

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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

Docket TP-220513

**REBUTTAL TESTIMONY OF
WALTER S. TABLER
ON BEHALF OF PUGET SOUND PILOTS**

MARCH 3, 2023

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I. IDENTIFICATION OF WITNESS

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Q: Please state your name and position for the record.

A: My name is Walter S. Tabler. I retired in 2015 as Executive Director and General Counsel for the Puget Sound Pilots.

II. PURPOSE OF TESTIMONY.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to discuss the significant negative effects of the extraordinarily hostile attitude of the shipping industry in Puget Sound toward the Puget Sound Pilots that has persisted for nearly two decades (since 2006).

Q: Please describe the period of time during which you were a close observer of the relationship between the trade association representing oceangoing vessels calling Puget Sound and the Puget Sound Pilots.

A: For a period of 32 years from 1991 to the present, I have followed pilotage issues in Puget Sound very closely in my capacity as lead outside attorney for PSP between 1991 and 2003 and then as its Executive Director and General Counsel from 2003 until 2015. Since then, I have followed developments in Puget Sound that relate to pilotage as part of my consulting work for West Coast pilot groups.

Q: During your more than 30 years of involvement with matters related to the Puget Sound pilotage ground, was there a period of time when PSP was able to work cooperatively with the trade association representing the shipping industry on safety, pilotage rates and other matters?

1 A: Yes. During the time period from 1996 until 2006, the trade association representing the
2 steamship industry was the Puget Sound Steamship Operators Association or PSSOA.
3
4 Throughout this period of approximately 10 years, the Puget Sound Pilots and the steamship
5 industry were able to work out agreements on pilotage rates that addressed fair compensation for
6 pilots as well as medical insurance and other benefits such as the PSP pay-as-you-go pension, all
7 of which were funded by the tariff. In 2001, for example, the PSSOA and a major domestic
8 carrier, Polar Tankers, Inc., supported an increase in pilotage rates before the Board of Pilotage
9 Commissioners that included funding for a pay-as-you-go pension with a 1.5% per year accrual
10 rate. Here is the specific language in that Agreement:
11

12 Also, it is jointly proposed that the *Amended Retirement Program of Puget Sound*
13 *Pilots* be revised, subject to ratification by the PSP membership, to reflect an
14 adjustment in the benefit rate from 1.25% to 1.50% for each year of service. The
15 adjustment is intend to cover all future PSP retirees. Based on our joint proposal, the
benefits for former PSP members and/or their surviving spouses who are currently
receiving benefits is to be increased by twenty percent (20.00%).

16 As a general matter, the relationship between the pilot corps and the shipping industry was
17 cooperative, cordial and one of what I would characterize as mutual respect. As a result, during
18 this time, the PSSOA and PSP were able to reach agreement on other issues such as having PSP
19 pay (at industry's request) retirement benefits due to Grays Harbor Pilotage District retirees, use
20 of the Comp Day system for callbacks to reduce industry's overall costs by reducing the size of
21 the pilot corps and reaching and jointly proposing agreements from time to time on the number
22 of pilots who should be licensed by the BPC.
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25 **Q: When did that level of cooperation between PSP and the shipping industry change?**
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1 A: Following the dissolution of the PSSOA and the emergence of the Pacific Merchant
2 Shipping Association or PMSA as the trade association representing the largely foreign flag
3 shipping industry calling on ports within Puget Sound, the relationship between PSP and the
4 shipping industry changed quite dramatically. This started in 2006 with the industry renegeing on
5 its support for the pay-as-you-go pension agreed to by PSSOA and Polar Tankers in the 2001
6 Memorandum of Understanding between PSP, Polar Tankers and the PSSOA. Despite PSSOA's
7 earlier agreement, PMSA began taking the position that the pay-as-you-go pension was solely
8 the responsibility of PSP and should not be covered in rates. PMSA's change of industry's
9 position on pilot workload also contributed to this feeling of hostility. Ironically, PMSA
10 continually resisted PSP's efforts to restore reasonable workloads by increasing the size of the
11 pilot corps while at the same time attacking the Comp Day system that had been supported by
12 PSSOA and the BPC as a method for keeping the pilot corps as small as possible. Despite the
13 shortage of pilots that often existed, PMSA relentlessly questioned the work ethic of PSP's pilot
14 corps and often characterized its pilots as only after high pay for a level of work that justified
15 denigrating PSP pilots as "lifestyle" or "leisure" pilots.
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19 **Q: Between 2006 and 2015, when you retired as PSP's Executive Director and General**
20 **Counsel, was PSP ever able to work out a settlement agreement on a rate-related matter**
21 **with the PMSA?**

