

Washington State Board of Pilotage Commissioners

2010 ANNUAL REPORT

2901 Third Avenue, Suite 500 • Seattle, Washington 98121 • (206)515-3904 www.pilotage.wa.gov

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BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 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 <u>either</u> an increase of 10% in all categories except *Transportation* and *Training Surcharge* <u>or</u> 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* 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-theboard 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>	TERM EXPIRES
CHAIR Contain Harry Dudlay	11/1/1000	NI / A
Captain Harry Dudley	11/1/1999	N/A
REPRESENTING THE PUBLIC AT LARGE		
Charles Adams	9/29/2009	12/26/2012
Edmund I. Kiley	1/14/2010	12/26/2013
REPRESENTING AMERICAN SHIPPING		
Captain Craig Lee - BP Shipping (USA)	1/25/2002	12/26/2011
	10/24/2003	
	12/27/2007	
REPRESENTING FOREIGN SHIPPING		
Doug Coburn - General Steamship Corp	5/5/2010	12/26/2012
REPRESENTING THE PILOTS		
Captain Pat Hannigan - Puget Sound Pilotage District	12/26/2004	12/26/2012
	1/22/2009	
Captain William Snyder - Puget Sound Pilotage District	12/15/2006	3/1/2010
, , , , ,	12/27/2007	
Captain Richard McCurdy - Puget Sound Pilotage District	3/1/2010	12/26/2011
Captain Menard Meedray - Luget Sound Filotage District	5/1/2010	12/20/2011
REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY		
Norm Davis - Spill Prevention, Preparedness & Response Program	4/15/2005	
REPRESENTING THE MARINE WATER ENVIRONMENT		
Elsie Hulsizer	9/1/2007	12/26/2010
LEGAL COUNSEL		
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	\$ 700,256

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 Legislataure 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 12/31/10 or retirement			at 12/31/10 or retirement
		Years			Years
PILOT	Lic #	Licensed	PILOT	Lic #	Licensed
ARNOLD, John	147	15.1	MICHELSON, Bruce	136	20.5
BLAKE, Michael	163	4.5	MORENO, Stephan	178	1.1
BRUSCO, David	180	0.8	MORK, Stuart	159	9.5
BUJACICH, Jack	164	4.5	NEWMAN, Alec	125	23.0
BUNDREN, William	119	25.2	NIEDERHAUSER, John	132	21.0
CARLSON, Ivan	165	4.5	PETKE, Lyle	137	20.2
COE, Frantz (Andy)	142	18.7	SANDERS, David	152	13.7
EMERSON, Larry	126	23.0	SCOGGINS, John	161	5.9
ENGSTROM, Carl	133	20.9	SCRAGG, John	181	0.5
ENGSTROM, Victor	162	5.7	SEMLER, Joseph	156	10.2
FLAVEL, Melvin (Ret.)	140	18.0	SEMLER, Stephen	174	2.6
GIESE, Peter	143	18.2	SEYMOUR, Lawrence	177	1.5
GROBSCHMIT, David	169	3.6	SHAFFER, Daniel	116	25.5
HANNIGAN, Patrick	108	28.6	SHAFFER, James	145	18.2
HANNUKSELA, James	175	2.1	SHULER, Mark	154	12.8
HARRIS, John	123	23.0	SLIKER, William	166	4.5
HENSHAW, Brian	155	10.4	SNYDER, William (Ret.)	153	13.0
HUNZIKER, Calvin (Ret.)	115	25.2	SORIANO, Donald	122	24.1
HURT, Gary	158	9.6	THORESON, George	176	2.1
JACOBS, Thomas	131	21.0	vonBRANDENFELS, Eric	148	15.1
JOHNSON, Marin	157	10.1	WARD, John K.	168	4.3
JUSTICE, Verne	128	21.9	WARD, Jonathan E.	160	7.3
KALVOY, Jostein	170	3.6	WILDES, Gordon	173	2.9
KELLY, Patrick	167	4.4	WOOD, Micheal	134	20.8
KLAPPERICH, Eric	172	2.9			
KNOWLES, Burton	150	14.7	Number of pilots as of	12/31/09:	57
KROMANN, Robert (Ret.)	103	30.0	Number of retirement	s in 2010:	6
LARSON, Christopher	151	14.2	Number of new pilot	ts in 2010:	
LARSON, Gregory (Ret.)	107	28.0	Number of pilots as of	12/31/10:	53
MACKENZIE, Delmar	124	23.0			
MARMOL, Edmund	171	3.3	GRAYS HARBOR DIS	STRICT	Years
MATHISEN, Laurence (Ret.)	111	25.6	PILOT	Lic #	Licensed
MAYER, Donald	121	24.4	D'Angelo, Robert	15	17.8
McCURDY, Richard	141	18.7	· · · ·		1
MENDENHALL, Michael	92	33.9	No changes to pilot roster in 2010		

