

## **Joint Presentation of PSP and PMSA/Polar on the Target Number of Pilots to be set under WAC 363-116-065**

**Submitted to the Washington State Board of Pilotage  
Commissioners  
October 3, 2006**

This presentation is being made jointly to the Washington State Board of Pilotage Commissioners to assist it in making its findings under WAC 363-116-065 as to the number of pilots that should be licensed in the Puget Sound District. PSP and industry representatives have not yet reached agreement on a process or the exact factors necessary to support a properly informed decision on this issue. However, for purposes of this submission, we do agree as to the number of licensed pilots that that the board should set as a target at this time.

Presumably, the board looked at workload issues in 1995 when it set the current "Safe Assignment Level" of 149 assignments per full time working pilot. Pilots and industry have not fully agreed on a process and associated data to help the Board determine what the correct workload or number of pilots should be. The pilots think the Safe Assignment Level should be lowered. Industry believes that the Safe Assignment Level is primarily a planning target rather than an indication of safe workload. However, based on the last 10 year average of 149.1 assignments per full time working pilot, industry believes this an appropriate starting point.

PSP and industry agree that given the workload spikes in 2005 and thus far in 2006, this is not the right time to analyze this issue. Due to assignment spikes and pilot numbers, recent data will be skewed. We feel it will be better to assess the data once pilots are added and the system settles in terms of assignment fluctuations and workload.

The parties agree that setting a number of 56 pilots plus the president now makes the most sense. This should result in a workload more consistent with the average of the past 10 years.

The primary reasons for the joint suggestion are:

- For all of 2005 and thus far into 2006, Puget Sound has experienced a pilot shortage as a result of increases in assignments and, until July of this year, a declining number of pilots. This has required a higher assignment load and call back usage along with some pilot availability delays. Pilot availability was further aggravated by pilot health issues. As a result, the job data from these two years is skewed and does not provide the

reliable base of data that should be available to all parties if the board is to examine the workload level in detail.

- The issue is better assessed when we are closer to an assignment workload per pilot closer to the target set by the board in 1995 and the average over the past 10 years. This will allow the board to base its decision on more “normal” and reliable data.
- We are potentially near a peak in traffic that has been growing over the last 4 years and believe that traffic will increase a slight amount next year and perhaps level off or even reduce slightly after that. For 2006, we expect about 8,500 jobs. Reducing this slightly for potential cyclical reductions in traffic, we jointly recommend using a predicted job level of 8,400 for this 065 proceeding and based on the existing target assignment level, this would set the number of licensed pilots at 57.
- There is no pressing need to address this issue now. Under the current schedule of limiting entry into the training program to 2 or 3 candidates, three times a year, we do not expect to re-achieve a workload similar to the last 10 year average until late 2008 or early 2009.
  - Today, there are 55 licensed pilots. PSP expects 7 retirements before the end of 2008 and may have one or two unexpected retirements as well. Thus, 9 to 11 new pilots will likely be needed by the end of 2008 just to reach 149 jobs per pilot.
  - With trainees starting in October, 2006; January, 2007; August, 2007; November, 2007 and March 2008, it will be July, 2008 at the earliest before the number of licensed pilots will reach an interim manning level of 57, should the Board decide to set such a manning level now.
- Other relevant data will be available at that time that we do not currently have such as updated shipping patterns; health issues affecting the fitness of pilots (we currently have two pilots unable to work); more data on the impact of having a large number of pilots with restricted licenses and more up to date comp day information. It makes little sense to try to forecast 2009 traffic now in the absence of any pressing need.

There have been many changes since 1995 that, viewed in light of the criteria set forth in WAC 363-116-065, may impact the number of pilots who should be licensed. The pilots and industry believe that these criteria are better applied after the system returns to more normal averages and complete, accurate data is made available.

Until then, the pilots and industry respectfully suggest that the board set the number of pilots to be licensed at 57 – 56 watch standing pilots plus the president.

To assist the board in making its decision, we offer various data and information as attachments to this letter. Attached you will find:

1. WAC 363-116-065
2. Table of jobs per year 1984 – 2005
3. Chart of jobs per year 1984-2005
4. Table of jobs per year 1995 – YTD 2006
5. Table of jobs per year by pilot 1995- 2005
6. Jobs Per Pilot and Comp Day Accrual 1995 – 2005
7. Overall Comp Day Accrual 1995 – 2005
8. Updated pilot retirement projections.

