LARGE		
Charles Adam, JD	09/29/2009	12/26/2016
Captain Edmund I. Kiley	01/14/2010	12/26/2017
REPRESENTING AMERICAN SHIPPING		
Phil Morrell — Totem Ocean Trailer Express (TOTE)	01/25/2012	12/26/2019
REPRESENTING FOREIGN SHIPPING		
Captain J. Grant Stewart — Westwood Shipping Lines (WSL)	03/16/2012	12/26/2016
REPRESENTING PILOTS		
Captain Edmund Marmol, Puget Sound Pilotage District	04/24/2013	01/18/2018
Captain Don Mayer, Puget Sound Pilotage District	03/01/2010	01/18/2018
Captain John Scragg, Puget Sound Pilotage District	01/19/2018	12/26/2020
Captain Michael Anthony, Puget Sound Pilotage District	01/19/2018	12/26/2020
REPRESENTING WA STATE DEPARTMENT OF ECOLOGY		
Sara Thompson — Spills Program, Vessel & Oil Transfer Unit Supervisor	02/01/2016	N/A
REPRESENTING THE MARINE WATER ENVIRONMENT		
Eleanor Kirtley, PhD — Green Marine	01/28/2016	12/26/2018
(Appointed to this position for the remainder of the term previously held by the current Chair, Sheri Tonn)		
LEGAL COUNSEL		
Guy Bowman, JD	08/01/2008	04/30/2017
Albert Wang, JD	05/01/2017	N/A
STAFF		
Peggy Larson, Executive Director	12/08/1982	06/30/2017
Jaimie Bever, Executive Director	11/02/2015	N/A
Shawna Erickson, Program Specialist	01/27/2010	N/A
Jolene Hamel, Program Coordinator	09/01/2017	N/A

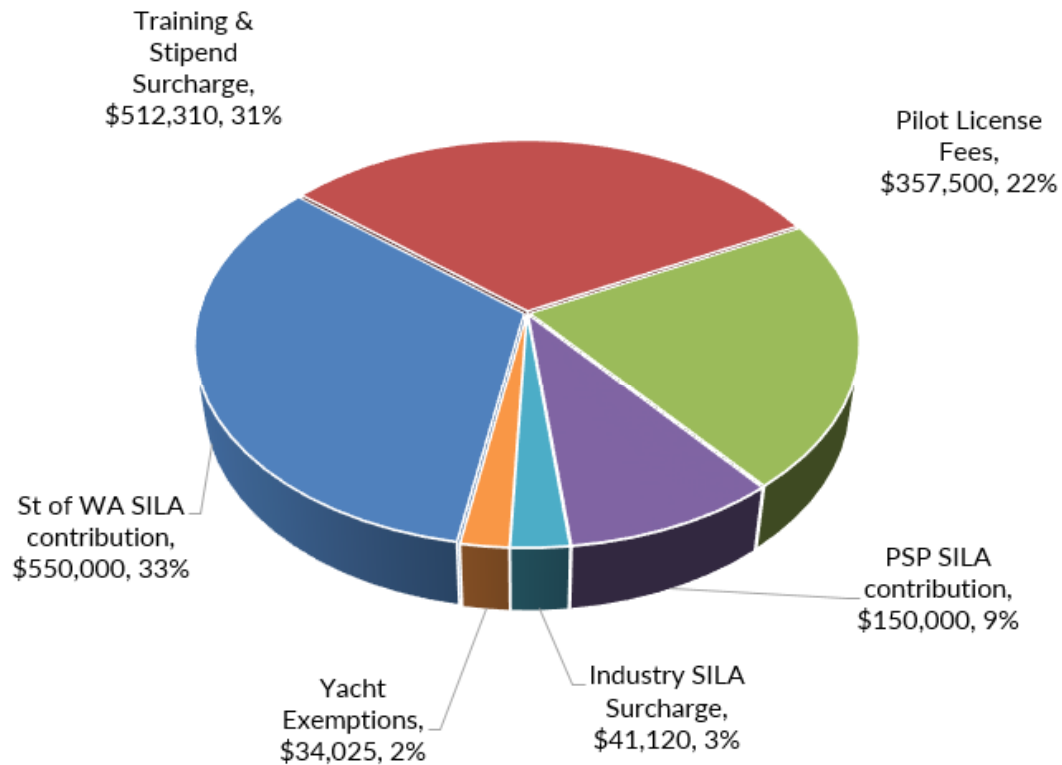
The Board welcomed back former Department of Ecology representative Scott Ferguson at the November meeting. Commissioner Ferguson was on the Board from March 2015 to February 2016. He filled in for Commissioner Thompson during her scheduled absence from both the Board and Trainee Evaluation Committee (TEC). Commissioner Thompson returned in March, 2018.

The Board is comprised of the Assistant Secretary, Ferries Division, Department of Transportation or designee; the Director of the Department of Ecology, or designee; and seven members appointed by the governor. Each appointed member's term is for four years. If a commissioner is filling a former member's position prior to the expiration of the term, they are eligible to be re-appointed for another four years.

02 - BOARD MEMBERS, REVENUE, & EXPENSES (cont'd)

Annual Revenue

State of Washington SILA Contribution	\$550,000
Training & Stipend Surcharge	\$512,310
Pilot License Fees	\$357,500
PSP SILA Contribution	\$150,000
Industry SILA Surcharge	\$41,120
Yacht Exemptions	\$34,025
	\$1,644,955



In 2017, the Board of Pilotage Commissioners was a non-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 is reviewed by the State Legislature but legislative spending authority is not required.

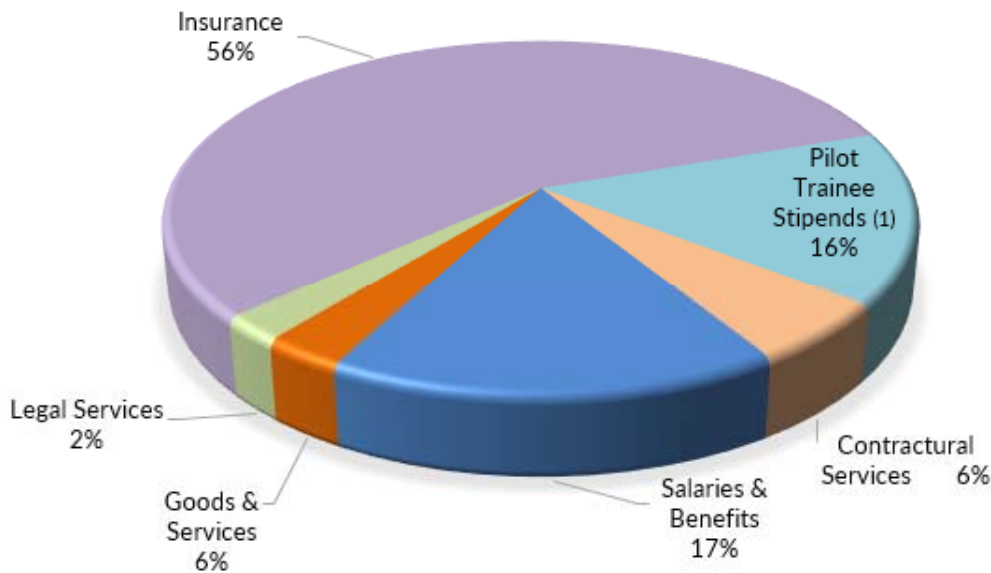
Pilot trainee stipend are funded by a tariff surcharge specified in [WAC 363-116-300](#) and paid to each trainee at a monthly rate of \$6,000 if the stipulations contained in WAC 363-116-078(10) are met.

SILA contributions are as a result of ESB 5096, which stipulated certain conditions in order for the Board to receive a transfer of funds from the State Multimodal Transportation Account solely for self-insurance liability premium expenses. ESB is further described in the Foreword of this report.

02 - BOARD MEMBERS, REVENUE, & EXPENSES (cont'd)

Annual Expenses

Salaries and Benefits	\$360,755
Goods and Services	\$65,469
Legal Services	\$51,252
Insurance (SILA)	\$1,212,266
Trainee Stipends (1)	\$340,687
Contractual Services	\$120,795
	\$2,151,224



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03 - LICENSED PILOTS

Puget Sound District

at 12/31/17 or at
retirement

PILOT	Lic #	Years Licensed
ANACKER, D. Scott	183	5.8
ANTHONY, Michael	184	5.4
ARNOLD, John	147	22.1
<i>BLAKE, Michael (Ret.)</i>	<i>163</i>	<i>11.0</i>
BOUMA, Blair	181	6.4
BROUILLARD, Dan	188	4.4
BRUSCO, David	180	7.8
BUJACICH, Jack	164	11.5
CARLEY, Warren (Bud)	186	5.0
CARLSON, Ivan	165	11.5
CARSTENSEN, James	195	2.3
COE, Frantz (Andy)	142	25.7
COLEMAN, Scott	191	3.3
CORYELL, Tom	189	4.0
EMERSON, Larry	126	30.0
ENGSTROM, Fred	185	5.1
<i>ENGSTROM, Vic (Ret.)</i>	<i>162</i>	<i>12.6</i>
GALVIN, Jamie	192	3.1
<i>GIESE, Peter (Ret.)</i>	<i>143</i>	<i>25.0</i>
GROBSCHMIT, David	169	10.6
HANNUKSELA, James	175	9.1
HARRIS, John	123	30.0
HENDERSON, J. David	197	0.5
HENSHAW, Brian	155	17.4
HUNTER, Philip	199	0.2
<i>HURT, Gary (Ret.)</i>	<i>158</i>	<i>16.5</i>
JENSEN, Brian	193	3.0
KALVOY, Jostein	170	10.6
KEARNS, James	182	6.0
KELLEHER, Neil	196	1.7
KELLY, Patrick	167	11.4
KLAPPERICH, Eric	172	9.9

at 12/31/17 or at
retirement

PILOT	Lic #	Years Licensed
LICHTY, Eric	190	3.7
LOWE, Brad	194	2.3
LOWERY, William (Bill)	187	4.9
MARMOL, Edmund	171	10.3
MAYER, Donald	121	31.4
MORENO, Stephan	178	8.1
<i>MORK, Stuart (Ret.)</i>	<i>159</i>	<i>16.0</i>
MYERS, Rodney	200	0.1
NEWMAN, Alec	125	30.0
ROUNDS, Christopher	198	0.5
SANDERS, David	152	20.7
SCOGGINS, John	161	12.9
SCRAGG, John	181	7.5
SEMLER, Joseph	156	17.2
SEMLER, Stephen	174	9.6
SEYMOUR, Lawrence	177	8.5
SHAFFER, Daniel	116	32.5
SHAFFER, James	145	25.2
SHULER, Mark	154	19.8
SLIKER, William	166	11.5
SORIANO, Donald	122	31.1
THORESON, George	176	9.1
vonBRANDENFELS, Eric	148	22.1
WILDES, Gordon	173	9.9
Number of PS pilots at 12/31/2016		52
<i>Pilots retiring in 2017:</i>		<i>5</i>
Pilots licensed in 2017:		4
Number of PS pilots as of 12/31/17:		51

Grays Harbor District

at 12/31/17

PILOT	Lic #	Licensed
D'Angelo, Robert	15	24.8
White, Ryan	17	3.0
Number of GH pilots at 12/31/2016		2
<i>Pilots retiring in 2017:</i>		<i>0</i>
Pilots licensed in 2017:		0
Number of GH pilots as of 12/31/17:		2

04 - PILOT EDUCATION & OUTREACH

Licensed pilots were offered various off-site training or refresher courses in 2017. The classes attended included:

SIMULATOR/MANNED-MODEL

The Board mandates vessel simulator training for a licensed pilot at least once every five years for all active pilots, per [RCW 88.16.090\(9\)](#). Pilots have generally chosen to attend manned-model simulator training. This year, two pilots licensed within the last 12 months traveled to Port Ilawa, Poland to attend the Basic Manned-Model simulator training. Additionally, two pilots attended the Advanced Shiphandling class held in Port Ilawa, Poland and another two attended the class in Port Revel, France.



Photo Credit: Ilawa Ship Handling Center

As depicted and summarized from the schools' web-sites, training on the manned 1:25 scale models is a valuable complement to training as it provides extra experience that could never be gained on real ships. Manned model training reproduces realism of emergency situations, close proximity realism, anchoring and other special maneuvers, and maneuvers in current and tide. These schools provide the training to make the difference between being good and being the best.

AZIPOD (CRUISE SHIP SPECIFIC PROPULSION SYSTEM)

A 2.5 day Simulator Azipod course for 34 pilots (4 pilots per session). This simulator based course provided our pilots with important knowledge and skills in the use of propulsion systems found on many of the cruise ships that visit Puget Sound. The course provided ample hands-on practice maneuvering cruise ships to and from Pier 91 and Pier 66 in a variety of weather conditions. It also included use of common terminology and master-pilot communications. The course was held locally at the Pacific Maritime Institute.

ULTRA LARGE CONTAINER VESSELS (ULCV)

A one day Simulator ULCV training session for 15 pilots (3-4 pilots per session). These simulator based training sessions provided our pilots with an opportunity to practice real-time maneuvers with ULCVs in varying environmental conditions. An important element of this training included having actual tug boat operators from our district running the two tug simulators in coordination with the pilot on the ship simulator. Special techniques were practiced to handle these larger ships that were expected to, and now are arriving at our ports. The course was held locally at the Pacific Maritime Institute.

04 - PILOT EDUCATION & OUTREACH (cont'd)

TETHERED ESCORT

A one day Simulator Tethered Tanker Escort training session for 33 pilots (4-6 pilots per session). These simulator based training sessions focused on emergency maneuvers on loaded tankers with an escort tug in attendance or tethered (connected to the stern of the tanker with tugs line). Multiple scenarios were enacted which included engine and rudder failures. Pilots practiced various techniques for controlling the vessel with the escort tug. An important element of this training included having actual tug boat operators from our district running the tug simulator in coordination with the pilot on the ship simulator. The course was held locally at the Pacific Maritime Institute.

ELECTRONIC CHARTS DISPLAYS AND INFORMATION SYSTEMS FOR PILOTS (ECDIS-P)

A 2 day ECDIS-P course for 5 pilots. (2-4 pilots per session). This desktop simulator based course focuses on the use and limitations of shipboard electronic chart systems and associated equipment. In order for pilots to be kept up to date on the latest navigation electronics onboard vessels, pilots take this course every 5 years. The course was held locally at the Pacific Maritime Institute.



Photo Credit: RHMarine

04 - PILOT EDUCATION & OUTREACH (cont'd)

TRAIN-THE-TRAINER

In 2017, the Board offered four sessions of a specially designed Train-the-Trainer course. Both current pilots and pilot trainees attended with another session planned for August 7, 2018.

The course was developed to ensure that all pilots understand the changes coming forth from the *Training Program Evaluation Project* conducted in 2016. The enhancements to the training program trainee evaluation documents were developed using a "criterion based" evaluation system and the criteria was directly matched to a job analysis survey previously completed by subject matter experts (licensed pilots).

The program evaluation process ensures that every trainee receives the same opportunity to reach the same level of knowledge and expertise by linking training and evaluation to the pilot's job analysis.



PMI Instructor, Captain Bill Anderson, Jr., engaging current licensed pilots and pilot trainees in the Train-the-Trainer class.

04 - PILOT EDUCATION & OUTREACH (cont'd)

Pilot Outreach

Members of the Puget Sound Pilots Association (PSP) are participants in many activities and committees, and have a presence or are speakers at meetings relevant to maritime endeavors. This effort is outside of commitments to their own Board of Directors and the Board of Pilotage Commissioners, and often requires considerable time during their respite or off-rotation interval. PSP considers attendance at these events as non-revenue generating, non-vessel related assignments. Listed below are some of the committees or topics to which the pilots contribute their time and expertise:

Puget Sound Harbor Safety Committee
ENAV Workshop, Vancouver, WA
Simulator Presentation, Astoria, OR
Tacoma County Club Presentation
Holland America Lines
Transportation Convention, Dallas, Texas
Pre-Tow Conference
NW Maritime Center Board, Pt. Townsend, WA
Washington Environmental Council
West Coast Pilot Conference, San Francisco, CA
Outreach Tacoma (CHB)
Yacht Club Outreach
WISTA Presentation
Puget Sound Restoration
Army Corps of Engineers Deepening Project
NWSA (Northwest Seaport Alliance)
Washington Conservation Voters
Sound Experience
Ports and Waterways Safety, Bellingham, WA
Pilot Interview Assistance, Los Angeles, CA
Pier 91 Simulation, Florida
Bollard Pull/Best Practices
Area Maritime Safety Committee (AMSC)

05 - ANNUAL EARNINGS OF INDIVIDUAL PILOTS

Puget Sound Pilotage District

	2017 Total	Avg. Per Pilot 52.44	2016 Total	Avg. Per Pilot 52
Gross Earnings from Tariff Revenue <i>(Note 1)</i>	\$ 32,841,659	\$ 626,271	\$ 34,183,294	\$ 657,371
Pilot Organization Obligations & Operating Expenses				
Retirement Payments to Former Puget Sound Pilots and Executive Director	\$ 4,241,655	\$ 80,886	\$ 4,276,085	\$ 82,232
Operating Expenses of Puget Sound Pilots	6,597,522	125,811	6,394,794	122,977
	10,839,177	206,697	10,670,879	205,209
Net Earnings after Deduction of Organization Expenses	<u>\$ 22,002,482</u>	<u>\$ 419,574</u>	<u>\$ 23,581,917</u>	<u>\$ 453,498</u>
Disposition of Net Earnings				
Earnings Distributed to Pilots	\$ 18,929,552	\$ 360,975	\$ 20,450,685	\$ 393,282
Individual Pilot Medical Insurance <i>(Note 2)</i>	1,453,478	27,717	1,515,117	29,137
Transportation Allowances and Reimbursements	1,029,520	19,632	1,097,109	21,098
Individual Business Expense Allowance <i>(Note 2)</i>	589,932	11,250	519,006	9,981
Tariff Generated Earnings to Pilots	<u>\$ 22,002,482</u>	<u>\$ 419,574</u>	<u>\$ 23,581,917</u>	<u>\$ 453,498</u>

Notes:

1. 2017 includes Puget Sound Tariff Revenue of \$32,740,798 and Grays Harbor Tariff Revenue of \$100,861 transferred to PSP for pension payments for Grays Harbor retirees. 2016 includes the Puget Sound Tariff Revenue of \$34,073,555 and Grays Harbor Tariff Revenue of \$109,739 transferred to PSP for pension payments for Grays Harbor retirees.

2. PSP pays the individual pilot medical insurance premiums, which would normally be included in a benefit package if they were employed as opposed to being independent contractors. Individual Business Expense (IBE) includes an allowance per pilot for disability insurance, annual physical exam, Anacortes subsistence and lodging, and business communication costs.

05 - ANNUAL EARNINGS OF INDIVIDUAL PILOTS (cont'd)

Grays Harbor Pilotage District

	2017 Total	Average Per Pilot (2 Full time)	2016 Total	Average Per Pilot (2 Full time)
Gross Earnings from Tariff Revenue	\$ 1,783,817	\$ 891,909	\$ 1,526,328	\$ 763,164
Other Pilot Services Department Revenue	1,201	601	1,950	975
All PGH Pilotage Division Revenue	\$ 1,785,018	\$ 892,509	\$ 1,528,278	\$ 764,139
 Pilot Organization Deductions				
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot retirees with service credit prior to 2001 (Note 3)	\$ 136,224	\$ 68,112	\$ 106,027	\$ 53,014
Operating Expenses - PGH Pilot Services Division	662,237	331,119	479,387	239,694
Gain/(Loss) retained by Port of Grays Harbor (Note 4)	151,770	75,885	95,893	47,947
	950,231	475,116	681,307	340,654
 Net Earnings after Deduction of Organization Expenses	 <u>\$ 834,787</u>	 <u>\$ 417,394</u>	 <u>\$ 846,971</u>	 <u>\$ 423,486</u>
 Disposition of Net Earnings				
Pilot Wages (Note 5)	\$ 542,710	\$ 271,355	\$ 532,030	\$ 266,015
Employer Provided Benefits (Note 6)	188,005	94,003	168,016	84,008
Travel Allowance and Reimbursements	27,300	13,650	22,260	11,130
Incremental Duty Pay	11,440	5,720	43,034	21,517
Gain Sharing (Note 7)	65,332	32,666	81,631	40,816
	\$ 834,787	\$ 417,394	\$ 846,971	\$ 423,486
 Tariff Generated Earnings to Pilots	 <u>\$ 834,787</u>	 <u>\$ 417,394</u>	 <u>\$ 846,971</u>	 <u>\$ 423,486</u>

Notes:

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

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

5. Licensed pilots are employees of the Port of Grays Harbor as opposed to being independent contractors belonging to an association.

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

7. A salary premium is paid when upon various thresholds being met creating a positive net income for the Port. The final net income is shared between the Port and the pilots who, in turn, share equally in the salary premium when this occurs.

06 - ANNUAL EXPENSES OF PILOTAGE DISTRICTS

Puget Sound Pilotage District

	<u>2017</u>	<u>2016</u>
TOTAL TARIFF GENERATED REVENUE	\$ 32,841,659	\$ 34,183,294
SUMMARIZED EXPENSES		
Payments to Retired Pilots/Widows - Puget Sound District	\$ 4,172,153	\$ 4,206,583
Payment to Retired Executive Director	69,502	69,502
Pilot Medical Insurance - Puget Sound District	1,453,478	1,515,117
Seattle Other Operating/Administrative Expenses	<u>4,261,714</u>	<u>3,998,020</u>
Total Seattle Expenses	\$ 9,956,847	\$ 9,789,222
Port Angeles Station Operating Expenses	730,114	498,628
Pilot Boat Operating Expenses	<u>1,605,694</u>	<u>1,828,644</u>
Total PSP Operating/Administrative Expenses	\$ 12,292,655	\$ 12,116,494
Transportation Fees Paid Directly to Pilots	1,029,520	1,097,109
Individual Business Expense Allowance Paid to Pilots	<u>589,932</u>	<u>519,006</u>
Total Deductions from Revenue	\$ <u>13,912,107</u>	\$ <u>13,732,609</u>
Balance of Revenue Pool to Distribute	\$ 18,929,552	\$ 20,450,685
Other Income / (Expense)	<u>91,604</u>	<u>48,843</u>
NET INCOME FROM POOLED OPERATIONS	<u>\$ 19,021,156</u>	<u>\$ 20,499,528</u>

Puget Sound Pilotage District (cont'd)

SEATTLE OFFICE OPERATING EXPENSES

	<u>2017</u>	<u>2016</u>
Attorney fees	\$ 95,458	\$ 74,855
Bad debts	53,581	-
BPC SILA Contribution per Senate Bill 5096	150,000	-
Computer maintenance & programming	181,189	202,645
Computer programming	139,579	-
Conferences	40,284	72,024
Consulting services	84,790	37,029
CPA fees	78,028	76,104
Depreciation	355,567	379,135
Drug testing	3,398	3,922
Dues	165,910	162,884
Employee benefits	191,127	190,681
Employee salaries	842,741	830,582
Equipment leases	4,877	3,993
Gifts	3,228	7,239
Insurance	182,141	183,676
Interest	13,763	21,462
License fees - pilots	344,500	338,000
Lobbyist	67,336	53,717
Medical insurance - pilots	1,453,478	1,515,117
Office maintenance & repair	10,171	5,353
Office supplies	30,162	32,379
Payments to Retired Pilots/Widows - Grays Harbor District <i>(Note 5)</i>	100,861	109,739
Payments to Retired Pilots/Widows - Puget Sound District	4,172,153	4,206,583
Payment to Retired Former Director	69,502	69,502
Pilot training	233,351	303,640
Printing & publications	19,045	27,217
Rent & parking	121,206	117,845
Taxes on payroll	53,757	55,883
Taxes, other	2,224	5,889
Taxes on revenue	536,464	562,762
Travel, entertainment, promotion	121,041	99,532
Telephone & communications	35,935	39,833
Seattle Office Total	\$ 9,956,847	\$ 9,789,222

Notes:

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

Puget Sound Pilotage District (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2017</u>	<u>2016</u>
Depreciation	\$ 46,615	\$ 48,609
Food	104,390	84,766
Insurance	36,583	36,857
Maintenance and repairs	217,227	28,747
Rent, tideland lease	4,310	4,001
Reposition pilots	242,870	220,376
Supplies	9,447	25,657
Taxes on property	12,241	12,488
Telephone & communications	21,624	13,581
Training	-	405
Utilities	24,807	23,141
Port Angeles Total	<u>\$ 720,114</u>	<u>\$ 498,628</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28	\$ 28
Employee benefits	233,318	235,524
Employee salaries	802,534	751,901
Fuel of "Juan de Fuca"	136,721	129,025
Fuel of "Puget Sound"	164,639	102,487
Insurance	91,064	93,080
Maintenance & operation of "Juan de Fuca"	49,693	59,447
Maintenance & operation of "Puget Sound"	61,569	394,394
Taxes on payroll	62,299	58,714
Taxes on property	3,829	4,044
Pilot Boat Operations Total	<u>\$ 1,605,694</u>	<u>\$ 1,828,644</u>

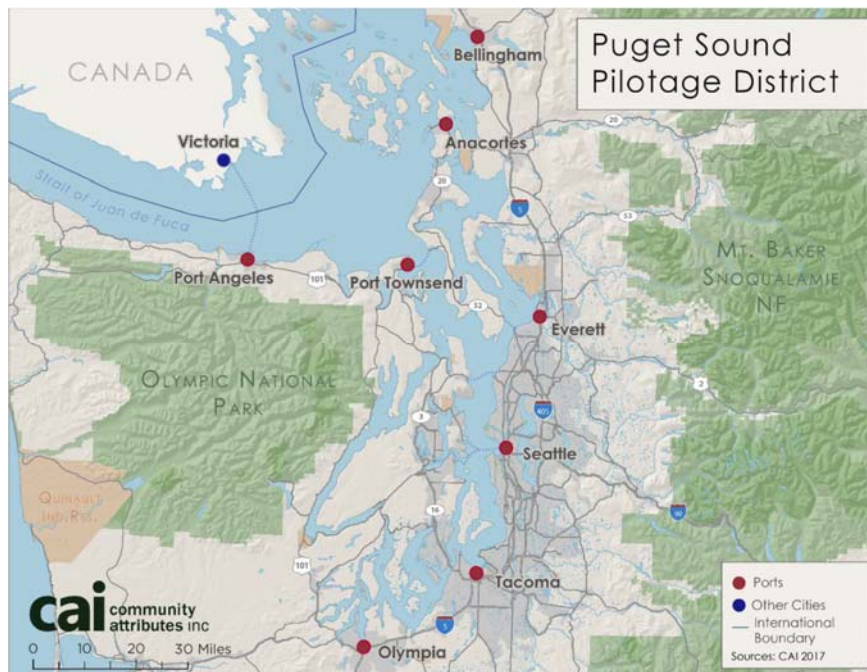
Puget Sound Pilotage District (cont'd)

SCHEDULE OF EMPLOYEES

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

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

Chapter [88.16 RCW PILOTAGE ACT](#) defined the Puget Sound Pilotage District as all the waters of the State of Washington inside the international boundary line between the State of Washington, the United States and the province of British Columbia, Canada and east of one hundred twenty-three degrees twenty-four minutes west longitude.