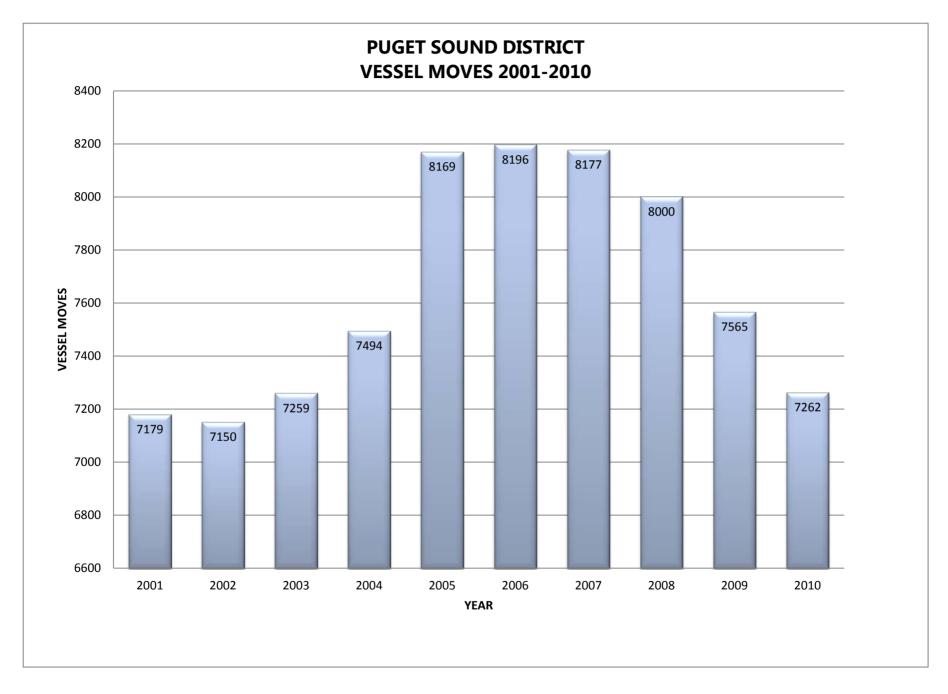
The Board issues licenses to pilots after qualifying for and passing a written examination, simulator evaluation, and successfully completing a training program established by the Board. Licenses are renewed annually after passing a physical examination and paying a license fee.

