



PROPOSED RULE MAKING

CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: July 24, 2020

TIME: 8:27 AM

WSR 20-16-026

Agency: Board of Pilotage Commissioners

Original Notice

Supplemental Notice to WSR _____

Continuance of WSR _____

Preproposal Statement of Inquiry was filed as WSR 20-09-092 ; or

Expedited Rule Making--Proposed notice was filed as WSR _____; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) WAC 363-116-0751 Qualifications for pilot applicants

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
September 17, 2020	10:00am	2901 3 rd Avenue, Suite 500 Seattle, WA 98121 Agate Conf. Room, 1 st Floor	If Washington State Agencies are still not allowed to hold public meetings in person in September, instructions will be provided for a virtual public meeting.

Date of intended adoption: September 17, 2020 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: Sheri Tonn

Address: 2901 3rd Avenue, Suite 500, Seattle, WA 98121

Email: BeverJ@wsdot.wa.gov

Fax: 206-515-3906

Other:

By (date) September 10, 2020

Assistance for persons with disabilities:

Contact Jolene Hamel

Phone: 206-515-3904

Fax: 206-515-3906

TTY:

Email: HamelJ@wsdot.wa.gov

Other:

By (date) September 10, 2020

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The Board proposes to expand the qualifications for pilot applicants to be more inclusive of sea service that demonstrates the essential qualities necessary for piloting in Washington State, as well as to bring additional clarity to the rules in preparation for the 2021 Marine Pilot Exam. The proposed changes include (1) combined the tug and barge tonnage for the Towing category (2) a separate category for Ship Assist to capture inner-harbor tug captains who have a great deal of shiphandling skill, but are operating on tugs under the requirement for tonnage in the existing Towing category, (2) clarity regarding the Pilot category, (3) clarification regarding the Board's definition of Sea Service, including Ship Assist for the new category of vessel, (4) clarification regarding what types of vessels are included in the Special Purpose category, and other minor housekeeping revisions for clarity.

Reasons supporting proposal: The Board convened a work group, in collaboration with the Board's Joint Diversity Committee (JDC) and maritime professionals with diverse backgrounds to review the existing qualifications and to consider ways to expand them without losing the qualities necessary for safe pilotage. The proposed changes were recommended by the Board's Trainee Evaluation Committee and were vetted through Puget Sound Pilots and Port of Grays Harbor pilots.

Statutory authority for adoption: Chapter 88.16 RCW, Pilotage Act

Statute being implemented: Chapter 88.16 RCW, Pilotage Act

Is rule necessary because of a:

Federal Law? Yes No
Federal Court Decision? Yes No
State Court Decision? Yes No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: The Board does not recommend any statutory revisions at this time. If approved, the new rules will be implemented in time for the 2021 Marine Pilot Exam. Currently, there no fiscal impact.

Name of proponent: (person or organization) Board of Pilotage Commissioners Private
 Public
 Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Jaimie C. Bever	2901 3 rd Avenue, Suite 500, Seattle, WA 98121	206-515-3887
Implementation:	Board of Pilotage Comm.	2901 3 rd Avenue, Suite 500, Seattle, WA 98121	206-515-3904
Enforcement:	Board of Pilotage Comm.	2901 3 rd Avenue, Suite 500, Seattle, WA 98121	206-515-3904

Is a school district fiscal impact statement required under RCW 28A.305.135? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under RCW 34.05.328?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:
Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain: RCW 34.05.328 does not apply to the adoption of these rules. The Board of Pilotage Commissioners is not a listed agency in RCW 34.05.328(5)(a)(i).

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW ____.

Explanation of exemptions, if necessary:

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's analysis showing how costs were calculated. _____
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

Date: July 24, 2020

Name: Jaimie C. Bever

Title: Executive Director

Signature:



WAC 363-116-0751 Qualifications for pilot applicants. (1) Sea service.

(a) In addition to meeting the preexamination requirements of RCW 88.16.090, pilot applicants must, before taking the examination provided in WAC 363-116-076, meet one of the following indicated service requirements (~~as master,~~) while holding a minimum license as mate/master of steam or motor vessels of not more than 1600 GRT or 3000 GT (ITC):

Vessel Type	Minimum Size	Waters	Minimum Time
Cargo or tank	5000 GRT or 10,000 GT (ITC)	Ocean or near coastal	1 year as master
Cargo or tank	700 GRT or 1400 GT (ITC)	Ocean or near coastal	2 years as master
Cargo or tank	1600 GRT or 3000 GT (ITC)	Inland	2 years as master
Passenger or ferry	1600 GRT or 3000 GT (ITC)	Ocean, near coastal or inland	2 years as master
Towing	((150)) 100 GRT or towing/barge combination greater than 1600 GRT or ((300)) 3000 GT (ITC)	Ocean, near coastal or inland	2 years as master
Ship assist	100 GRT or 300 GT (ITC)	Inland	2 years as master or 4 years sailing as a mate/master with a minimum of 1 year as master
Articulated tug barge (ATB)	Combined 10,000 ((GRT)) GT (ITC)	Ocean or near coastal	4 years sailing as a mate/master with a minimum of 1 year as master
U.S. Flag government	3000 displacement tons	Ocean, near coastal or inland	2 years as commanding officer or master
Special purpose	1600 GRT or 3000 GT (ITC)	Ocean, near coastal or inland	2 years as master
Other			
State-licensed pilot or Navy civil service pilot	1600 GRT or 3000 GT (ITC)	Ocean, near coastal or inland	2 years as pilot and 120 vessel moves
((Other	Minimum Size	Waters	Minimum Time
Professional pilot association or government employed pilot	1600 GRT or 3000 GT (ITC)	Ocean, near coastal or inland	3 years as pilot))

(b) Sea service is calculated based on days spent onboard a vessel while it is actively engaged in normal operations. "Sea service"

does not include time onboard a vessel that is "laid up" or on "stand-by." In calculating sea service under this subsection (~~((1) of this section~~)), a year of service shall equal three hundred sixty days of service on the vessel in the required capacity. Pilot applicants combining the above types of sea service shall have a total of at least two years of the various service times, except that one day of service as master on cargo, tank, or passenger/ferry vessels of at least 5000 GRT or 10,000 GT (ITC) shall be credited as two days of service time for the purpose of calculating such combined service times.

(c) Ship assist vessel sea service as mate must be on vessels where the mate is the sole vessel operator and acts independently of the master for twelve hours per day.

(2) In lieu of the requirements of subsection (1) of this section, a pilot applicant may substitute either:

(a) (~~Three years of service as an active member of an organized professional pilot association or as a government employed pilot during which periods the pilot applicant was actively engaged in piloting and docking vessels 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. For purposes of this section, piloting shall refer to piloting vessels in the capacity of the pilot in charge of navigation with no other responsibilities (either when piloting or not piloting) as a member of the ship's crew)~~ Two years of service as a state licensed pilot and active member of a professional pilot association or as a naval federal pilot during which periods the pilot applicant was actively engaged in maneuvering, docking and undocking vessels 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; or

(b) Two years of service as a commanding officer or master of U.S. flag government vessels of not less than 3000 displacement tons. The pilot applicant must hold at the time of application a minimum license as master of steam or motor vessels of not more than 1600 GRT or 3000 GT (ITC) upon oceans, near coastal waters or inland waters; or

(c) Two years of service as master of special purpose vessels of not less than 1600 GRT or 3000 GT (ITC) while holding a minimum license as master of steam or motor vessels of not more than 1600 GRT or 3000 GT (ITC), provided that the sea time making up the sea service was spent in charge of a vessel that can be documented to have been underway and to have required the type of ship-handling, navigation and leadership skills that the board finds necessary to provide the experience needed to become a pilot. Special purpose vessels may include fishing vessels, fishing processors, research vessels, offshore supply vessels, dredge vessels, and cable vessels. Special purpose vessels do not include drill ships. Evaluation of service time on special purpose vessels shall be made by the board on a case-by-case basis and shall not be approved unless the board finds the service to be the substantial equivalent of the sea service required in subsection (1)(a) and (b) of this section or (a) and (b) of this subsection (~~((2))~~). The determination of the board as to the suitability of service as master of a special purpose vessel will be final.

(3) As used in this section these terms shall have the following meanings:

(a) Cargo or tank vessels shall refer to vessels primarily engaged in the transportation of cargo between points.

(b) Passenger vessels shall refer to vessels primarily engaged in the transportation of passengers between points. This shall include

yachts only to the extent and for such times that such vessels are actively engaged in moving passengers between points.

(c) Ferry vessels shall refer to vessels primarily engaged in the transportation of vehicles and passengers between points.

(d) Towing vessels shall refer to vessels primarily engaged in commercial towing (~~of vessels or in ship assist work~~).

(e) Ship assist vessels shall refer to vessels primarily engaged in assisting ships dock, undock, and maneuver.

~~((e))~~ (f) GRT shall refer to gross register tonnage (domestic).

~~((f))~~ (g) GT (ITC) shall refer to gross tonnage measured in accordance with the requirements of the *1969 International Convention on Tonnage Measurement of Ships*.

~~((g))~~ (h) Master shall refer to the person of master's rank on the vessel's station bill or muster list or other such document who, in the event of an emergency or the sounding of a general alarm, is required to be on the bridge and in charge. If there is no such designation, the term master shall refer to the person of master's rank and pay who is ultimately in charge of the navigation of the vessel as reflected in the vessel's official log book, or there being no official log book, the bridge log of the vessel.

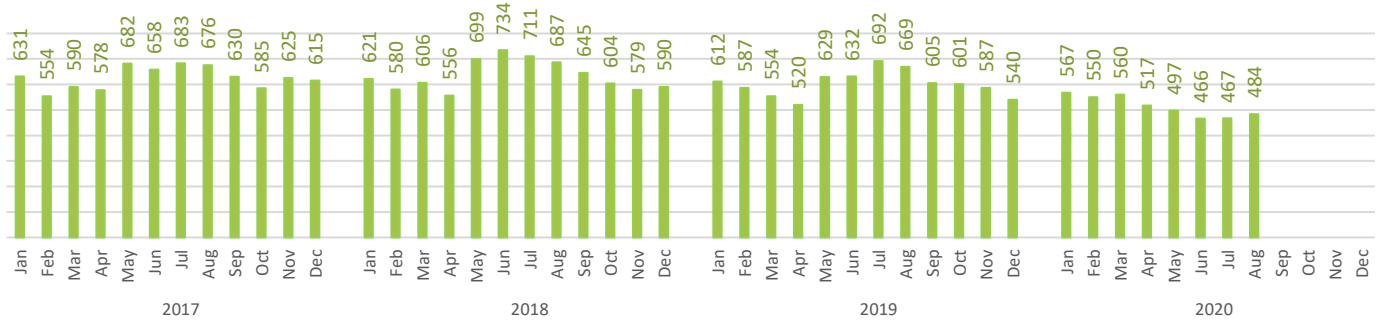
~~((h))~~ (i) Mate shall refer to the person of mate's rank (third mate, second mate, chief mate or simply mate) whose duties include regular bridge watchkeeping.

(4) It will be the responsibility of the pilot applicant to provide adequate documentation to enable the board to set forth and verify sea service in the manner specified in the board's application form.

The board will not provide applicants with a final determination verifying service until it receives an application form. An applicant will not get official notification of whether he/she qualifies to sit for the examination until the board reviews a formal application. In the event an applicant is working on a vessel other than one of the five specified in subsection (1)(a) of this section, e.g., a special purpose vessel, he/she will be required to provide the board with sufficient documentation to demonstrate to the board the amount of time involved in the navigation of a vessel underway.