Source: Washington State Pilotage Final Report and Recommendations, January 1, 2018

Grays Harbor Pilotage District

	<u>2017</u>	<u>2016</u>
Vessel Arrivals / Pilot Assignments	109 / 258	99 / 229
Tariff Generated Revenue	\$ 1,783,817	\$ 1,526,328
Miscellaneous Revenues	1,201	1,950
TOTAL REVENUE	<u>\$ 1,785,018</u>	<u>\$ 1,528,278</u>

GRAYS HARBOR DISTRICT EXPENSES

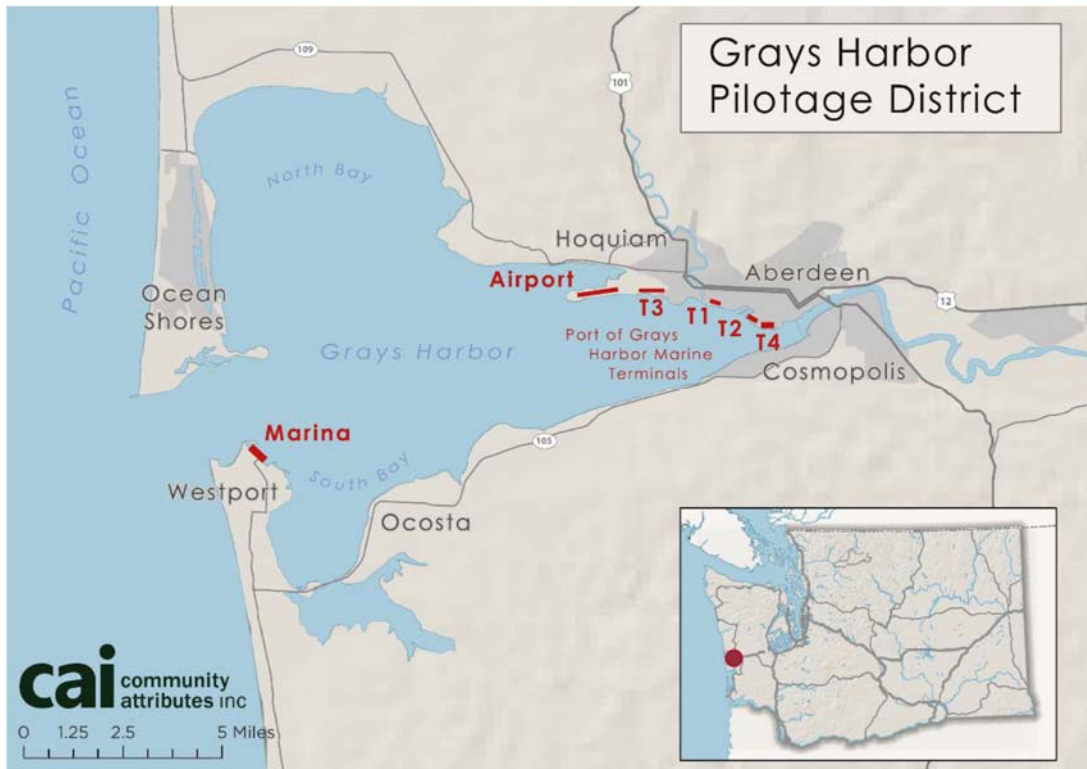
Advertising	\$ 53	\$ 53
Benefits	188,005	168,016
Pilot launch services	330,437	309,229
Depreciation	22,184	20,417
Dues & license fees	13,000	13,000
Insurance	1,684	1,684
Legal services	1,133	957
Miscellaneous other expenses	1,146	675
Pension contribution paid to PSP for GH Retirees	136,224	106,027
Pilot Trainee Stipend	-	16,800
Port Administrative Services	87,052	85,172
Repair/maintenance	139,015	1,442
Supplies	14,323	5,692
Taxes	24,777	19,270
Telephone	4,347	5,597
Training	9,575	375
Travel/Lodging/Meals	13,512	13,286
Wages	542,710	532,030
Gain Sharing Distribution	65,332	81,631
Incremental Duty Pay	11,440	43,034
Travel Allowance Provided to Pilots	27,300	22,260
GRAYS HARBOR DISTRICT TOTAL EXPENSES	<u>\$ 1,633,249</u>	<u>\$ 1,446,647</u>
GRAYS HARBOR DISTRICT OPERATING INCOME	<u>\$ 151,770</u>	<u>\$ 81,631</u>

In 2017:

*Full-time Pilots employed by Port of Grays Harbor: Captain R. D'Angelo, Captain R. White
Port of Grays Harbor employees providing administration: Gary Nelson, Mary Nelson, Tracy Ewing*

Grays Harbor Pilotage District (con't)

Chapter [88.16 RCW PILOTAGE ACT](#) defines the Grays Harbor Pilotage District as all inland waters, channels, waterways, and navigable tributaries within Grays Harbor and Willapa Harbor. The boundary line between Grays Harbor and Willapa Harbor and the high seas shall be defined by the Board.



Source: Washington State Pilotage Final Report and Recommendations, January 1, 2018



Aerial of the Port of Grays Harbor Operations. Photo Credit: KBKW

Major Capital Assets

PUGET SOUND:

Property, boats and equipment are summarized as follows:

	<u>2017</u>	<u>2016</u>
Port Angeles station building	\$ 2,104,532	\$ 2,104,532
Port Angeles station furnishings & equipment	153,542	153,542
Pilot boat "Juan de Fuca"	3,229,434	3,229,434
Pilot boat "Puget Sound"	3,718,327	3,718,327
Seattle office furnishings, furniture, computers, & equipment	1,756,010	1,756,010
Portable pilot units	1,141,572	1,141,572
Portable radio equipment	<u>95,659</u>	<u>95,659</u>
	\$ 12,199,076	\$ 12,199,076
Less accumulated depreciation & amortization	<u>11,000,246</u>	<u>10,599,068</u>
	<u>\$ 1,198,830</u>	<u>\$ 1,600,008</u>

GRAYS HARBOR:

Property, boats and equipment are summarized as follows:

	<u>2017</u>	<u>2016</u>
Pilot Boat "Chehalis"	\$ 317,630	\$ 277,629
Computer equipment (mobile)	38,355	54,877
Radio equipment	<u>12,052</u>	<u>15,882</u>
	\$ 368,037	\$ 348,388
Less accumulated depreciation	<u>257,622</u>	<u>249,987</u>
	<u>\$ 110,415</u>	<u>\$ 98,401</u>

07 - PILOTAGE TARIFFS

Puget Sound Pilotage District:

WAC 363-116-300 Pilotage Rates for the Puget Sound
Pilotage District. Effective 0001 hours January 1, 2017, through
2400 hours December 31, 2017.

CLASSIFICATION Ship length overall (LOA)	RATE
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

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

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

Puget Sound Pilotage District (CONT):

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Puget Sound Pilotage District (CONT):

Sailing Delay:

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

Slowdown:

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

Delayed Arrival - Port Angeles:

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

Tonnage Charges:

0 to 20,000 gross tons:

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

Puget Sound Pilotage District (CONT):

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton.

Notwithstanding the above tonnage charges, there shall be a minimum tonnage charge of \$500.00 applied to:

(1) All LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and

(2) All LOA Zone II and greater assignments.

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

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00
Olympia	155.00
Point Wells	42.50

Puget Sound Pilotage District (CONT):

Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

Puget Sound Pilotage District (CONT):

British Columbia Direct Transit Charge:

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

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$ 283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$ 283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$ 525.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$ 514.00

Puget Sound Pilotage District (CONT):

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

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	263	381	650	968	1,304	1,692
450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
470 - 479	285	404	672	1,020	1,347	1,711
480 - 489	294	410	675	1,038	1,355	1,719
490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
510 - 519	315	431	702	1,085	1,398	1,744
520 - 529	319	447	712	1,090	1,410	1,758
530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946
640 - 649	486	566	832	1,188	1,604	1,960
650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167

Puget Sound Pilotage District (CONT):

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,494	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

Grays Harbor Pilotage District:

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District.
Effective 0001 hours January 1, 2017, through 2400 hours December 31, 2017.

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

Draft and Tonnage Charges:

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

Draft	\$ 114.97 per meter or \$ 35.04 per foot
Tonnage	\$ 0.329 per net registered ton
Minimum Net Registered Tonnage	\$ 1,152.00
Extra Vessel (in case of tow)	\$ 646.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$6,387.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter \$ 1,092.00

Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage \$ 803.00

Delays per hour \$ 189.00

Cancellation charge (pilot only) \$ 315.00

Cancellation charge (boat or helicopter only) \$ 944.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$803.00 and in addition, when a bridge is transited the bridge transit charge of \$346.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations \$ 528.00

Travel Allowance:

Transportation charge per assignment \$ 105.00

Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$1,064.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited \$ 346.00

Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam \$ 946.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.

08 - INCIDENT REPORTS & MARINE SAFETY OCCURENCES

INCIDENT REPORTS

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 his/her 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 his/her duties on a vessel, regardless of whether the incident results in physical injury to the pilot or pilot trainee.

PUGET SOUND PILOTAGE DISTRICT

Four Incidents were filed in the Puget Sound Pilotage District in the year 2017.

DATE	VESSEL	LOCATION	BOARD DECISION
03/04/17	Midnight Sun	Tacoma, TOTE berth	Incident with damage and with pilot error.
06/10/17	New Face	PA, T-Pier	Incident with minimal damage and no pilot error.
07/06/17	Alaskan Frontier	BP Cherry Point, South Dock	Incident with damage and pilot error but with mitigating circumstances.
07/09/17	Port Pegasus	Olympia, Berth 3	Incident with damage and with pilot error.

GRAYS HARBOR PILOTAGE DISTRICT

Zero Incidents were filed in the Grays Harbor Pilotage District in the year 2017.

MARINE SAFETY OCCURRENCES

WAC 363-116-200(1)(b): A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment. A report of Marine Safety Occurrence may be voluntarily submitted on an out-of-the-ordinary occurrence or concern for navigational safety that is encountered or observed during the course of piloting a vessel.

PUGET SOUND AND GRAYS HARBOR DISTRICTS

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

- * twenty-one vessel equipment malfunctions or failures, three were classified as near-miss;
- * two were originally filed as Incidents and were reclassified as MSOs by the BPC.

Two MSO reports were filed the Grays Harbor District:

- * two vessel equipment malfunctions or failures, neither classified as near-miss.

The Board is 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. Our safety record was recognized by the USCG in January 2017:

"When I first came here four years ago, I asked my staff to pull the safety stats and compare us to the other big ports around the country; New York, Houston, Galveston, New Orleans, LA Long Beach, San Francisco. The differences are really stunning. I will say, without hesitation, that Puget Sound is the safest large port in the country. And that's something to be very proud of." - Former Commander Sector Puget Sound, Captain Joe Raymond, January 19, 2017



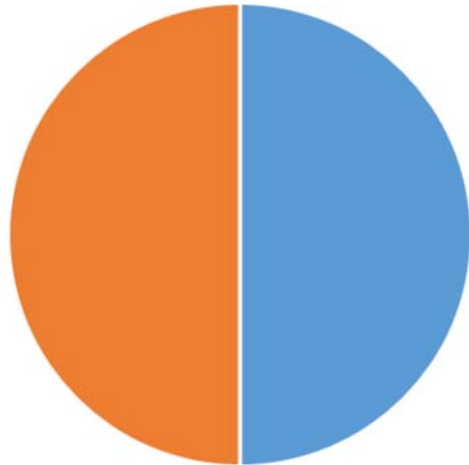
Docking the WESTWOOD RAINIER at the Port of Tacoma. Photo credit: Puget Sound Pilots

09 - PETITIONS FOR VESSEL EXEMPTION

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.

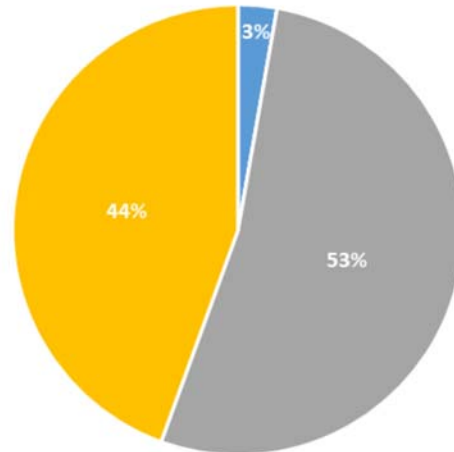
Certificate #	Vessel	LOA	GRT	Approved Operator	Country of Origin	Approved Dates
17-11 R	AFTER EIGHT	151 FT	498 GRT	Lindsay	Isle of Man	04/26/17 - 04/25/18
17-21R	ALCHEMY	119 FT	235 GRT	Sanson, Johnson	Marshall Islands	06/05/17 - 06/04/18
17-03R	ARCTIC PRIDE	123 FT	297 GRT	Seethoff	Jamaica	02/13/17 - 02/12/18
17-25N	ANTARES	130 FT	298 GRT	Grey	Marshall Islands	06/26/07 - 06/25/18
17-16R	ARROWHEAD	115 FT	193 GRT	St. Pierre	Marshall Islands	06/23/17 - 06/22/18
17-02N	AURORA	105FT	414 GRT	Roush	Cayman Islands	02/06/17 - 02/05/18
17-13N	ASPEN ALTERNATIVE	164 FT	459 GRT	Robberts	Cayman Islands	05/15/17 - 05/14/18
17-26N	BIG EAGLE	172 FT	399 GRT	Featherstone, Virgilio	St. Vincent	06/28/17 - 06/27/18
17-30N	BOARDWALK	164 FT	492 GRT	Judson	Cayman Islands	09/04/17 - 09/03/18
17-27N	CALEX	164 FT	492 GRT	Clemens	Cayman Islands	07/30/17 - 07/29/18
17-29N	CKLASS NAUTIQUE	150 FT	386 GRT	DeLuca	Belize	08/22/17 - 11/21/17
17-17R	CV-9	131 FT	322 GRT	Feffer	Cayman Islands	06/15/17 - 06/14/18
17-32R	ELISA	150 FT	456 GRT	Hill	Marshall Islands	09/24/17 - 09/23/18
17-31R	EVVIVA	164 FT	492 GRT	Bracewell	Cayman Islands	09/19/17 - 09/18/18
17-24N	ENDLESS SUMMER	164 FT	498 GRT	Hodgson	Cayman Islands	09/07/17 - 12/06/17
17-23N	GEORGIA	160 FT	381 GRT	Gamble	Cayman Islands	06/14/17 - 09/13/17
17-36N	GRAN FINALE	147 FT	451 GRT	Gorman, Kay	St. Vincent & Grenadines	10/09/17 - 10/08/18
17-20R	ICE BEAR	171 FT	614 GRT	Butler, Hayes	Cayman Islands	06/07/17 - 06/06/18
17-10R	IMPROMPTU	120 FT	244 GRT	Milla	Grand Cayman	06/08/17 - 06/07/18
17-09R	INVADER	164 FT	608 GRT	Batchelder	Cayman Islands	05/13/17 - 05/12/18
17-35N	ITASCA	175 FT	845 GRT	Carter	Cayman Islands	09/25/17 - 09/24/18
17-38N	LEGEND	172 FT	603 GRT	Blakeway	Marshall Islands	01/22/18 - 04/21/18
17-34R	MEA CULPA	130 FT	302 GRT	Grant	Cayman Islands	10/20/17 - 10/19/18
17-01N	PLAYPEN	142 FT	395 GRT	Southgate	Marshall Islands	04/01/17 - 03/31/18
17-15N	PICOSA LADY	103 FT	180 GRT	Ocobock	Marshall Islands	04/21/17 - 04/20/18
17-33 N	QUIVIRA	146 FT	246 GRT	Twyman	Marshall Islands	09/06/17 - 12/05/17
17-22N	SEPTIMUS	163 FT	499 GRT	Lacey	Cayman Islands	06/30/17 - 06/29/18
17-14R	SIN OR SWIM	116 FT	248 GRT	Du Plessis	St. Vincent	05/15/17 - 05/14/18
17-18N	SPIRIT	178 FT	656 GRT	Damette, Macahonic	Cayman Islands	05/18/17 - 05/17/18
17-08R	ST. EVAL	114 FT	215 GRT	Milla	Cayman Islands	05/15/17 - 05/14/18
17-19R	STAMPEDE	117 FT	191 GRT	Allen	Marshall Islands	05/22/17 - 05/21/18
17-04R	TRITON	163 FT	527 GRT	Johns, Piesch, Herregods	Marshall Islands	05/01/17 - 04/30/18
17-05R	VICTORIA CLIPPER	127 FT	431 GRT	Various	Curacao	05/01/17 - 04/30/18
17-06R	VICTORIA CLIPPER IV	118 FT	478 GRT	Various	Bahamas	05/01/17 - 04/30/18
17-07N	WILDFLOUR	156 FT	496 GT	Marks	Marshall Islands	06/01/17 - 08/31/17
17-12R	WOFANU	47 FT	25 GRT	Hildebrand	Germany	05/13/17 - 05/12/18

2017 Exemptions by Type



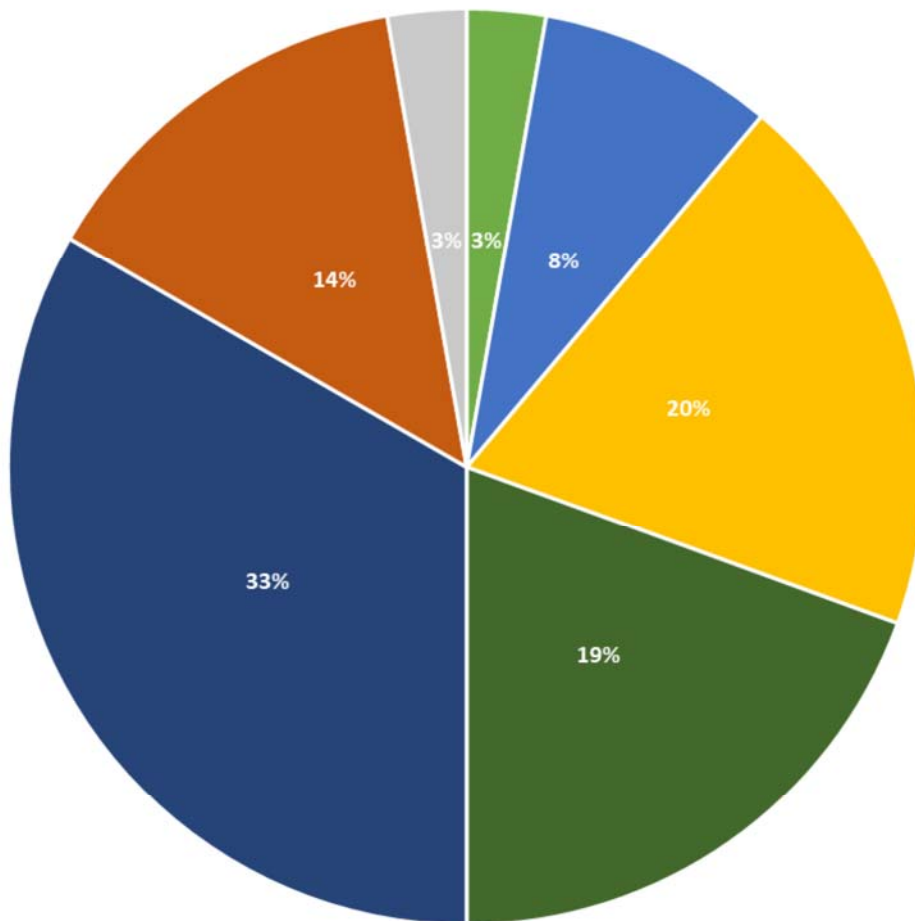
■ New Exemptions - 18 ■ Renewed Exemptions - 18

2017 Exemptions by Length Overall



■ 0-50 FT ■ 51-100 FT ■ 101-150 FT ■ 151-200 FT

2017 Exemptions by Gross Tonnage



■ 0 - 100 GRT ■ 101 - 200 GRT ■ 201 - 300 GRT ■ 301 - 400 GRT
■ 401 - 500 GRT ■ 501 - 750 GRT ■ 751 - 1300 GRT

09 - PETITIONS FOR VESSEL EXEMPTION (cont'd)

As a result of Substitute Senate Bill 5262, as described in the Overview of this report, the Board may require a pilot orientation trips for vessel masters who are new to the area. Puget Sound Pilots created a checklist to be used by pilots who are conducting that orientation trip.

Puget Sound Familiarization Checklist

This checklist is for use by pilots who are assigned to yachts or other vessels requesting exemption from pilotage requirements.

The following items should be discussed with the vessel master:

- The Puget Sound Vessel Traffic Service.
e.g., VTS VHF Channels and call in points,
- Maritime traffic types, patterns and local protocols.
e.g., Ferries, fishing vessels, tug and tows, recreational vessels, commercial vessels, etc.
- Information on local VHF radio channels and communications.
e.g., Channel 13, Port Operations channels to be avoided, weather channels -
http://www.byc.org/weather_radio/vhfchannels.html
- Availability of the United States Coast Pilot – 7: Pacific Coast that cover any area in which the vessel will be navigated. Available on-line at
<http://nauticalcharts.noaa.gov/nsd/cpdownload.html>
- Local tide and current information. Such as that available on-line at
<http://tidesandcurrents.noaa.gov/index.shtml>
e.g., Extreme tidal range and currents during spring tides, wake control during high tides, etc.
- Puget Sound Harbor Safety Plan.
Available on-line at: http://www.pshsc.org/about/harbor_safety_plan
- Paper or electronic charts of all areas to be navigated, updated and of appropriate scale.

