



August 7, 2024

Washington State Board of Pilotage Commissioners
2901 3rd Ave., Suite 500
Seattle, WA 98121

VIA EMAIL to Ms. Jaimie Bever at Beverj@wsdot.wa.gov

Re: PSP Rebuttal Submission on Number of Pilots

Average Daily Workloads are Meaningless

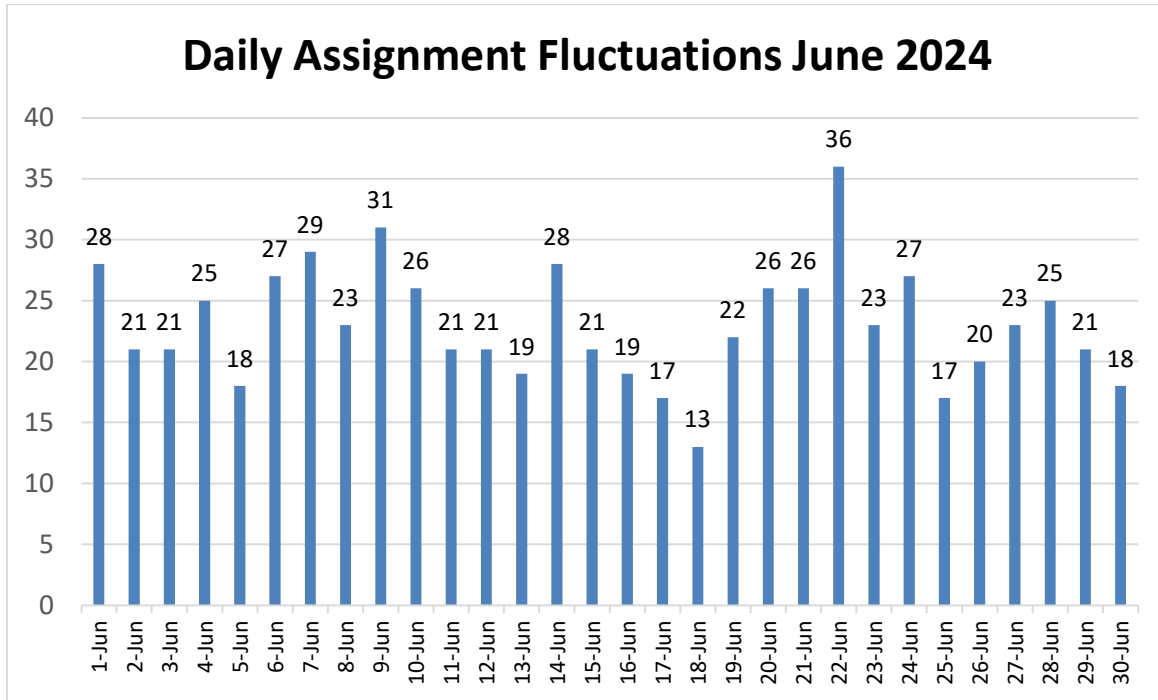
PMSA has submitted 97 pages almost all of which is an attempt to reargue TAL.¹ The Board set the TAL at 123. PMSA tries to increase this to 129 by adding in 5% of the assignments that might be done by pilots while off duty. The goal of the TAL was to set a target for on watch assignments done by pilots who are fit for duty. It does not include the off-duty assignments and any attempt to increase it to 129 is misleading. It is already higher than the targets of 110 set for the BC Coast Pilots and 106 for the Columbia River even though assignments here are longer. PMSA's mathematical manipulations should not be allowed to increase the Board adopted TAL.

PMSA's basic argument is that PSP has more pilots on duty than its average daily workload and therefore its inability to move ships without callbacks reflects an inefficient system. The word "average" appears 29 times in the 9-page letter that PMSA's has written for its July 10 submission!