22 A: No. During that time frame, the matter of rates was always the subject of contentious
23 presentations to the Board of Pilotage Commissioners at a regular or special meeting after which
24 the Board made a decision on whether to increase or decrease rates without an evidentiary record
25 or an explanation of the reasoning behind the ultimate decision.
26

1 **Q: Given the highly contentious relationship between PSP and the PMSA over the last**
2 **18 years, what are your observations about its effects on the membership of the Puget**
3 **Sound Pilots?**

4
5 A: In my opinion, the relentless and aggressive efforts of the PMSA to resist increases in
6 pilot net income and benefits, to attack funding for PSP's pay-as-you-go pension plan as well as
7 its disregard for the pilot corps' excessive workload have had significant negative effects on the
8 overall morale of the pilot corps in Puget Sound. Specifically, the lengthy ongoing character of
9 PMSA's hostility toward PSP is a cause of significant tension and stress for PSP pilots that,
10 based upon my contacts with pilot groups throughout the US for over 30 years, is not
11 predominant on pilotage grounds throughout the United States. Pilots are professionals who are
12 universally acknowledged as extraordinarily well-qualified individuals who have reached the
13 pinnacle of a mariner's career. It is very difficult for professionals like pilots to constantly hear
14 and have to respond to criticism of their compensation, work ethic and capability in public
15 forums like the monthly meeting of the Board of Pilotage Commissioners. Based upon my
16 observations over the years, there is no doubt in my mind that the extraordinarily hostile and
17 antagonistic relationship between PSP and PMSA has negatively impacted many pilots by
18 making their job more stressful and less enjoyable to perform. At a time when the risks of
19 pursuing the profession of state-licensed pilot are growing with ever-increasing ship size and the
20 public's entitlement to zero casualties, the additional stress of regularly being told by the trade
21 association representing your oceangoing customers that you are lazy, too highly paid and
22 inefficient is tough to take. I believe that this consistent criticism, particularly PMSA's relentless
23 attack on the PSP pension plan, is the reason that multiple pilots during my time as Executive
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1 Director and General Counsel at PSP retired earlier than they otherwise would have. I worked
2 with a number of PSP Presidents during my time as Executive Director of PSP, each of whom
3 was a licensed pilot. Without exception, each of them had a visceral reaction to PMSA's attacks
4 and viewed them as personally offensive and disrespectful. Differences on economic issues are
5 to be expected, but expressing them by denigrating a dedicated group of professional pilots is, in
6 my opinion, detrimental to the safe movement of vessels in our waters.

7
8 **Q: Why do you consider the PMSA's ongoing attacks on the PSP pay-as-you-go**
9 **pension plan to be so significant and ultimately caused a number of PSP pilots to retire**
10 **early?**

11
12 A: To a pilot, who makes a midcareer move from a position as a ship, ferry or towboat
13 captain to become a state-licensed pilot, the quality of the pilot group pension is very important.
14 Because of the continuing PMSA attacks on the PSP pension, I know that there were a number of
15 pilots who considered the lack of security surrounding the retirement system in deciding when to
16 retire. There was a general consensus in the pilot corps that those already receiving benefits
17 would be less likely than those still working to have benefits reduced or curtailed in the event
18 that PMSA was successful in its efforts to defund the retirement plan. They believed that once
19 retired, their level of benefits would not be disturbed. These pilots believed that continuing their
20 careers in the face of the PMSA attacks on the pension exposed them to potential downgrading
21 of its benefits if they remained as working pilots when any such change was implemented.
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III. CONCLUSION

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2 **Q: Does this conclude your testimony?**

3 A: Yes.

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