10 - DIVERSITY PROGRAM

INTRODUCTION:

The Washington State Board of Pilotage Commissioners strongly supports ethnic and gender inclusion and diversity among pilots licensed by the Board. This is the fourth year of including a report on diversity initiatives in the Board's annual report. During 2017, the Board developed a new and more clearly defined trainee evaluation process described in the training section of this report. It also instituted a new "Train the Trainer" course for all training pilots and trainees. The Joint Diversity Committee, described further below, continues to examine barriers to pilotage, and is hard at work attracting potential candidates in becoming marine pilots.

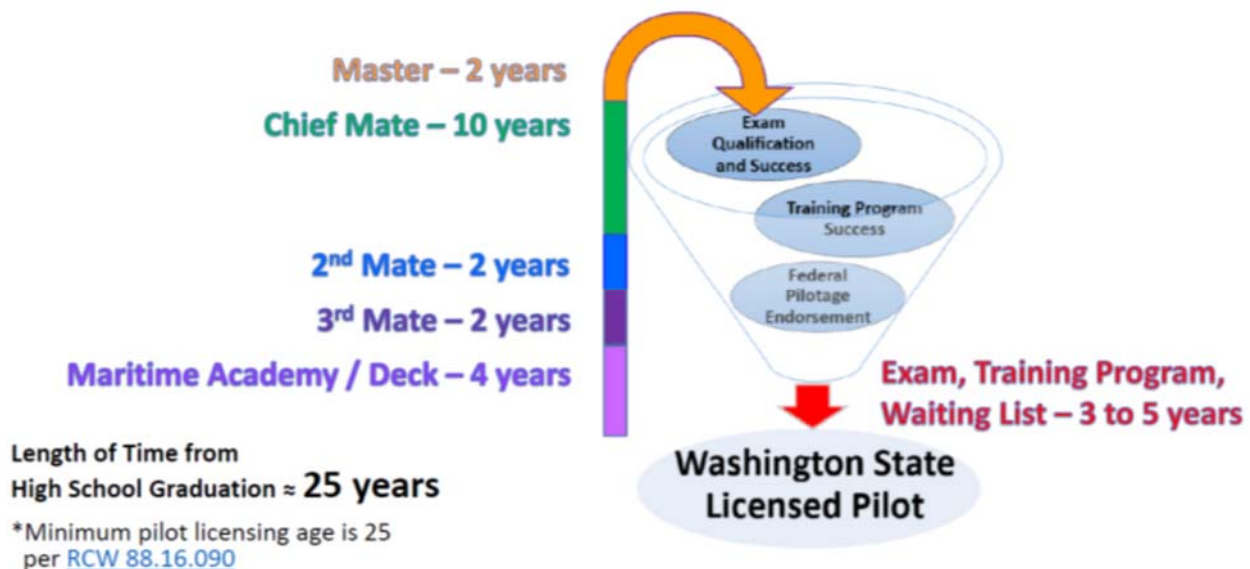
OVERVIEW:

The Board is committed to ensuring qualified pilotage in Washington State. Throughout the history of pilotage, the profession has been comprised of white males, with very few exceptions. As with many male dominated professions, the prevailing assumption is that women and underrepresented minorities do not wish to enter the field. The Board is committed to changing this assumption and to developing a more diverse workforce of qualified pilots. The Board established a diversity committee and has begun to understand possible barriers to becoming a pilot. The committee is using a two pronged approach focusing on women and people of color already in the pipeline, and secondly, on influencing youth to consider maritime careers.

THE PILOTAGE PIPELINE:

The merchant marine industry is one of the most culturally and ethnically diverse industries in the world. However, it has a very small percentage of females and underrepresented minorities. The industry also has challenges with attrition of licensed mariners and with an aging workforce. At the same time, as described later in this report, there is reason for optimism in creating a more diverse pilotage corps.

Pilotage depends on the pipeline of mariners working their way up the ladder of responsibility. The following figure illustrates the timeline necessary to gain the experience needed for pilotage in Washington State:



10 - DIVERSITY PROGRAM (cont'd)

It is in our interest to do what we can to contribute to diversity in the pipeline – from high school to maritime academies, to employers to candidates to taking the pilot exam.

As part of the Joint Transportation Committee study commissioned by the Washington State Legislature, the following table was developed. That report identified the lack of diversity as a national challenge, with 37 female state licensed pilots across the U.S. The report also identified the lack of consistent definitions with respect to how pilots are actually identified. The report was helpful, though, in identifying some districts where there has been at least limited success in recruiting female trainees and pilots. The report made no attempt at identifying ethnic diversity.

Table 1: Female State-Licensed or Trainee Pilots by State, 2017

State	Number of female pilots	Total Number of Pilots	Share of Pilots
Alabama	0	14	0%
Alaska	7 (3 licensed, 4 training)	65	11%
California (San Francisco only)	0	59	0%
Connecticut	0	3	0%
Delaware/ Pennsylvania	5 (licensed)	67	7%
Florida	2 (licensed)	99	2%
Georgia	0	27	0%
Hawaii	0	8	0%
Louisiana	5 (licensed)	288	2%
Maine	0	6	0%
Maryland	3 (licensed)	68	5%
Mississippi	0	7	0%
Massachusetts	0	9	0%
North Carolina	0	9	0%
New Hampshire	0	3	0%
New Jersey/ New York	5 (4 licensed, 1 training)	81	6%
Oregon	2 (licensed)	61	3%
Rhode Island	0	3	0%
South Carolina	0	19	0%
Texas	6 (licensed)	168	4%
Virginia	1 (licensed)	45	2%
Washington	1 (training)	53	2%
Great Lakes District 1	0	17	0%
Great Lakes District 2	0	13	0%
Great Lakes District 3	0	13	0%
Total	37	1,205	3%

Source: Paul Kirchner, Executive Director and General Counsel, American Pilots' Association, 2017.⁶

10 - DIVERSITY PROGRAM (cont'd)

Worldwide, firsts are being reported – recently Women Offshore (womenoffshore.org) featured Captain Hanna Odengrund from Norrköping, Sweden, where she maneuvers ships between Oxelösund and Norrköping. Sherrie Hickman is another example, a Houston Ship Channel maritime pilot for the past 23 years. In last year's report, we mentioned two women pilots in Africa. The Board continues to search out individual women to feature on our website.

Washington State pilots come mainly from four backgrounds: deep sea vessels, tugs and regional vessels, ferries, and the U.S. Coast Guard. All state pilots hold federal licensure as well, though Washington pilots may earn their federal licensure as they train for Washington State licensure. Washington State has licensed shipboard pilots since the 1800s. Over the past 10 years, at any time there have been between 50 and 56 licensed Puget Sound pilots and 2 or 3 Grays Harbor Pilots. The number of pilots is reviewed by the Board with a goal of keeping the number of pilotage assignments appropriate to maintain an optimum level of safety. From 2007 to 2017, 36 pilots have been licensed and 31 have retired, giving an annual turnover of just over 3 pilots per year. The pilotage application and exam process takes place every four years or less, with a roster of successful exam applicants of 14 people in 2008, 16 people in 2012, and 12 in 2016. Trainees are called up from the list in anticipation of future pilotage needs. On average it takes trainees 18 to 24 months to complete the training program and to be issued a license, if they successfully complete the training program.

Throughout that history there have been some licensed pilots from diverse cultural backgrounds but there has not been a female Washington State licensed pilot. Fortunately, in April 2016, a woman took the examination and placed at the top of the list of potential trainees. She began training as a Puget Sound pilot in May 2017. If she maintains her current trajectory and completes the evaluation phase of her training, she should be licensed by fall 2018.

The list of trainee aspirants from the 2016 exam is almost exhausted, so the next exam is scheduled for November 2018. The Board has engaged Sheila LaFleur of Job Propeller to improve visibility of our pilotage districts to all potential candidates. In the 2018 application process, the Board will collect the applicant's ethnicity, and gender on a and voluntary basis.

Once the examination and evaluation process starts, the applicants are identified only by a number which is set by an independent contractor so that the ethnicity and gender, if provided, and scores attained by applicants are not associated with a person's name. Only after the list of successful applicants is published is any information about the individual applicants revealed to the Board (and the public) and then that information is limited to what can be garnered by names (which may not be reliable since some names cross genders as well as ethnic backgrounds).

The Board has taken numerous steps since 2008 to adjust and improve its training program to be as objective and reliable as possible. These steps include hiring psychometric experts to review and revise the training program; separating the training program into three distinct phases of observation, training, and evaluation; and offering Train-the-Trainer courses to pilots who complete trip evaluation forms on the trainees; etc. The training program for the 2016 trainees uses new criteria for training and evaluation. These criteria are linked to the job functions of pilots. During the evaluation phase of training, the training pilot remains "hands off" unless a significant problem is developing. When the training pilot has to take the helm from a "trainee," this action is called an intervention. The Board has now developed a definition for an intervention, and has established the maximum number of interventions at which time a trainee is terminated from training. The Board will continue to ensure that all of the processes it uses to ultimately license pilots are free from bias or discrimination.

10 - DIVERSITY PROGRAM (cont'd)

Various elements within the maritime industry have recognized the dearth of young people (particularly women) who seek careers in the industry and have launched recruiting efforts with the objective to turn that situation around. For example, the United State Maritime Administration (MARAD) has supported “Women on the Water Conferences” for the past nine years. Held at maritime academies, these conferences are designed to support women in maritime careers.

The six state academies and the US. Merchant Marine Academy at Kings Point, NY provide about 95% of all licensed officers. Academies report a new generation is enrolling – with students who were born in the late 1990’s and are more diverse and inclusive. The president of the State University of New York Maritime College describes the students as “high caliber intellectually, more capable of working in an inclusive team environment, more comfortable with technology, and capable of adapting...” He also points out that “there are 45 maritime and marine science high schools across the country, with more opening each year.”

The Board will continue to encourage these efforts to support women and minorities. Local programs aimed at increasing youth involvement include those of the Tacoma Youth Marine Center, the Northwest Maritime Center, the Washington State Ferry System, the Ports of Tacoma and Seattle, and the Seattle Maritime Academy/Youth Marine Collaborative.

It is a goal of the Board to have a more diverse group of pilots in the coming years. This includes a desire to see more cultural, ethnic, and gender diversity. But as stated above, anyone who becomes licensed must be qualified.

DIVERSITY ACTION PLAN: 2017-2018 actions are shown in italics

1. **GOAL: Increase Ethnic and Gender Diversity of Licensed Pilots in Washington State**

ACTIONS	STRATEGIES
<p>A. Establish a Diversity Committee of Board members, mariners, and maritime professionals interested in promoting policies to encourage diversity to the extent allowed by law.</p> <p>Puget Sound Pilots (PSP) and the Board established a Joint Diversity Committee, which meets regularly. Committee minutes are posted on the Board website. Committee members include active male and female pilots, a retired female pilot, maritime industry leaders, and graduates of maritime academies. Amy Scarton and Elizabeth Kosa, leaders at Washington State Ferries, have joined the committee as well.</p>	<ul style="list-style-type: none"> - Support trainees in the Board’s pilot training program; - <i>Identify and build a list of potential candidates for the next pilot exam, scheduled for November 2018;</i> - Examine possible barriers to entry to pilotage and to mitigate them;

10 - DIVERSITY PROGRAM (cont'd)

1. GOAL: Increase Ethnic and Gender Diversity of Licensed Pilots in Washington State (cont'd).

ACTIONS	STRATEGIES
<p>A. Establish a Diversity Committee of Board members and mariners and maritime professionals interested in promoting policies to encourage diversity to the extent allowed by law (cont'd).</p>	<ul style="list-style-type: none"> - Review the training program and ways of making it more effective; - <i>Monitor and learn from diversity activities in other pilotage districts;</i> - <i>Develop strategies necessary to build a diverse pool of interested candidates;</i> - <i>Encourage youth and young adults to consider professional mariner careers;</i> - <i>Develop ideas generated by the committee and other interested individuals;</i> - <i>Develop a Joint Diversity Committee document expressing mission, goals, and key messages</i>
<p>B. Forecast the need for licensed pilots due to mandatory retirement at age 70 and projected shipping activity. Use such data to prepare a five-year forecast for pilotage. Use the five-year forecast to predict potential needs for new pilots out to ten years.</p>	<ul style="list-style-type: none"> - <i>The Board's Trainee Evaluation Committee regularly surveys pilots with respect to retirement plans and projects the likely need for new trainees in the next 3-5 years. Factored into this assessment are any projected changes in shipping volumes.</i>
<p>C. Collect and report demographic data for all licensed pilots in Washington (as allowed by the privacy provisions of the RCW). Each pilot will submit data on an annual basis and the data will be aggregated for reporting. All individual data will be kept confidential. This is not yet accomplished.</p>	<ul style="list-style-type: none"> - <i>Puget Sound Pilots (PSP) will be asked to prepare aggregated data.</i>

2. GOAL: Participate in efforts to develop a diverse pool of applicants with qualifications.

ACTIONS	STRATEGIES
<p>A. Develop and use comprehensive means of notifying mariners of the pilotage application and examination. Ensure announcements of upcoming examination cycles are published in a wide spectrum of maritime publications and other modes of reaching mariners and pilots in other pilotage grounds.</p>	<ul style="list-style-type: none"> - <i>The 2018 Exam was announced on our website, through email distribution, and in well over a dozen publications, significantly more than in the past. Future goals include collaborating with other pilotage districts to identify candidates, rather than just competing for exam candidates.</i>

10 - DIVERSITY PROGRAM (cont'd)

2. GOAL: Participate in efforts to develop a diverse pool of applicants with qualifications needed to become licensed pilots (cont'd).

ACTIONS	STRATEGIES
<p>B. Participate in conference groups like "Women on the Water", sponsored by MARAD and maritime academies.</p> <p>C. Monitor and support the activities of a wide range of government and industry organizations that have programs to broaden the diversity of the maritime industry through actions such as advertising and recruiting.</p>	<ul style="list-style-type: none"> - <i>The Board Chair participated in the 2015 and 2016 conference and the Executive Director participated in two 2017 conferences, and informally met with cadets and young officers about pilotage.</i> - <i>The Joint Diversity Committee (JDC) membership includes maritime professionals in the industry. Washington State Ferries (WSF) has an active diversity program and provides regular updates to the JDC.</i>

3. GOAL: Eliminate any possible areas of bias or discrimination in training pilots.

ACTIONS	STRATEGIES
<p>A. Hire a third-party independence consultant to review the training program with an eye toward ensuring absolute fairness at every level.</p> <p>B. Provide diversity training for all pilots as part of the Train-the-Trainer course offered by the Board.</p>	<ul style="list-style-type: none"> - <i>Progeny Systems Corporation was engaged to lead a full review of the training program and it has been instituted for the 2016 list of trainees. Work continues for the 2018 exam process.</i> - <i>This was incorporated into the 2017 Train-the-Trainer course. In order for a Supervising Pilot to supervise trainees during their Training and Evaluation Phases, the Supervising Pilot must take the 2017 or newer Train-the-Trainer course.</i> - <i>The Board also updated the Anti-discrimination and Sexual Harassment Prevention policies to include trainees. They were also included in the new training program agreements, as was an arbitration policy. Expanded grievance policies are being developed.</i>

10 - DIVERSITY PROGRAM (cont'd)

4. GOAL: Support educational activities that develop student interest in maritime careers.

ACTIONS	STRATEGIES
<p>A. Support (within the bounds of the RCW/WAC) school programs that provide an introduction to the maritime world for young people.</p> <p>B. Ensure that Legislators are aware of such programs and encourage their support where appropriate.</p>	<ul style="list-style-type: none"> - <i>The Joint Diversity Committee has met with the Northwest Maritime Center, Washington State Ferries, and the Seattle Maritime Academy/Youth Marine Collaborative discussing outreach to youth.</i> - <i>Scholarship and internship funds have included in the 2017-2019 biennial budget of the Board. The Assistant Attorney General for the Board has reviewed State laws and rules regarding scholarships and internships, and has informed us of what we are able to do. To date, no funds have been awarded due to budget constraints.</i>

5. GOAL: Continue to improve this Diversity Action Plan

ACTIONS	STRATEGIES
<p>A. Have other agencies within Washington with expertise and experience in diversity action planning such as the Department of Transportation's Diversity Coordinator (Labor & Personnel Division) and their Office of Equal Opportunity , plus Attorney General attorneys who specialize in labor and personnel matters, review this plan and provide feedback for possible improvements.</p> <p>B. Compare the plan to any such plans maintained by other entities that have similar relationships with shipboard pilots (i.e. other pilotage commissions).</p> <p>C. Investigate successful diversity initiatives conducted by other pilotage commissions to glean ideas for improving this plan.</p>	<ul style="list-style-type: none"> - <i>In progress.</i> - <i>To date, no other plans have been identified.</i> - <i>To date, no other initiatives have been identified.</i> - <i>The Board Chair and staff have met with staff and Board Chairs of the San Francisco and Oregon commissions to discuss diversity and other issues involving pilotage. We advocate that commissions share information and jointly encourage qualified applicants to consider pilotage and take exams.</i>

10 - DIVERSITY PROGRAM (cont'd)

5. GOAL: Continue to improve this Diversity Action Plan (cont'd).

ACTIONS	STRATEGIES
<p>D. Review and update this plan at least annually, and include the in the Annual Report of the Board.</p> <p>E. Monitor the results of this plan and modify it as needed to ensure that it is as up-to-date and effective as possible.</p>	<p>- <i>This work continues!</i></p> <p>- <i>The Joint Diversity Committee continues to discuss ways of addressing attrition of officers, barriers to qualified individuals actually taking the exam, and barriers to pilotage for women and other underrepresented minorities.</i></p>

CONCLUSION:

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

2017 JOINT DIVERSITY COMMITTEE ROSTER:

Co-Chair — Sheri Tonn, Chair, Board of Pilotage Commissioners
Co-Chair — Linda Styrk, Executive Director, Puget Sound Pilots
Eric vonBrandenfels, President, Puget Sound Pilots
Jaimie Bever, Executive Director, Board of Pilotage Commissioners
Sara Thompson, Commissioner, Board of Pilotage Commissioners
Captain Deb Dempsey, Retired Pilot, Columbia River Bar Pilots
Captain Anne McIntyre, Pilot, Columbia River Pilots
Amy Scarton, Assistant Secretary, Washington State Ferries
Elizabeth Kosa, Chief of Staff, Washington State Ferries
Maggie Williams, Executive Vice President, KALM Seas Insurance
Emily Reiter, Director of Marketing & Communications, Saltchuk
Clare Petrich, Commissioner, Port of Tacoma
Phil Morrell, Commissioner, Board of Pilotage Commissioners
Jolene Hamel, Program Coordinator, Board of Pilotage Commissioners

11 - TUG INFORMATION

Vessel Name	HP	Propulsion	Bollard Pull Ahead	Bollard Pull Astern	Tension Gage	LOA	Breadth	Draft	Year Built	GRT	Escort Tug
Brusco											
Saturn	3500	Twin	36			85'	29'	13'	1970	147	N
Spartan	3500	Twin	36			85'	29'	13'	1970	147	N
Henry Brusco	3000	Twin/Kort	42	23.35		101'	27'	13'	1954	147	N
Ellis Brusco	2200	Twin/Kort	26			73'	26'	9'	1980	72	N
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
Barbara Foss	5400	Twin/Kort	65	NA	N	119'	34'	15'	1976	198	N
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
Jeffrey Foss	5400	Twin/Kort	65	NA	N	113'	34'	15'	1970	177	N
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
Denise Foss	7268	Twin Conventional	106	NA	N	122'	40'	20.7'	2016	295	N
Michelle Foss	7268	Twin Conventional	100	NA	N	122'	40'	20.7'	2015	295	N
Nichole Foss	7268	Twin Conventional	101	NA	N	122'	40'	20.7'	2017	295	N
Olympic Tug											
Brian S	3000	Twin	40	22	N	98'	30'	13'	1963	197	N
Millennium Falcon	4400	Z-Drive	64	59	N	105'	34'	17'	2000	173	N
Millennium Star	4400	Z-Drive	61	56	N	105'	34'	17'	2000	173	N
Michelle Sloan	5350	Z-Drive	69	65	Y	80'	36'	14'6"	2015	175	N
Rich Padden	5350	Z-Drive	68	N/A	Y	80'	36'	15' 8"	2017	175	N
Dr. Hank Haplan	5350	Z-Drive	68	61	Y	80'	36'	15' 8"	2017	175	N
Western Towboat											
Pacific	2000	Twin			N	67'	24'		1970	96	N
Wasp	1800	Twin/Kort			N	62'	19'		1968	73	N
West Point	1200	Z-Drive			N	60'	22'		1992	92	N
Westrac	2500	Z-Drive			N	76'	29'		1987	92	N
Westrac II	2500	Z-Drive			N	74'	29'		1995	92	N

12 - BPC STATEMENT OF POLICY: DEFINITION OF TERMS



STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS

STATEMENT OF POLICY

REGARDING: Definitions of Terms

It is the policy of the Board that it will use the following definitions when interpreting the listed terms whenever used by stakeholders in any verbal or written input provided to the Board. The Board will assume that when the following terms are used in communications with the Board, the drafter intends these definitions unless an alternate definition is provided as part of the communication.

1. Assignment

- a. A billable event relating to pilotage services.
 - i. Assignments include cancellations and ship movements, regardless of duration.
 - ii. For purposes of work allocation, an assignment is considered to commence when a pilot is assigned a vessel and concludes upon the pilot's arrival at the pilot station on an outbound assignment or upon the completion of travel for an inbound assignment (or upon Cancellation).

2. Average Assignment Time Per Ship Movement

- a. The sum total of time devoted to Assignments during a given period divided by the number of Ship Movements occurring during the same period.
 - i. Assignment Time generally commences when the pilot is assigned to the vessel and concludes upon completion of travel time for inbound assignments or arrival at the pilot station for outbound assignments.
 - ii. Assignment Time includes preparation and travel time (per PSP Operating Rules) plus Bridge Time.

3. Average Bridge Time Per Assignment

- a. The sum total of time aboard piloted vessels during a given period divided by the number of Assignments occurring during the same period.
 - i. Bridge Time generally commences concurrent with Order Time and concludes upon the pilot's arrival ashore.
 - ii. Pilots normally arrive on the bridge 30 minutes before the Order Time on outbound assignments.
 - iii. Average Bridge Time Per Assignment does not include Bridge Time for cancelled assignments nor time on the bridge before Order Time of outbound assignments.

12 - BPC STATEMENT OF POLICY: DEFINITION OF TERMS (cont'd)

- 4. Average Bridge Time Per Ship Movement**
 - a. The sum total of time aboard piloted vessels during a given period divided by the number of Ship Movements occurring during the same period.
 - i. Bridge Time generally commences concurrent with Order Time and concludes upon the pilot's arrival ashore.
 - ii. Pilots normally arrive on the bridge 30 minutes before the Order Time on outbound assignments.
 - iii. Average Bridge Time Per Ship Movement does not include time on the bridge for cancelled assignments nor time on the bridge before Order Time of outbound assignments.
- 5. Average Time Per Assignment**
 - a. The sum total of time devoted to Assignments during a given period divided by the number of Assignments occurring during the same period.
 - i. Assignment Time generally commences when the pilot is assigned to the vessel and concludes upon completion of travel time for inbound assignments or arrival at the pilot station for outbound assignments.
 - ii. Assignment Time includes preparation and travel time (per PSP Operating Rules) plus Bridge Time.
- 6. Cancellation**
 - a. A billable event involving the termination by a carrier (or agent) of a pilotage service request after a pilot has been assigned and before an outbound ship is moved or, in the case of an inbound vessel, the vessel is delayed by more than 6 hours if it occurs within 12 hours of the scheduled arrival time.
 - i. A Cancellation is deemed to occur if a pilot has been assigned and if the service request is cancelled within 12 hours before the scheduled vessel arrival at Port Angeles or, for outbound transits, four (4) hours from scheduled departure from Seattle; five (5) hours from any other port.
 - ii. Under current procedures, a pilot who has not commenced travel to an outbound assignment at time of cancellation remains available for immediate dispatch. A pilot who has commenced travel is removed from dispatch until rest requirements are met.
 - iii. An inbound vessel may be charged a cancellation charge for any delay of more than 6 hours of an arrival time made less than 12 hours before the scheduled arrival if the cancellation charge is lower than the delayed arrival charge that would otherwise apply.
- 7. Gross Pilotage Revenue**
 - a. All revenue under the tariff including transportation and trainee surcharges (stipends).
- 8. Gross Pilotage Revenue Per Assignment**
 - a. Gross Pilotage Revenue generated from all Assignments during a given period of time divided by the number of Assignments during the same period.
- 9. Job**
 - a. *Not an acknowledged or defined term.*
- 10. Non-Revenue Activities**
 - a. A non-billable event in which a pilot, other than the President of PSP, is assigned by PSP to a license upgrade trip or pilotage-related activity not involving a Ship Movement.
 - i. Non-Revenue Activities include education, training, simulation sessions, license upgrade trips, voyage planning sessions, meetings with government agencies and officials (e.g., pilot commission, U.S. Coast Guard, Department of Ecology, legislature, governor, port districts),

12 - BPC STATEMENT OF POLICY: DEFINITION OF TERMS (cont'd)

testimony, industry events and conferences, marine safety meetings and PSP business and professional meetings.

ii. Non-Revenue Activities are not Assignments and do not accrue towards the fulfillment of the Target Assignment Level.