Puget Sound District 2017-2020

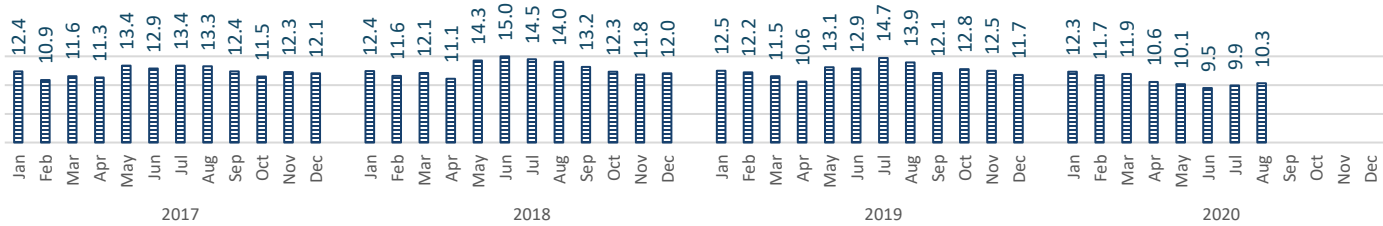
Assigns



Licensed Pilots not including president



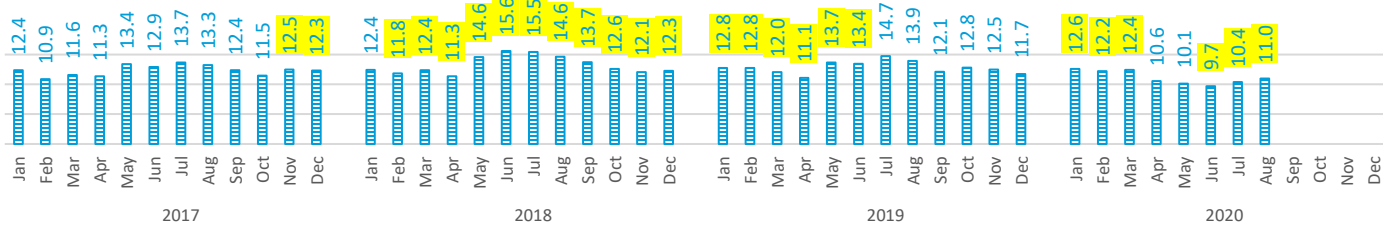
Assigns/LicensedPilot not including president



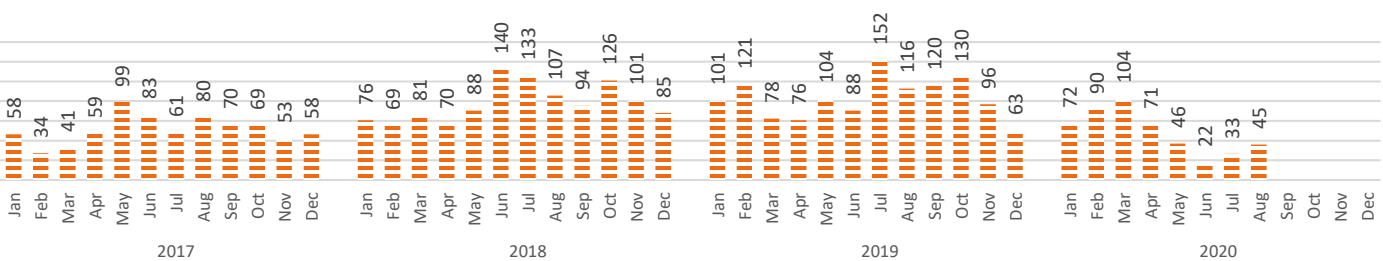
Licensed Pilots not including president, not including NFFD (highlight = 1 or more pilots NFFD)



Assigns/LicensedPilot not including president, not including NFFD (highlight = 1 or more pilots NFFD)



Callbacks



PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT

Aug-2020

The Board of Pilotage Commissioners (BPC) requests the following information be provided to the BPC staff no

Activity									
Total pilotage assignments:	484	Cancellations:			9				
Total ship moves:	475	Cont'r:	181	Tanker:	125	Genl/Bulk:	114	Other:	55
Assignments delayed due to unavailable rested pilot	3	Total delay time:			6.25 Hours				
2 pilot jobs:	38	Reason: PSP GUIDELINES FOR RESTRICTED WATERWAYS							
Day of week & date of highest number of assignment	THU	27-Aug					27		
Day of week & date of lowest number of assignment	MON	17-Aug	SUN	30-Aug	10				
Total number of pilot reposition	97								

Comp Days							
Beg Total -	3266	Call Backs (+)	45	Used (-)	104	Ending total	3207

Pilots Out of Regular Dispatch Rotation (pilot not available for dispatch during "regular" rotation)

A. Training & Continuing Education Programs

Start Dt	End Dt	City	Facility	Program Description	Pilot Attendees

B. Board, Committee & Key Government Meetings (BPC, PSP, USCG, USACE, Port & similar)

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
1-Aug	17-Aug	Seattle	PSP	UTC	CAI
1-Aug	13-Aug	Seattle	PSP	UTC	KLA
1-Aug	8-Aug	Seattle	PSP	UTC	COL
4-Aug	14-Aug	Seattle	PSP	UTC	MOT
6-Aug	6-Aug	Seattle	PSP	OTSC	BOU
9-Aug	13-Aug	Seattle	PSP	President	COL
17-Aug	17-Aug	Seattle	PSP	Security	MCG
18-Aug	18-Aug	Seattle	PSP	BOD	ANA, CAI, COL, KLA, NEW, SEM
19-Aug	22-Aug	Seattle	PSP	UTC	CAI
19-Aug	19-Aug	Seattle	BPC	TEC	ANT, KLA, SCR
20-Aug	20-Aug	Seattle	BPC	BPC	ANT, SCR
20-Aug	20-Aug	Seattle	PSP	PSC PREP	SCR
22-Aug	31-Aug	Seattle	PSP	President	CAI
25-Aug	25-Aug	Seattle	PSP	OTSC	BOU

C. Other (i.e. injury, not-fit-for-duty status, earned time off, COVID risk, on comp days (CDT) prior to retirement)

Start Dt	End Dt	REASON	PILOT
1-Aug	31-Aug	Not fit for d	BEN, HEN
1-Aug	3-Aug	CDT - Retir	MAY
4-Aug	11-Aug	ETO	BOZ, HUP, SES, SEM, SHA, SHJ
4-Aug	17-Aug	CDT - Retir	LIC
13-Aug	17-Aug	CDT Covid	HAI
18-Aug	31-Aug	CDT - Retir	SHA, SHJ
18-Aug	25-Aug	ETO	GAL, GRD, KLA, MAY, SLI
19-Aug	25-Aug	ETO	VEL
21-Aug	31-Aug	Not fit for d	BUJ
27-Aug	27-Aug	Jury Duty	EME

Presentations

If requesting to make a presentation, provide a brief explanation of the subject, the requested amount of time for

- 🕒 *Presentations may be deferred if prior arrangements have not been made.*
- 🕒 *The Board may also defer taking action on issues being presented with less than 1 week notice prior to a schedule Board Meeting to allow adequate time for the Commissioners and the public to review and prepare for discussion.*

Other Information (Any other information requested or intended to be provided to the BPC)

**State of Washington
Pilotage Commission
September 17, 2020**

Grays Harbor District Report

There were 6 arrivals in August, all dry bulk, that translated into 17 jobs. That puts us at 51 vessels YTD August 31, 2020 for a total of 139 jobs. Capt. White is on duty Sept. 1 thru Sept 21 and Capt. D'Angelo will be on duty from Sept 22 thru October 31. September looks a little better with 7 dry bulkers scheduled thus far. Our forecast of 75 arrivals for the year still looks good.

Pilot Boats

The Pilot Boat Chehalis was back in-service with a new shaft on August 17th.

Pilot Boat Replacement Project

The Pilot Boat VEGA arrived at the Westport Marina on Thursday afternoon (9/3/20) after a 5-day trip from Long Beach. The crew from Brusco Tug and Barge noted only minor issues during the trip which have been documented. They encountered rough seas off northern California and indicated the boat handled very well. They were able to get all of the spare parts onto the boat before departing so there isn't anything left to ship. The boat came with maintenance and operations manuals for the boat and all of the electronics and equipment. Staff is beginning to work on a list of repairs and modifications that will be required prior to placing the boat into service. An update to the Bare Boat Charter Agreement with Brusco is also being developed.

We are expecting a visit from Long Beach pilots on Monday, Sept. 21 as they are moving a new pilot boat from Bellingham to Long Beach and agreed to layover in Westport to review some operational questions about the Vega.

The picture below shows the Vega on the left and the Chehalis on the right at Float 21 Westport marina.



Harbor Maintenance Dredging

The Corps maintenance contractor, HME, continues to work on the channel.

Terminal maintenance – Port contractor American subcontracted Port work to HME for Sept 26-29.

Business Development

We received some disappointing news that BHP (export potash facility) has withdrawn their permits with the City of Hoquiam and will focus on other sites, most likely Surrey Docks in Vancouver BC. Hard to go from preferred site 10 months ago to out of the running. However, the primary reason given for the decision from BHP was that they could not see a clear path to entitlement for their facility. They were fast approaching a board recommendation in 2021 and needed to see a defined path forward that is nearly impossible under Washington's SEPA. There are just too many opportunities for appeals and delays to accurately see an end to the process. It was nearly 2 years ago that BHP first submitted their shoreline permit application and three years since they held their first public meeting on the project. It is a sad day for rural economic development in Washington State.



Port of Grays Harbor

On Washington's Pacific Coast

Press Release:

September 4, 2020

Contact: Kayla Dunlap, Public Affairs Manager
kdunlap@portgrays.org or 360-533-9590

For Immediate Release

BHP withdraws permit applications for potash export facility at Terminal 3

Hoquiam, Wash. – Earlier today, BHP, a leading global resource company, announced it is withdrawing permit applications for a proposed potash export facility at the Port of Grays Harbor's Terminal 3 in Hoquiam, Washington, citing continuous local stakeholder concerns and ongoing regulatory hurdles with no resolution or permit completion timeline in sight. BHP had been working with the Port and community stakeholders on the proposed project at Terminal 3 since 2015.

The company plans to pursue development at Fraser Surrey Docks in British Columbia, as well as conducting detailed due diligence on other shortlisted terminals on the northwest coast of North America.

“While we are incredibly disappointed to lose this significant opportunity not just for our community, but for our state and our nation, I am grateful to BHP for the lessons we have learned about what community engagement and the environmental permitting process can and should look like,” shared Port of Grays Harbor Executive Director Gary Nelson. “This was our project to lose and unfortunately, as I have said many times in the past, time kills deals. For rural economic development to thrive, we have to be able to provide prospective investors and employers with clearly defined requirements along with timelines for the path forward. After five years, we collectively were not able to do that for the BHP project.”

Drawn to Terminal 3 by its rail-served industrial acreage with deep-water access, BHP exercised an option to lease with the Port in June 2019 after conducting several years of due diligence on the site including geotechnical, environmental, cultural and other site investigations pertinent to their

proposed project. BHP held its first public open house in September 2017 and had been actively engaged with local stakeholders, regulators, businesses and the Quinault Indian Nation since then.

“Our rail served, deep-water marine-industrial sites remain a major asset for economic growth and the Port of Grays Harbor will continue to pursue opportunities to attract partners wanting to utilize our infrastructure and willing to invest in and be a partner in our community,” stated Port of Grays Harbor Commission President Stan Pinnick. “We will also look to work with our tribal leaders and state and federal elected officials to help improve the current permitting processes so that businesses like BHP, and REG and Contanda before them, don’t have to waste multiple years and millions of dollars on a process that has no end.”

“My predecessor on the Commission, Chuck Caldwell, impressed upon me what a great opportunity the BHP potash export facility was for Grays Harbor. In my time on the Commission I have confirmed that belief. It would have been a game changer, not only for our community, but also at the state and national level. As Director Nelson told me early on, ‘Don’t let the ups and downs of the job overwhelm you. Stay focused on the big picture and the unique attributes the Harbor has to offer prospective investors.’ This announcement is testing my internal fortitude to stay focused and positive,” shared Commissioner Phil Papac.

“In my short time on the Port Commission, but lifetime of business experience, it was clear that BHP was a top-notch partner, both professionally and financially. This is a real miss for our community, but as we have shown so many times before, we are resilient,” stated Commissioner Tom Quigg.

Founded in 1911, the Port of Grays Harbor is one of Washington State’s oldest port districts and Washington’s only deep-water port located directly on the Pacific Ocean. The Port of Grays Harbor operates 4 deep-water marine terminals, the Westport Marina, Bowerman Airport, Grays Harbor ship assist services, numerous public waterfront access facilities, in addition to industrial and business parks throughout the County. The addition of Satsop Business Park increased the Port’s properties to more than 1,000 acres of industrial properties and an additional 1,200 acres of sustainably managed forestland. Strategically located midway between Seattle and Portland and less than 1 ½ hours from open sea, the Port of Grays Harbor provides businesses a diverse portfolio of facilities. More information on the Port of Grays Harbor’s facilities and operations is available at portofgraysharbor.com or satsop.com.