Averages do not work in judging efficiency – daily fluctuations are the issue. PMSA ignores the fact that, unlike almost any other business, PSP has no control over its workflow. The frequency and timing of pilotage assignments are determined by PMSA's members, not the pilots. The pilots try hard to meet this irregular and unpredictable demand. However, there are a number of unavoidable inefficiencies built into any system that allows unscheduled and unfettered fluctuations in workload and operates on a 24/7, 365 day calendar. (See Appendix)

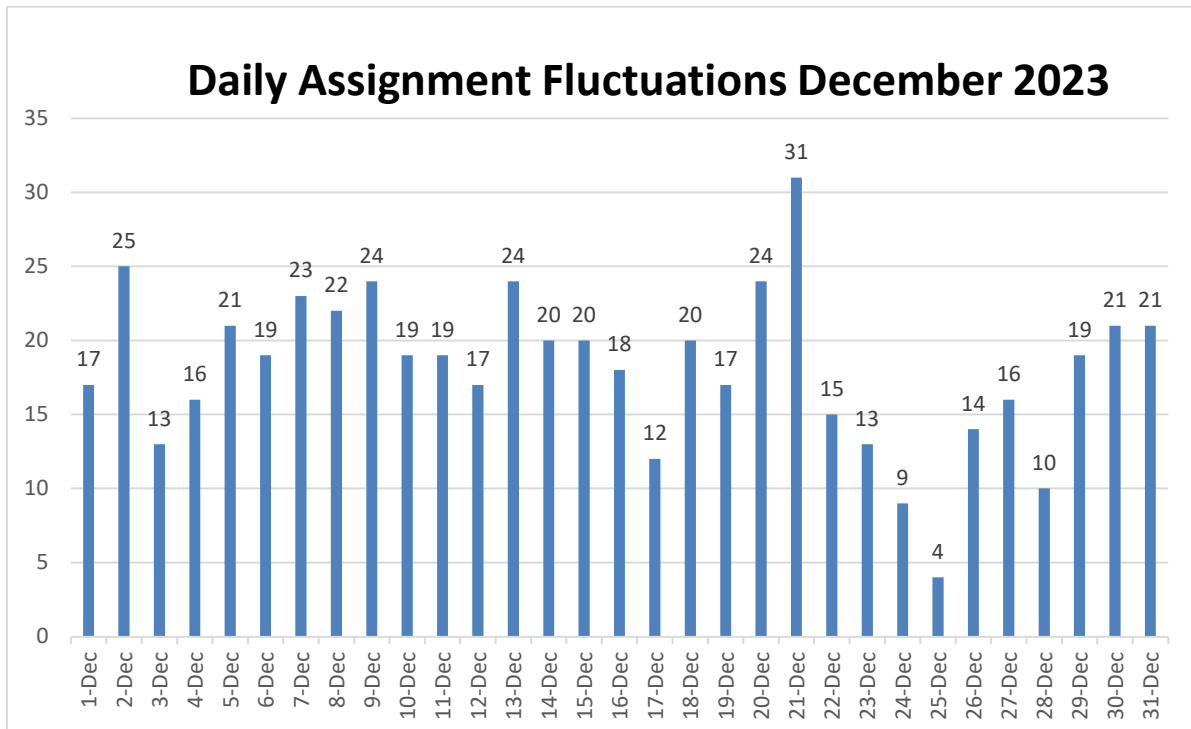
¹ There are actually only 5 paragraphs in PMSA's 9-page letter that address the issue before the Board on August 15. Two of these try to boost the TAL to 129, another asserts that the Board would be acting illegally if it raised the number of pilots and another is only a summary.

Here is a chart showing daily traffic fluctuations in June of 2024:



Daily traffic exceeded the average on 40% of June's days(12 out of 30).

The fluctuations remain in the non-cruise part of the year as well. Here is the same chart for December, 2023:



Looking at 2023, the average number of daily assignments for the full year was 19. Throughout the entire year there were only 31 days that had 19 assignments. There were 76 days when the assignment level exceeded this average by 5 or more assignments. There were 44 days when the number of assignments increased more than 8 over the previous day. There were 32 days when the number of assignments decreased more than 8 from the previous day. The December 2023 data shows an average of 18 assignments per day with a deviation of 5.3 assignments per day. Thus, on a typical day the actual number of assignments varies from the average by 29%. This is why averages do not work.