4 TOTAL PILOTAGE ASSIGNMENTS

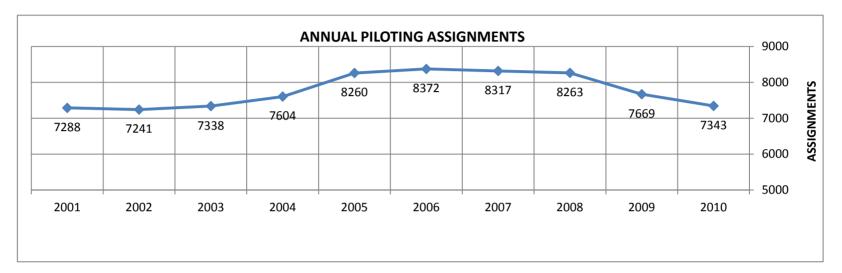
PUGET SOUND PILOTAGE DISTRICT

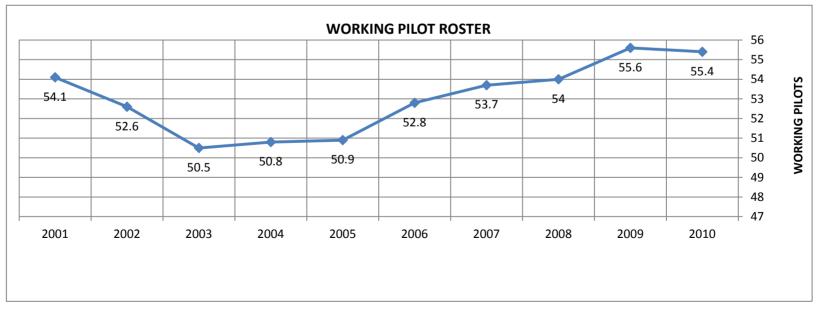
VESSEL TYPES AND ANNUAL TONNAGE - 2010

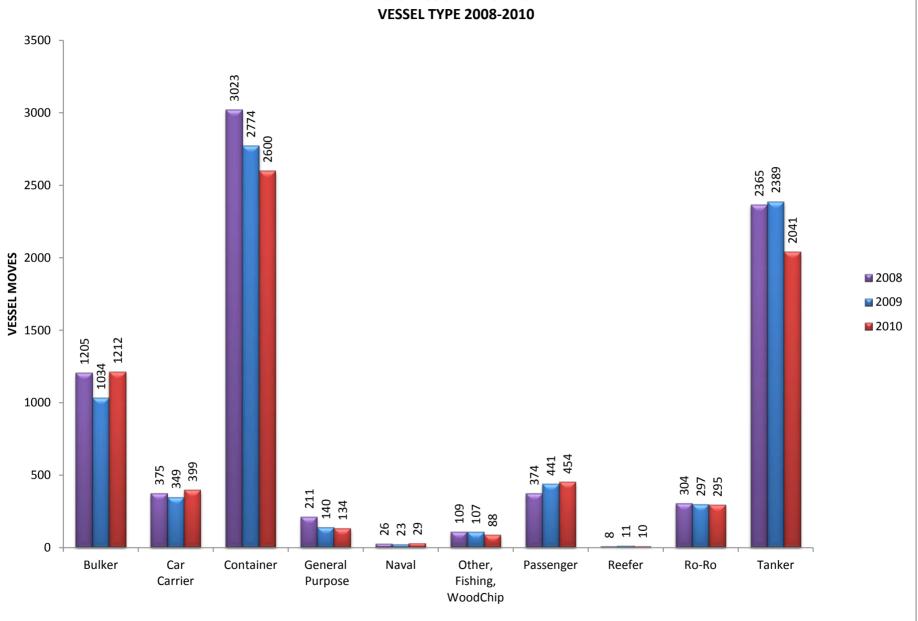
	Piloting		
Vessel Type	Assignments	Vessel Moves	Gross Tons
Bulker		1,212	36,493,261
Car Carrier		399	19,273,750
Container		2,600	142,136,289
General Purpose		134	2,897,245
Naval		29	80,444
Other		77	403,495
Passenger		454	37,292,696
Reefer		10	91,625
Ro-Ro		295	9,566,005
Tanker		2,041	95,588,906
Wood 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