First Peek at the July TEU Numbers

Note: Because West Coast ports are much quicker in releasing their monthly TEU tallies than their rival ports elsewhere in the country, these “First Glimpse” numbers are necessarily incomplete. Indeed, USWC ports routinely lap the Port of New York/New Jersey by posting their container numbers for, say, June well before PNYNJ gets around to releasing its May statistics.

When all ports finally reveal their TEU counts, July's container trade numbers are expected to be up substantially from June but much lower than they were in July of last year. In its August 10 outlook, the National Retail Federation's Global Port Tracker (GPT) predicted that container import traffic in June would be off by 10.2% from a year earlier. That is certainly more sanguine than the 14.1% slide the GPT foresaw just a month earlier. But GPT also indicated July's estimated 1.76 million loaded TEUs arriving at the thirteen U.S. mainland ports it tracks would be up 9.3% from the 1.61 million TEUs the ports handled in June.

So what are the early reporting ports telling us so far about July?

There most definitely was a surge in containerized **imports** from June to July.

The first of the big ports to announce its July tally was Oakland, which reported a 6.4% bump in inbound loaded TEUs from a year earlier. July's count was also up 16.9% from the number of inbound loads the port had handled in June.

The East Bay port was not going against the grain. Even more impressive than Oakland's 6.4% year-over-year increase was the 20.3% jump in inbound loads at the Port of Long Beach. That included a 25.3% surge over June.

Across the way at the Port of Los Angeles, inbound loads tailed off by 4.3% year-over-year but were up 23.5% from the previous month. Together, the two San Pedro Bay ports handled 5.5% more loaded inbound TEUs than they

had a year earlier, while July volumes exceeded June's by 24.3%.

So, at least in California, there was a decidedly higher volume of inbound loaded TEUs in July than just a month earlier.

Unhappily, there was no awe in the July numbers from the Northwest Seaport Alliance Ports of Tacoma and Seattle, where import loads fell by 15.9% from last July. Worse, there was no surge from June to July, but rather a very slight 0.7% decline.

Altogether, the Big Five USWC ports saw a slender 2.9% increase in inbound loads in July over the same month last year. But July was much, much busier than June, by the tune of a 20.6% surge in inbound loads coastwide.

North of the border in British Columbia, Vancouver experienced a 1.2% year-over-year decline in inbound loads. Prince Rupert, meanwhile reported a 2.5% fall-off from last July. However, the two ports did see a 19.7% bump over the number of inbound loads they had handled in June.

Elsewhere, Virginia recorded a 15.6% year-over-year fall in laden inbound TEUs but a 10.7% increase over June. Charleston was down 12.1% from last July but up 16.8% from June. Similarly, Port Everglades was down 14.3% from a year earlier but up 14.9% over June.

Down on the Gulf Coast, inbound loads through the Port of Houston slid lower by 7.9% from last July but soared over June by 17.8%.

On the **export** side of the ledger, loaded outbound TEUs from the Port of Los Angeles were down 21.7% from the same month last year and but were up 15.3% from June. At Long Beach, outbound loads in July jumped by 24.1% from a year earlier and were also up 17.9% from June. That left the two San Pedro Bay down 3.0% from last July but up 16.7% from June. Oakland posted a modest 1.3% increase over June but a 6.4% year-over-year decline. July



First Peek Continued

was a brutal month for the NWSA ports, which witnessed a 23.4% slide from last July. Altogether, outbound loads through the Big Five USWC container ports were off by 7.1% from a year earlier.

To the north, outbound loads slipped by 4.5% from a year ago at Vancouver but rose 2.2% at Prince Rupert. The two ports did see a strong 19.7% recovery from June's inbound traffic.

On the East Coast, Charleston reports a 20.1% drop in outbound loads from a year earlier, while Virginia was down 15.3% from last July. Port Everglades meanwhile saw outbound loads plunge by 24.6%.

There is no clear evidence of a June-to-July surge in exports to match what obviously appears to be a major bump in imports. While the two San Pedro Bay ports reported a 16.7% jump in outbound loads in July over June, Oakland saw only a modest 1.3% increase. Vancouver's laden outbound TEU traffic in July was up 4.1% over June. But Virginia's July export total was down 4.2% from June. Charleston's July inbound loads were 0.5% lower than in June, but outbound loads at Port Everglades in July leapt by 18.0% over the preceding month.

Parsing the June 2020 TEU Numbers

Please note: *The numbers here are not derived from forecasting algorithms or the partial information available from U.S. Customs and Border Protection but instead represent the actual TEU counts as reported by the major North American seaports we survey each month. The U.S. mainland ports we monitor collectively handle over 90% of the container movements at continental U.S. ports.*

June 2020 Import Traffic

With just two exceptions, all of the eighteen U.S. and Canadian ports whose import/export loaded TEU traffic this newsletter monitors showed declines from June of last year. The two outliers were the Port of Oakland (+1.9% or +1,569 TEUs) and the Canadian Port of Vancouver (+1.8% or +2,470 TEUs).

In Southern California, Long Beach was down 9.3% (-30,903 TEUs), while Los Angeles saw inbound loads fall by 6.8% (-27,118 TEUs). Collectively, the two San Pedro Bay ports posted an 8.0% drop (-58,021 TEUs) from June 2019. Meanwhile, in Washington State, the Northwest Seaport Alliance ports of Tacoma and Seattle recorded a fall-off of 15.1% (-18,530 TEUs). That left the USWC Big Five ports with a combined 8.0% decline amounting to 74,982 fewer inbound loaded TEUs than they had handled a year earlier.

Contrary to some premature media accounts that relied exclusively on early TEU counts from USWC ports, year-over-year declines were actually much steeper along the East and Gulf Coasts in June. The Port of New York/New Jersey handled 37,654 TEUs fewer inbound loads than in June 2019, a drop of 12.5%. Charleston sustained an 18.9% (-16,301 TEUs) nosedive. While Savannah's inbound laden traffic slid by just 4.4% (-7,355 TEUs) and Maryland's by only 4.9%, the declines were more precipitous at Virginia (-15.2%), JaxPort (-24.6%), Port Everglades (-14.4%), and Miami (-13.5%). Altogether, the nine East Coast ports we track suffered a 12.6% (-102,077 TEUs) fall-off from a year earlier.

Along the Gulf Coast, inbound loads were off at Houston by 17.4% and by 10.8% at New Orleans, leaving the two Gulf Coast ports we track with a combined fall-off of 16.7% (-19,521 TEUs).

The two British Columbia ports we monitor saw vastly different results. Inbound loads at Vancouver were up a modest 1.8%, but Prince Rupert recorded a 16.3% drop, giving the two Canadian Pacific Coast ports a combined 3.5% (-6,923 TEUs) decline from last June.

In market share terms, the Big Five USWC ports saw their share of inbound loads discharged at the U.S. mainland ports we track rise to 51.5% in June from 50.1% a year earlier.



Parsing the June 2020 TEU Numbers Continued

USWC share of inbound loads through the seven major U.S. and Canadian Pacific Coast ports slipped to 82.0% from 82.7% last June.

June 2020 Export Traffic

The Ports of Long Beach and Los Angeles both posted double-digit year-over-year declines in outbound loads in June. At the Port of LA, outbound loads tumbled by 21.3% from the previous June, while Long Beach saw 12.2% fewer outbound loads sail. Together, outbound loads at the two Southern California ports were down by 16.9% (-46,027 TEUs).

Outbound loads in June were also down elsewhere along the USWC. Oakland recorded a 5.7% drop, while outbound loads fell by 8.0% at the two NWSA ports. That left outbound loads in June through the Big Five USWC ports off by 13.3% (-56,418 TEUs) from the same month a year earlier.

The export trade numbers were not much better along the Atlantic Seaboard, where export counts were uniformly down, often by double digits, except at JaxPort. Outbound loads from PNYNJ plummeted by 20.3% (-24,894 TEUs) from a year earlier, while Charleston shipped 12.9% fewer loaded TEUs. Outbound loads were also down: by 6.5% at Virginia; by 1.2% at Savannah; by 20.7% at Miami; and by 19.7% at Maryland. Port Everglades sustained a 36.9% plunge in outbound loads. Coastwise, outbound loads at the nine USEC ports we follow were down 11.6% (-60,280 TEUs).

The two Gulf Coast ports we monitor saw outbound loads decline by 10.4 (-13,802 TEUs). Houston was down

Exhibit 1	June 2020 - Inbound Loaded TEUs at Selected Ports					
	June 2020	June 2019	% Change	June 2020 YTD	June 2019 YTD	% Change
Los Angeles	369,189	396,307	-6.8%	1,950,633	2,260,267	-13.7%
Long Beach	300,714	331,617	-9.3%	1,659,967	1,813,809	-8.5%
San Pedro Bay Totals	669,903	727,924	-8.0%	3,610,600	4,074,076	-11.4%
Oakland	82,464	80,895	1.9%	454,364	474,145	-4.2%
NWSA	104,115	122,645	-15.1%	565,808	692,318	-18.3%
USWC Totals	856,482	931,464	-8.0%	4,630,772	5,240,539	-11.6%
Boston	8,923	13,874	-35.7%	67,078	73,198	-8.4%
NYNJ	264,054	301,708	-12.5%	1,708,731	1,846,062	-7.4%
Maryland	36,936	38,839	-4.9%	242,652	261,021	-7.0%
Virginia	95,502	112,664	-15.2%	589,083	673,676	-12.6%
South Carolina	69,775	86,076	-18.9%	480,608	520,409	-7.6%
Georgia	161,444	168,799	-4.4%	988,656	1,075,362	-8.1%
Jaxport	24,555	33,461	-24.6%	147,132	176,802	-16.8%
Port Everglades	19,235	22,463	-14.4%	146,513	163,988	-10.7%
Miami	29,609	34,226	-13.5%	194,878	215,101	-9.4%
USEC Totals	710,033	812,110	-12.6%	4,565,331	5,005,619	-8.8%
New Orleans	10,408	11,673	-10.8%	69,962	68,617	2.0%
Houston	86,903	105,159	-17.4%	569,718	604,787	-5.8%
USGC Totals	97,311	116,832	-16.7%	639,680	673,404	-5.0%
Vancouver	139,965	137,495	1.8%	790,304	843,768	-6.3%
Prince Rupert	48,361	57,754	-16.3%	272,250	299,379	-9.1%
BC Totals	188,326	195,249	-3.5%	1,062,554	1,143,147	-7.1%
US/BC Totals	1,852,152	2,055,655	-9.9%	10,898,337	12,062,709	-9.7%
US Total	1,663,826	1,860,406	-10.6%	9,835,783	10,919,562	-9.9%
USWC/BC	1,044,808	1,126,713	-7.3%	5,693,326	6,383,686	-10.8%