Not only does the number of assignments fluctuate, but so does the timing. Agents order pilots when they want them without regard to the availability of on-duty, rested pilots. It is true that from time to time there are discussions between the PSP dispatchers and agents about a brief delay to avoid callbacks. In 2023, this happened 139 times. However, this is only 139 occurrences out of a total workload of over 7,000. It pales in comparison to the 1,434 order time changes made by agents. (20% of the total assignments!)

If PMSA wants to base the size of the pilot corps on average workload (or “pilot utilization rate”), the district should explore a pilot reservation system, rather than a pilot on demand system. A schedule could be established that would allow for more efficient use of pilots and agents could time their pilot ordering departures and arrivals based on the schedule. Another option would be to tighten cancellation rules so that if an agent changes an assignment by more than so many hours, it may not get a pilot when wanted. Obviously, increasing the number of pilots is a more attractive way to deal with this problem.

PMSA Wants to Use Old Data to Identify Current Industry Trends

PMSA urges use of traffic numbers going back 7 years to determine current industry trends. Interestingly, its 2019 proposal included again this year in its 97-page submission, urged the Board to use **2 months** of data! ².

WAC 363-116-065 (2)(d) provides:

*(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***

The WAC is looking for current trends, not old ones using data from pre-pandemic days. The last 12 months provide the best evidence available, not what happened 7 years ago.

PMSA even references the multi-year tariff formula approach embodied in the 2001 MOU among PSP, PSSOA and Polar. In determining the number of assignments expected in the upcoming year, that MOU used a self-correcting concept. If the prediction for a particular year was wrong, it was adjusted the other way in the next year. Here is what it provided at page 2:

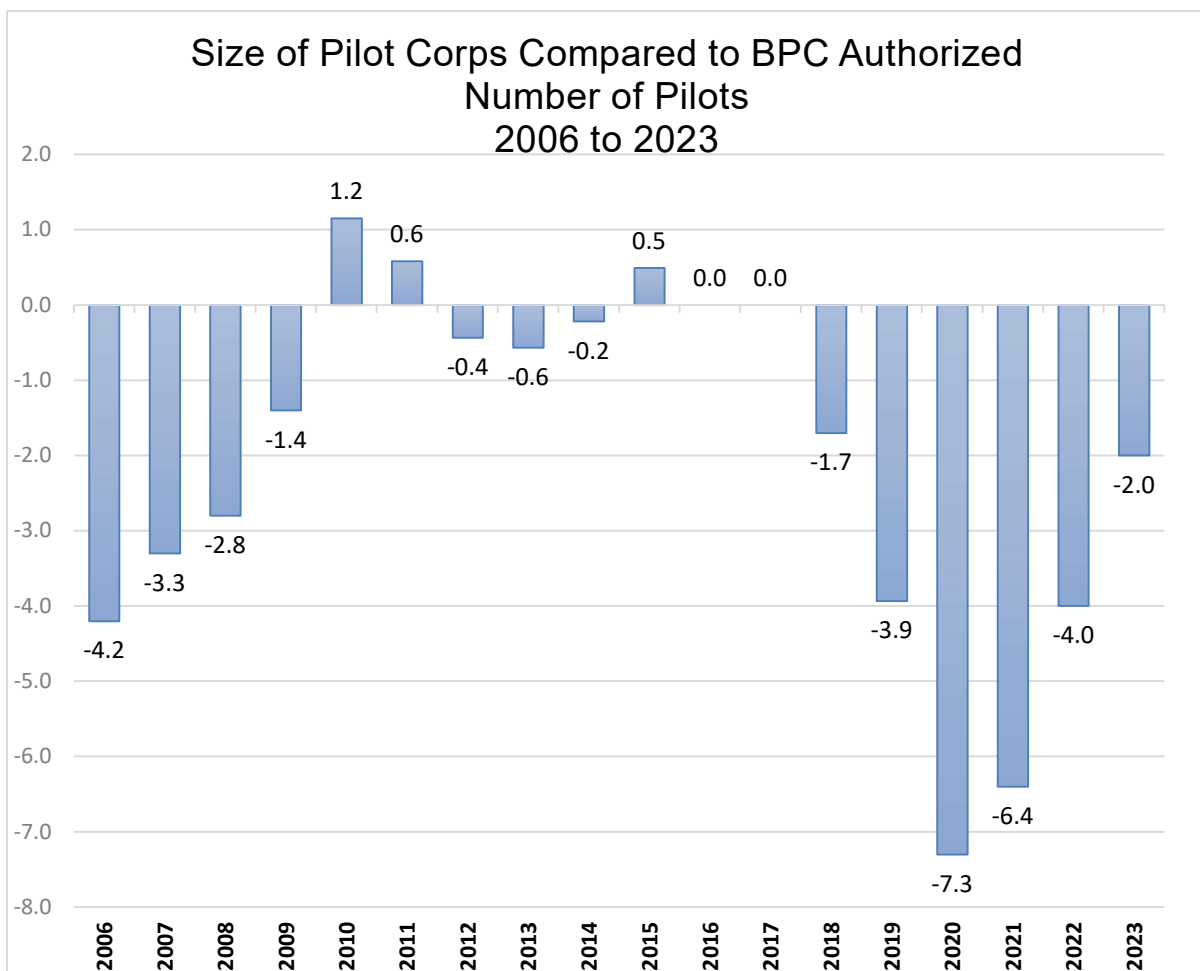
The projected number of total pilotage assignments for any given year is equal to the actual number of pilotage assignments for the previous year adjusted by fifty percent (50%) of the difference between the projection for the previous year and the actual number of assignments for that year.