11. Number of Pilots

a. The aggregated sum total of the number of days each pilot was on distribution from PSP during a given year divided by 365 (366 in case of leap years).

i. The Number of Pilots includes:

1. Active pilots;
2. The President of PSP; and,
3. Licensed pilots who are inactive, but receiving payment in the form of Comp. Days.

ii. Number of Pilots does not include former pilots who are no longer licensed, but are receiving payment in the form of Comp. Days.

12. Order Time

a. The vessel's last scheduled departure time (for outbound transits) or last scheduled arrival time (for inbound transits).

13. Revenue Per Assignment

a. Gross Revenue, excluding transportation charges and trainee surcharges (stipends), generated from all Assignments during a given period of time divided by the number of Assignments during the same period.

14. Ship Movement

a. An Assignment resulting in a transit or a reposition of a vessel.

i. A Ship Movement involving multiple pilots (other than training or upgrading pilots) is counted as multiple Ship Movements, one for each pilot.

15. Target Assignment Level

a. A numerical benchmark set by the Board of Pilotage Commissioners (Board) calculated by dividing the annual number of Assignments by the number of pilots. It is used by the Board in making workload decisions, including setting of the number of pilot licenses to be issued.

i. The President of Puget Sound Pilots is not included in the calculation for the Target Assignment Level.

13 - PUGET SOUND PILOTS OPERATING RULES (August 2018)

(See Subsequent 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 except as otherwise provided, shall be placed at the head of the assignment list according to their relative "reporting in times" at the time of commencing respite or vacation. Members off-duty for any cause shall be placed at the head of the rotation list upon returning to duty, however members returning from off-duty status 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.
- 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 of the pilot's bridge time or travel time to or from an assignment occurs at any time between and including the hours of 0100 and 0459. AMENDED: 9/16

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**

At Seattle, the minimum off-duty period before and after an inter-port or sea-trial assignment, and before the first of multiple harbor shift assignments is eight (8) hours between the pilot's check-in time and the call time. At Port Angeles, except as provided in Section A (12) below, the minimum off duty period after a vessel assignment is eight (8) hours. The minimum off-duty period does not apply to repositionings or locals.

A pilot who has received a minimum eight (8) hour off-duty period at Port Angeles before being repositioned to Seattle and will check-in at Seattle prior to 1300, at may be immediately assigned.

A pilot who has received a minimum eight (8) 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.

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. Members returning from respite shall be placed in proper sequence at the head of the rotation list at 0800 Tuesday. AMENDED: 10/85, 11/87, 12/91, 1/97.
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 eight (8) hours and who has at least ten (10) 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. Round Trip Assignments on Certain Cruise Ships. A pilot at the station may be assigned a round trip assignment on a cruise ship, if that cruise ship has suitable clean and quiet sleeping quarters available to the pilot while the ship is at the dock and if the vessel is expected to be at the dock for at least eight (8) hours. A pilot intending to take the book rather than take the vessel outbound, shall inform

the dispatcher before he departs the pilot station on the inbound leg. Section 2 added 5/09, 8/15.

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 shall inform the Seattle Pilot Office or telephone exchange of their check-in time. AMENDED: 7/84.

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
RESPIRE 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. 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.

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 INCOMPLETED ASSIGNMENTS

A member whose assignment is canceled by the owner, master or agent within the allotted travel time, according to Rule Two, may elect to go to the bottom or to the top of the rotation list unless that pilot is assigned to a harbor shift or repositioning. An assignment of such a pilot to a harbor shift or repositioning will be done only when it will avoid the need to hire a pilot on respite and will be subject to normal call time requirements. 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.

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
RESPIRE 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 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) starting on the first day of their next regular scheduled rotation. AMENDED: 4/87, 10/90, 10/07, 2/17.

RULE 15
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 Secretary¹, 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 work day, 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 debts 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 work days with respect to a Pilot's right to respite days and vacation time. AMENDED: 4/92, 5/04. 8/18.

¹ 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 19
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 20
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 21
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 22
TRAVEL EXPENSES

Each Pilot will pay the Pilot's own transportation cost to any assignment. Any transportation charges paid by the Association on a Pilot's behalf such as plane or taxi, will be deducted from that Pilot's share of that Pilot's distribution. AMENDED: 4/82.

RULE 23
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 24
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.

5. 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.

14 - PUGET SOUND PILOTS BY-LAWS (August 2016)

(See Subsequent Pages)

BYLAWS OF PUGET SOUND PILOTS

August 1, 2016

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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 Bylaws or the Operating Rules.

3. **Definitions.** The following terms used in these 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 who is not retired, is actively involved in the business of the Association, and is available for Assignments.

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

3.3 “**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.

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

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

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

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

3.8 “**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.

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

3.10 “**Claimant**” is a Member (Pilot) against whom a claim has been brought, and who seeks indemnification, as further described in Section 18.1 herein.

3.11 “**Combined Duty Days**” shall mean all of the Duty Days of all of the Pilots during a calendar month as further described in Section 16.3 herein.

3.12 “**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 or Vacation Period as further described in Section 16.4.4.1 herein.

3.13 “**Daily Rate of Income**” shall mean The Total Pilotage Services Fees shall 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 16.5.2 herein.

3.14 “**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.

3.15 “**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 16.3 herein.

3.16 “**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 16.5 herein.

3.17 “**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 16.6.1 herein.

3.18 “**Expenses,**” are the costs of business paid by the Association as further described in Section 16.6 herein.

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

3.20 “**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.

3.21 “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 16.6.1 herein

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

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

3.24 “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 5.5.1 herein.

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

3.26 “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.

3.27 “Pilot” shall mean the qualified and licensed Pilots that are either Members of the Association, or are the owners of a corporate entity that is a Member of the Association as further described in Section 5.1 herein.

3.28 “Pilotage Services Fees” shall be the fees earned by the Pilots for their services piloting vessels as further described in Section 16.1 herein, and shall not include any Transportation Fees.

3.29 “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 16.4.2 herein.

3.30 “Terminating Member” is the Member whose Membership is being terminated for any reason, as more specifically described in Section 5.6.1 herein.

3.31 “Termination Payment” is the payment made to a Member whose Membership in the Association is terminated as further described in Section 5.6.1 herein.

3.32 “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 16.1 herein.

3.33 “Transportation Fees” are those fees reimbursed to the Pilots for their costs of transportation to and from Assignments as further described in Section 16.1 herein.

3.34 “**Vacation Period**” is the period of time during which a Pilot not expected to receive Assignments, as further described in Section 16.4.3 herein.

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

3.36 “**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.

3.37 “**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.

3.38 “**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 16.4.1 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 individuals who hold a valid Puget Sound Pilots License issued by the Board of Pilotage Commissioners of the State of Washington (“**Pilot**” or “**Pilots**”), and business entities owned by those individuals 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 licensed Pilot 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 licensed Pilot 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 incorporate themselves or form a limited liability company, 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.

5.5.1 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**”) equal to the gross income of the Association, less the mandatory deductions of the Members from income as further described herein, but not less the personal expenses that may have been paid by the Association on behalf of Members, the average of which is calculated for the three (3) years prior to the year in which the applicant or the applicant’s Authorized Entity becomes a Member, divided by the number of Members during each of those three (3) years (the “**Net Income**”).

5.5.2 This 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 Net 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 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 Membership Payments shall be deposited into the General Account of the Association.

5.5.3 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.

5.6 Terminating Member’ Payment.

5.6.1 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 pursuant to the terms of Section 5.5.1 above which is in effect at the time of the Member’s termination, and not the Membership Payment originally paid by that Member (the “**Termination Payment**”).

5.6.1.1 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 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, except as described in Section 5.5.2 herein, and provided however, that if the payment

is based on an average of three (3) years' Net Income and prior year Net 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, 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 already retired and receiving payments.

5.6.1.2 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 16.11 herein, then the Association shall be entitled to deduct all such sums owed from the next Termination Payments due to the Terminating Member.

5.6.2 Notwithstanding the foregoing, however, that in all cases in which the Terminating Member had not been a Member of the Association for the full specified period of payments of his/her 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 5.5.1 herein.

5.7 International Organization of Masters, Mates and Pilots Membership. Upon becoming a Member, each Member (or that Member's 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.

5.8 Compliance. Every Member 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 shall treat fellow Members 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 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 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 Rule 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 Members who choose to be a candidate for Pilot Commissioner shall submit their name in writing to the Board of Directors. If only one Member 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 Member 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 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. Pooling and Distribution of Income and Expense.

16.1 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.**"

16.2 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 16.2.

16.3 Duty Days. Unless otherwise specified by the Board of Directors, each day during which an Active Pilot is an active Member of the Association, and 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 Members (Pilots) for that month shall be combined to be the total Duty Days for all the Members (the "**Combined Duty Days**").

16.4 Work Period; Respite Period; Vacation Period.

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

16.4.2 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.

16.4.3 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 to vessels. 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.

16.4.4 Compensatory Days.

16.4.4.1 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**”).

16.4.4.2 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 17 herein.

16.4.4.3 The Board of Directors may elect to forego the requirements of Section 16.4.4.2 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.

16.5 Allocation of Total Pilotage Services Fees.

16.5.1 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**”).

16.5.2 In the event that a Member’s Equal Income Share is to be reduced pursuant to the terms of Section 16.4.4.2 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.

16.6 Determination and Allocation of Expense Share. Expenses of the Association, and the Members (the “**Expenses,**”), subject to the terms of Section 16.4 herein, are then determined and allocated as follows.

16.6.1 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.**”

16.6.1.1 In the event that (1) a Member (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 16.4.3.3 herein, and (2) said Member has performed no pilotage services in the calendar month for which the Member seeks exemption, then, upon majority Board Vote, that Member shall not be charged his/her Individual Expense Share for that month.

16.6.1.2 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 16; or (2) the death or retirement of a Member; or (3) admission of a new Member.

16.6.2 Allocation of Expense Share.

16.6.2.1 Each Member's account shall be charged each month, except as set forth in Section 16.6.1.1 and 16.6.1.2 herein, with his/her resulting Individual Expense Share.

16.7 **New Members.**

16.7.1 In the event that a new Member (Pilot) commences his/her first Assignment(s) on other than the first day of a calendar month, that new Member 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 or accrued in that calendar month by that new Member.

16.7.2 New Members shall be charged, for his her 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 during the month, and the denominator of which is the number of days in that month.

16.8 **Retiring Members.**

16.8.1 A retiring Member shall be paid, for his/her last month of service, an amount equal to his/her 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 retirement.

16.8.2 Members retiring 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 during the month, and the denominator of which is the number of days in that month. By way of further clarification, a Member retiring on or before the last day of a calendar month shall be charged no part of the Expense Pool for the month following the last day of service.

16.9 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.

16.10 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:

- 16.10.1** Personal accident, liability and license insurance of each pilot.
- 16.10.2** Personal transportation costs charged to the Association.
- 16.10.3** Other personal charges that a Member may charge to the Association.

16.11 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 during the period when the Pilot was not taking Assignments.

17. 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 Member 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 Member 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 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:

17.1 The written accusation shall be delivered to the Member charged with misconduct

17.2 The 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.

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

17.4 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 17.5 and 17.6 herein, not including the vote of the subject Member.

17.5 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.

17.6 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.

17.7 If the recommended punishment covered in this Section 17 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 by the Membership upon second submission, the action shall be deemed terminated.

17.8 To the extent that a violation of Puget Sound Pilots' Anti-harassment Policy or this Section 17.8 by a Member exposes the Association, or another Member, to financial liability, including liability for attorney's fees, the violating Member 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 17.8 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.

17.9 Failure of 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.

18. Limitation of Liability and Indemnification.

18.1 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, employee or advisor of the Association, whether the basis of such proceeding is alleged action in an official capacity as a Director, Officer, 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 18.2 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.

18.2 Right of Claimant to Bring Suit. If a claim for which indemnity is required under Section 18.1 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.

18.2.1 The Claimant shall be presumed to be entitled to indemnification under this Section 18 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.

18.2.2 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.

18.3 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 18 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.

18.4 Limitation. Notwithstanding the provisions of Section 18.1 and 18.2 herein, the Association may not indemnify a Director or Officer or employee from or on account of:

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

18.4.2 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;

18.4.3 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.

18.5 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.

19. Amendment of Bylaws and Operating Rules.

19.1 Amendment of Bylaws.

19.1.1 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.

19.1.2 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.

19.2 Amendment of Operating Rules.

19.2.1 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.

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

20. General Obligations; Non-Competition.

20.1 Each Member (and each Pilot) agrees, as a condition to his/her 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 the time. Each Member agrees, as a condition to his/her 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.

20.2 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.

20.3 Each Member agrees that should such Member retire, withdraw or resign from the Association, or be expelled from the Association pursuant to the terms of Section 17, or should such Member's Membership in the Association be terminated for any reason whatsoever, such Member or then-former 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 retirement, withdrawal, resignation, expulsion or termination of Membership.

20.3.1 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 5.6 herein, and under any unvested Pension Plan, be agreed to be reasonable as liquidated damages for any such violation.

20.3.2 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 20.

20.4 The Members, bound by the provisions of these Bylaws, now and in the future, further agree that upon retirement, withdrawal, resignation, expulsion or termination of Membership from the Association, he or she will promptly surrender his/her state license to the appropriate state agency for cancellation. The Members further agree that no monies shall be paid as Termination Payment under Section 5.6 herein unless and until said state license is canceled.

These Bylaws are adopted effective as of the _____ day of _____, 2016.



STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS



2018 ANNUAL REPORT

2018 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2018/2017
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2018/2017
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone & Earned Revenue Reports (Puget Sound District)
- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

On the cover: a Polar tanker anchors in Anacortes. Photo courtesy of Puget Sound Pilots.

A MESSAGE FROM THE EXECUTIVE DIRECTOR

Greetings!

2018 was an eventful year for the Board of Pilotage Commissioners. We said goodbye to commissioners and welcomed new ones, celebrated our history, engaged in outreach to the maritime community, were at the center of some significant legislative changes, and held a successful exam.

In January of 2018, we welcomed new pilot commissioners Captains John Scragg and Mike Anthony from the Puget Sound Pilotage District. They replaced Captains Don Mayer and Ed Marmol as the Board's pilot representatives. The BPC's foreign flagged shipping representative, Grant Stewart, announced his retirement in October of 2018. In early January 2019 the Governor's Office appointed Captain Rik Krombeen of Holland America Group to that seat. In addition, former Port of Tacoma CEO Timothy J. Farrell was appointed to the public seat replacing long-time public commissioner Chuck Adams. We thank Commissioners Mayer, Marmol, Stewart and Adams for their outstanding service to the BPC and to the state of Washington!

We celebrated 150 years of Washington State's Pilotage Act with a Proclamation by Governor Inslee and a celebration organized by Puget Sound Pilots and hosted by the Northwest Maritime Center in Port Townsend, WA. U.S. Senators Maria Cantwell and Patty Murray attended the event and spoke on the importance of maritime to the State of Washington.

We were active at maritime conferences focused on gender equality around the country promoting pilotage to cadets and industry members. At the September 2018 Board meeting, Captain Sandy Bendixen received her state license to pilot in the Puget Sound Pilotage District. Captain Bendixen is the first woman to be licensed as a maritime pilot in Washington State. The BPC continues to work towards increasing the number of women and ethnic minorities in the maritime industry, and specifically in the pilotage pipeline.

Work continued to increase our presence in the industry through engagement and social media. We established *The BPC Pilotage Quarterly*, a newsletter that provides important and relevant information regarding pilotage in Washington State. The BPC also established a Twitter account and LinkedIn profile to help with exam recruitment and to reach out to aspiring pilots. Our Twitter handle is @WA_Pilotage. Follow us!

We held an exam in November of 2018, which yielded a ranked list of sixteen successful candidates to be called into the pilot training program. The first successful candidate from that list was called into the training program in March 2019.

The 2018 Legislative Session brought big changes to the BPC's pilotage tariff setting responsibility. The Washington State Utilities and Transportation Commission (UTC) was assigned this important duty. That shift will officially occur in July of 2019. The BPC is working closely with the UTC and stakeholders on the transition.

More information about these activities and much more can be found in the pages of this, our 2018 Annual Report. Through it all, the BPC held steadfast to our mission of safe, efficient, and competent compulsory pilotage in Washington State.



A handwritten signature in black ink, appearing to read "Jaimie C. Bever".

Jaimie C. Bever, Executive Director

A MESSAGE FROM THE CHAIR

I am pleased to report another successful year for the Board of Pilotage Commissioners (BPC). In her greetings, our Executive Director outlines the addition of four new commissioners, Captain Rik Krombeen, Captain Michael Anthony, Captain John Scragg and Mr. Timothy Farrell. Captain Don Mayer, Captain Ed Marmol, Captain Grant Stewart and Mr. Chuck Adams completed a total of 34 years of exemplary service to the BPC. Captain Mayer stepped down as chair of the Trainee Evaluation Committee (TEC), but continues as a committee member. Thank you to our outgoing commissioners and welcome to those who have joined us in 2018!

Pilotage in Washington continues to have an impeccable safety record. During 2018, there were two incident reports filed in the Puget Sound Pilotage District, and none in the Grays Harbor District. Neither Puget Sound incident resulted in damage, and there was no pilot error involved. There were a total of 23 reports of vessel equipment malfunctions or failure in Puget Sound and one in Grays Harbor. The total number of revenue producing ship moves in the two districts was 7451. All of this points to the outstanding training and professionalism of Washington State licensed pilots.

In 2018, two pilots retired and one new pilot was licensed. We thank Captains Coe and Marmol for a cumulative of 37 years of pilotage. We welcome Captain Sandy Bendixen to the ranks of licensed Puget Sound pilots. After initial licensure, it takes another five years for a pilot to gain an unlimited license. Because the list of eligible trainees from the 2016 exam was completed, an exam was given in November 2018. A total of 16 aspirants were welcomed to this list. They will be called into training based on their positions on the list. The BPC expects to offer the next exam in late 2020 or early 2021.

The Washington State Legislature has transferred the setting of pilotage tariffs to the Washington State Utilities and Transportation Commission, effective July 2019. BPC staff and the Board are working with the UTC to make this transition a seamless one. This move allows the BPC to focus on safe and efficient pilotage.

The BPC has several committees that are responsible for a good deal of our work between monthly meetings. The Board acts on recommendations from the committees – everything from the training and licensing of new pilots and diversity initiatives to the processes for holding an examination. This past year the Board created a new Fatigue Management Committee (FMC), chaired by the Board's U.S. flagged shipping representative, Phil Morrell. The committee developed priorities based on the recommendations of Dr. Charles Czeisler, an internationally recognized expert in fatigue research and management. The Trainee Evaluation Committee (TEC) reviews the progress of trainees, both through trainer evaluations and in regular meetings with trainees.

Our website has additional information about the Board, including meeting agendas, minutes and materials. We welcome your feedback regarding additional information you would like to see there, and invite you to join us at our monthly BPC meetings.

Thank you to the dedicated BPC staff, Jaimie Bever, Shawna Erickson and Jolene Hamel for another outstanding year. They provide policy analysis, maintain the extensive training and pilotage records, compile critical shipping charts and graphs of pilotage data, support the Board and committee members, and keep our office running smoothly. Particular thanks go to Jaimie Bever for her work with the legislature and the UTC during the past year.



A handwritten signature in blue ink that reads "Sheri J. Tonn". The signature is written in a cursive, flowing style.

Sheri J. Tonn, Chair

01 - OVERVIEW

BPC Mission

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.

BPC Role

The role of the BPC is to provide regulatory oversight of pilotage in Washington State. We develop and propose legislation to ensure safe, efficient and compulsory pilotage, adopt rules and enforce adherence to the Pilotage Act, which includes discipline and/or prosecution of violators. The BPC also trains and licenses maritime pilots, sets annual pilotage tariffs in the Puget Sound and Grays Harbor Pilotage Districts (until July 1, 2019 due to legislative action in the 2018 session), sets the number of pilots, reports and investigates marine safety occurrences and incidents involving state licensed pilots, and grants vessel exemptions from pilotage.

BPC Meetings

In 2018, the BPC held eleven (11) Regular Meetings, and one (1) Special Meeting. Meetings are typically held on the third Thursday of the month, except for November and December, which occur on the second Thursday of the month. Information including Notices, Agendas, Minutes, and Materials for meetings can be found on our website at www.pilotage.wa.gov.

The August 16, 2018 meeting was held at the Westport Maritime Museum. After the meeting, the Port of Grays Harbor graciously arranged a ride for the BPC and interested members of the public aboard the pilot boat *CHEHALIS*. The BPC strives to hold at least one meeting annually in Grays Harbor County.

BPC Engagement and Outreach

Cal Maritime Academy held its Women in Maritime Leadership conference titled "Chart your Course" March 2-3. The BPC gathered male and female pilots from Oregon, San Francisco and Washington to present a panel titled "Piloting: It's for You!". BPC Chair Sheri Tonn moderated the panel, which drew a large crowd of cadets from multiple maritime academies.

Above: the BPC hears an update from Westport Marina Business Manager Molly Bold during the August 2018 monthly meeting BPC at the Westport Maritime Museum's McCausland Hall. Photo courtesy of the Port of Grays Harbor. Below: BPC commissioners, staff, and members of the public take a tour of the harbor in Westport, WA aboard the pilot boat CHEHALIS.



From left: San Francisco Bar pilot Captain Andy Murray, Columbia River pilot Captain Anne McIntyre, Puget Sound pilot Captain Eric vonBrandenfels, and BPC Chair Sheri Tonn present a conference session on piloting.



BPC Engagement and Outreach (cont'd)



From left: Cadet Gretel Williams, pilot aspirant Captain Lindsay Price, retired Columbia River Bar pilot Captain Deb Dempsey, Puget Sound pilot Captain Sandy Bendixen, BPC Chair Sheri Tonn, and Columbia River Bar pilot Captain Michael Tolley. Photo courtesy of Maine Maritime Academy.

In October 2018, Chair Tonn represented the BPC at MARAD's Women on the Water conference at Maine Maritime Academy in Castine, ME. She was joined on a piloting panel by recently licensed Puget Sound pilot and Maine Maritime graduate Captain Sandy Bendixen, as well as retired, active, and aspiring pilots from around the country.

Attending these types of conferences helps keep pilotage on the radar of cadets, as well as provides opportunities to offer mentorship, network and build relationships within the maritime community.

In October, the BPC was invited to participate in the Salish Sea Shared Water Forum, October 3-4. Jaimie Bever, BPC Executive Director (third from the right), represented the agency on a panel titled "Authorities as Oil Moves Inland to Marine Waters", which provided an overview of prevention, preparedness, and response as oil travels via rail, pipeline and vessel.



Panel on "Authorities as Oil Moves Inland to Marine Waters" at the Salish Sea Shared Waters Forum. Photo courtesy of John Duffy Photography.

The forum provided opportunities for U.S. and Canadian state, government, tribal, industry, environmental, and public representatives to come together and explore various issues surrounding the shared waters of the Salish Sea.

In an effort to provide the public with ongoing information about BPC activities, including the licensing of new pilots and agency endeavors, the BPC launched a newsletter called *The BPC Pilotage Quarterly*. The inaugural issue was distributed in January 2018. The newsletter provides information about upcoming exams, commissioner appointments, legislative efforts, as well as snapshots of the two pilotage districts including license upgrades, retirements, pilot training status, and licensures. You can be added to the distribution list by sending an email to PilotageInfo@wsdot.wa.gov, calling (206) 515-3904, or you can find the latest and archived newsletters at our website at www.pilotage.wa.gov. In addition to the newsletter, the BPC established a presence on [Twitter](#) (@WA_Pilotage) and [LinkedIn](#). Follow us!

As described in our inaugural newsletter (right), BPC celebrated the 150th anniversary of the Pilotage Act by attending a special celebration on Maritime Day in Olympia, January 23, 2018. A public celebration followed in May at the Northwest Maritime Center in Port Townsend, WA. To read more about this event, [click here](#).



STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS Winter 2018

BPC Mission: 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.

BPC QUARTERLY NEWSLETTER

Announcements

MARINE PILOT EXAM
The exam has been scheduled for November 5, 2018. Please visit www.pilotage.wa.gov for additional information.

NEW COMMISSIONERS
The Board has two new pilot commissioners. Captains John Scragg and Mike Anthony were appointed by Governor Insee on January 19, 2018. Welcome John and Mike!

WOMEN IN MARITIME LEADERSHIP
BPC Chair, Sheri Tonn, will moderate a panel titled *Pilotage: It's for You!* at CalMaritime's Women in Maritime Leadership conference March 2-3 in Vallejo, CA. The panel will include pilots from Washington, Oregon, and California. Additional details can be found at <https://www.csu.m.edu/web/diversity/wml>

The 150th Anniversary of the Pilotage Act

On Tuesday, January 23rd, 2018 the Board of Pilotage Commissioners celebrated Maritime Day in Olympia. The day's events were followed by an evening reception where Maritime Sector Lead Joshua Berger, read Governor Insee's Proclamation proclaiming January 30th, 2018 the 150th Anniversary of Washington State's Pilotage Act.



*Pictured above, left to right were: Capt. Mike Moore, PMAA; Sheri Tonn, Pilotage Commission Chair; Linda Syrk, Puget Sound Pilot Executive Director; Capt. Eric vonBrandenfelz, Puget Sound Pilot, President; Joshua Berger, Governor's Maritime Sector Lead; Eleanor Kirkley, Pilotage Commissioner; Capt. Michael Anthony, Pilotage Commissioner; Jaimie Bever, Pilotage Commission Executive Director; and Jordan Royer, PMAA (*Pacific Merchants Shipping Association)*

2018 Tariff Hearings

In 2018 the Board of Pilotage Commissioners was required by RCW 88.16.035(1)(e) to fix pilotage tariffs annually. However, action during the 2017 Legislative Session resulted in a freeze of the Puget Sound Pilotage District Tariff:

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District

The only tariff action in 2018 was rolling over the effective dates of the Puget Sound Pilotage District Tariff per the tariff freeze implemented by Engrossed Senate Bill 5096. The Hearing was held on November 8, 2018.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District

On October 18, 2018 the Board adopted a decrease in the *Pension Charge* from \$500 to \$450. This reduction was due to lower pension expenses. The effective period of this new tariff is 1/1/19 through 12/31/19. This pension charge provides funding for retired pilots and widows who worked before 2001. After that date, pilots became employees of the Port of Grays Harbor.

Legislation

Substitute Senate Bill 6519 was signed by Governor Inslee on March 15, 2018 and goes into effect on July 1, 2019. The bill amended the BPC's statute concerning pilotage tariff setting, transferring the tariff setting responsibility to the Utilities and Transportation Commission (UTC), as was recommended in the 2017 Joint Transportation Committee's study on Pilotage Best Practices. The Board will provide assistance to the UTC in the tariff setting process and is considered a special advisor to the UTC. This bill also transitioned the Board from a non-appropriated agency to an appropriated agency.

Engrossed 2nd Substitute Senate Bill 6269 concerning strengthening oil transportation safety directed the Department of Ecology to work with the BPC on a Salish Sea vessel traffic safety report, which includes recommendations to the Legislature.

Rulemaking

Several WACs were under review and the Board held the following public hearings throughout 2018:

WAC 363-116-0751: *Qualifications for pilot applicants*

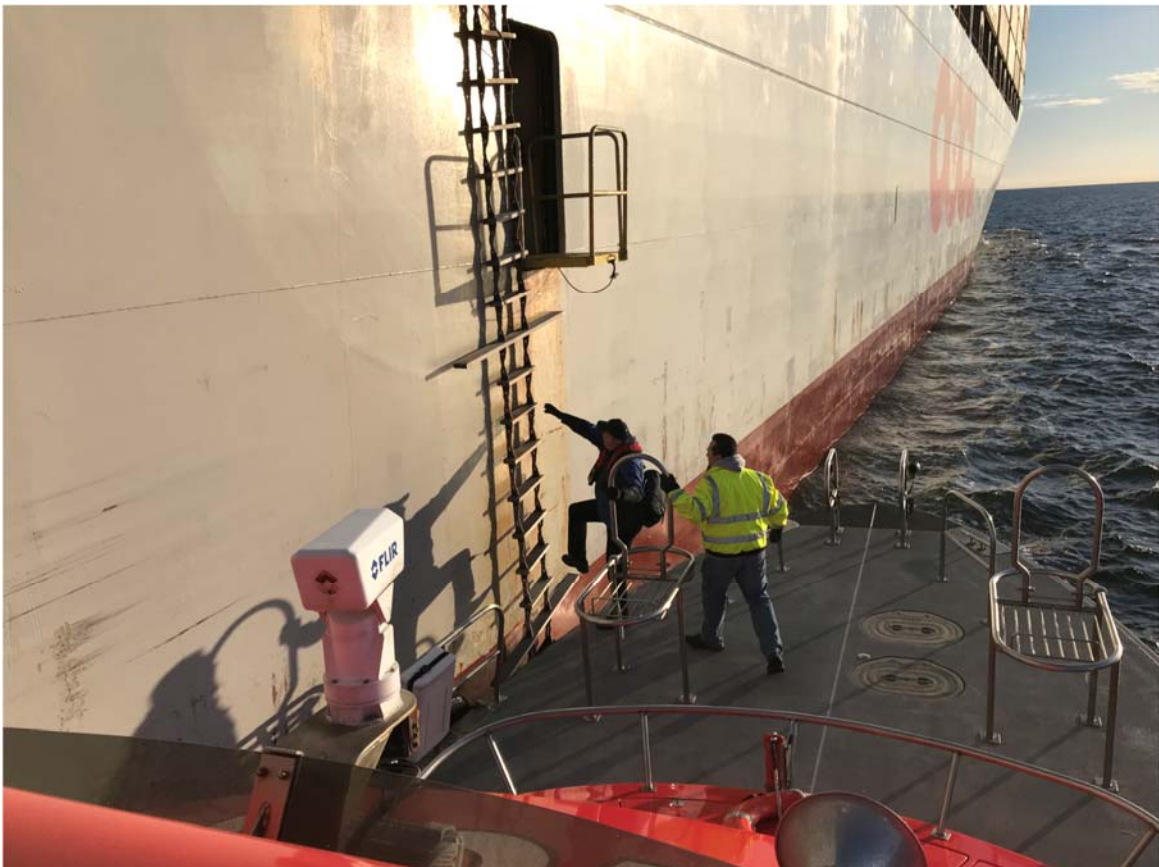
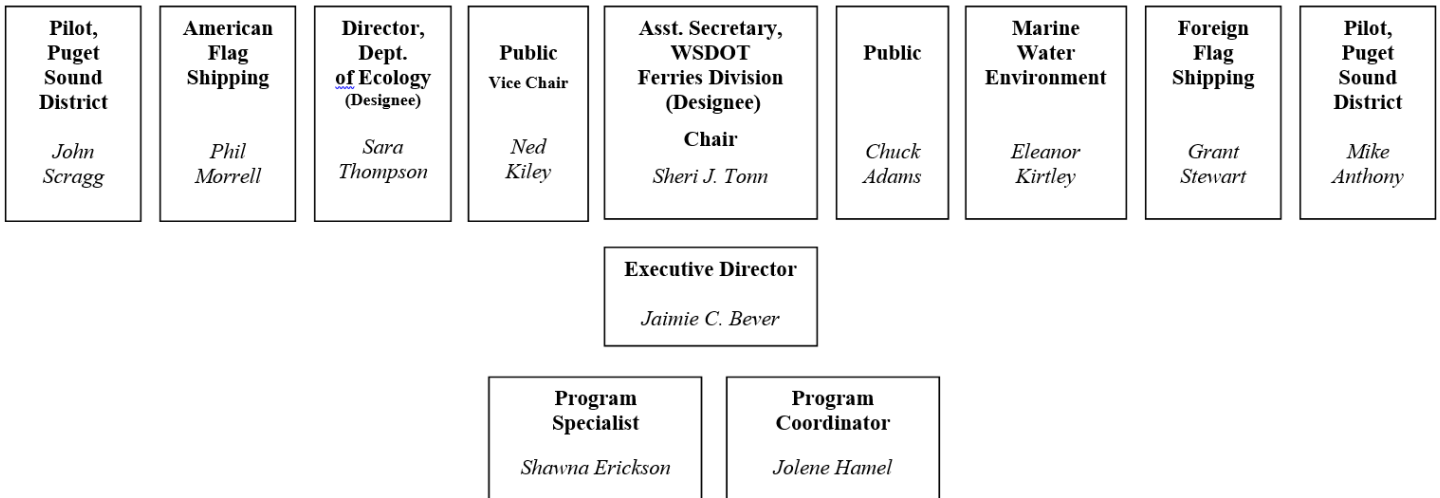
The purpose of modifying this rule was to update the pilot exam qualifications to include a sea service category for Articulated Tug Barges (ATBs) based on feedback from industry stakeholders, and to clarify language for aspirant ease in determining exam eligibility. A public hearing was held on June 21, 2018. The WAC changes were adopted by the BPC and went into effect on July 27, 2018.

The Board's Rulemaking Calendar and current filings can be found on our website at

<https://pilotage.wa.gov/rule-making.html>

Board Organizational Chart (as of 12/31/18)

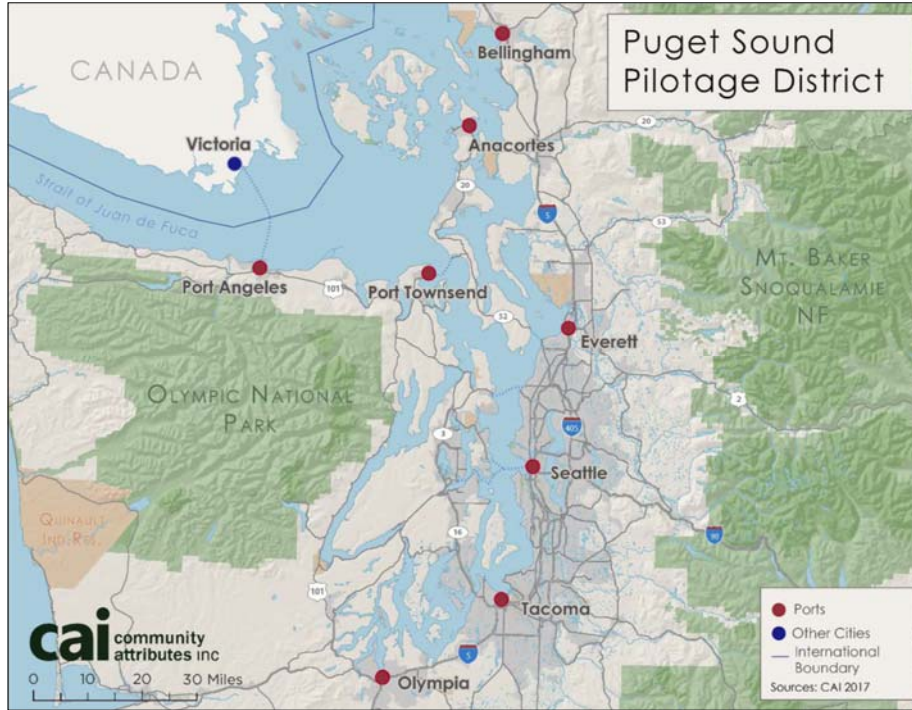
RCW 88.16.010



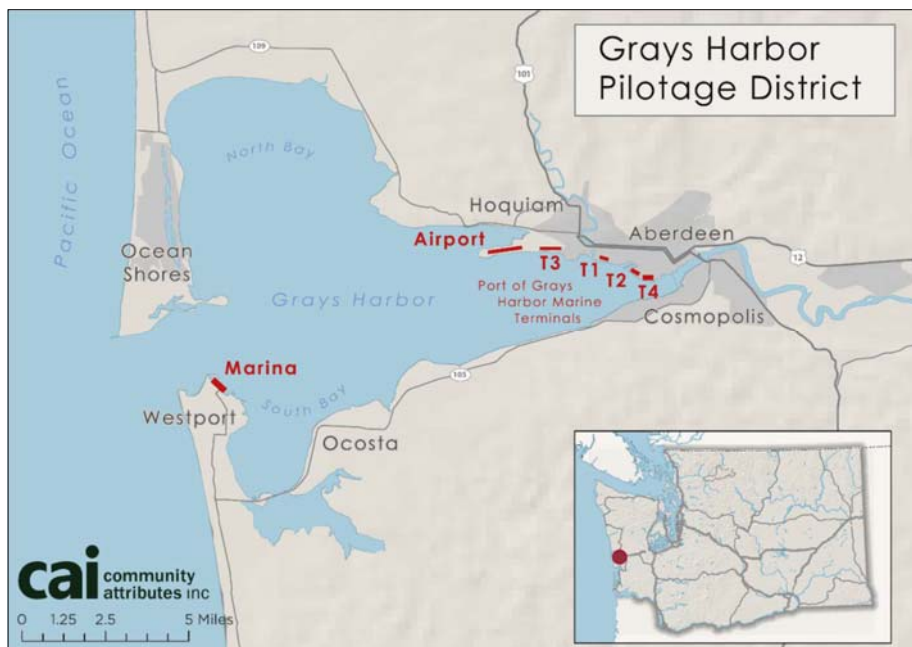
Puget Sound pilot and BPC commissioner Captain Mike Anthony conducts a pilot boat transfer to bring a vessel inbound from the Port Angeles pilot station. Photo courtesy of Puget Sound Pilots.

Washington State Pilotage Districts

Chapter 88.16 RCW Pilotage Act defined the Puget Sound Pilotage District as all the waters of the State of Washington inside the international boundary line between the State of Washington, the United States and the province of British Columbia, Canada and east of one hundred twenty-three degrees twenty-four minutes west longitude.



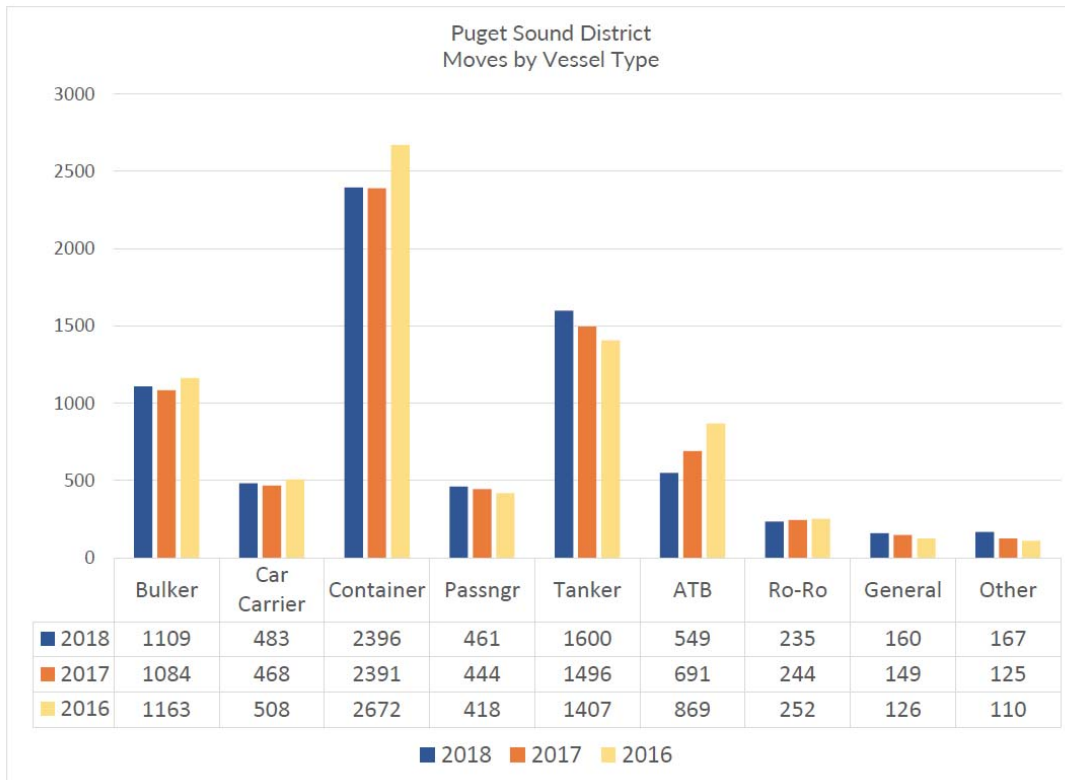
Chapter 88.16 RCW Pilotage Act defines the Grays Harbor Pilotage District as all inland waters, channels, waterways, and navigable tributaries within Grays Harbor and Willapa Harbor. The boundary line between Grays Harbor and Willapa Harbor and the high seas shall be defined by the Board.



Source of Images: Washington State Pilotage Final Report and Recommendations, January 1, 2018.

Piloting Activity in Washington State — Puget Sound Pilotage District

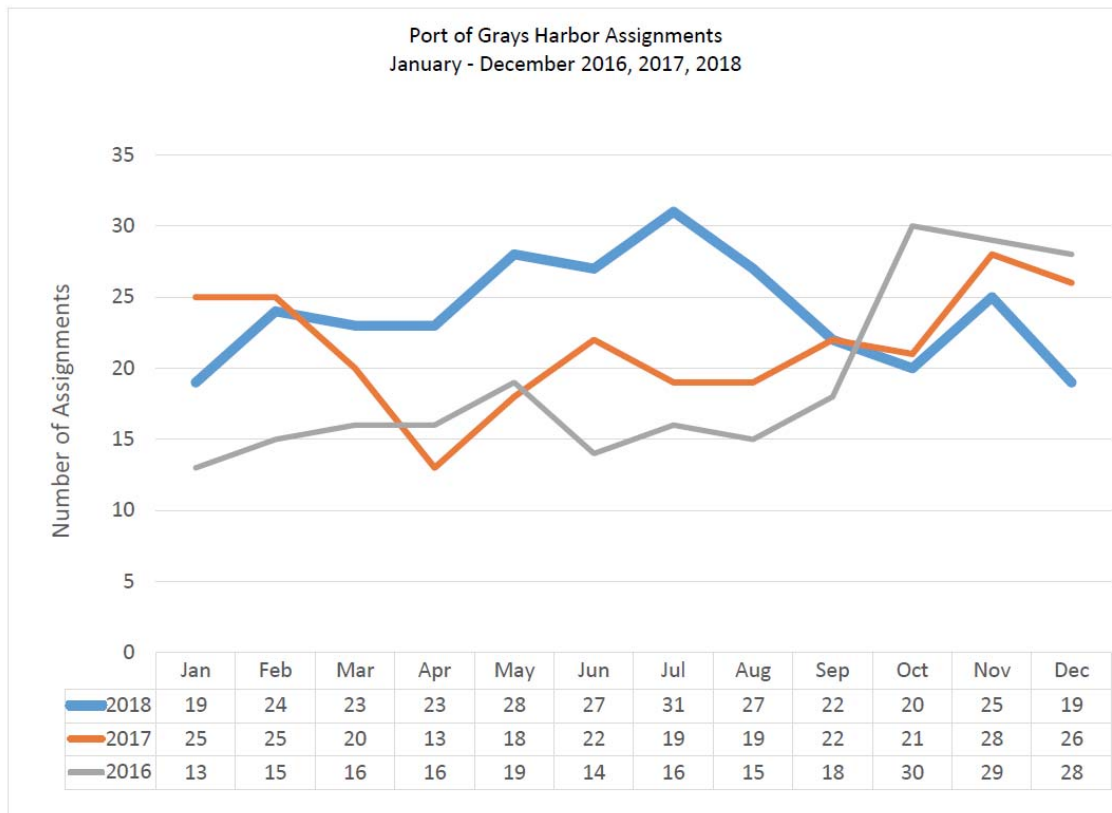
In 2018, the Puget Sound Pilots had a total of 7,324 revenue producing assignments, of which 7,162 were actual vessel moves, and 162 were cancellations. In addition, there were 1,547 reported repositions. In comparison, there were 7,250 revenue producing assignments in 2017. This is an increase in vessel moves and assignments from the previous year. The average number of full-time pilots was 50.3. The average annual number of assignments per pilot was 145 or approximately 12 assignments per month in 2018.



Four new cranes arrive at the Port of Tacoma's Husky Terminal on February 23, 2018. The vessel ZHEN HUA 28 was piloted by Puget Sound Pilots, Captains John Harris and Gordon Wildes. Photo courtesy of The Northwest Seaport Alliance.

Piloting Activity in Washington State — Grays Harbor Pilotage District

The Grays Harbor Pilots had a total of 289 piloting assignments in 2018, resulting from 114 vessel arrivals. In comparison, there were 109 vessel arrivals generating 258 piloting assignments in 2017. The Port of Grays Harbor employed two full-time pilots.



The bulk carrier XIN RUI HAI is loaded at Terminal 2, AGP's Storage & Export Facility at the Port of Grays Harbor. Photo courtesy of The Port of Grays Harbor.

02 - BOARD MEMBERS, REVENUE, & EXPENSES

Commissioners

CHAIR	<u>APPOINTED</u>	<u>TERM END</u>
Sheri J. Tonn, PhD	01/01/2016	N/A
REPRESENTING THE PUBLIC AT LARGE		
Charles Adam, JD	09/29/2009	12/26/2018
Timothy J. Farrell	01/01/2019	12/26/2020
Captain Edmund I. Kiley	01/14/2010	12/26/2017
REPRESENTING AMERICAN SHIPPING		
Phil Morrell — Totem Ocean Trailer Express (TOTE)	01/25/2012	12/26/2019
REPRESENTING FOREIGN SHIPPING		
Captain J. Grant Stewart — Westwood Shipping Lines (WSL)	03/16/2012	12/26/2018
Captain Rik Krombeen — Holland America Group	01/01/2019	12/26/2020
REPRESENTING PILOTS		
Captain Edmund Marmol, Puget Sound Pilotage District	04/24/2013	01/18/2018
Captain Don Mayer, Puget Sound Pilotage District	03/01/2010	01/18/2018
Captain John Scragg, Puget Sound Pilotage District	01/19/2018	12/26/2020
Captain Michael Anthony, Puget Sound Pilotage District	01/19/2018	12/26/2020
REPRESENTING WA STATE DEPARTMENT OF ECOLOGY		
Sara Thompson — Spills Program, Vessel & Oil Transfer Unit Supervisor	02/01/2016	N/A
REPRESENTING THE MARINE WATER ENVIRONMENT		
Eleanor Kirtley, PhD — Green Marine	01/28/2016	12/26/2018
(Appointed to this position for the remainder of the term previously held by the current Chair, Sheri Tonn)		
LEGAL COUNSEL		
Guy Bowman, JD	08/01/2008	04/30/2017
Albert Wang, JD	05/01/2017	N/A
STAFF		
Jaimie Bever, Executive Director	11/02/2015	N/A
Shawna Erickson, Program Specialist	01/27/2010	N/A
Jolene Hamel, Program Coordinator	09/01/2017	N/A

The Board welcomed back former Department of Ecology representative Scott Ferguson for a temporary appointment. Commissioner Ferguson was originally on the Board from March 2015 to February 2016. He filled in for Commissioner Thompson during a scheduled absence. Commissioner Thompson returned in March 2018.