Note that Captain Moore and Mr. Shaw will likely be absent at the October 12 Board of Pilotage Commission meeting. All parties request that any in depth deliberations on this issue be moved to subsequent meetings.

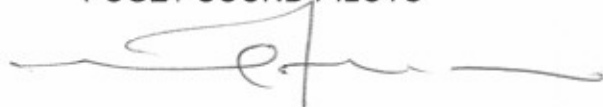
Sincerely,

PACIFIC MERCHANT SHIPPING  
ASSOCIATION



Capt. Michael Moore  
Vice President, PMSA

PUGET SOUND PILOTS



Capt. Richard F. McCurdy  
President

POLAR TANKERS, INC., N.W.

*MR Moore for Jeff Shaw  
per telephone + e-mail*

Jeffrey P. Shaw  
Port Captain

**WAC 363-116-065 Number of pilots.** (1) The board will, from time to time, set the number of pilots to be licensed in each pilotage district of the state that is best calculated to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service. This determination will be made by the board at meetings for which the agenda lists this issue as a topic for resolution. In addition, the board shall plan ahead to ensure, to the extent possible, that pilot trainees enter the training program set forth in WAC 363-116-078 so that they complete the training program in a timely manner.

(2) In setting the number of pilots and making decisions as to when to hold an examination and admit applicants to the training program, the board may consider factors which include, but are not limited to, the following:

(a) Policy of the state to ensure safety of persons, vessels, property and the environment by providing competent, efficient and regulated pilotage for vessels;

(b) The importance of the maritime industry to the state balanced by the potential hazards presented by the navigation of vessels requiring pilots;

(c) The lead time necessary to select and train new pilots;

(d) Regional maritime economic outlook, including without limitation: Current economic trends in the industry, fluctuations in the number of calls, the types of assignments, the size of vessels, the cyclical nature of the traffic and whether traffic is increasing or decreasing and the need to minimize shipping delays;

(e) Workload, assignment preparation and rest needs of pilots;

(f) Trends in size of piloted vessels;

(g) Time lost to injury and illness;

(h) Anticipated retirements;

(i) Administrative responsibilities, continuing education and training requirements consistent with the policy of chapter 88.16 RCW; and

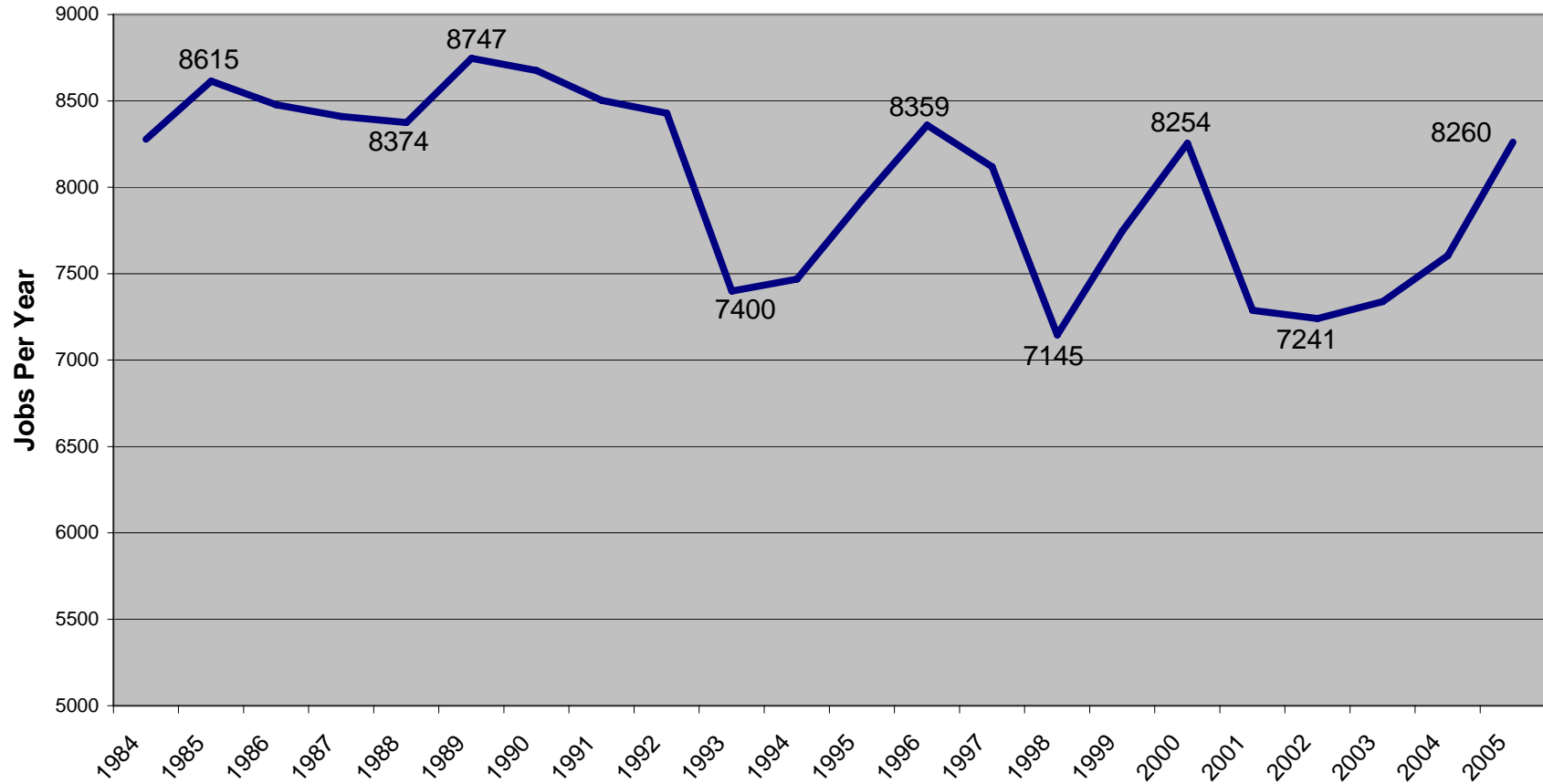
(j) Surface transportation and travel time consumed in pilots getting to and from assignments.