As we can see, this formula followed PSP's current suggestion by using data only from the most recent year and adjusting the number of pilots annually.

² See Page 1, July 15, 2019 PMSA submission to BPC, which can be found on page 78 of PMSA's latest submission.

The Conservative Approach urged by PMSA has not Worked

Over the years, PMSA has argued repeatedly for a lower number of pilots. The fact that even they are not seeking a reduction this year speaks volumes! However, PMSA again argues for a cautious, conservative approach. This approach has not worked over the years and has contributed to the pilot shortage that has created so many comp days. The board was first given the job of setting the number of pilots in the 2005 revision to the Pilotage Act. It made its first decision under WAC 363-116-065 in 2006 when it set the number of pilots at 57. Here is a chart based on the BPC Annual Reports that compares the actual size of the pilot corps to the number of pilots authorized by the Board's WAC 363-116-065 decisions. (A negative number shows how many pilots short the pilot corps was.)



As this chart shows, the drop off in shipping from 2008 to 2010 allowed the pilot corps to catch up to the authorized number and the frequent changes in the authorized level between 2010 and 2015 helped keep it there. On a cumulative basis, since its first 065 decision in 2006, the actual pilot corps has been a net total of 36 pilot years short of the authorized level – two pilots per year. This represents 4,428 assignments at the current

TAL of 123. The pilot corps has been fully staffed in only 5 of the 18 years that 065 has been on the books. It is no wonder that PSP has 2,708 accrued comp days on its books.

This data also shows that a failure to frequently change the number of authorized pilots produces pilot shortages. Between April 2010, and February 2015, the number of pilots was changed seven (7) times.³ During these years the size of the pilot corps fluctuated slightly but was more-or-less on target. Since 2015, there has only been one adjustment in the number of authorized pilots: the 2019 increase to 56. If we really want to attack the comp day problem, we need to do it more frequently and we need to do it with more pilots.

PMSA urges caution because the Board's 065 decision is a "20+ year decision". Of course, this is not the case. As we can see from the chart above, since 2006, there have only been 3 years when the pilot corps exceeded the authorized level for a combined total of 2.3 pilot years. The reason – pilots retire. Since 2006, annual retirements have averaged 3.35 pilots per year. With more frequent consideration of the number of pilots and ongoing retirements there is virtually no risk of significantly oversupplying the pilot corps. In the unlikely event that there are too many pilots, it would only help to reduce the accrued backlog of comp days and reduce shipping delays.

The extra two pilots suggested by the NASA expert in 2019 are needed to reduce the comp day backlog. All parties agree that the total of accrued comp days on the books needs to be lowered and that it should be done in a way that reduces ship delays. Again, the only way to do this is to license more pilots. This allows pilots to take a comp day off when needed and minimizes the chances of a comp day being created. PMSA asserts that the number of outstanding comp days has gone down by 1,000 since January 2019. However, during this time, 2,089 comp days were taken by pilots burning days at the end of their careers. Removing these retiring pilots and looking only at active-duty pilots, the number of comp days during this time actually went up quite a bit: it increased by 1,654 comp days.