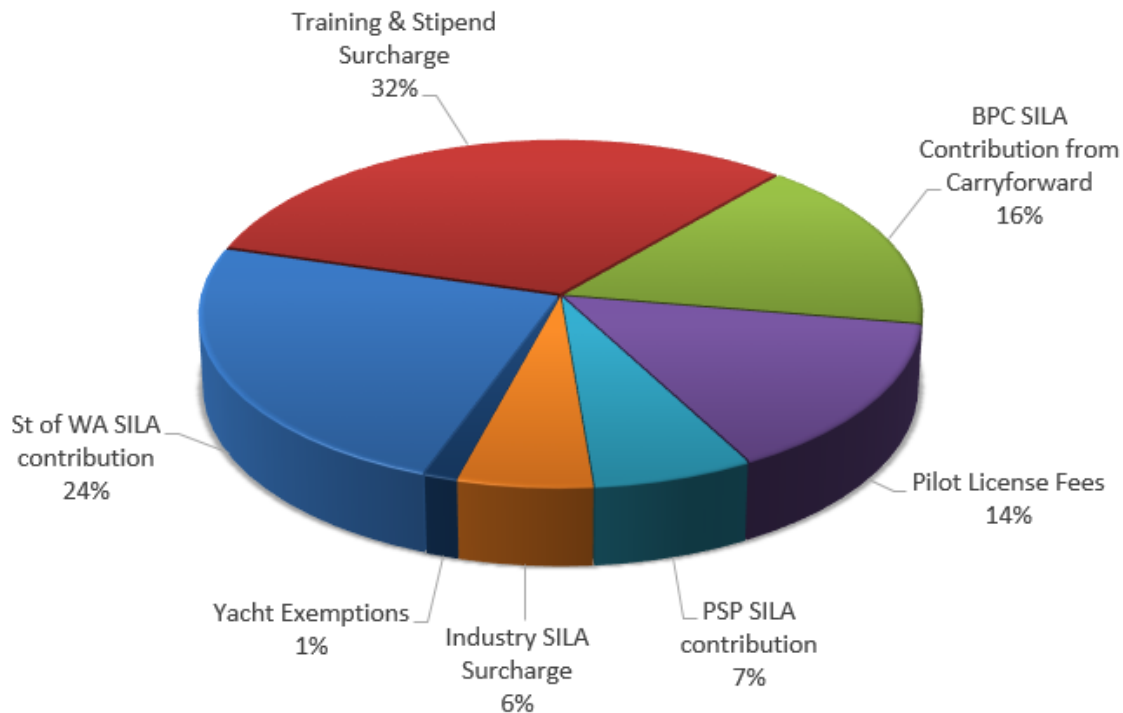
The Board is comprised of the Assistant Secretary, Ferries Division, Department of Transportation or designee; the Director of the Department of Ecology, or designee; and seven members appointed by the governor. Each appointed member's term is for four years. If a commissioner is filling a former member's position prior to the expiration of the term, the individual is eligible to be re-appointed for another four years.

2018 Board Revenue/Pilotage Account Balance Carryforward

In 2018, the Board of Pilotage Commissioners was a non-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 reviewed by the State Legislature but legislative spending authority was not required.

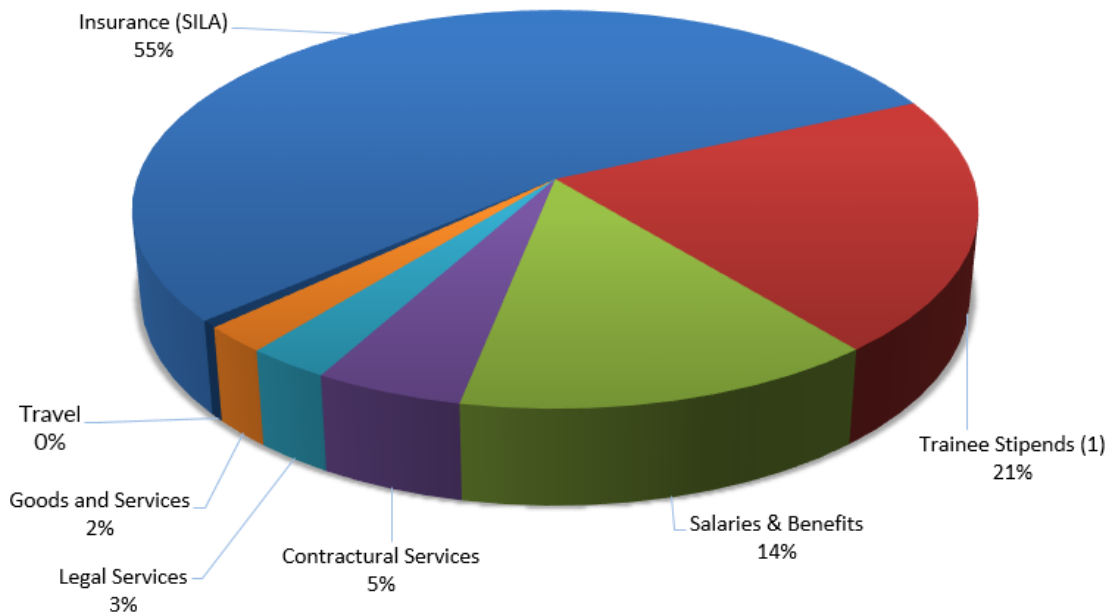
Pilot trainee stipends were funded by a tariff surcharge specified in WAC 363-116-300 and paid to each trainee at a monthly rate of \$6,000 if the stipulations contained in WAC 363-116-078(10) are met. The balance from the training surcharge after stipends were paid to trainees was used for funding the training program, including the pilot exam, trainee equipment, the Train-the-Trainer course, and legal fees.

State of Washington SILA Contribution	\$	550,000
Training & Stipend Surcharge		728,310
BPC SILA Contribution from Carryforward		375,000
Pilot License Fees		332,500
PSP SILA Contribution		150,000
Industry SILA Surcharge		126,800
Yacht Exemptions		30,950
	<u>\$</u>	<u>2,293,560</u>



2018 Board Expenditures

Insurance (SILA) ⁽¹⁾	\$	1,251,889
Trainee Stipends ⁽²⁾		477,768
Salaries & Benefits ⁽³⁾		322,407
Contractual Services ⁽⁴⁾		113,592
Legal Services		63,292
Goods and Services ⁽⁵⁾		50,570
Travel ⁽⁶⁾		13,139
	\$	<u>2,292,657</u>



Notes:

1. SILA contributions were a result of ESB 5096, which stipulated certain conditions in order for the Board to receive a transfer of funds from the State Multimodal Transportation Account solely for self-insurance liability premium expenses, and included a contribution from the Board's carryforward balance.
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 2018 Board staff included 3 full-time employees (FTEs). This category also includes per diem BPC commissioners.
4. Contractual Services in 2018 included exam consultants, Train-the-Trainer, and exam recruitment services.
5. Goods and Services in 2018 included supplies & materials, PPU rentals and training, software maintenance for the BPC website and pilot training software, and membership to the Marine Exchange of Puget Sound/NW Maritime Advisory Service.
6. Travel in 2018 included commissioner mileage/parking reimbursement, hotel, airfare and per diem for Executive Director and Chair attendance at women's maritime conferences and meetings with other pilotage districts, and reimbursement for Executive Director and Chair legislative meetings/hearings in Olympia.

03 - EXAM, LICENSURE & TRAINING PROGRAM

Exam



The BPC held an exam on November 5, 2018 to establish a list for entry into a pilot training program for either the Puget Sound or the Grays Harbor District. A total of thirty one application forms were received. Three applicants did not meet the minimum requirements to take the exam. The exam consists of two portions — a written exam and a simulator evaluation. Those applicants successful in the multiple choice written exam advanced to the simulator evaluation. Twenty applicants advanced to the simulator evaluation where sixteen scored above the minimum cut score. The BPC set the cut scores for both the written exam and simulator evaluation in conformance with a psychometrically validated process. A ranked waiting list of the top sixteen candidates was established from the combined results of both portions of the exam. As of April 2019, three candidates from the 2018 exam have started training in Puget Sound and one in Grays Harbor.

2018 Exam Results — Successful Applicants Ranking and Preferred Districts:

1. Matthew Hannuksela	PS	9. Andrew Stewart	PS or GH
2. Kaha'i Wodehouse	PS or GH	10. Mark Bostick	PS or GH
3. Neil McGourty	PS or GH	11. Peter Mann	PS or GH
4. Severin Knutsen	PS	12. Larry Holland	PS
5. Eric Michael	PS or GH	13. Kevin Riddle	PS
6. Ryan Gartner	PS or GH	14. Forest McMullen	PS or GH
7. Nicholas Moore	PS or GH	15. William Benedict	PS
8. Robert Ekelmann	PS	16. Name withheld by request	PS or GH

All candidates from the 2016 exam had been called into training by November 5, 2018.

Status of Successful 2016 Exam Applicants as of 12/31/2018:

1. Sandra Bendixen	Licensed PS (#201):	09/21/2018
2. Ken Grieser (T-049)	Entered PS training program:	08/01/2017
3. Jesse Pullin	<i>Withdrew from list and began training in San Francisco</i>	
4. Travis McGrath (T-050)	Entered PS training program:	02/01/2018
5. Pat Ninburg (T-051)	Entered PS training program:	02/01/2018
6. Adam Seamans (T-052)	Entered PS training program:	02/01/2018
7. David Melin (T-053)	Entered PS training program:	05/01/2018
8. Matt Stevens	<i>Withdrew from list and began training in San Francisco</i>	
9. Matt Miller (T-054)	Entered PS training program:	05/01/2018
10. Trevor Bozina (T-055)	Entered PS training program:	05/01/2018
11. Joe Siddell (T-056)	Entered PS training program:	11/01/2018
12. Peter Velarde (T-057)	Entered PS training program:	11/01/2018

Licensure

One successful candidate from the 2016 exam was eligible for licensure in 2018. Captain Sandy Bendixen, who was ranked number one on the 2016 training program list, received her license to pilot in the Puget Sound Pilotage District during the September 21st monthly meeting of the BPC. She went into immediate rotation with Puget Sound Pilots, taking an assignment the day after her licensure.

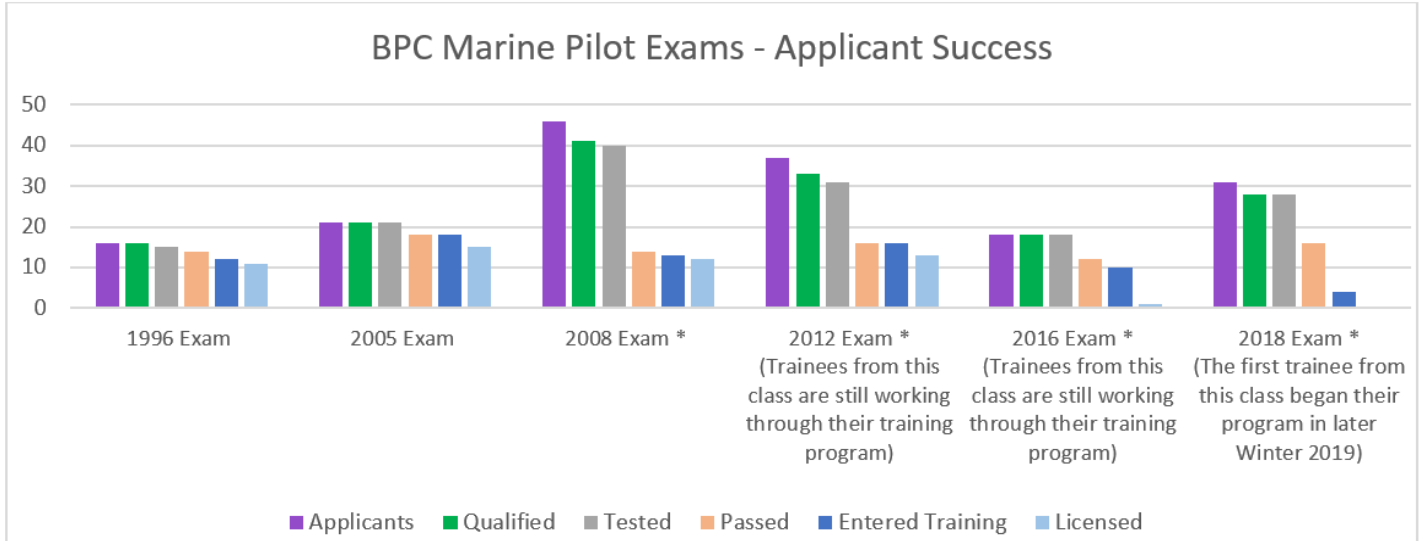
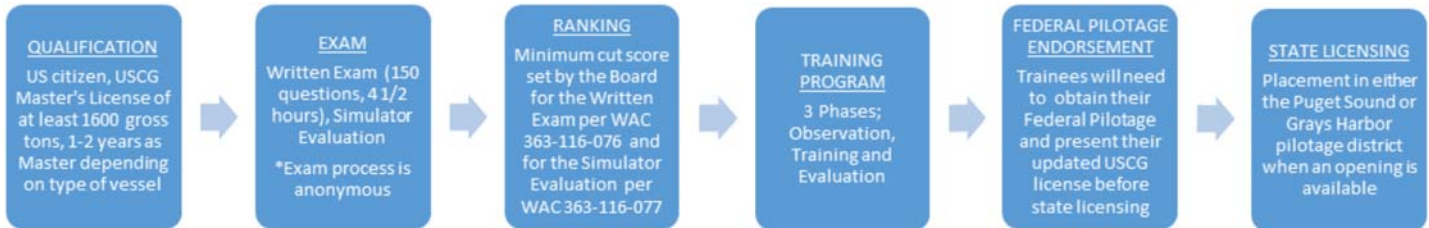
Captain Bendixen is the first woman in the State of Washington be licensed as a marine pilot.



Captain Bendixen displays her new pilot license I.D. Photo courtesy of Puget Sound Pilots.

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

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



* Note: A Federal Pilotage Endorsement for the area was no longer required for exam qualification beginning with the 2008 Exam

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, 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. 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. The BPC pays a \$6,000.00/month stipend to the trainees while they are in the program if the minimum monthly requirements are met.



Puget Sound pilot trainee Captain Sandy Bendixen climbs the pilot ladder on her way to a training trip. Photo courtesy of Puget Sound Pilots.

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 gives the trainee 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 the USCG National Maritime Center in 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.



Puget Sound pilot trainee Captain Keith Kridler (right) trains aboard the passenger vessel REGATTA. Photo courtesy of Puget Sound Pilots.



Pilot boat PUGET SOUND at the Port Angeles Pilot Station. Photo courtesy of Puget Sound Pilots.

04 - DIVERSITY PROGRAM

Introduction

The Washington State Board of Pilotage Commissioners strongly supports ethnic and gender inclusion and diversity among pilot trainees and pilots licensed by the Board. This is the fifth year of including a report on diversity initiatives in the Board's annual report. During 2018, the BPC implemented the new and more clearly defined trainee evaluation process described in the training section of this report. We also held another Train-the-Trainer course for all supervising pilots and trainees who did not attend in 2017. The Joint Diversity Committee (JDC), described further below, continues to implement measures and examine barriers to attracting a diverse pool of candidates toward a career as a Washington state licensed marine pilot.

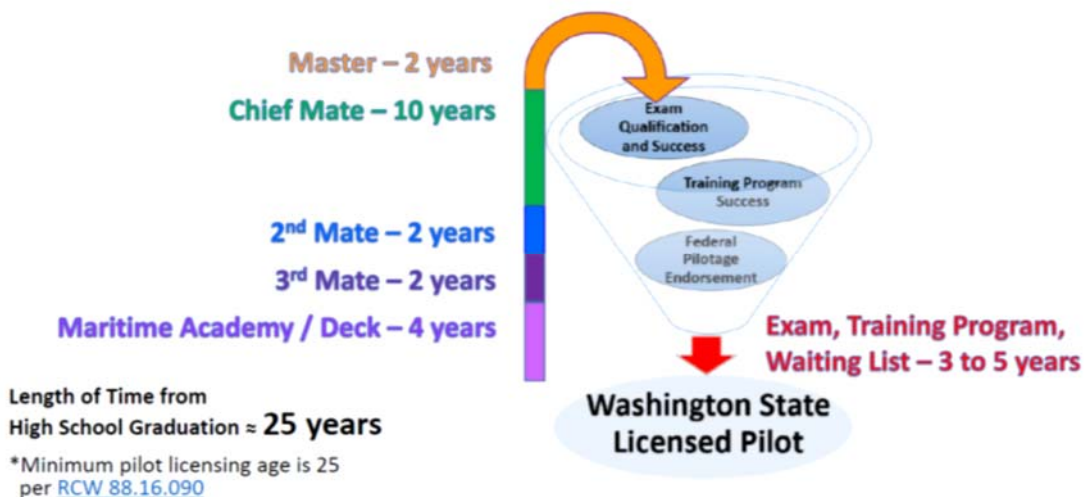
Overview

The BPC is committed to ensuring qualified pilotage in Washington State. Throughout the history of pilotage, the seafaring profession has been comprised primarily of white males. As with many male dominated professions, the prevailing assumption is that women and people of color do not wish to enter the field. The BPC is committed to shifting this perspective and attracting a more diverse workforce of qualified candidates beginning at the pipeline to professional mariner careers. The BPC's Joint Diversity Committee, in partnership with Puget Sound Pilots, has developed an increased understanding of potential barriers to becoming a marine pilot. The Committee is using a two pronged approach focusing on women and people of color already in the mariner pipeline, and raising awareness to influence youth toward mariner careers pathways.

The Pilotage Pipeline

The merchant marine industry is one of the most culturally and ethnically diverse industries in the world. However, it has a very small percentage of females and people of color, especially in the licensed marine officer and pilot positions. The industry also has challenges with attrition of licensed mariners associated with an aging workforce. At the same time, as described later in this report, there is reason for optimism in creating a more diverse pilotage corps.

Pilotage depends on the pipeline of mariners working their way up the ladder of responsibility. The following figure illustrates the average timeline necessary to gain the experience needed for pilotage in Washington State:



The Pilotage Pipeline (cont'd)

It is in our best interest to do what we can to contribute to increasing diversity in the pipeline, including high school, maritime academies, employers, and candidates aspiring to take the pilot exam.

As part of the Joint Transportation Committee study of pilotage best practices commissioned by the Washington State Legislature in 2017, the following table was developed. That report identified the lack of diversity as a national challenge, with 37 female state licensed pilots across the U.S. Since that time, the JDC is pleased to report that the BPC licensed its first female pilot in the Puget Sound Pilotage District in September 2018. The report also identified the lack of consistent definitions with respect to how pilots are actually identified. Although the report was helpful in identifying districts where there has been some limited success in recruiting female trainees and pilots, it fell short in identifying ethnic diversity in pilotage districts.

Table 1: Female State-Licensed or Trainee Pilots by State, 2017

State	Number of female pilots	Total Number of Pilots	Share of Pilots
Alabama	0	14	0%
Alaska	7 (3 licensed, 4 training)	65	11%
California (San Francisco only)	0	59	0%
Connecticut	0	3	0%
Delaware/ Pennsylvania	5 (licensed)	67	7%
Florida	2 (licensed)	99	2%
Georgia	0	27	0%
Hawaii	0	8	0%
Louisiana	5 (licensed)	288	2%
Maine	0	6	0%
Maryland	3 (licensed)	68	5%
Mississippi	0	7	0%
Massachusetts	0	9	0%
North Carolina	0	9	0%
New Hampshire	0	3	0%
New Jersey/ New York	5 (4 licensed, 1 training)	81	6%
Oregon	2 (licensed)	61	3%
Rhode Island	0	3	0%
South Carolina	0	19	0%
Texas	6 (licensed)	168	4%
Virginia	1 (licensed)	45	2%
Washington	1 (training)	53	2%
Great Lakes District 1	0	17	0%
Great Lakes District 2	0	13	0%
Great Lakes District 3	0	13	0%
Total	37	1,205	3%

Source: Paul Kirchner, Executive Director and General Counsel, American Pilots' Association, 2017.⁶

Pathways to Pilotage

Washington State pilots come primarily from four career pathways: ocean going “blue water” vessels, tug and harbor vessels, ferries, and the U.S. Coast Guard. All state marine pilots hold federal pilot licensure as well, though Washington pilots may earn their federal licensure as they train for Washington State licensure. Washington State has licensed marine pilots since the 1800s. Over the past decade, there have been between 50 and 56 licensed pilots in the Puget Sound Pilotage District and 2 or 3 in the Grays Harbor Pilotage District. The number of pilots is periodically reviewed by the Board with a goal of keeping the number of pilotage assignments appropriate to maintain an optimum level of safety. From 2008 to 2018, 31 pilots have been licensed and 34 have retired, giving an annual turnover of just over 3 pilots per year.

Throughout that history there have been some licensed pilots from diverse cultural backgrounds but there has not been a female Washington State licensed pilot. Fortunately, in April 2016, a woman took the examination and placed at the top of the list of potential trainees. She began training as a Puget Sound pilot in May 2017 and received her state license to pilot in the Puget Sound Pilotage District in September 2018.

Pilot Exam and Training Program

The pilotage application and exam process takes place every four years or less, with a roster of successful exam applicants of 14 people in 2008, 16 people in 2012, 12 in 2016, and 16 in 2018. Trainees are called up from the list in anticipation of future pilotage needs. On average it takes trainees 18 to 24 months to complete the training program and to be issued a license, if they successfully complete the training program.

Because the list of trainee aspirants from the 2016 was almost exhausted, the next exam was scheduled for November 2018. The BPC engaged Sheila LaFleur of Job Propeller/Trackline to improve visibility of our pilotage districts to all potential candidates. In the 2018 application process, the BPC collected the applicant’s ethnicity, and gender on a voluntary basis.

Once the examination and evaluation process starts, applicants are identified only by a number which is set by an independent contractor so that the ethnicity and gender, if provided, and scores attained by applicants are not associated with a person’s name. Only after the list of successful applicants is published is any information about the individual applicants revealed to the BPC (and the public) and then that information is limited to what can be garnered by names (which may not be reliable since some names cross genders as well as ethnic backgrounds).

BPC has taken numerous steps since 2008 to adjust and improve its training program to be as objective and consistent as possible. These steps include hiring psychometric experts to review and revise the training program in 2017; separating the training program into three distinct phases of observation, training, and evaluation; and offering Train-the-Trainer courses to pilots who complete trip evaluation forms on the trainees; etc. The training program for the 2016 trainees used new criteria for training and evaluation. These criteria are linked to the job functions of pilots. During the evaluation phase of training, the training pilot remains “hands off” unless a significant problem is developing. During the Evaluation Phase, if the training pilot has to take over a maneuver from a “trainee,” this action is called an intervention. The BPC has now developed a definition for an intervention, and has established the maximum number of interventions at which time a trainee is terminated from training. The Board will continue to monitor and implement measures to ensure that all of the processes it uses to ultimately license pilots are free from bias or discrimination.

Recruiting for Diversity

Various elements within the maritime industry have recognized the dearth of young people (particularly women) who seek careers in the industry and have launched recruiting efforts with the objective to turn that situation around. For example, the United State Maritime Administration (MARAD) has supported “Women on the Water Conferences” for the past nine years. Held at

Recruiting for Diversity (cont'd)

maritime academies, these conferences are designed to support women in maritime careers.

The six state academies and the US. Merchant Marine Academy at Kings Point, NY provide about 95% of all licensed merchant mariner officers. Academies report a new generation is enrolling – with students who were born in the late 1990’s and are more diverse and inclusive. The president of the State University of New York Maritime College describes the students as “high caliber intellectually, more capable of working in an inclusive team environment, more comfortable with technology, and capable of adapting...” He also points out that “there are 45 maritime and marine science high schools across the country, with more opening each year.”

The BPC will continue to encourage these initiatives that support and encourage women and people of color to pursue professional mariner careers. Local programs aimed at increasing youth involvement include those of the Tacoma Youth Marine Center, the Northwest Maritime Center, the Washington State Ferry System, the Ports of Tacoma and Seattle, and the Seattle Maritime Academy/Youth Marine Collaborative.

It is a goal of the BPC to have a more diverse group of pilots in the coming years. This includes a desire to see more cultural, ethnic, and gender diversity. But as stated above, anyone who becomes licensed must meet stringent qualifications to achieve and maintain state pilotage standards.

Diversity Action Plan (2018 actions are shown in italics)

1. GOAL: Increase Ethnic and Gender Diversity of Licensed Pilots in Washington State

STRATEGIES	ACTIONS
<p>A. Establish a Diversity Committee of Board members, mariners, and maritime professionals interested in promoting policies to encourage diversity to the extent allowed by law.</p> <p>Puget Sound Pilots (PSP) and the Board established a Joint Diversity Committee, which meets regularly. Committee minutes are posted on the Board website. Committee members include active male and female pilots, a retired female pilot, maritime industry leaders, and graduates of maritime academies. Amy Scarton and Elizabeth Kosa (WSF Chief of Staff in 2018), leaders at Washington State Ferries, have joined the committee.</p> <p>B. Forecast the need for licensed pilots due to mandatory retirement at age 70 and projected shipping activity. Use such data to prepare a five-year forecast for pilotage. Use the five-year forecast to predict potential needs for new pilots out to ten years.</p>	<ul style="list-style-type: none"> - Support trainees in the Board’s pilot training program; - <i>Continue Identifying and build a list of potential candidates for future pilot exams</i> - <i>Examine possible barriers to entry to pilotage and identify ways to mitigate them;</i> - Review training program and ways of making it more effective; - <i>Monitor and learn from diversity activities in other pilotage districts;</i> - <i>Develop strategies necessary to build a diverse pool of interested candidates;</i> - <i>Encourage youth and young adults to consider professional mariner careers;</i> - <i>Develop ideas generated by the committee and other interested individuals;</i> - <i>Develop a Joint Diversity Committee document expressing mission, goals, and key messages.</i> - <i>The Board’s Trainee Evaluation Committee regularly surveys pilots with respect to retirement plans and projects the likely need for new trainees in the next 3-5 years. Factored into this assessment are any projected changes in shipping volumes.</i>

1. GOAL: Increase Ethnic and Gender Diversity of Licensed Pilots in Washington State (cont'd).

STRATEGIES	ACTIONS
C. Look at collecting and reporting demographic data for all licensed pilots in Washington (as allowed by the privacy provisions of the RCW). Each pilot will submit data on an annual basis and the data will be aggregated for reporting. All individual data will be kept confidential.	- <i>Under review by the Committee.</i>

2. GOAL: Participate in efforts to develop a diverse pool of applicants with qualifications needed to become licensed pilots.