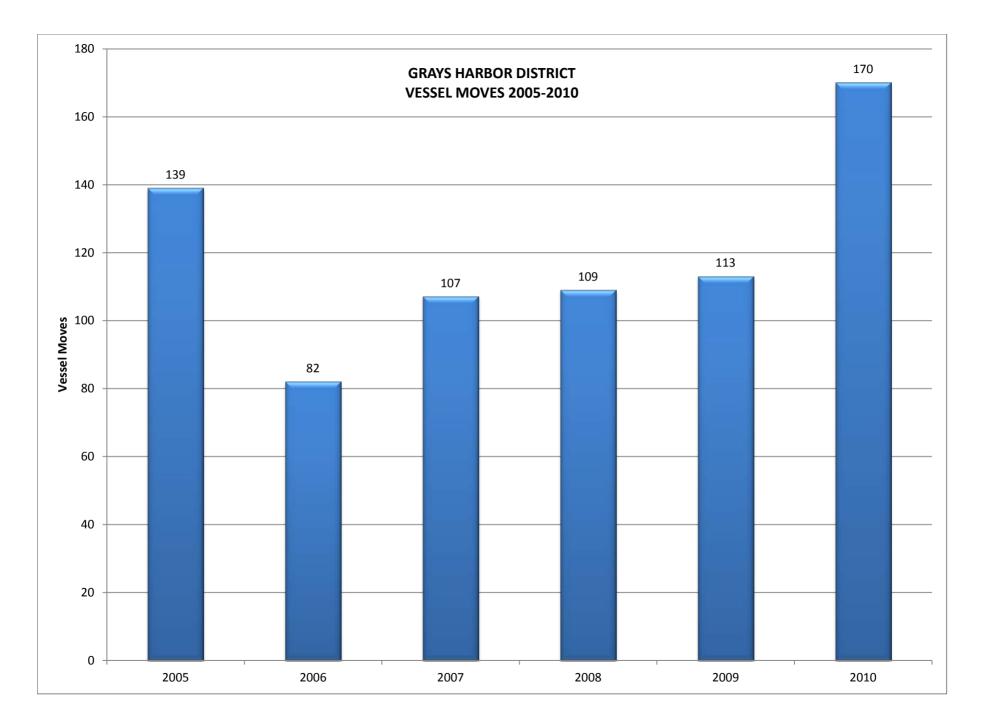
PUGET SOUND DISTRICT

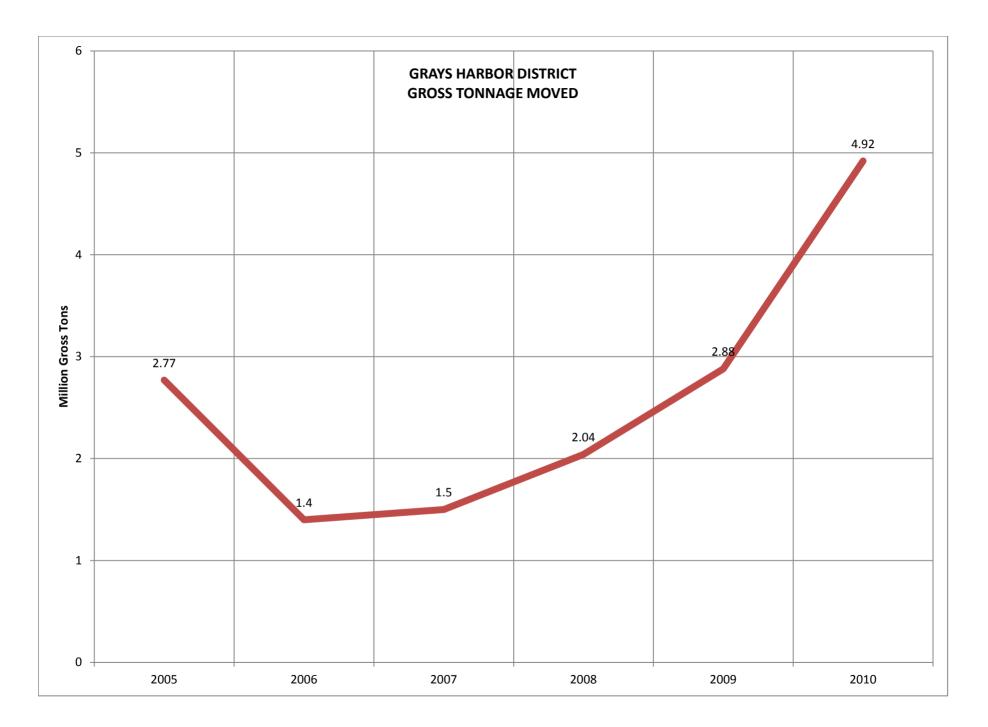
4 TOTAL PILOTAGE ASSIGNMENTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

SHIP CALLS AND ANNUAL TONNAGE

Ship Calls	
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
Assignments	
Arrivals	67
Departures	66
Shifts Cancellations	36 1
Total Assignments - 2010	170
Total Assignments - 2009	113
Total Assignments - 2008	109
Total Assignments - 2007	107
Total Assignments - 2006	82
Total Assignments - 2005	139
Gross Tonnage	
Calendar Year - 2010	4.92 million G
Calendar Year - 2009	2.88 million G
Calendar Year - 2008	2.04 million G
Calendar Year - 2007	1.50 million 0
Calendar Year - 2006	1.40 million G
Calendar Year - 2005	2.77 million G





5 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS EARNED

PUGET SOUND PILOTAGE DISTRICT

		A	vg. Per Pilot
PILOT EARNINGS	Total		(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 (Note 1)	(2,289,646)		(41,320)
Earnings after Deduction of Organization Expenses & Payments	\$ 20,320,948	\$	366,660
DISPOSITION OF EARNINGS Allocation of Pooled Revenue Individual Business Expense (Note 2)	\$ 16,921,555 2,498,254	\$	305,323 45,077
Transportation Allowances and Reimbursements	901,139		16,260
Distributed to Pilots	\$ 20,320,948	\$	366,660