## Table of Jobs Per Year 1984 – 2005

1984	8277
1985	8615
1986	8478
1987	8409
1988	8374
1989	8747
1990	8675
1991	8503
1992	8428
1993	7400
1994	7468
1995	7926
1996	8359
1997	8118
1998	7145
1999	7746
2000	8254
2001	7288
2002	7241
2003	7338
2004	7604
2005	8260

### Chart of Jobs Per Year 1984 – 2005

#### Total Jobs 1984 - 2005



### Table of jobs per year 1995 – YTD 2006

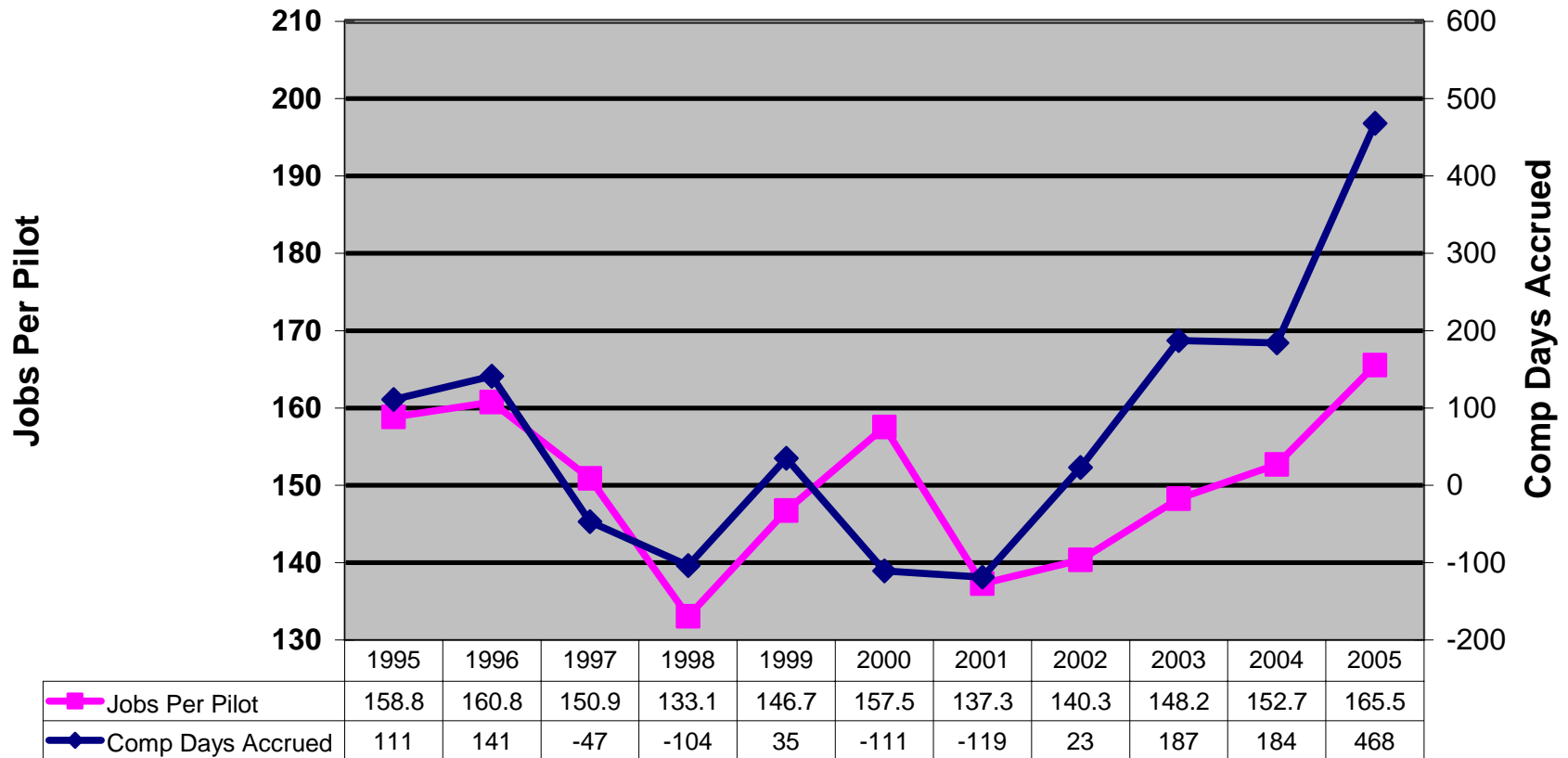
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
2		<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
3														
4	1995	618	635	678	673	679	675	657	716	580	639	668	708	7926
5	1996	628	677	712	635	771	764	709	692	626	725	700	720	8359
6	1997	700	625	664	706	690	736	655	687	622	719	649	665	8118
7	1998	622	586	593	565	593	596	568	585	605	617	600	615	7145
8	1999	533	537	566	605	605	643	713	705	684	696	755	704	7746
9	2000	684	669	692	687	723	707	678	760	695	713	620	626	8254
10	2001	632	585	643	606	639	549	589	607	613	660	577	588	7288
11	2002	567	558	592	553	635	610	615	635	627	642	580	627	7241
12	2003	590	571	565	577	635	617	608	684	626	655	608	602	7338
13	2004	572	609	666	600	658	627	676	664	618	646	643	625	7604
14	2005	661	604	656	579	723	734	725	770	766	714	657	671	8260
15	2006	674	656	664	654	728	787	752	795					5710