STRATEGIES	ACTIONS
<p>A. Develop and use comprehensive means of notifying mariners of the pilotage application and examination. Ensure announcements of upcoming examination cycles are published in a wide spectrum of maritime publications and other modes of reaching mariners and pilots in other pilotage grounds.</p> <p>B. Participate in conference groups like "Women on the Water", sponsored by MARAD, "Women in Maritime Leadership" offered by Cal Maritime Academy, and UNITE conference hosted by the organization Women Offshore</p> <p>C. Monitor and support the activities of a wide range of government and industry organizations that have programs to broaden the diversity of the maritime industry through actions such as advertising and recruiting.</p>	<p>- Board Chair participated in the 2015 and 2016 conference and the Executive Director participated in two 2017 conferences, and informally met with cadets and young officers about pilotage.</p> <p>- <i>Board Chair and/or Executive Director presented on pilotage at the 2018 Cal Maritime Conference and the 2018 Women on the Water conference.</i></p> <p>- The Joint Diversity Committee (JDC) membership includes maritime professionals in the industry. Washington State Ferries (WSF) has an active diversity program and provides regular updates to the JDC.</p>

3. GOAL: Expand and continue to improve upon efforts to minimize subjectivity and eliminate bias in the application, training and licensing process.

STRATEGIES	ACTIONS
A. Hire a third-party independent consultant to review the training program with an eye toward ensuring absolute fairness at every level.	- Progeny Systems Corporation was engaged to lead a full review of the training program and it has been instituted for the 2016 list of trainees. Work continued for the 2018 exam process.

3. GOAL: Expand and continue to improve upon efforts to minimize subjectivity and eliminate bias in the application, training and licensing process (cont'd).

STRATEGIES	ACTIONS
<p>B. Provide diversity training for all pilots as part of the Train-the-Trainer course offered by the Board (cont'd).</p>	<ul style="list-style-type: none"> - This was incorporated into the 2017 Train-the-Trainer course. In order for a Supervising Pilot to supervise trainees during their Training and Evaluation Phases, the Supervising Pilot must take the 2017 or newer Train-the-Trainer course. - The Board also updated the Anti-discrimination and Sexual Harassment Prevention policies to include trainees. They were also included in the new training program agreements, as was an arbitration policy. Expanded grievance policies are being developed.

4. GOAL: Support educational activities that develop student interest in maritime careers.

STRATEGIES	ACTIONS
<p>A. Support (within the bounds of the RCW/WAC) school programs that provide an introduction to the maritime world for young people.</p> <p>B. Ensure that Legislators are aware of such programs and encourage their support where appropriate.</p>	<ul style="list-style-type: none"> - The Joint Diversity Committee has met with the Northwest Maritime Center, Washington State Ferries, and the Seattle Maritime Academy/Youth Marine Collaborative discussing outreach to youth. - <i>Joint Diversity Committee members are engaging in outreach to local schools and children's organizations to promote the maritime industry; career day.</i> - <i>Scholarship and internship funds have included in the 2017-2019 biennial budget of the Board. The Assistant Attorney General for the Board has reviewed State laws and rules regarding scholarships and internships, and has informed us of what we are able to do. To date, no funds have been awarded due to budget constraints.</i>

5. GOAL: Continue to improve this Diversity Action Plan

STRATEGIES	ACTIONS
<p>A. Have other agencies within Washington with expertise and experience in diversity action planning such as the Department of Transportation's Diversity Coordinator (Labor & Personnel Division) and their Office of Equal Opportunity.</p>	<ul style="list-style-type: none"> - <i>In progress. BPC is working closely with Washington State Ferries on coordinating diversity initiatives.</i>

5. GOAL: Continue to improve this Diversity Action Plan (cont'd)

STRATEGIES	ACTIONS
B. Compare the plan to any such plans maintained by other entities that have similar relationships with shipboard pilots (i.e. other pilotage commissions).	- <i>To date, no other plans have been identified.</i>
C. Investigate successful diversity initiatives conducted by other pilotage commissions to glean ideas for improving this plan.	- <i>The Board Chair and staff have met with staff and Board Chairs of the San Francisco and Oregon commissions to discuss diversity and other issues involving pilotage. We advocate that commissions share information and jointly encourage qualified applicants to consider pilotage and take exams.</i>
D. Review and update this plan at least annually, and include the in the Annual Report of the Board.	- <i>This work continues!</i>
E. Monitor the results of this plan and modify it as needed to ensure that it is as up-to-date and effective as possible.	- <i>The Joint Diversity Committee continues to discuss ways of addressing attrition of officers, barriers to qualified individuals actually taking the exam, and barriers to pilotage for women and people of color.</i>

Conclusion

The BPC believes that one of the most critical of its tasks is to ensure the process used to select, train, and ultimately license mariners to be pilots is inclusive, fair and objective. We use the Diversity Action Plan as a template that promotes a wide spectrum of applicants to know about our upcoming exams; that we encourage the maritime industry to continue efforts to broaden the diversity of mariners; that we support school programs that introduce young people to a seafaring career as a professional mariner; and that there is no bias involved in the ultimate licensing of pilots. The BPC will continue to make its training program as objective as possible and will encourage qualified diverse candidates to apply to its training program.

2018 Joint Diversity Committee Roster

- Co-Chair — Sheri Tonn, Chair, Board of Pilotage Commissioners
- Co-Chair — Linda Styrk, Executive Director, Puget Sound Pilots
- Eric vonBrandenfels, President, Puget Sound Pilots
- Jaimie Bever, Executive Director, Board of Pilotage Commissioners
- Sara Thompson, Commissioner, Board of Pilotage Commissioners
- Captain Deb Dempsey, Retired Pilot, Columbia River Bar Pilots
- Captain Anne McIntyre, Pilot, Columbia River Pilots
- Amy Scarton, Assistant Secretary, Washington State Ferries
- Elizabeth Kosa, Chief of Staff, Washington State Ferries
- Maggie Williams, Executive Vice President, KALM Seas Insurance
- Emily Reiter, Director of Marketing & Communications, Saltchuk
- Clare Petrich, Commissioner, Port of Tacoma
- Phil Morrell, Commissioner, Board of Pilotage Commissioners



Retired Columbia River Bar pilot and JDC member Captain Deb Dempsey climbs the pilot ladder after a transfer from the pilot boat. Photo by Jill Johnson.

05 - LICENSED PILOTS

Puget Sound District

at 12/31/18 or at
retirement

PILOT	Lic #	Years Licensed
ANACKER, D. Scott	183	6.8
ANTHONY, Michael	184	6.4
ARNOLD, John	147	23.1
BENDIXEN, Sandy	201	0.3
BOUMA, Blair	181	7.4
BROUILLARD, Dan	188	5.4
BRUSCO, David	180	8.8
BUJACICH, Jack	164	12.5
CARLEY, Warren (Bud)	186	6.0
CARLSON, Ivan	165	12.5
CARSTENSEN, James	195	3.3
COE, Frantz (Andy)	142	26.0
COLEMAN, Scott	191	4.3
CORYELL, Tom	189	5.0
EMERSON, Larry	126	31.0
ENGSTROM, Fred	185	6.1
GALVIN, Jamie	192	4.1
GROBSCHMIT, David	169	11.6
HANNUKSELA, James	175	10.1
HARRIS, John	123	31.0
HENDERSON, J. David	197	1.5
HENSHAW, Brian	155	18.4
HUNTER, Philip	199	1.2
JENSEN, Brian	193	4.0
KALVOY, Jostein	170	11.6
KEARNS, James	182	7.0
KELLEHER, Neil	196	2.7
KELLY, Patrick	167	12.4
KLAPPERICH, Eric	172	10.9

at 12/31/18 or at
retirement

PILOT	Lic #	Years Licensed
LICHTY, Eric	190	4.7
LOWE, Brad	194	3.3
LOWERY, William (Bill)	187	5.9
MARMOL, Edmund	171	11.0
MAYER, Donald	121	32.4
MORENO, Stephan	178	9.1
MYERS, Rodney	200	1.1
NEWMAN, Alec	125	31.0
ROUNDS, Christopher	198	1.5
SANDERS, David	152	21.7
SCOGGINS, John	161	13.9
SCRAGG, John	181	8.5
SEMLER, Joseph	156	18.2
SEMLER, Stephen	174	10.6
SEYMOUR, Lawrence	177	9.5
SHAFFER, Daniel	116	33.5
SHAFFER, James	145	26.2
SHULER, Mark	154	20.8
SLIKER, William	166	12.5
SORIANO, Donald	122	32.1
THORESON, George	176	10.1
vonBRANDENFELS, Eric	148	23.1
WILDES, Gordon	173	8.9
Number of PS pilots at 12/31/2017		52
Pilots retiring in 2018:		2
Pilots licensed in 2018:		1
Number of PS pilots as of 12/31/18:		51

Grays Harbor District

at 12/31/18

PILOT	Lic #	Licensed
D'Angelo, Robert	15	24.8
White, Ryan	17	3.0
Number of GH pilots at 12/31/2017		2
Pilots retiring in 2018:		0
Pilots licensed in 2018:		0
Number of GH pilots as of 12/31/18:		2

06 - PILOT EDUCATION & OUTREACH

Training/Refresher Courses

Licensed pilots were offered various off-site training or refresher courses in 2018. The classes attended included:

Simulator/Manned-Model

The BPC mandates vessel simulator training for a licensed pilot at least once every five years for all active pilots, per [RCW 88.16.090\(9\)](#). Pilots have generally chosen to attend manned-model simulator training. In 2018, two (2) pilots traveled to Port Ilawa, Poland, four (4) pilots traveled Warsash Maritime Academy, England, and seven (7) traveled to Port Revel, France to attend manned-model simulator training.



Photo courtesy of Warsash Maritime Academy

As depicted and summarized from the schools' web-sites, training on the manned 1:25 scale models is a valuable complement to training as it provides extra experience that could never be gained on real ships. Manned model training reproduces realism of emergency situations, close proximity realism, anchoring and other special maneuvers, and maneuvers in current and tide. These schools provide the training to make the difference between being good and being the best.

Electronic Charts and Information Systems (ECDIS) for Pilots

Pilots learn common functions, benefits and limitations of onboard ECDIS systems; PSP requires this training every 5 years. Five pilots attended the refresher course.

AZIPOD

Five (5) pilots attended a two-day class held locally, at Pacific Maritime Institute, for training or refresher on propulsion systems used on cruise ships entering the area.

14,000 TEU Simulator

Seven (7) pilots participated in simulator training for the anticipated arrival of the larger 14,000 TEU vessels. This training was custom-designed to simulate a 14,000 TEU Evergreen vessel maneuvering to/from the end of the Blair Waterway and docking/undocking from the Pierce County Terminal where Evergreen ships currently call. On 12/19/2018, Evergreen's *THALASSA AXIA* became the first 14,000 TEU call at the Port of Tacoma and was safely piloted through the Blair Waterway and to/from the berth.

Ultra Large Container Vessels (ULCVs)

Six (6) pilots attended training for Ultra Large Container Vessels (ULCV-over 1200') at Pacific Maritime Institute. The training was in preparation of forecasted arrivals of ULCV's at the Port of Tacoma.

Bridge Resource Management Principles (BRMP)

Seven (7) pilots attended this certification course.

Train-the-Trainer

In 2018, the BPC offered a fifth session of a specially designed Train-the-Trainer course for Supervising Pilots. Both current pilots and pilot trainees attended the session.

The course was developed to ensure that all pilots understand the changes that were developed from the *Training Program Evaluation Project* conducted in 2016, which provided psychometric validation of the training program components. The enhancements to the training program trainee evaluation documents were developed using a "criterion based" evaluation system and the criteria was directly matched to a job analysis survey previously completed by subject matter experts (licensed pilots).

Supervising Pilots are volunteers of the BPC. It is a mandatory requirement that a pilot attend a Train-the-Trainee course in order to supervise trainees during the Training and Evaluation phases of the training program.



Instructor Captain Bill Anderson, Jr., engages current licensed pilots and pilot trainees in the Train-the-Trainer class.

Pilot Outreach

Members of the Puget Sound Pilots Association are participants in many activities and committees, and have a presence or are speakers at meetings relevant to maritime endeavors. This effort is outside of commitments to their own Board of Directors and the Board of Pilotage Commissioners, and often requires considerable time during their respite or off-rotation interval. Listed below are some of the committees, topics, or organizations to which the pilots contribute their time and expertise:

Puget Sound Harbor Safety Committee (PSHSC)

Salish Sea Ecosystem Conference, Seattle, WA

West Coast Pilot Conference, Seattle, WA

Fidalgo Yacht Club, Anacortes, WA

Southern Resident Killer Whale (SRKW) Task Force

Polar Escort Tugs

Skagit Bay Power Squadron

Pacific Pilotage Authority, Vancouver, B.C.

Anacortes Library Presentation, Anacortes, WA

Bollard Pull/Best Practices

Mass Rescue/United States Coast Guard (USCG)

Army Corps of Engineers (ACOE)/Port of Tacoma

American Pilots Association Convention

Salish Sea Shared Waters Forum

MARAD's Women on the Water Conference, Maine Maritime Academy, Castine, ME

Women in Maritime Leadership Conference, Cal Maritime, Vallejo, CA

Sound Experience

National Oceanic and Atmospheric Administration (NOAA)

Puget Sound Harbor Safety Committee and Pacific Coast Marine Advisory Review Joint Meeting

Maritime Day, Olympia, WA

150th Pilotage Act Anniversary Celebration, Port Townsend, WA

07 - TARIFF REVENUE, EXPENSES AND COMPENSATION TO PILOTS

Puget Sound Pilotage District

	<u>2018</u>	Average Per	<u>2017</u>	Average Per
	Total	Pilot @ 50.3	Total	Pilot @ 52.44
TOTAL PILOTAGE REVENUE <i>(Note 1)</i>	\$ 33,996,799	\$ 675,881	\$ 32,841,659	\$ 626,271
Operating Expenses <i>(Note 2)</i>				
Seattle Operating Expense	\$ 10,252,297	\$ 203,823	\$ 9,956,847	\$ 189,871
Port Angeles Station Operating Expense	538,388	10,704	730,114	13,923
Pilot Boats Operating Expense	1,679,687	33,393	1,605,694	30,620
Total PSP Operating Expenses	\$ 12,470,372	\$ 247,920	\$ 12,292,655	\$ 234,414
<i>Balance of Revenue Pool before Reimbursements to Pilots</i> <i>(Note 3)</i>	\$ 21,526,427	\$ 427,961	\$ 20,549,004	\$ 408,529
Transportation Expense Charge Reimbursed to Pilots	\$ 1,036,161	\$ 20,600	\$ 1,029,520	\$ 19,632
Individual Pilots Business Expense Allowance	244,896	4,869	589,932	11,250
Annual Earnings after Deductions (for Distribution to Pilots)	\$ 20,245,370	\$ 402,219	\$ 18,929,552	\$ 360,987

Notes:

1. Pilotage Revenue excludes BPC SILA surcharge & trainee surcharge revenue.
2. Information is drawn from PSP 2017 and 2018 Audited Financial Statements. Some rounding applies.
3. Reimbursements to Pilots are for the Transportation Expense Charge paid directly to pilots, as well as an individual out-of-pocket allowance of \$4,865 for disability insurance, referred to as Individual Business Expense (IBE).



Evergreen's 14,000 TEU THALASSA AXIA is the largest ship ever to call at the Port of Tacoma. Photo courtesy of the Port of Tacoma.

Puget Sound Pilotage District (cont'd)**SEATTLE OFFICE OPERATING EXPENSES**

	<u>2018</u>	<u>2017</u>
Attorney Fees	\$ 246,770	\$ 95,458
Bad Debts	1,480	53,581
BPC SILA Contribution per Senate Bill 5096	150,000	150,000
Computer Maintenance & Programming	177,744	181,189
Computer Programming	36,674	139,579
Conferences	5,541	40,284
Consulting Services	41,625	84,790
CPA Fees	81,698	78,028
Depreciation	116,211	355,567
Drug Testing	2,085	3,398
Dues	160,732	165,910
Employee Benefits	174,809	191,127
Employee Salaries	849,672	842,741
Equipment Leases	198,826	4,877
Gifts	5,572	3,228
Insurance	162,213	182,141
Interest	8,203	13,763
License Fees - Pilots	326,000	344,500
Lobbyist	76,334	67,336
Medical Insurance - Pilots	1,560,772	1,453,478
Office Maintenance & Repair	24,340	10,171
Office Supplies	56,551	30,162
Payments to Retired Pilots/Widows - Grays Harbor District <i>(Note 4)</i>	16,070	100,861
Payments to Retired Pilots/Widows - Puget Sound District <i>(Note 5)</i>	4,626,971	4,172,153
Payment to Retired Former Director	69,502	69,502
Pilot Training	197,979	233,351
Printing & Publications	25,703	19,045
Rent & Parking	127,898	121,206
Taxes on Payroll	54,193	53,757
Taxes, Other	3,124	2,224
Taxes on Revenue	516,929	536,464
Travel, Entertainment, Promotion	124,502	121,041
Telephone & Communications	25,574	35,935
Seattle Office Total	<u>\$ 10,252,297</u>	<u>\$ 9,956,847</u>

Notes:

4. Funds derived from the application of the Grays Harbor Pilotage District tariff (Pension Charge), for the purposes of offsetting a proportionate share of pension expenses, are remitted to Puget Sound Pilots for payment to retirees of the Grays Harbor Pilotage District. Puget Sound Pilots report the revenue and expense in their annual audited financial statements. The Port of Grays Harbor has assumed responsibility effective April 2018.
5. 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.

Puget Sound Pilotage District (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2018</u>	<u>2017</u>
Depreciation	\$ 46,190	\$ 46,615
Education	1,525	0
Food	80,648	104,390
Insurance	34,583	36,583
Lodging — Port Angeles	377	0
Maintenance and repairs	30,765	217,227
Rent, tideland lease	4,362	4,310
Reposition pilots	252,161	242,870
Supplies	23,876	9,447
Taxes on property	12,916	12,241
Telephone & communications	25,986	21,624
Utilities	24,999	24,807
Port Angeles Total	<u>\$ 538,388</u>	<u>\$ 720,114</u>

PILOT BOAT OPERATING EXPENSE

Depreciation	\$ 28	\$ 28
Employee benefits	233,902	233,318
Employee salaries	801,684	802,534
Fuel of "Juan de Fuca"	186,889	136,721
Fuel of "Puget Sound"	177,694	164,639
Insurance	96,940	91,064
Maintenance & operation of "Juan de Fuca"	63,448	49,693
Maintenance & operation of "Puget Sound"	56,662	61,569
Taxes on payroll	62,440	62,299
Taxes on property	0	3,829
Pilot Boat Operations Total	<u>\$ 1,679,687</u>	<u>\$ 1,605,694</u>

Puget Sound Pilotage District (cont'd)

SCHEDULE OF EMPLOYEES

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

PROPERTY, BOATS AND EQUIPMENT

	<u>2018</u>	<u>2017</u>
Port Angeles station building	\$ 2,104,532	\$ 2,104,532
Port Angeles station furnishings & equipment	153,542	153,542
Pilot boat "Juan de Fuca"	3,229,434	3,229,434
Pilot boat "Puget Sound"	3,718,327	3,718,327
Seattle office furnishings, furniture, computers, & equipment	857,513	1,756,010
Portable pilot units	0	1,141,572
Portable radio equipment	95,659	95,659
	<u>\$ 10,159,007</u>	<u>\$ 12,199,076</u>
Less accumulated depreciation & amortization	9,122,378	11,000,246
	<u>\$ 1,036,629</u>	<u>\$ 1,198,830</u>

Grays Harbor Pilotage District

	2018	Average per Pilot (2)	2017	Average per Pilot (2)
	Total		Total	
TOTAL PILOTAGE REVENUE	\$ 1,936,760	\$ 968,380	\$ 1,783,817	\$ 891,909
Operating Expenses (Note 1)				
Port Administrative Services	106,167	53,084	87,638	43,819
Other Pilot Division Expenses	700,502	350,251	574,753	287,377
Pilot Division Operating Expenses	951,169	475,585	798,615	399,308
Revenue Remaining for Payments to Pilots	\$ 985,591	\$ 492,796	\$ 985,202	\$ 492,601
Wages, Benefits & Incentive Pay (Note 2)	857,105	428,533	807,487	403,744
Travel Allowance	30,345	15,173	27,300	13,650
Total Payments to Pilots	\$ 887,450	\$ 443,725	\$ 834,787	\$ 417,394
Total PGH Pilot Division Expenses	\$ 1,838,619	\$ 919,310	\$ 1,633,402	\$ 816,701
Miscellaneous Revenues	\$ 2,343	\$ 1,172	\$ 1,201	\$ 601
Grays Harbor District Income (Loss) (Note 3)	\$ 100,485	\$ 50,243	\$ 151,616	\$ 75,808

Notes:

1. Information is drawn from Pilot Division Profit and Loss Statements from the Port of Grays Harbor. Rounding may apply.
2. 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.
3. Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.



Aerial of the Port of Grays Harbor Operations. Photo courtesy of KBKW.

Grays Harbor Pilotage District (cont'd)

PORT OF GRAYS HARBOR PILOTAGE DIVISION EXPENSES

	<u>2018</u>	<u>2017</u>
Advertising	\$ 216	\$ 53
Pilot Launch Services	460,905	330,437
Depreciation	26,625	21,751
Dues & License Fees	1,688	13,000
Insurance	13,000	1,684
Legal Services	8,261	1,133
Consulting	21,563	0
Miscellaneous other expenses	654	1,146
Pension Contribution for Retired Independent Pilots	144,500	136,224
Port Administrative Services	106,167	87,638
Repair/Maintenance	112,861	139,015
Supplies	10,508	14,323
Taxes	27,680	24,777
Telephone	5,069	4,347
Training	1,100	9,575
Travel/Lodging/Meals	10,372	13,512
Wages	548,098	542,710
Benefits	204,913	188,005
Gain Sharing Distribution	0	65,332
Incremental Duty Pay	104,094	11,440
Travel Allowance (paid to pilots)	30,345	27,300
Grays Harbor District Total Expenses	<u>\$ 1,838,619</u>	<u>\$ 1,633,402</u>

PROPERTY, BOATS AND EQUIPMENT

	<u>2018</u>	<u>2017</u>
Pilot Boat "Chehalis"	\$ 317,630	\$ 317,630
Computer equipment (mobile)	38,355	38,355
Radio equipment	12,052	12,052
	<u>\$ 368,037</u>	<u>\$ 368,037</u>
Less accumulated depreciation	282,465	257,622
	<u>\$ 85,572</u>	<u>\$ 110,415</u>

08 - INCIDENT REPORTS & MARINE SAFETY OCCURENCES

Incident Reports

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 his/her 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 his/her duties on a vessel, regardless of whether the incident results in physical injury to the pilot or pilot trainee.

Puget Sound Pilotage District

Two Incident Reports were filed in the Puget Sound Pilotage District in the year 2018.

DATE	VESSEL	LOCATION	BOARD DECISION
07/03/2018	GUANG DONG Bridge	Tacoma, Commencement Bay	Incident with no pilot error and no apparent damage
12/17/2018	CSCC EUROPE	Yukon Harbor, Anchorage 4	Incident with no pilot error and no apparent damage

Investigation of Report of Pilot Fatigue and Pilot Reprimand

DATE	VESSEL	LOCATION	BOARD DECISION
07/07/2018	MIDNIGHT SUN	In the vicinity of Point Wilson to the Port Angeles pilot station	The assigned pilot fell asleep on the bridge. At no time was the vessel in danger of grounding or collision. The Board issued a reprimand with the requirement for a specific training exercise. The Board also revised the policy for the resumption of duties out of rotation.