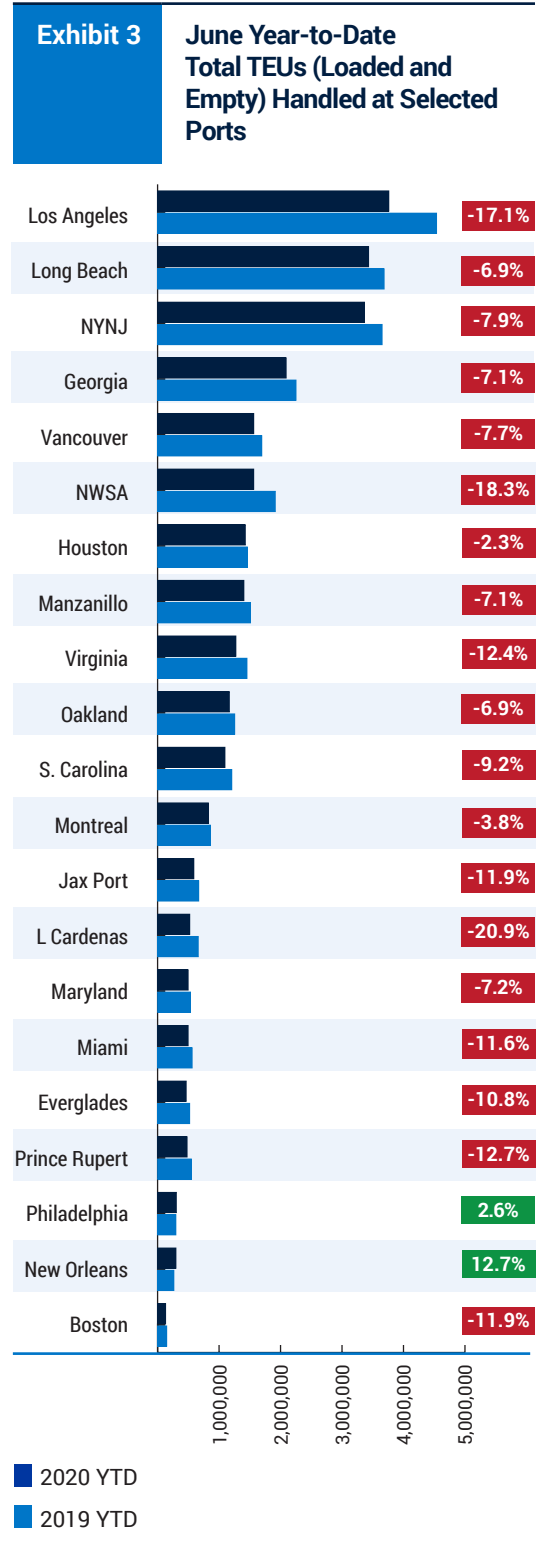
Source Individual Ports



Parsing the June 2020 TEU Numbers Continued

	June 2020 - Outbound Loaded TEUs at Selected Ports			June 2020 - Outbound Loaded TEUs at Selected Ports		
	June 2020	June 2019	% Change	June 2020 YTD	June 2019 YTD	% Change
Los Angeles	109,586	139,318	-21.3%	748,110	908,680	-17.7%
Long Beach	117,538	133,833	-12.2%	734,219	732,224	0.3%
San Pedro Bay Totals	227,124	273,151	-16.9%	1,482,329	1,640,904	-9.7%
Oakland	70,638	74,901	-5.7%	462,426	463,651	-0.3%
NWSA	70,431	76,559	-8.0%	411,340	453,730	-9.3%
USWC Totals	368,193	424,611	-13.3%	2,356,095	2,558,285	-7.9%
Boston	5,114	7,366	-30.6%	34,014	40,199	-15.4%
NYNJ	97,769	122,663	-20.3%	659,612	741,518	-11.0%
Maryland	16,164	20,127	-19.7%	106,504	115,293	-7.6%
Virginia	71,591	76,535	-6.5%	465,832	493,850	-5.7%
South Carolina	57,935	66,496	-12.9%	389,335	414,728	-6.1%
Georgia	117,883	119,295	-1.2%	745,693	760,632	-2.0%
Jaxport	43,682	38,424	13.7%	234,293	248,279	-5.6%
Port Everglades	21,915	34,705	-36.9%	164,583	210,271	-21.7%
Miami	25,679	32,401	-20.7%	178,256	206,903	-13.8%
USEC Totals	457,732	518,012	-11.6%	2,978,122	3,231,673	-7.8%
New Orleans	20,890	25,898	-19.3%	144,787	149,157	-2.9%
Houston	97,635	106,429	-8.3%	634,589	622,492	1.9%
USGC Totals	118,525	132,327	-10.4%	779,376	771,649	1.0%
Vancouver	83,970	101,715	-17.4%	528,656	582,068	-9.2%
Prince Rupert	17,113	15,254	12.2%	100,556	101,647	-1.1%
British Columbia Totals	101,083	116,969	-13.6%	629,212	683,715	-8.0%
US/Canada Total	1,045,533	1,191,919	-12.3%	6,742,805	7,245,322	-6.2%
US Total	944,450	1,074,950	-12.1%	6,113,593	6,561,607	-5.8%
USWC/BC	469,276	541,580	-13.4%	2,985,307	3,242,000	-7.9%

Source: Individual Ports



Source: Individual Ports



Parsing the June 2020 TEU Numbers Continued

Exhibit 4 USWC Ports Shares of Worldwide U.S. Mainland, June 2020

	June 2020	May 2020	June 2019
Shares of U.S. Mainland Ports Containerized Import Tonnage			
LA/LB	29.4%	26.8%	27.4%
Oakland	4.5%	4.3%	4.2%
NWSA	4.8%	5.3%	5.2%
Shares of U.S. Mainland Ports Containerized Import Value			
LA/LB	38.3%	35.0%	35.1%
Oakland	4.2%	4.0%	3.8%
NWSA	5.8%	6.3%	6.9%
Shares of U.S. Mainland Containerized Export Tonnage			
LA/LB	20.3%	20.7%	21.7%
Oakland	6.2%	6.9%	6.0%
NWSA	7.3%	8.3%	7.9%
Shares of U.S. Mainland Containerized Export Value			
LA/LB	22.2%	22.3%	20.8%
Oakland	7.0%	7.2%	6.0%
NWSA	4.4%	4.5%	4.5%

Source: U.S. Commerce Department.

8.3%, while New Orleans reported a 19.3% fall-off. Up in British Columbia, Prince Rupert's 12.2% gain in outbound loads was more than offset by a sharp 17.4% drop at Vancouver.

Altogether, outbound loads from the sixteen U.S. mainland and two British Columbia ports reporting June TEU figures were off by 12.3% (-146,386 TEUs) from last June.

The Big Five USWC ports saw their share of outbound loads sailing from the U.S. mainland ports in June slide to 39.0% from 39.5% a year earlier.

However, the USWC share of outbound loads through the seven major U.S. and Canadian Pacific Coast ports did nudge up very slightly to 78.5% from 78.4% last June.

Exhibit 5 USWC Ports Shares of U.S. Mainland Trade With East Asia, June 2020

	June 2020	May 2020	June 2019
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	47.0%	42.0%	44.2%
Oakland	5.0%	4.7%	4.8%
NWSA	6.6%	7.6%	7.7%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	54.9%	50.1%	51.8%
Oakland	4.7%	4.4%	4.5%
NWSA	7.8%	8.7%	9.8%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	30.2%	32.1%	36.5%
Oakland	7.9%	9.6%	9.3%
NWSA	10.6%	12.8%	12.8%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	39.5%	40.5%	41.4%
Oakland	10.9%	11.9%	10.9%
NWSA	7.7%	8.6%	8.6%

Source: U.S. Commerce Department.

Weights and Values

Even though the TEU is the shipping industry's preferred unit of measurement, we offer two alternative metrics – the declared weight and value of the goods contained in those TEUs – in hopes of further illuminating recent trends in the container trade along the USWC. For the most part, these numbers contain little good news for USWC port officials.

Exhibit 4: USWC Ports and the Worldwide Container Trade. Exhibit 4 features some unusual numbers on containerized imports (regardless of point of origin) entering mainland U.S. ports. The two San Pedro Bay ports actually saw their combined percentage of containerized import tonnage jump to 29.4% in June from 27.4% a year earlier. The two also enjoyed a sizable bump to 38.3%



Parsing the June TEU Numbers *Continued*

from 35.1% in their joint share of the declared value of U.S. containerized imports. Meanwhile, the Port of Oakland's share of import tonnage rose to 4.5% from 4.2% a year ago, with its share of import value also edging up to 4.2% from 3.8%. Further north, the two NWSA ports saw their combined share of import tonnage decline to 4.8% from 5.2% and, in value terms, to 5.8% from 6.9%.

On the export side, the Southern California ports shed market share in tonnage terms but increased their share by dollar value. Oakland fared much better with year-over-year gains in both export value and export tonnage. The NWSA ports' combined share of U.S. containerized export tonnage slid lower while their share of export value also ebbed lower.

Exhibit 5: USWC Ports and the East Asia Trade. The figures on containerized imports arriving at U.S. mainland ports from East Asia in June should bring a measure of at least temporary relief to the proprietors of the San Pedro Bay ports. The Ports of Los Angeles and Long Beach saw their combined share of containerized import tonnage from East Asia swell to 47.0% in June from 44.2% a year earlier. At the same time, their collective share of containerized import value rose to 54.9% from 51.8%. Elsewhere along the coast, Oakland improved slightly on both measures, but the NWSA ports suffered declines in both import value and tonnage shares.

Exports were a different story, though. On the outbound side, the San Pedro Bay ports' share of containerized export tonnage to East Asia plunged to 30.2% from 36.5% a year earlier, while their combined share of the value of those containerized imports slipped to 39.5% from 41.4%. Oakland likewise experienced a sizable decline in its share of export value but held steady on its tonnage share. Meanwhile, the two NWSA ports sustained declines in their share of U.S. containerized export tonnage and value.

Tale of the Two Portlands

There are, of course, two Portlands that matter in America. On the East Coast, there is the lovely seaport perched on a peninsula overlooking Maine's Casco Bay. There one can enjoy fresh lobster (currently at depressed prices), succulent oysters harvested from nearby estuaries, and clams fried golden brown. Then, way out

West, there is that town on the Columbia River that, in recent months, has probably surrendered whatever claim it once had to being America's model city.

In a rare bit of recent good news about the West Coast Portland, its port has been recently staging something of a comeback. At one time a vibrant container port, the Port of Portland (Oregon) reports having handled 25,624 TEUs through the first six months of the year. Given that the port saw just 26 TEUs in all of last year, that jump must strike denizens of the local waterfront as nothing less than phantasmagorical. Even more encouraging is that the Oregon port's container traffic has been growing rapidly this year, going from 3,147 TEUs in January to 6,543 TEUs in June. In its past, the port had handled as many as 339,571 TEUs (2003) but subsequently experienced a steady slide in container traffic until labor issues prompted container carriers to abandon the port entirely in 2016, only to make a cautious return of late.

Back East, the Port of Portland (Maine) handled 13,879 TEUs of cargo during the first half of this year, almost all of it generated by Eimskip, the Icelandic steamship line that has established the Maine port as its U.S. terminal. Import loads totaled 6,939 TEUs, while export loads amounted to 2,764 TEUs. In addition, the port handled 4,276 empty TEUs, mostly on the outbound trade. In all of last year, the port handled a total of 27,746 TEUs.

Although the Oregon Portland handled nearly twice as many TEUs through June of this year, the two ports ran a much closer race in terms of cargo value. The over-caffinated river port's containerized export trade amounted to \$153.3 million, as opposed to \$138.8 million at the actual seaport in Maine. On the import side, East Coast Portland's \$267.5 million in containerized imports far exceeded the West Coast Portland's \$186.4 million in containerized imports.

Not surprisingly, the trades of the respective ports were very heavily weighted toward trading partners sitting across the ports' respective oceans.

The Ro-Ro Trade in Teslas

As we noted last month, the pandemic took a big piece out of exports of electric vehicles from the Port of San Francisco's Pier 80 in March and April as Tesla was obliged to shut down production at its only U.S. assembly



Parsing the June TEU Numbers *Continued*

plant in nearby Fremont. After shipping \$1.35 billion in vehicles in this year's first two months, exports dove to zero over the next two months before recovering to \$327.53 million in June and July. But that two-month total was down 43.6% from the same months a year ago.

Shipments from San Francisco in June-July went mostly to Belgium (68.3%), with South Korea (17.4%) and China (14.3%) accounting for the balance of the trade.

Soybeans

You may recall that trade deal that was signed back in January that was supposed to yield a huge surge in exports of U.S. soybeans and other agricultural commodities to China. That would be the same deal that was to be the subject of a high-level progress review last week. That would be the same review that has now collapsed amidst conflicting statements into utter confusion. The latest word is that, despite a series of announcements of sizable sales of farm produce to Chinese buyers, the high-level review is off, and President Trump is no longer in a mood to talk to the Chinese (as the *Wall Street Journal* reports). Something about China's handling of the COVID-19 outbreak, it's said.

Well, judging by first-half data, Chinese importers are going to have a lot of catching up to do if the goal is to exceed the volume of exports in 2017, which negotiators agreed to use as the base year for gauging Chinese sincerity. Through the first six months of this year, soybean shipments to China were only 39.1% of the 9.62 million metric tons of soybeans the U.S. shipped to China in the first half of 2017. To be sure, soybeans exports normally have picked up substantially during the fall and early winter months, but the numbers so far are less than encouraging. And that is particularly so for the river ports in Washington State that have customarily relied on Chinese soybean purchases. So far this year, the Ports of Kalama, Longview, and Vancouver have handled just 26.3% of all U.S. soybean shipments to China, down from their 34.5% share a year ago.