## Table of Jobs Per Year Per Watch Standing Pilot (President Excluded)

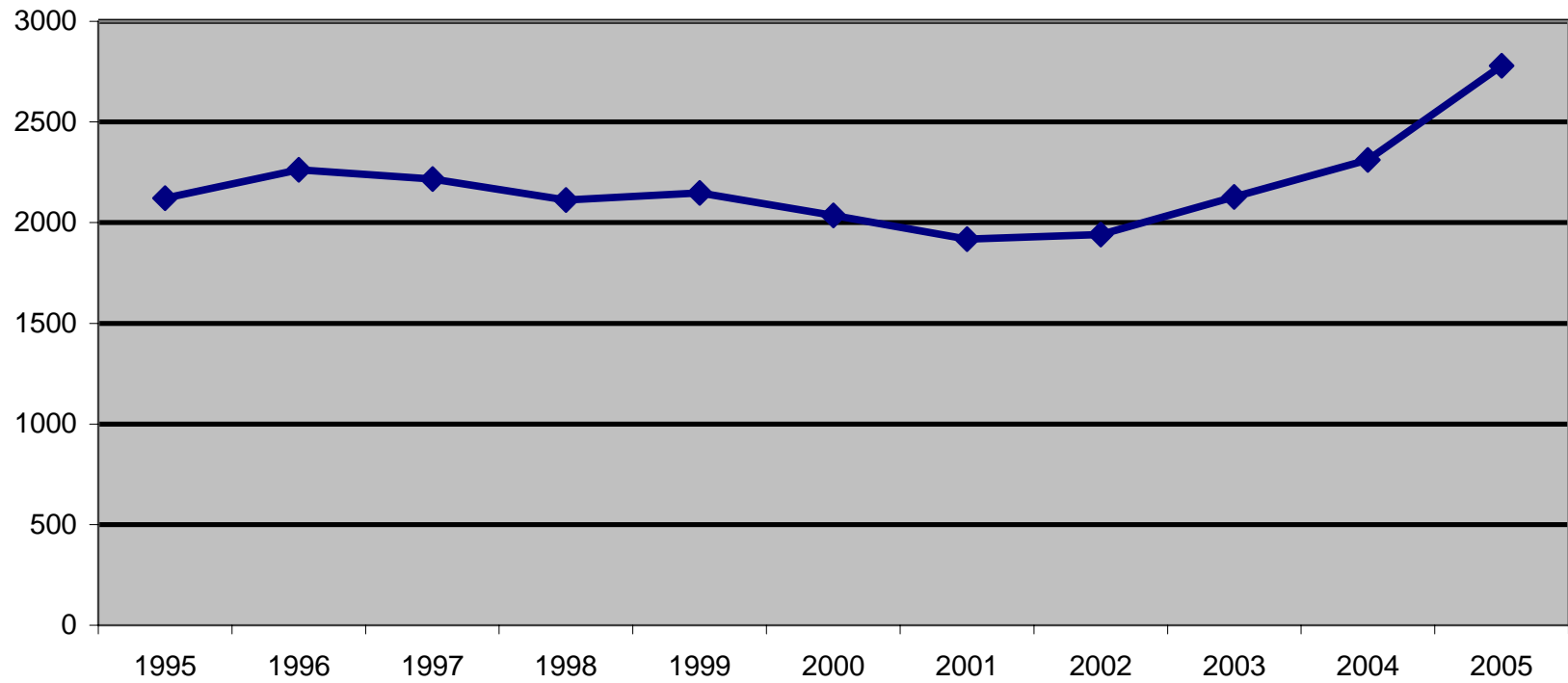
Year	Jobs Per Watch Standing Pilot
1993	147
1994	149
1995	159
1996	161
1997	151
1998	133
1999	147
2000	158
2001	137
2002	140
2003	148
2004	153
2005	166



## Jobs Per Pilot and Comp Day Accrual 1995-2005



### Total Accrued Comp Days as of Dec 31



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Series1	2122	2263	2216	2112	2147	2036	1917	1940	2127	2311	2779

# PSP Projected Retirements Based on Average Retirement Age and 2006 Survey Results

	Date of Birth	Expected Retirement
1	4/26/44	Jun-06
2	11/29/45	Oct-06
3	7/22/42	Feb-07
4	7/1/39	Oct-07
5	8/7/38	Dec-07
6	5/1/42	Jun-08
7	9/16/49	Nov-08
8	8/18/43	Jun-09
9	7/26/41	Jan-10
10	12/15/52	Jul-10
11	12/6/46	Aug-10
12	7/12/42	Dec-10
13	9/18/46	Jan-11
14	6/1/49	Jun-11
15	2/1/49	Jul-11
16	5/14/44	Jul-11
17	2/20/42	Oct-11
18	8/8/55	Jan-12
19	8/14/46	Jan-12
20	10/1/48	Jun-12
21	8/20/49	May-13
22	2/28/50	Nov-13
23	5/15/52	Jan-14
24	3/22/49	Jan-14
25	7/30/52	Jan-15
26	1/14/54	Jan-15
27	3/8/51	Jan-15
28	4/27/51	Jan-15
29	5/11/52	Jul-15
30	9/16/53	Jul-15
31	12/20/51	Sep-15
32	5/19/52	Jan-16
33	8/25/53	Jul-16
34	11/18/53	Jan-17
35	9/10/53	May-17
36	12/5/50	Jul-17
37	10/5/56	Jul-17
38	6/9/52	Jan-18
39	9/26/50	Jan-18

# PSP Projected Retirements Based on Average Retirement Age and 2006 Survey Results

	Date of Birth	Expected Retirement
40	9/4/54	May-18
41	8/30/55	May-19
42	12/3/51	Jan-20
43	5/24/50	Apr-20
44	3/25/57	Dec-20
45	9/25/56	Jan-22
46	12/2/56	Jan-22
47	4/8/59	Dec-22
48	7/11/59	Mar-23
49	3/28/60	Dec-23