Grays Harbor Pilotage District

Zero Incidents were filed in the Grays Harbor Pilotage District in the year 2018.

The Board is 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.

Marine Safety Occurrences

WAC 363-116-200(1)(b): A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment. A report of Marine Safety Occurrence may be voluntarily submitted on an out-of-the-ordinary occurrence or concern for navigational safety that is encountered or observed during the course of piloting a vessel.

Puget Sound and Grays Harbor Pilotage Districts

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

* twenty-three vessel equipment malfunctions or failures, one was classified as near-miss;

One MSO report was filed the Grays Harbor District:

* one vessel equipment malfunctions or failure not classified as near-miss.

Records of all Incidents and MSO's are maintained by BPC.



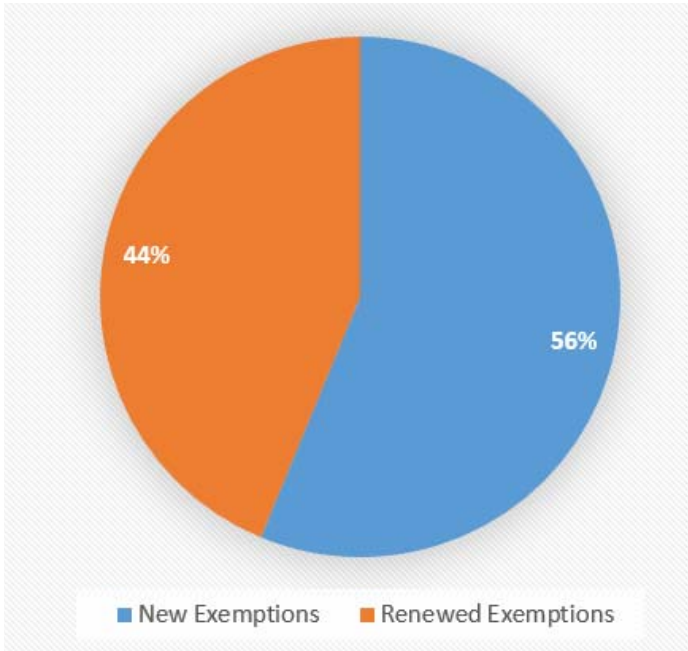
Foss tugs guide bulk carrier DIANA BOLTEN from the berth at the Port of Bellingham. Photo courtesy of the Port of Bellingham.

09 - PETITIONS FOR VESSEL EXEMPTION

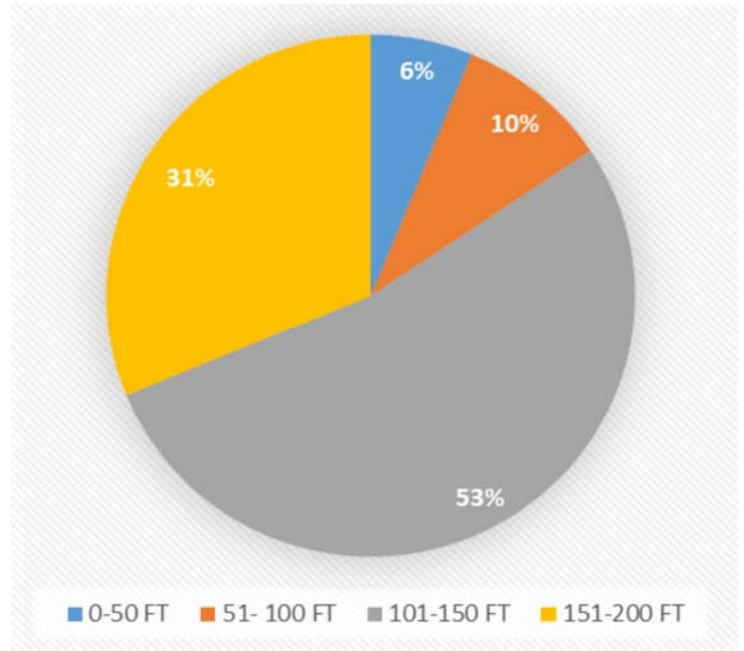
Under the authority of RCW 88.16.070, application may be made to the Board of Pilotage Commissioners to seek exemption from the pilotage requirements for the operation of a limited class of small passenger vessels, which are not more than one thousand three hundred gross tons (international), do not 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 2018, the following exemption certificates were granted to qualifying vessels:

Certificate #	Vessel	LOA	GRT	Approved Operator	Country of Origin	Approved Dates
18-12 R	AFTER EIGHT	151 FT	498 GRT	Lindsay	Isle of Man	04/25/18 - 04/24/19
18-29 N	AMMONITE	78 FT	130 GRT	Liljebladh	Cayman Islands	09/24/18 - 12/24/18
18-01 R	ARCTIC PRIDE	123 FT	297 GRT	Seethoff	Jamaica	02/13/18 - 02/12/19
18-30 N	BIG FISH	148 FT	508 GRT	Mayer	Marshall Islands	10/05/18 - 01/04/19
18-02 R	CIELO MARE	127 FT	247 GRT	Angulo	Marshall Islands	05/01/18 - 04/30/19
18-20 N	CLAN VIII	148 FT	324 GRT	Lumley	Malta	08/01/18 - 10/31/18
18-15 N	CONSTANCE	154 FT	418 GRT	Clarke	Cayman Islands	07/15/18 - 07/14/19
18-18 R	CV-9	131 FT	322 GRT	Feffer	Cayman Islands	07/20/18 - 07/19/19
18-31 R	ELISA	150 FT	456 GRT	Hill	Marshall Islands	09/23/18 - 09/22/19
18-03 N	EL MIRAR II	108 FT	204 GRT	Simon	British Virgin Islands	06/01/18 - 08/31/18
18-24 N	EMERALD SEA	45 FT	37 GRT	Poulson	Malaysia	08/11/18 - 11/10/18
18-26 R	EVVIVA	164 FT	492 GRT	Bracewell	Cayman Islands	09/19/18 - 09/18/19
18-04 N	FORTUNA STAR	54 FT	44 GRT	Niederreiter	Jersey Channel Islands	05/15/18 - 05/14/19
18-07 N	HUNTRESS	197 FT	1218 GRT	Guymon & Oldham	Cayman Islands	06/01/18 - 05/31/19
18-28 R	ICE BEAR	171 FT	614 GRT	Butler, Hayes	Cayman Islands	09/07/18 - 09/06/19
18-19 N	ICEBERG	110 FT	130 GRT	Finan	Marshall Islands	06/21/18 - 06/20/19
18-22 N	INCEPTION	164 FT	637 GRT	Graffam	Marshall Islands	07/30/18 - 10/29/18
18-13 N	JANICE OF WYOMING	129 FT	198 GRT	Wilson	Cayman Islands	07/15/18 - 10/14/18
18-27 R	LEGEND	167 FT	603 GRT	Viljoen	Marshall Islands	08/27/18 - 08/26/19
18-21 N	MANGUSTA	132 FT	288 GRT	Kennedy	Cayman Islands	07/18/18 - 10/17/18
18-11 R	PICOSA LADY	103 FT	180 GRT	Ocobock	Marshall Islands	04/21/17 - 04/20/18
18-16 N	RENA	145 FT	334 GRT	Baker	Jamaica	06/16/18 - 09/15/18
18-25 N	RENT SPENT	112 FT	208 GRT	Davey	Marshall Islands	08/14/18 - 11/13/18
18-17 N	SAFARI VOYAGER	174 FT	1195 GRT	Caspers	St. Kitts	06/07/18 - 06/06/19
18-23 N	SARAH LISSA	92 FT	189 GRT	Warren	Marshall Islands	07/31/18 - 10/30/18
18-06 N	SOLAIA	131 FT	427 GRT	Boxshall & Dekker	Cayman Islands	05/15/18 - 05/14/19
18-14 R	ST. EVAL	114 FT	215 GRT	Milla	Cayman Islands	05/15/18 - 05/14/19
18-05 R	TRITON	163 FT	527 GRT	Johns, Piesch, Herregods	Marshall Islands	05/01/18 - 04/30/19
18-09 R	VICTORIA CLIPPER	127 FT	431 GRT	Various	Curacao	05/01/17 - 04/30/18
18-10 R	VICTORIA CLIPPER IV	118 FT	478 GRT	Various	Bahamas	05/01/17 - 04/30/18
17-37 N	VICTORIA CLIPPER V	167 FT	910 GRT	Various	Cyprus	02/01/18 - 01/31/19
18-08 R	WOFANU	47 FT	25 GRT	Hildebrand	Germany	05/13/18 - 05/12/19

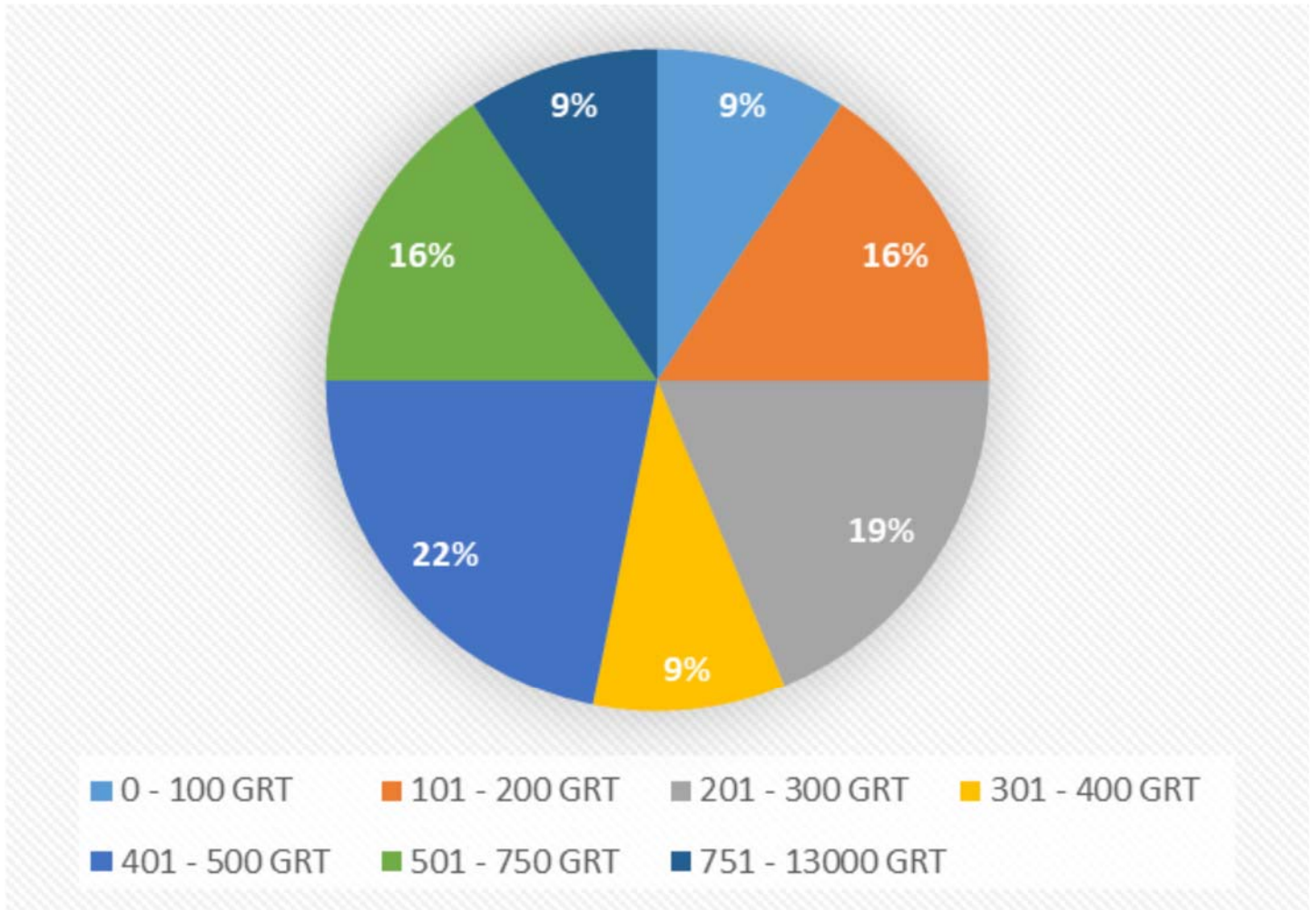
2018 Exemptions by Type



2018 Exemptions by Length Overall (LOA)



2018 Exemptions by Gross Tonnage



10 - TUG ESCORTS

RCW 88.16.020 requires that the Board provide the names and horsepower of tug boats used to escort subject to the provisions of RCW 88.16.190.

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

* In 2018, Harley Marine Starlight tugs provided tanker escort tug services. Harley Marine has since dissolved.



A Foss tug escorts an oil tanker near Anacortes. Photo courtesy of Crosscut.com.

11 - PILOTAGE TARIFFS

Puget Sound Pilotage District

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

district. Effective 0001 hours January 1, 2018, through 2400 hours

December 31, 2018.

CLASSIFICATION Ship length overall (LOA)	RATE
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

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

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

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

Puget Sound Pilotage District (cont'd)

Waterway and Bridge Charges:

Ships up to 90' beam:

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

Ships 90' beam and/or over:

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

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

Two or three pilots required:

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

Docking Delay After Anchoring:

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

Puget Sound Pilotage District (cont'd)

Sailing Delay:

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

Slowdown:

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

Delayed Arrival - Port Angeles:

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

Tonnage Charges:

0 to 20,000 gross tons:

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

Puget Sound Pilotage District (cont'd)

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton.

Notwithstanding the above tonnage charges, there shall be a minimum tonnage charge of \$500.00 applied to:

(1) All LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and

(2) All LOA Zone II and greater assignments.

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

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00
Olympia	155.00
Point Wells	42.50

Puget Sound Pilotage District (cont'd)

Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

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

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

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

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

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

Delinquent Payment Charge:

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

Nonuse of Pilots:

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

Puget Sound Pilotage District (cont'd):

British Columbia Direct Transit Charge:

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

Direct Transit Charge	\$2,107.00
Sailing Delay Charge. Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.	\$ 283.00 per hour
Slow Down Charge. Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.	\$ 283.00 per hour
Cancellation Charge. Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.	\$ 525.00
Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.	\$ 514.00

Puget Sound Pilotage District (cont'd)

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

Training Surcharge:

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

LOA Rate Schedule:

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

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	263	381	650	968	1,304	1,692
450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
470 - 479	285	404	672	1,020	1,347	1,711
480 - 489	294	410	675	1,038	1,355	1,719
490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
510 - 519	315	431	702	1,085	1,398	1,744
520 - 529	319	447	712	1,090	1,410	1,758
530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946
640 - 649	486	566	832	1,188	1,604	1,960
650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167

Puget Sound Pilotage District (cont'd)

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,494	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

Grays Harbor Pilotage District

WAC 363-116-185 Pilotage rates for the Grays Harbor pilotage district. Effective 0001 hours January 1, 2018, through 2400 hours December 31, 2018.

CLASSIFICATION	RATE
Charges for piloting of vessels in the inland waters and tributaries of Grays Harbor shall consist of the following:	
Draft and Tonnage Charges:	
Each vessel shall be charged according to its draft and tonnage for each vessel movement inbound to the Grays Harbor pilotage district, and for each movement outbound from the district.	
Draft	\$114.97 per meter or \$35.04 per foot
Tonnage	\$0.329 per net registered ton
Minimum Net Registered Tonnage	\$1,152.00
Extra Vessel (in case of tow)	\$646.00
Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$6,387.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.	
Boarding Charge:	
Per each boarding/deboarding from a boat or helicopter	\$1,092.00
Harbor Shifts:	
For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	\$803.00
Delays per hour	\$189.00
Cancellation charge (pilot only)	\$315.00
Cancellation charge (boat or helicopter only)	\$944.00
Two Pilots Required:	
When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$803.00 and in addition, when a bridge is transited the bridge transit charge of \$346.00 shall apply.	
Pension Charge:	
Charge per pilotage assignment, including cancellations	\$500.00
Travel Allowance:	
Transportation charge per assignment	\$105.00
Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$1,064.00 for each day or fraction thereof, and the travel expense incurred.	
Bridge Transit:	
Charge for each bridge transited	\$346.00
Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	\$946.00
Miscellaneous:	
The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.	

12 - PUGET SOUND PILOTS OPERATING RULES (3/2019)

(See Subsequent 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 except as otherwise provided, shall be placed at the head of the assignment list according to their relative “reporting in times” at the time of commencing respite or vacation. Members off-duty for any cause shall be placed at the head of the rotation list upon returning to duty, however members returning from off-duty status 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.
- 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 of the pilot’s bridge

time or travel time to or from an assignment occurs at any time between and including the hours of 0100 and 0459. AMENDED: 9/16

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**

At Seattle, the minimum off-duty period before and after an inter-port or sea-trial assignment, and before the first of multiple harbor shift assignments is eight (8) hours between the pilot's check-in time and the call time. At Port Angeles, except as provided in Section A (12) below, the minimum off duty period after a vessel assignment is eight (8) hours. The minimum off-duty period does not apply to repositionings or locals.

A pilot who has received a minimum eight (8) hour off-duty period at Port Angeles before being repositioned to Seattle and will check-in at Seattle prior to 1300, at may be immediately assigned.

A pilot who has received a minimum eight (8) 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.

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. Members returning from respite shall be placed in proper sequence at the head of the rotation list at 0800 Tuesday. AMENDED: 10/85, 11/87, 12/91, 1/97.

- 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.

Multiple Assignments Within One Port with 10 Hour Rest Interval (Expires 9/30/2019) (Excluding Port Angeles)

- a.** A pilot may be assigned multiple local assignments within one port area. This period shall commence at the call time of the first assignment. If the pilot is unable to start any additional local assignment or travel within 13 hours of the call time of the first assignment, a pilot will be provided a 10 hour rest interval and, if desired, a hotel room which will be reimbursed.

b. Upon completion of the 10 hour rest interval, described in paragraph a. (above), that pilot may be assigned additional local assignments provided the completion time of additional assignment(s) should not exceed 13 hours from the order time of the first assignment. At the completion of the last assignment, normal check in times apply. AMENDED: 2/19

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 eight (8) hours and who has at least ten (10) 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. Round Trip Assignments on Certain Cruise Ships. A pilot at the station may be assigned a round trip assignment on a cruise ship, if that cruise ship has suitable clean and quiet sleeping quarters available to the pilot while the ship is at the dock and if the vessel is expected to be at the dock for at least eight (8) hours. A pilot intending to take the book rather than take the vessel outbound, shall inform the dispatcher before he departs the pilot station on the inbound leg. Section 2 added 5/09, 8/15.

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
RESPIRE AGREEMENT

1. Members shall start in rotation at 0800 on a Tuesday and shall commence respire at 2400 on the second Tuesday thereafter. A member who commences said member's respire period later than 2400 on Tuesday shall have one (1) additional day's respire. 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 respire 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. 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.
3. Each Pilot shall take said Pilot's respire 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 INCOMPLETED ASSIGNMENTS

A member whose assignment is canceled by the owner, master or agent within the allotted travel time, according to Rule Two, may elect to go to the bottom or to the top of the rotation list unless that pilot is assigned to a harbor shift or repositioning. An assignment of such a pilot to a harbor shift or repositioning will be done only when it will avoid the need to hire a pilot on respite and will be subject to normal call time requirements. 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.

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 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 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 Secretary¹, 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 work day, 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 work days with respect to a Pilot's right to respite days and vacation time. AMENDED: 4/92, 5/04. 8/18.

1 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

Each Pilot will pay the Pilot's own transportation cost to any assignment. Any transportation charges paid by the Association on a Pilot's behalf such as plane or taxi, will be deducted from that Pilot's share of that Pilot's distribution. AMENDED: 4/82.

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.

13 - PUGET SOUND PILOTS BY-LAWS (11/2018)

(See Subsequent Pages)

FIRST 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 First Revised Bylaws or the Operating Rules.

3. **Definitions.** The following terms used in these First 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 18.1 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 16.3 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 16.4.4.1 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 16.5.2 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 “**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 16.3 herein.

3.20 “**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 16.5 herein.

3.21 “**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 16.6.1 herein.

3.22 “**Expenses,**” are the costs of business paid by the Association as further described in Section 16.6 herein.

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

3.24 “**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.

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

3.26 “**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 16.6.1 herein.

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

3.28 “**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.

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

3.30 “**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.

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

3.32 “**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.

3.33 “**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.

3.34 “**Pilotage Services Fees**” shall be the fees earned by the Pilots for their services piloting vessels as further described in Section 16.1 herein, and shall not include any Transportation Fees.

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

3.36 “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 16.4.2 herein.

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

3.38 “Termination Payment” is the payment made to a Member whose Membership in the Association is terminated as further described in Section 5.6.1 herein.

3.39 “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 16.1 herein.

3.40 “Transportation Fees” are those fees reimbursed to the Pilots for their costs of transportation to and from Assignments as further described in Section 16.1 herein.

3.41 “Vacation Period” is the period of time during which a Pilot not expected to receive Assignments, as further described in Section 16.4.3 herein.

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

3.43 “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.

3.44 “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.

3.45 “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 16.4.1 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, 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 16.1 through 16.9 herein, and not less the individual expenses set forth in Section 16.10 herein, and the remainder after that subtraction shall be the “**Adjusted Gross Income**” of the Association for that year;

5.5.3 The adjusted Gross Income for each of those three (3) years shall then be divided by the number of Members during each of those applicable years, the quotient from that division shall be the “**Individual Adjusted Gross Income**” for that year;

5.5.4 The Individual adjusted Gross Income for each of those three (3) 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 16.11 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 5.5 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 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 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. Pooling and Distribution of Income and Expense.

16.1 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.**"

16.2 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.

16.3 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**”).

16.4 Work Period; Respite Period; Vacation Period.

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

16.4.2 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.

16.4.3 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.

16.4.4 Compensatory Days.

16.4.4.1 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**”).

16.4.4.2 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 17 herein.

16.4.4.3 The Board of Directors may elect to forego the requirements of Section 16.4.4.2 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.

16.5 Allocation of Total Pilotage Services Fees.

16.5.1 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**”).

16.5.2 In the event that a Member's Equal Income Share is to be reduced pursuant to the terms of Section 16.4.4.2 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.

16.6 Determination and Allocation of Expense Share. Expenses of the Association, and the Members (the "**Expenses,**"), subject to the terms of Section 16.4 herein, are then determined and allocated as follows.

16.6.1 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.**"

16.6.1.1 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 16.4.3.3 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.

16.6.1.2 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 16; or (2) the death or termination of Membership of a Member; or (3) admission of a new Member.

16.6.2 Allocation of Expense Share.

16.6.2.1 Each Member's account shall be charged each month, except as set forth in Sections 16.6.1.1 and 16.6.1.2 herein, with his/her/its resulting Individual Expense Share.

16.7 New Members.

16.7.1 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.

16.7.2 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.

16.8 Terminating Members.

16.8.1 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.

16.8.2 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.

16.9 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.

16.10 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:

- 16.10.1** Personal accident, liability and license insurance of each Pilot.
- 16.10.2** Personal transportation costs charged to the Association.
- 16.10.3** Other personal charges that a Member may charge to the Association.

16.11 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.

17. 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:

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

17.2 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.

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

17.4 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 17.5 and 17.6 herein, not including the vote of the subject Member.

17.5 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.

17.6 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.

17.7 If the recommended punishment covered in this Section 17 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.

17.8 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 17.8 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.

17.9 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.

18. Limitation of Liability and Indemnification.

18.1 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, employee or advisor of the Association, whether the basis of such proceeding is alleged action in an official capacity as a Director, Officer, 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 18.2 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.

18.2 Right of Claimant to Bring Suit. If a claim for which indemnity is required under Section 18.1 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.

18.2.1 The Claimant shall be presumed to be entitled to indemnification under this Section 18 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.

18.2.2 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.

18.3 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 18 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.

18.4 Limitation. Notwithstanding the provisions of Sections 18.1 and 18.2 herein, the Association may not indemnify a Director or Officer or employee from or on account of:

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

18.4.2 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;

18.4.3 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.

18.5 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.

19. Amendment of Bylaws and Operating Rules.

19.1 Amendment of Bylaws.

19.1.1 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.

19.1.2 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.

19.2 Amendment of Operating Rules.

19.2.1 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.

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

20. General Obligations; Non-Competition.

20.1 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.

20.2 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.

20.3 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.

20.3.1 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 5.6 herein, and under any unvested Pension Plan, be agreed to be reasonable as liquidated damages for any such violation.

20.3.2 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 20.

20.4 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 5.6 herein unless and until said License is canceled.

These Bylaws are adopted effective as of the 5th day of November, 2018.