In the case of Kalama, worldwide exports of agricultural commodities were up 6.7% in 2019 over 2017, the base year negotiators determined would be used to gauge China's commitments. But shipments to China were down 10.2%. Through the first half of this year, Kalama's soybean exports to the People's Republic were 44.4%

below the same period last year and 40.9% below the first half of the 2017 base year.

All of this fast-stepping over the Phase One agreement is reminiscent (as Rick Helfenbein of *Forbes* reminds us) of the fictional Kansas politician who stood on the campaign stump promising one farm miracle after another. The crowd responded with a chant of: 'hoya, hoyo, hoyo.' The politician visited a farm after his rousing speech, where he witnessed several large bulls standing in a corral. He asked if he could walk among the bulls, and the farmer said it would be okay to do so. Entering the corral, the farmer issued a word of caution: 'Don't get too close to the bulls, watch for holes in the ground, and be careful not to step in the hoyo.'"

Hoya has a different meaning for those of us schooled in the Jesuit tradition. So, as far as the farm export outlook goes for USWC ports, we'll leave it at *videbimus*. (We'll see.)

A Quarter of Plague

By the time in mid-March when European and some American authorities began to take steps to suppress the spread of the Covid-19 virus, most ships bearing goods for American ports were already at sea. Import statistics for the year's second quarter should provide insight into how the supply chains responded to the plague. Ironically, when we needed supplies, we turned to China...decisively.

Overall containerized import tonnage through the Ports of Long Beach and Los Angeles in the April-June months surged by 13.5%, led by a 38.8% increase in shipments from China. While it is scarcely surprising that imports from China in the second quarter should exceed first quarter imports given that the country pretty much closes shop during the traditional Asian New Year holiday, which falls in late January and early February, the quarter to quarter jump was unusually high this year. Over the previous five years, the second quarter saw import tonnage from China increase by an average of 13.2%. Last year, the quarter to quarter bump in Chinese import tonnage was just 9.5%.

Among the San Pedro Bay ports other major trading partners, containerized import tonnage from Vietnam was down 10.0% but up 12.1% from Thailand. Shipments arriving from Taiwan edged up 1.0%, but those coming



Parsing the June TEU Numbers

Continued

from South Korea slipped by 8.6%. Perhaps most remarkably, containerized import tonnage from Japan plummeted by 25.8%.

Up the coast, the Northwest Seaport Alliance ports saw no real import surge from the first to the second quarter. Overall containerized import tonnage rose just 2.3%. But, while imports from Japan (-33.6%) and South Korea (-22.6%) tumbled, containerized import tonnage from China soared by 23.8% from the first to the second quarter.

Oakland was the outlier. Containerized import tonnage at the Bay Area port did rise by 9.4% from the first to the second quarter, but imports from China increased in tandem by 10.0%. The biggest quarter-to-quarter gains involved Thailand (+40.5%) and France (+90.8%), presumably because of President Trump's threats to increase tariffs on certain "medicinal liquids" from Europe.

Who's #1?

Because the box counters at the Port of New York/New Jersey take as much as six weeks to reveal the latest month's TEU counts, June is currently the most recent month for which comparable statistics are available for ranking the nation's three busiest ports. So, for the record, **the Port of Long Beach was the nation's busiest container port in June** with total traffic (loaded + empty) amounting to 691,475 TEUs. The Port of Los Angeles ran second with 602,180 TEUs, while PNYNJ placed far behind in third place with 511,306 TEUs.

For those insisting that empty boxes should not count, the rank order changes. Los Angeles handled 478,775 loaded TEUs as opposed to 418,252 laden TEUs at Long Beach. Trailing behind in third was PNYNJ with just 361,823 laden TEUs.

The YTD totals (loads + empties) for the first half the year showed Los Angeles in the lead with 3,761,888 TEUs. Long Beach with 3,433,035 TEUs bested PNYNJ's half-year total of 3,365,525 TEUs. In terms of loads, LA handled 2,698,744 laden TEUs in the first six months of this year, with Long Beach (2,394,188 TEUs) edging out PNYNJ (2,386,333 TEUs).

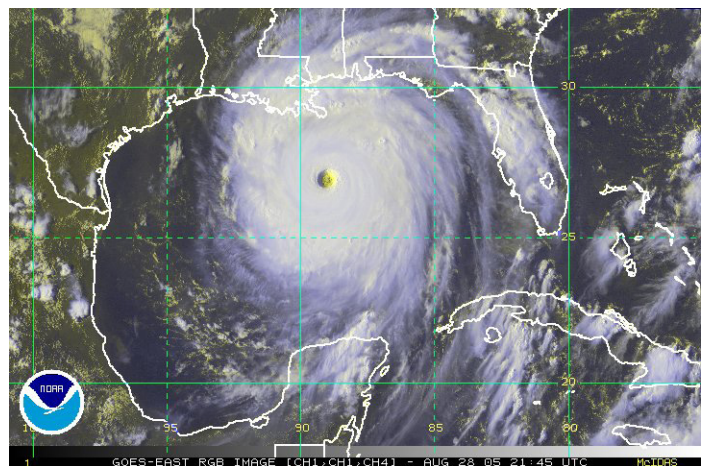
Jock O'Connell's Commentary: Port Condition Zulu

Readers of the maritime industry press might be forgiven for concluding that U.S. West Coast ports are fundamentally unreliable conduits for trade.

Monthly statistics indicating a declining share of the transpacific container trade typically prompt a surfeit of articles attributing the parlous numbers to various logistical inefficiencies and to the generally higher costs of doing business in America's West Coast states. Even when imports surge through USWC ports (as they have been doing lately), the mullahs of the maritime media will then bemoan longer turn times, chassis shortages, overfilled and understaffed warehouses, and spotty rail transport connections.

On a remarkably consistent basis, editorialists take aim at the -- dare we say -- occasionally obstreperous International Longshore and Warehouse Union. In late July, to cite one recent example, a letter sent to California's Governor and the Legislature by the union's president prompted one columnist to presciently sound the tocsin, alerting Beneficial Cargo Owners to expect labor trouble at USWC ports over the issue of automation during contract negotiations two years hence.

Even a dock worker strike in far off Montreal has become an occasion to lambaste the ILWU and its potential for destabilizing trade up and down the West Coast. Never mind that the Montreal action was initiated by a clerical union affiliated with the International Longshoremen's Association, a union known for its own fuhgeddaboutit stance on automation.





Commentary Continued

The gospel according to the maritime media is quite explicit: There is virtually no compelling reason why BCOs should not prefer East and Gulf Coast ports for shipments bound for almost any market east of the Rockies.

Well, hold on. I can think of one not entirely inconsequential reason, a reason that has much to do with why a baseball game at Dodger Stadium hasn't been rained out since April 17, 2000.

As I write (Sunday, August 23), the National Hurricane Center (NHC) is tracking a modern day Scylla and Charybdis in the form of two major storms, Laura and Marco, that are bearing down on the U.S. Gulf Coast. Laura, while still classified as a Tropical Storm, has aspirations of developing into a full-blown hurricane by the time it makes U.S. landfall on Thursday. Marco has already achieved that status. It is expected to come ashore Monday night. According to the NHC, a brace of hurricanes in the Gulf in the same week is a largely unprecedented event, one that could wreak unparalleled havoc, especially on coastal regions of Louisiana and Texas.

2020 is proving to be an exceptionally dangerous year for hurricanes. Although the season formally runs from June 1 through the end of November, it has now already spawned fourteen named storms (which feature winds over 39 mph). The NHC's latest forecast fears there may be up to 25 named storms this year, of which as many as six could develop into monster hurricanes with winds exceeding 111 mph.

Earlier this summer, two hurricanes did make landfall on the U.S. mainland. Hanna swept through the Gulf of Mexico and came ashore along the coast of Texas near Corpus Christi. Then came Isaias, a storm that moved up the east coast of Florida unleashing winds that prompted the U.S. Coast Guard to set Port Condition Zulu at every major East Coast port from Miami to Wilmington, North Carolina.

The USCG employs a range of storm advisories that culminate in Port Condition Zulu, when port operations are effectively halted. Terminals must close, and all oceangoing vessels over 500 GT must depart unless specifically authorized.

To an objective observer, it should be evident that hurricanes are potentially much more disruptive to port operations than, say, a brief longshore work stoppage. At least strikes or lockouts do not normally involve hundreds of millions of dollars in collateral damage to vital infrastructure.

Nature's sense of irony reveals itself most nefariously in the fact that the period when hurricanes pose their greatest threat to maritime trade pretty much overlaps the peak shipping season. And, as calamitous as the current hurricane forecast is, climatologists believe that tropical storms will only become more frequent and powerful.

And when Nature is finished sending ravaging hurricanes to ports in the Southeastern corner of the nations, it then dispatches winter blizzards to harass and occasionally cripple shipping at ports in the Northeast. High intensity storms such as Nor'easters pummel the region every winter, sharply curtailing normal activities, and snarling up transportation systems for days.

The point I am belaboring here is that, while there may be ample reasons for shippers to divert cargos away from West Coast ports, heavy weather normally is not one of them. If anything, USWC ports have cumulatively lost far fewer days to labor disruptions over the years than rival ports along the East and Gulf Coasts have lost to heavy weather.

That is not to say that weather is never an issue on the West Coast. An offshore Pacific hurricane did generate huge waves that damaged the San Pedro Bay breakwater in 2014, and an August heatwave that overtaxed California's power grid did affect operations at a couple of terminals.

But, as we anxiously await news updates on the latest hurricanes to pummel the Gulf and East Coasts this year, it is worth recalling that the last time a hurricane visited the U.S. West Coast was on October 2, 1858...one hundred and sixty-two years ago..

Disclaimer: *The views expressed in Jock's commentaries are his own and may not reflect the positions of the Pacific Merchant Shipping Association.*



Obstreperous

By John McLaurin, President, Pacific Merchant Shipping Association

International trade economist Jock O'Connell, who provides commentary for this newsletter, used the word obstreperous in a recent paper which reviewed the erosion of West Coast market share that has taken place for a number of years.

There were several reactions to Jock's use of the word obstreperous. First, apparently a lot of people had to reach for a dictionary to look it up. Fortunately for them, this time Jock simply used a word not frequently used as opposed to his custom of using obscure Latin phrases (making full use of seven years of a Jesuit education) that only he and Latin scholars understand or appreciate. Second, some on the waterfront took offense to the word.

Instead of taking offense, perhaps people should have been alarmed about the long-term decline in market share, one that shows a structural shift in the movement of cargo away from West Coast ports.

Loss of West Coast market share is due to many factors. There are many reasons, many players, and many policies which have contributed to the decline. To reverse this trend, the challenge for all of us that use and work at West Coast ports, or who develop public policy, is to recognize the challenge, acknowledge the past, and move forward to work in unison to reverse the trend.

All of us on the waterfront need to work together. Inability or unwillingness to do so will ensure that the decline will continue.

Interested in membership in PMSA?

Contact Laura Germany for details at: lgermany@pmsaship.com or 510-987-5000.