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	Per Pilot
PILOT EARNINGS	 Total	 (2 Full time)
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 (Note 3)	(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	\$ 608,554	\$ 275,362
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	\$ 608,554	\$ 304,277

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 Port Angeles Station Operating Expenses Pilot Boat Operating Expenses Payments to Retired Pilots/Widows - Puget Sound District Payments to Retired Pilots/Widows - Grays Harbor District <i>(Note 4)</i>	\$	3,351,250 628,229 2,325,281 2,289,646 113,068
PUGET SOUND DISTRICT - TOTAL EXPENSES	\$	8,707,474
SEATTLE OFFICE OPERATING EXPENSES		
Attorney feesComputer maintenanceComputer programmingConferencesConsulting servicesCPA feesDepreciationDrug testingDuesEducationEmployee benefitsEmployee salariesEquipment leasesInsuranceInterestLobbyistOffice maintenance & repairOffice suppliesPilot trainingPolitical contributionsPrinting & publicationsRent & parkingTaxes on payroll	\$	21,240 181,837 3,479 3,882 69,040 65,004 265,844 6,647 152,180 2,997 254,333 674,207 1,394 213,638 37,632 114,761 4,979 32,628 235,953 46,600 20,545 146,333 52,483
Taxes, other		1,424
Taxes on revenue Travel, entertainment, promotion Telephone & communications SEATTLE TOTAL	\$	529,174 172,659 40,357
JLATTLE TUTAL	ڊ =	3,351,250

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	\$ 628,229
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	\$ 2,325,281

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 Captain S. Cooke	Full-time Pilot Full-time Pilot	
Tariff Generated Pilotage Revenue		\$ 917,423
Other Pilot Services Department Revenue		1,500
TOTAL REVENUE		\$ 918,923
<u>GRAYS HARBOR DIST</u>	RICT 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	ł	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 EXF	PENSES	 918,923

7 PILOTAGE TARIFFS PUGET SOUND PILOTAGE DISTRICT

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

RATE
\$48.00
LOA Zone I
LOA Zone I
Double LOA Zone
Double LOA Zone

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.	

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.)

L

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 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 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.	\$2,107.00 \$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 <u>363-116-078</u> 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	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	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	2,034	2,423
880 - 899	838	905	1,103	1,512	2,106	2,494
900 - 919	863	905 935	1,127	1,552	2,100	2,494 2,528
	890	963		1,584		
920 - 939 940 - 959	890 922	988	1,174 1,191	1,564	2,172 2,210	2,563
940 - 959 960 - 979						2,594
	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
		-	-	-	-	

PILOTAGE TARIFFS (cont'd) 7

GRAYS HARBOR PILOTAGE DISTRICT

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

CLASSIFICATION

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			
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	\$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	\$833.00
meters in beam	

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,	Mechanical damage,
			N. of Shilshole Bay	no pilot error
8-Aug-2010	Prague Express	Mayer	Seattle,	Damage,
			East Waterway	no pilot error
9-Oct-2010	YM Orchid	Sliker	Tacoma,	Damage,
			Pier 7D	no pilot error
3-Nov-2010	Salvatore Cafiero	Kalvoy	Tacoma,	Damage,
			Temco Grain Dock	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,	Sussman Consulting
			transfer between vessel and	report accepted, no
			pilot boat	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.

VESSEL NAME	LENGTH OVERALL	GROSS TONNAGE	APPROVED OPERATOR	COUNTRY OF ORIGIN
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	Brenninkmeijer	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)
- 2. John Scragg (T-020)
- 3. David Brusco (T-021)
- 4. James Caspers (T-022)
- 5. D. Scott Anacker (T-023)
- 6. Blair Bouma (T-024)
- 7. James Kearns (T-025)
- 8. Michael Anthony (T-026)
- 9. Robert D'Angelo
- 10. Fred Engstrom
- 11. Warren Carley
- 12. William Lowery
- 13. Thomas Coryell
- 14. Daniel Brouillard

Licensed (#178):	12/10/	09
Licensed (#180):	07/08/	10
Licensed (#179):	03/11/10	
Training program ended:		09/29/10
Entered training program:		09/01/09
Qualified, licensing delayed:		11/09/10*
Entered training program:		06/01/10
Entered training program:		07/01/10

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.