³ 4/2010; 9/10; 8/12; 5/13; 6/14; 11/14; and 2/15.

Here is the table showing accrued comp days from January 2019 to June 30, 2024:

YEAR	BEGINNING COMP DAY BALANCE	ENDING COMP DAY BALANCE	CD'S BURNED BY RETIRING PILOTS	CD'S ACCRUED BY ACTIVE PILOTS
2019	3143	3481	237	575
2020	3481	3075	544	138
2021	3075	2756	551	232
2022	2756	2814	378	436
2023	2814	2584	326	96
JAN-JUN 2024	2584	2708	53	177
TOTAL INCREASE SINCE JAN 1, 2019				1,654
TOTAL OUTSTANDING COMP DAYS JUNE 30, 2024		2,708		

The PMSA Recommendations

PMSA makes 13 recommendations in its presentation to the Board. Almost all of them relate to TAL and have no relevance to the decision before the Board. Many of them are PMSA's standard refrain that we need "more data" before a decision is made. Of course, whatever the Board decides to do with future data collection will have no impact on the current 065 decision. In the opening paragraph of its July 10, 2024 submission, PMSA even argues that it would be illegal for the Board to increase the number of pilots. It suggests that an increase in the number of pilots "requires a rational, legal and complete evidentiary basis with clear, logical and factual findings including the identification and implementation of continuous improvements in the administration of the Pilotage Act." Despite the voluminous analysis that the board has recently completed, PMSA goes on to assert that the BPC "has not yet fully developed such a record or findings in the current proceeding". PMSA offers no legal citation for this assertion because there is none. Rather, the legal standards applicable to this decision are set out in WAC 363-116-065.

Other PMSA recommendations simply argue that the pilots should be on duty for longer hours. The recommendations can be broken down as follows:

Type of Request	Recommendation Number
More data and analysis	1, 2 ,3, 6, 8, 9, 10, 11, and 12
More duty hours for pilots	4,5,7 and 13

These issues have been fully discussed in the TAL portion of this process. PSP strongly disagrees with PMSA’s recommendations and welcomes the opportunity to discuss them in the future if the Board so desires. However, responding to them at this point would only prolong discussion of PMSA’s endless and oft repeated litany of complaints that have no bearing on the decision now before the Board.

Respectfully Submitted

Ivan Carlson

Puget Sound Pilots
Capt. Ivan Carlson, President

Appendix – 2023 Dispatch

PMSA bemoans the fact that fewer pilots can't move more ships. Despite all of the discussion and changes that have been made over the last few years to improve efficiency, PMSA continues to insist that "more data" and reporting are needed.

Reviewing the data from 2023 shows some of the reasons that fewer pilots can't move more ships. The system has built-in inefficiencies, many of which have a negative impact on PSP's dispatch system. These negative impacts are inevitable given that PSP has no control over its workload and assignment times. Industry decides when it wants ships moved, and it does so largely without considering the availability of rested pilots. Of course, our pilotage system is rightly concerned about safety and avoiding fatigue which also complicates the dispatch system. The data below is from calendar year 2023, after implementation of the current rest rules and internal changes made by PSP to increase efficiency:

1. 849 of the 7,040 assignments in 2013, were done by off-duty pilots. This is 12.06%;
2. Even with this extensive use of callbacks there were 99 ship delays during the year due to pilot shortages;
3. There were 530 billable delays caused by customers (ships not ready to sail at the order time);
4. There were an astounding 1,434 order time changes initiated by ship agents;
5. There were 149 cancellations requested by ship agents;
6. The pilot corps lost 281 pilot days due to Covid or other not fit for duty conditions;
7. The pilots lost 386 pilot days to the 3-and-out rest rule;
8. Pilots were repositioned either to or from the Port Angeles pilot station by surface transportation 1,267 times, absorbing approximately 4,320 pilot hours;
9. There were 210 days of pilot continuing education; and
10. There were 200 pilot upgrade trips (many facilitated by taking a comp day off).