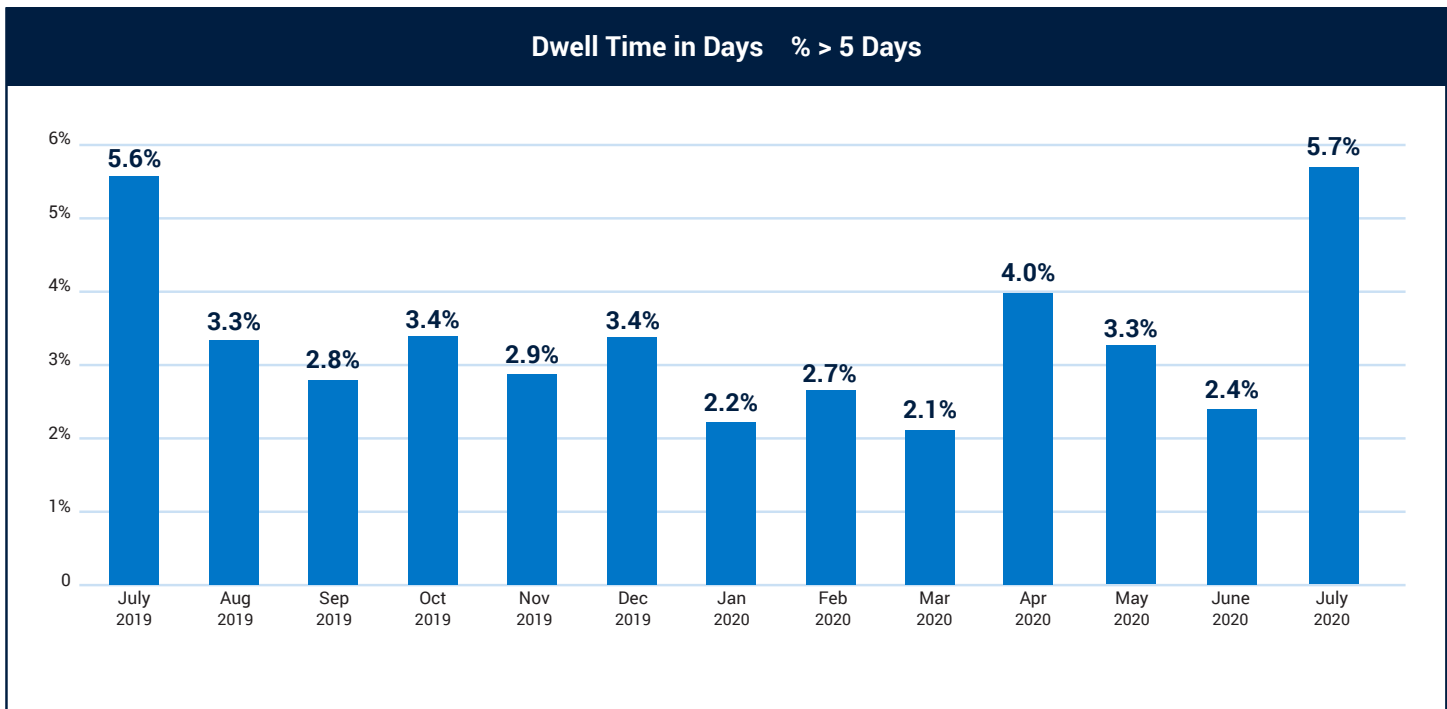
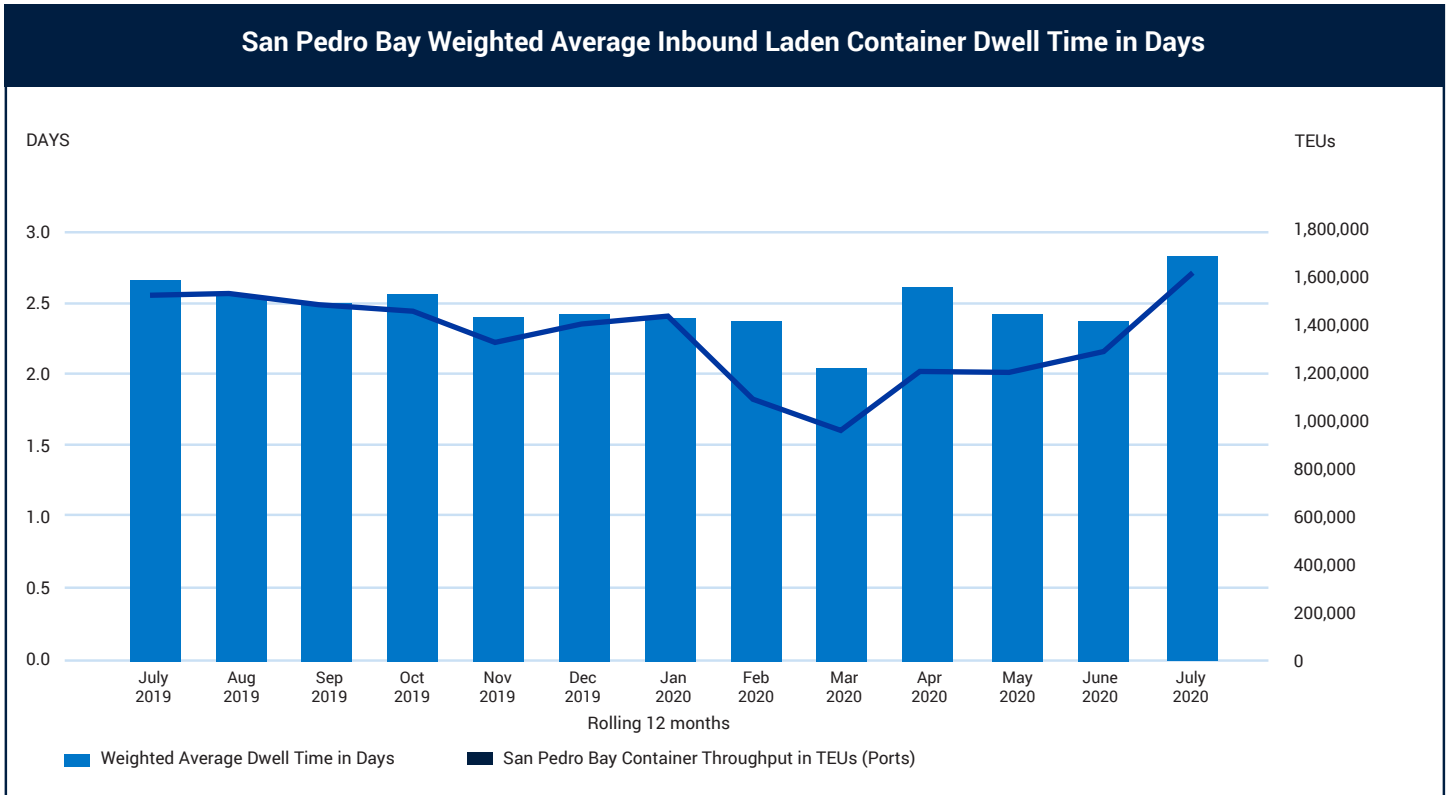
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Dwell Time Slightly Up for July



WA State Board of Pilotage Commissioners

Industry Update:
September 17, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

August YTD 2020 compared to August YTD 2019 comparison

- ✚ Container arrivals **down 76**
 - ✚ **Bulkers up 19 in Aug 2019 to Aug 2020 Comparison and up 9 YTD**
 - ✚ Car Carriers and RoRo's **down 60**
 - ✚ Passenger **down 170 (no season = reduction of 464 assignments for the year)**
 - ✚ Tankers/ATB's down 11 in August and **down 1 YTD**
 - ✚ Grays Harbor **down 3 YTD**
- ✓ Assignments **Down 4.4% in 2019 and Down 717 or 15.16% thru Aug 2020**
✓ PMSA opposed increase in pilots last July – see letter

Future?

Container Volumes

- ✚ Container volume has picked up in LA/LB and expectations are that September numbers in the PNW will improve
- ✚ There were 2 ad hoc container ship calls recently (not regularly scheduled) and we'll be watching that closely.
- ✚ Signs point to competitor ports taking cargo volumes and market share away from American West Coast ports (see articles)

Quiet Sound Project Moving Forward

- ✓ The Quiet Sound group agreed to take next steps towards implementation with proposals that will include pilot projects related to reporting, tracking and slowing down.
- ✓ The team will reach out to key stakeholders (pilots, tugs, WSF is on this group, etc.)
- ✓ PMSA and the Marine Exchange serve on this group with ports, NOAA, WSF and others.

West Seattle Bridge

- ✚ Repair option?
- ✚ T-5 project implications

IMO 2021 World Maritime Theme – "Seafarers: At the Core of Shipping's Future"

LONDON, August 21 - "Seafarers: at the core of shipping's future" has been selected as the World Maritime theme for 2021, reflecting a clear need to raise awareness of seafarers' vital role in world trade and increase their visibility. The focus on seafarers comes as the COVID-19 pandemic has placed extraordinary and unprecedented demands on seafarers. Hundreds of thousands faced and are still facing extended sea times, going months at sea without seeing families and loved ones. The crew change crisis in 2020 has highlighted seafarers' exceptional contribution as key and essential workers, on the front line of delivering world trade through a pandemic and in ordinary times. The IMO Council, meeting for its thirty-second extraordinary session held by correspondence, endorsed the theme following a proposal by IMO Secretary-General Kitack Lim. [IMO](#)

Savannah takes top spot for U.S. container shipping

By Dave Miller | August 24, 2020 at 11:00 AM EDT - Updated August 24 at 12:59 PM

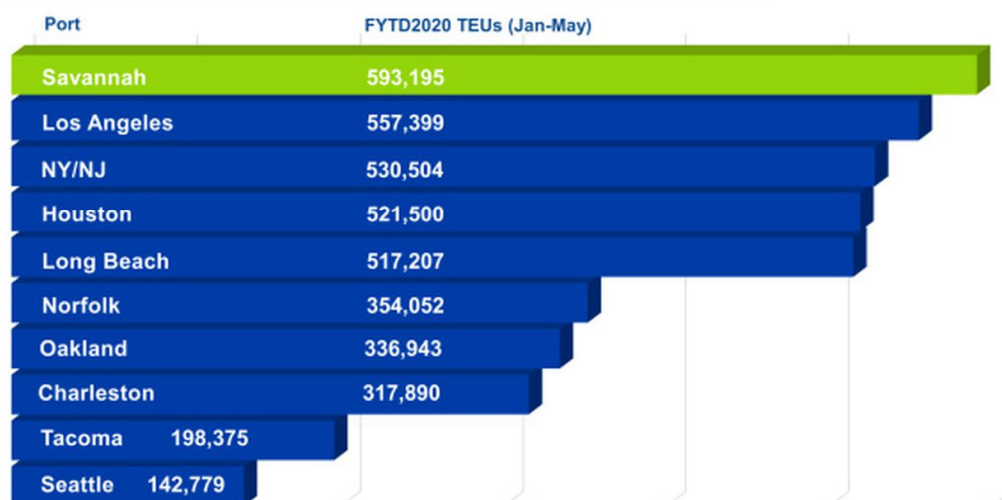
SAVANNAH, Ga. (WALB) - The Port of Savannah exported more loaded containers than any other port in the country from January through May, achieving a 12.2 percent market share, according to a press release. The Garden City Terminal handled a total of 593,195 twenty-foot equivalent container units of loaded exports during the first five months of the calendar year.

"In today's environment, businesses need every advantage to regain momentum and provide the growth that helps so many hard-working Americans to prosper," said Georgia Gov. Brian Kemp. "The Georgia Ports Authority (GPA) is a powerful economic engine for the state and a key link in the supply chain for industries across the region."

Situated at the center of a broad logistics network, Savannah offers 37 weekly container ship services reaching destinations around the world, on-terminal service from Class I railroads Norfolk Southern and CSX, and direct access to Interstates 95 and 16.

Top 10 Export Gateways

Savannah No. 1 Port in the Nation for Containerized Trade



Source: PIERS

"With the expansion of the Panama Canal, and the transition of larger vessels to East Coast services, cargo owners are making the strategic decision to keep imports on the water longer," Griff Lynch, GPA executive director, said. "Subsequently, export customers enjoy greater empty container availability in Savannah, lower container slot costs on Neo-Panamax vessels, and unmatched cargo fluidity through road, rail, and terminal services."

Competition, not just COVID-19, eroding business at Tacoma and Seattle ports

By Bill Virgin, The News Tribune, September 5, 2020

Some experts warn competition from other ports will erode business the ports in Tacoma and Seattle. Remember those happy carefree days of long ago — like last year — before the arrival of the coronavirus? Whatever did we worry about back then?

Actually, we worried about a lot of things, things that didn't go away just because COVID-19 showed up and we forgot about them while spending our time fixated on more recent, bigger problems. A few of them have even managed to elbow their way back into the limelight. Case in point: the competitive position of West Coast ports, including Tacoma and Seattle, and their future.

For several years warnings have been sounded, including in this column, that a combination of the expansion of the Panama Canal, allowing bigger container ships to reach Atlantic and Gulf ports and increase competition from the Canadian West Coast ports of Vancouver and Prince Rupert, threatened to take cargo volumes and market share away from American West Coast ports. This summer, several maritime organizations are renewing their warnings that without some changes that erosion of market share will continue.



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**ESHB 1578 – Rosario Strait and Connected Waterways
East Tug Escort Implementation
July 29, August 5, and August 6, 2020 BPC Presentations**

Webinar/Presentation Summary

On July 29, 2020 and August 6, 2020, the Board of Pilotage Commissioners offered a webinar presentation followed by a Q&A session to explain the Interpretive Statement, and provide an overview and status report on next steps for the directives of the 2019 legislation ESHB 1578 *Reducing the threats to southern resident killer whales by improving the safety of oil transportation*. In addition, the Puget Sound Harbor Safety Committee met on August 5, 2020. BPC had the opportunity to present the webinar information at that meeting, as well.

The webinar/presentation sessions yielded a good turnout with varying perspectives being represented including legislators, Tribal, state government, oil industry, tug industry, environmental, BPC, pilots, and the U.S. Coast Guard.

Q&A Summary

Question: When can we expect to see the WAC for this new rule being published?

Response: Rulemaking for tug escorts in Puget Sound will be completed by 12/31/2025. The implementation described in this webinar was directed by Section 2 of ESHB 1578 and is being implemented without development of a WAC Chapter. This September 2020 implementation will be used to help inform the future tug escort rulemaking.

Question: Regarding the definition of “vessels providing bunkering and refueling services” and the exemption for this, how many vessels, if not in the act of bunkering, would require a tug escort given their size vs how many would not because they don’t fit into the size requirement. And what does the exemption entail?

Response: Ecology provided some numbers to the Oil Transportation Safety Committee. Looking at transits through Rosario in 2019, there were 326 tanker transits and 605 ATB transits. Looking at barges specifically, there were 490 barge transits over 5,000 DWT in Rosario in 2019. 380 of those were involved in bunkering and would be exempt. That leaves about 110 barge transits over the 5,000 deadweight tons and not involved in bunkering. More information will be available through the data collection process for the Synopsis of Changing Vessel Traffic Trends.

Question: Regarding the Interpretive Statement, how will it apply to future waterway zones and tug escorts for future waterway zones?

Response: The Interpretive Statements were made for this 2020 implementation for Rosario Strait and connected waterways east, and the rulemaking process is entirely separate. However, these interpretive statements will help inform the future tug escort rulemaking.

Question: Is it codified just for Rosario and waterways east? Would you consider different definitions for other waterway zones?

Response: The Interpretive Statement adopted by the Board is specifically for Rosario Strait and connected waterways east and can stand on its own and exist indefinitely. It can be used to help inform the future tug escort rulemaking.

Comment: It would be helpful to have some data on the number of tank vessels exempt from tug escort requirements because they are bunkering and how that compares to where tug escorts would be required.

Response: Additional information regarding the numbers provided above can be found at <https://pilotage.wa.gov/resources.html>.

Question: Regarding the definition of “oil”, why was diluted bitumen not included in the other examples?

Response: The Board adopted the RCW definition referenced in the Interpretive Statement verbatim. The term diluted bitumen was not included in the RCW language. Therefore, a note was added to clarify that the Board considers diluted bitumen as a part of the definition.

Comment: In regards to using the term “consensus” to describe the Oil Transportation Safety Committee’s recommended definition of “a vessel providing bunkering or refueling services”, it may not fully capture the discussions that took place and the disagreements with the definition. That definition has some important nuances behind it. There is concern about possible unintended consequences with that definition in terms of other waterways and expanded tug escort requirements. Please make sure those differences in opinion are conveyed and that concerns about the future definition are conveyed as well.

Response: Using the term “majority consensus” would have been more appropriate. The Board will make sure any concerns about the definition are conveyed.

Question: Are intermediate stops, such as anchoring, on the way to and from a bunkering stop included under the exemption?

Response: There are many scenarios that the Oil Transportation Safety Committee considered and some that didn’t make it into the definition. The intent of the definition was that any part of the bunkering or refueling operation would be exempt, which I believe would include anchoring and/or any stops that are made in the delivery process. We are getting questions about several of the definitions and will be considering this feedback when the committee meets again. We will review if there’s a need for additional clarity regarding definitions post implementation.

Additional information regarding Oil Transportation Safety can be found on our website at <https://pilotage.wa.gov/oil-transportation-safety.html>.



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TANK VESSEL MOVEMENT REPORT

DATE _____ (please submit within 7 days of transit)

Please fill out the following form and submit to the Board of Pilotage Commissioners at PilotageInfo@wsdot.wa.gov after moving a tank vessel over 5,000 deadweight tons in the Puget Sound Pilotage District as defined by [RCW 88.16.050](#) and pursuant to [RCW 88.16.190](#). Refer to the ESHB 1578 and RCW 88.16.190 [Interpretive Statement](#), adopted by the Board of Pilotage Commissioners for definitions and clarification of the statutory requirements regarding tug escorts in Rosario Strait and connected waterways east effective September 1, 2020. **Note: Moves within a port or harbor are exempt from this reporting (such as within the port/harbor of Seattle, Tacoma, or Port Angeles, etc.).**

TANK VESSEL (check one):

Tanker

ATB

Towed Barge

LOAD CONDITION (check one):

Laden

Unladen

Vessel Name: _____ Official Number: _____

Owner/Operator: _____ Agent/Contact Name/Info: _____

Deadweight: _____ Draft: (FT) _____ Crude Oil/Refined Product: _____

Bunker Delivery (name of vessel receiving delivery, applicable) _____

Begin Transit - Date: _____ Time: _____ Location: _____

End Transit - Date: _____ Time: _____ Location: _____

Voyage Route (Rosario Strait, Guemes Channel, etc.) _____

TOWING TUG (if ATB or Towed Barge)

Vessel Name: _____ Official Number: _____

Owner/Operator: _____ Agent/Contact Name/Info: _____

Horsepower: _____ Configuration (conventional, ASD, Cycloidal: _____

ESCORT TUG (if required)

Vessel Name: _____ Official Number: _____

Owner/Operator: _____ Agent/Contact Name/Info: _____

Horsepower: _____ Configuration (conventional, ASD, Cycloidal: _____

Escort Start Time: _____ Escort Start Location: _____

Escort Finish Time: _____ Escort Finish Location: _____



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www.pilotage.wa.gov
HamelJ@wsdot.wa.gov or BeverJ@wsdot.wa.gov

PETITION FOR VESSEL EXEMPTION FROM PILOTAGE REQUIREMENTS

Petition Instructions:

1. Please submit completed petitions to the Board of Pilotage Commissioners **at least thirty (30) days prior to arrival** in Washington waters. The Board will consider petitions received at least forty-eight hours prior to arrival in Washington waters on an interim basis. See [WAC 363-116-360 Exempt Vessels](#) for more information.
2. Your application should include the following:
 - Certificate of Vessel Registry
 - Certificate of Financial Responsibility
 - Vessel's Insurance Coverage
 - Valid License of Vessel Operator
 - Signed Vessel Certification (Page 5 of application)
 - Photo of Vessel
 - Asian Gypsy Moth (AGM) Certification (If applicable)
3. Petitions will be considered at the scheduled monthly meetings of the Board of Pilotage Commissioners. The monthly meeting schedule can be found on our website at [Board of Pilotage Commissioners Minutes/Agendas](#).

Date of Application:

New

Renewal

Length of time sought for exemption when vessel will be operating in Washington State waters:

3 months beginning _____

1 year beginning _____

Vessel Information:

Name:	
Country of Registry:	
Type and Use:	Type: <input type="checkbox"/> Sailing Yacht <input type="checkbox"/> Motor Yacht <input type="checkbox"/> Passenger Vessel Use: <input type="checkbox"/> Pleasure <input type="checkbox"/> Other _____
LOA:	

International Gross Tonnage:	
Method of Propulsion:	
Fuel Type Onboard:	
Fuel Quantity Onboard: (maximum)	

Vessel Operator:

Name:	
Address:	
Phone:	
Email:	
Experience in Local Waters: (be specific or attach resume/CV)	

Owner of Vessel or Vessel Management Company:

Name:	
Address:	
Phone:	
Email:	

Purpose of visit, intended areas of operation, and specific dates/routes:

Vessel Crew List: (Feel free to attach a separate list but must include the information requested below)

Name:		Name:	
Position:		Position:	

Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>	Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>
------------------------	--	------------------------	--

Name:		Name:	
Position:		Position:	
Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>	Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Name:		Name:	
Position:		Position:	
Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>	Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Name:		Name:	
Position:		Position:	
Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>	Speaks English:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Navigational aids on board:

- | | |
|--|--|
| <input type="checkbox"/> Magnetic compass | <input type="checkbox"/> Global Positioning System (GPS) |
| <input type="checkbox"/> Gyroscopic compass | <input type="checkbox"/> Electronic Chart System (ECS) |
| <input type="checkbox"/> Satellite compass | <input type="checkbox"/> Electronic Chart Display and Information System (ECDIS) |
| <input type="checkbox"/> Radar, | <input type="checkbox"/> Automated Identification System (AIS) |
| <input type="checkbox"/> w/Automatic Radar Plotting Aid (ARPA) | <input type="checkbox"/> Depth sounder |

Other:	
Brief description of communications equipment: (list accessible VHF channels)	
List any propulsion, navigation or communication equipment not currently operational:	

Required attachments:

- | | |
|---|--|
| <input type="checkbox"/> Certificate of Vessel Registry | <input type="checkbox"/> Certificate of Financial Responsibility |
| <input type="checkbox"/> Vessel's Insurance Coverage | <input type="checkbox"/> Valid License of Vessel Operator |
| <input type="checkbox"/> Signed Vessel Certification (page 5 of this application) | |
| <input type="checkbox"/> Photo of Vessel | <input type="checkbox"/> Asian Gypsy Moth (AGM) Certification
(If applicable) |

SIGNATURE OF APPLICANT

DATE

NAME AND PHONE NUMBER IF SIGNATURE IS OTHER THAN CAPTAIN NAMED

Please make payments to: Washington State Treasurer

Mail to: Board of Pilotage Commissioners, 2901 Third Avenue, Suite 500; Seattle, WA 98121

At this time, we are unable to accept cash, credit cards, or any form of electronic payment.

CERTIFICATION

Vessel Name: _____

By my signature below I certify that I am authorized to make this application on behalf of the vessel named; that the person(s) listed as captain(s) in item three of the Petition for Exemption meets/meet all the qualifications set by the flag state (country of vessel registry) to act as captain/master of the vessel in Washington waters; and that no other person(s) will act as captain/master of the vessel during the period of the exemption. I further certify that I understand and will ensure that any person acting as captain/master of the vessel understands the following:

1. Navigation in Washington waters in the Puget Sound area can involve many hazards such as high traffic areas including large commercial vessels, multiple recreational vessels, etc.; use of Vessel Traffic Service routes; unique radio communication requirements and channels; relatively extreme tides and currents; etc.
2. If an exemption is granted, prior to navigating in Washington pilotage waters, appropriate navigational equipment and supporting documents including – but not limited to - the following items will be available on board the vessel and the master will be familiar with them:
 - a. The Puget Sound Vessel Traffic Service Users Manual.
Available on-line at <http://www.uscg.mil/d13/psvts/docs/userman032503.pdf>
 - b. Information on local VHF radio communications.
see, e.g., http://www.byc.org/weather_radio/vhfchannels.html
 - c. Those portions 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>
 - d. Local tide and current information.
Such as that available on-line at <http://tidesandcurrents.noaa.gov/index.shtml>
 - e. Puget Sound Harbor Safety Plan.
Available on-line at: http://www.pshsc.org/about/harbor_safety_plan
 - f. Paper or electronic charts of all areas to be navigated, updated and of appropriate scale.
3. As provided in RCW 88.16.070, if an exemption is granted, it shall not be detrimental to the public interest in regard to safe operation preventing loss of human lives, loss of property and protecting the marine environment. The Board may, at any time, review the exemption and revoke it should it find the vessel is not in compliance with the requirements for exemption (including operation of the vessel in a manner that is not considered safe).
4. The regulations of [RCW 77.15.740](#) Protection of southern resident orca whales – Unlawful activities –Penalty, including new 2019 legislation that in the U.S a vessel will stay 300 yards from either side of orcas, stay 400 yards behind orcas, stay 400 yards out of orcas' paths, and keep vessel speed at under 7 knots within ½ mile of orcas, as further described and depicted at <https://www.bewhalewise.org/federal-regulations/>.

Signature of Vessel Master or Representative

Date

WAC 363-116-360: Exempt Vessels.

(1) 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, is manned by United States-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 the vessel, 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.

The owners or operators of the vessel for which exemption is sought must:

(a) Complete and file with the board a petition requesting an exemption at least forty-eight hours prior to planned vessel operations where possible. Petitions filed with less than forty-eight hours notice may be considered by the chair at the chair's discretion on a board-approved form. The form shall include a description of the vessel, the contemplated use of vessel, the proposed area of operation, the names and addresses of the vessel's owner and operator, the areas and dates of planned operations, and such other information as the board shall require.

(b) Pay the appropriate initial application or renewal fee with the submittal of the petition, which is listed in subsection (5) of this section.

(2) All petitions for exemption filed with the board shall be considered at its next regularly or specially scheduled meeting. Consistent with the public interest, the chair may grant an interim exemption to a petitioner subject to final approval at the next board meeting, where special time or other conditions exist.

(3) Any grant of an exemption, including interim exemptions, may contain such conditions as the board, or in the case of an interim exemption, the chair, deems necessary to protect the public interest in order to prevent the loss of human life and property and to protect the marine environment of the state of Washington.

Such conditions may include: a requirement that the vessel employ the services of a pilot on its initial voyage into state pilotage waters; and/or that the master of the vessel at all times hold as a minimum, a United States government license as a master of ocean or near coastal steam or motor vessels of not more than sixteen hundred gross tons or as a master of inland steam or motor vessels of not more than five hundred gross tons, such license to include a current radar endorsement; and/or that the vessel possess specific navigational charts, publications and navigational equipment necessary to ensure safe operation.

(4) The board shall annually, or at any other time when in the public interest, review any exemptions granted to the specified class of small vessels to ensure that each exempted vessel remains in compliance with the original exemption and any conditions to the exemption. The board shall have the authority to revoke such exemption when there is not continued compliance with the requirements for exemption.

(5) Fee Schedule for Petitioners for Exemption

	3 Months or Less	1 Year or Less	Annual Renewal
A. YACHTS			
Up to and including 50 feet LOA	\$ 50	\$ 50	\$ 50
Up to and including 100 feet LOA	\$ 700	\$ 1,000	\$ 600
Up to and including 200 feet LOA and 750 gt	\$ 1,000	\$ 1,400	\$ 800
Up to and including 200 feet LOA and 751 to 1,300 gt	\$ 1,500	\$ 1,500	\$ 1,500
B. PASSENGER VESSELS			
Up to and including 100 feet LOA	\$ 1,125	\$ 1,500	\$ 1,000
Up to and including 200 feet LOA	\$ 1,500	\$ 1,500	\$ 1,200

(6) Petitions for annual renewals must be submitted within one year of the expiration of the previous exemption.



STATE OF WASHINGTON
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Meeting Minutes – Pilot Safety Committee (PSC)

July 13, 2020, 1-3pm

1. Attendees

John Scragg (BPC/PSP), Phil Morrell (BPC), Sheri Tonn (BPC), Jaimie Bever (BPC), Eleanor Kirtley (BPC), Jason Hamilton (BPC), Eric vonBrandenfels (PSP), Ivan Carlson (PSP), Mike Folkers (PGH), Mike Moore (PMSA), Andrew Drennen (ConocoPhillips), Bettina Maki (BPC)

2. Review of Minutes of previous meeting on May 19:

The minutes were reviewed and approved by the committee.

3. COVID 19 Safety Concerns

Eric vonBrandenfels reported that to date there have been no pilots who have tested positive for COVID 19, but there have been cases in pilots' families, necessitating those pilots to self quarantine for 14 days, based on the state department of health guidelines. Eric himself had to do this when his son got sick with COVID 19, as did another pilot who missed an entire watch when he needed to self quarantine when his spouse tested positive. Eric said that when PSP learns of any ship(s) with possible case(s) of COVID 19, he has been tracking which pilots have been on said ship(s) and those pilots have been getting tested.

As far as PPE goes, he reported that PSP received an order of 500 masks a few weeks ago, but that in the long term the pilots will be expected to procure their own face coverings to accommodate their individual preferences.

Jason Hamilton asked what consideration had been given to the possibility of many pilots being unavailable to work due to COVID 19. Eric said currently two pilots are out on medical leave for other reasons, and if 2 or 3 additional pilots were out due to COVID 19 it could be a problem, depending on surges in vessel traffic.

Sheri Tonn stated that pilots who test positive for COVID 19 need to be declared not fit for duty, and that the BPC should also be informed of pilots who are quarantining. Eric agreed.

Andrew Drennen asked about ships that had had a potentially-exposed pilot on board, if the ships get notified of that? Eric said that at this time no, because all the pilots' tests have come back negative.

Andrew shared the precautions being taken at ConocoPhillips – they do daily temperature checks, crews are tested before boarding vessels, and coworkers notify each other of even potential exposures and then self-quarantine and get tested. They have been able to get 24-hour results from a drive through test facility in Skagit county.

<https://www.skagitcounty.net/Departments/HealthDiseases/coronavirusdriveup.htm>

4. Grays Harbor Pilot Boat Replacement

Mike Folkers gave an exciting update – they received a lead (from Eric) on a used pilot boat available from the Long Beach Pilots. The “Vega” is a 54-foot pilot boat built by Hike Metals. It is getting positive reviews from everyone, including the Grays Harbor pilots. The Port of Grays Harbor has put a deposit on the boat and now they need a survey to be done, but the pandemic is causing that to take a while.

5. Update WAC to incorporate the new RCW and BPC Policy: Review and consider changes to language of WAC 363-116-081 (Pilotage Rules, Rest Period) that will reflect changes to RCW and incorporate BPC policy related to fatigue management.

Co-Chair John Scragg shared some draft language for WAC 363-116-081, and led a discussion exploring definitions of assignment, night assignment, and harbor area.

Definition of Assignment:

The current BPC Policy Statement definition of assignment was used as a starting point. The words and phrases highlighted below were subsequently discussed at length.

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).

Eleanor Kirtley suggested it would be helpful to understand assignments in the context of the entire sequence of dispatch, pre-travel, bridge time, post-travel, and rest, with attention to how repositions are counted with respect to fatigue management and also how cancellations are counted.

Co-Chair Phil Morrell asked what is the lead time for an assignment – when does dispatcher notify the pilot of the assignment? The pilots on the committee explained that these time frames are outlined in the PSP operating rules, and gave as an example, for a Seattle job, the pilot is given 4 hours' notice – 2 hours for personal prep and 2 hours for transportation to ship. Pilots are usually on the ship 30-45 minutes before sail time, to complete their prep work on board. Eric described prep work as “looking at the job, seeing what tugs are needed and what tugs are available, looking at the tides, checking for under keel clearance issues, checking the draft and available water, checking what other vessels are around the ship being moved, what inbound or outbound vessels or other traffic might affect the route, and coordinating with trainee(s).”

Eric explained that such prep cannot be done in advance prior to actually being assigned/dispatched, because assignments are changing all the time and if you try to prep for the one you think you are going to get, it tends to not work out and you end up getting assigned a different job for some reason or another – so it's best if pilots are resting when they are resting and not working until the job is actually assigned.

Jason asked if there is a difference in the language “assigned” vs “dispatched”. John said they mean the same thing for PSP, but sought Mike Folkers’ opinion since Grays Harbor pilots are self-dispatched. Mike said that the term “assigned” is fine. In Grays Harbor, the assignment begins two hours prior to the boarding time requested by the agent.

Eric summarized the definition of assignment, or the sequence of events, as starting when pilot is assigned/dispatched to the vessel (or on an inbound job, when the pilot boards the pilot boat) and ending at “check-in”, which is the time pilot leaves the ship plus the time allowed to travel to the rest location (again, these time frames are outlined in the PSP operating rules).

The committee also discussed rules around cancellations. There were many questions about cancellations that occur early in the course of an assignment. Committee members asked if the pilot assigned to a cancelled job can just do the next available job. Ivan explained that PSP dispatch rules in some situations allow the pilot to choose whether to stay at the top of the rotation or go to the bottom, though the pilot members of the committee emphasized that this only works out occasionally – more often than not events do not line up in such a way that a pilot can wait for another assignment and have it fit into their “fatigue matrix”. John added that fatigue studies show that humans are not good at evaluating their own fatigue level, so it might be best to not let the pilot decide to take on another assignment.

It was noted that cancellations are only about 2% of assignments. But the committee agreed that it is important to promote both safety and efficiency, and to carefully evaluate rest/work rules that might impact either.

The lack of a rule around maximum assignment duration came up a few times during this discussion. John shared Dr. Czeisler’s recommendation to the commission of maximum 12 hours assignment length during the day and 8 hours at night.

After all the discussion, the committee had identified two specific changes to make to the existing definition of assignment, to make it more clear:

- 1) change “assigned” to “assigned/dispatched”
- 2) change “completion of travel” to “completion of travel time allowance”

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 assigned/dispatched to a vessel and concludes upon the pilot’s arrival at the pilot station on an outbound assignment or upon the completion of ~~travel~~ travel time allowance for an inbound assignment (or upon Cancellation).

Eleanor also suggested the phrase “regardless of duration” be either deleted or clarified to show that it refers to both cancellations and ship moves. Ivan Carlson pointed out that the language as it is had previously been agreed upon by PMSA, NWSA, PSP and the Board.

Sheri suggested that the proposed changes be revisited at the next committee meeting.

Definition of “night assignment”:

This is part of the “three and out rule” – a pilot cannot be assigned more than three consecutive night assignments. This is recommended by Dr. Czeisler to mitigate circadian disruption. PSP dispatch rule 1(B) states: *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.*

Pilots who have worked three consecutive night assignments are given an extended rest period (minimum 12 hours and always including the hours 2000 to 0800) and are not available to be dispatched until 0800 the following morning. John stated that fatigue studies vary, but usually midnight to 6am is considered to be the night work window, but PSP came up with this more compact definition in an attempt to not be overly disruptive, and it seems to be working well.

Eric explained that prior to implementation of the “three and out rule” it was common for a pilot to get stuck in a rut of night assignments without end, because once a pilot works a night assignment, and completes their subsequent rest period, they very often come up in the rotation for another night assignment. The “three and out rule” breaks the cycle after three night assignments, and dispatches the pilot for a daytime assignment after an opportunity for a full night’s rest.

The pilots on the committee estimate that approximately 50-60% of PSP assignments fall under the night assignment definition. Hard data is not available currently. Eleanor advised that the committee will need data and metrics in order to fulfill the committee responsibility of evaluating fatigue management compliance. Ivan suggested that PSP report the number of instances of the three and out rule being applied each month as part of the Activity Report.

It was noted that in Grays Harbor a pilot may, for example, only get three assignments in a week, and they might all be night assignments; however, the pilot would still get rest in between. It was clarified that “consecutive night assignments” means on consecutive nights, not consecutive assignments, so if there is a night off in between then that is not consecutive. This will need to be clear in the wording around night assignments.

Definition of harbor areas.

The RCW references “multiple assignments in a harbor area”. The UTC will be weighing in on what “harbor area” means. PSP currently uses “Zones” to identify length of transit (distance), and “Zone 1” represents “intraharbor”, e.g. anchor to berth, berth to anchor, or berth to berth. The majority of multiple harbor shifts occur in Tacoma, and there are also quite a few in Port Angeles. In other areas the travel time is too great, making it difficult to dispatch a pilot to multiple assignments and still stay under the 13 hour window. (Thirteen hours maximum for multiple assignments in a harbor area is the only instance of a maximum assignment time that is observed currently.)

The committee acknowledged that defining harbor areas seems simple and straightforward, but there are nonetheless details to be ironed out, such as exactly what areas are included in “Tacoma Harbor”. The committee also wished to be respectful of the UTC process currently underway.

6. Wrap-up/Meeting Schedule Review/Next Meeting

- For next meeting, the plan is to review what has been discussed and decided so far (quickly, if possible) and continue working through the remaining elements of the rest rules language.
- Mike Folkers will share Grays Harbor data/analysis on intraharbor moves.

- Bettina, Eleanor, and John will try to craft an easy to understand synopsis of pilot dispatching rules and sequence to aid in understanding definition of assignment.
- BPC staff will send a Doodle Poll to the Committee to schedule next meeting as soon as possible – ideally this would be in four weeks, but that will not be possible because the UTC hearing is scheduled then. While the committee doesn't have a deadline per se, this work has been delayed and needs to get done.
- Meeting materials will be made available sooner!

The meeting was adjourned at 3pm.