



Washington State Board of Pilotage Commissioners

2015 ANNUAL REPORT



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www.pilotage.wa.gov

2015 ANNUAL REPORT

BOARD OF PILOTAGE COMMISSIONERS

RCW 88.16.035(1)(f)

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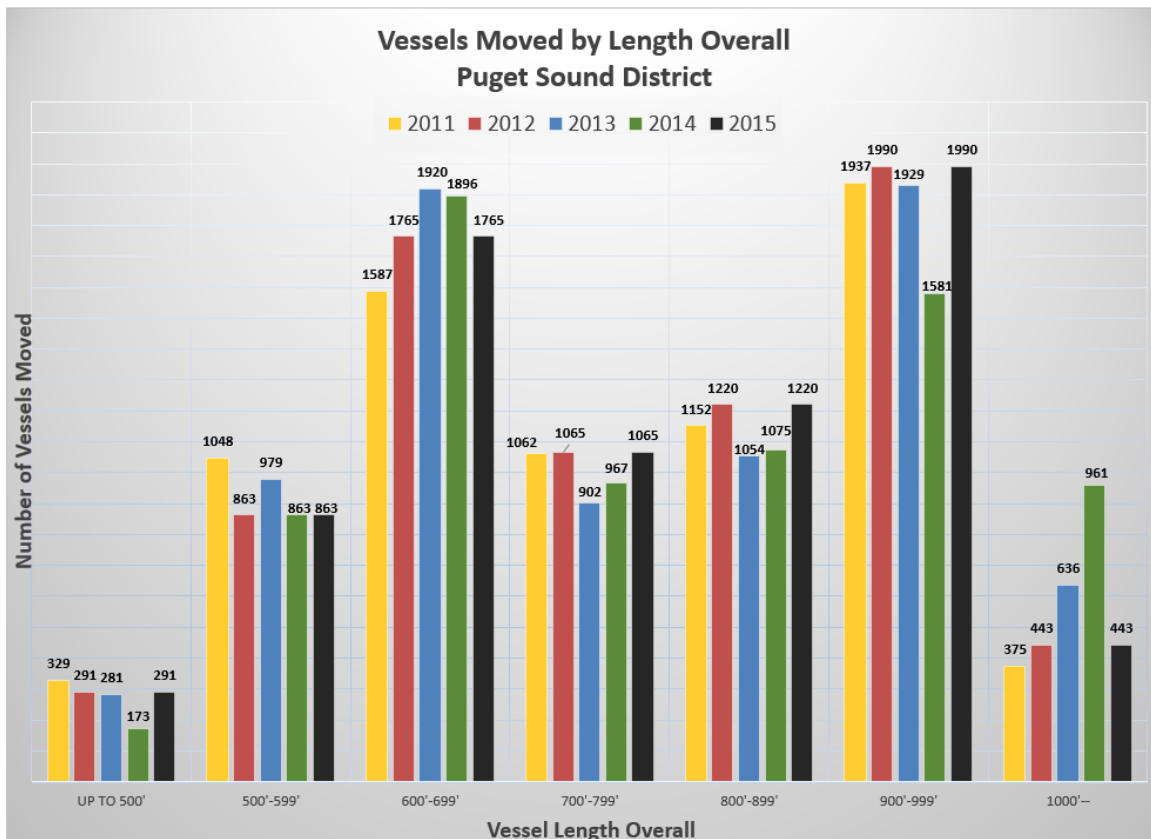
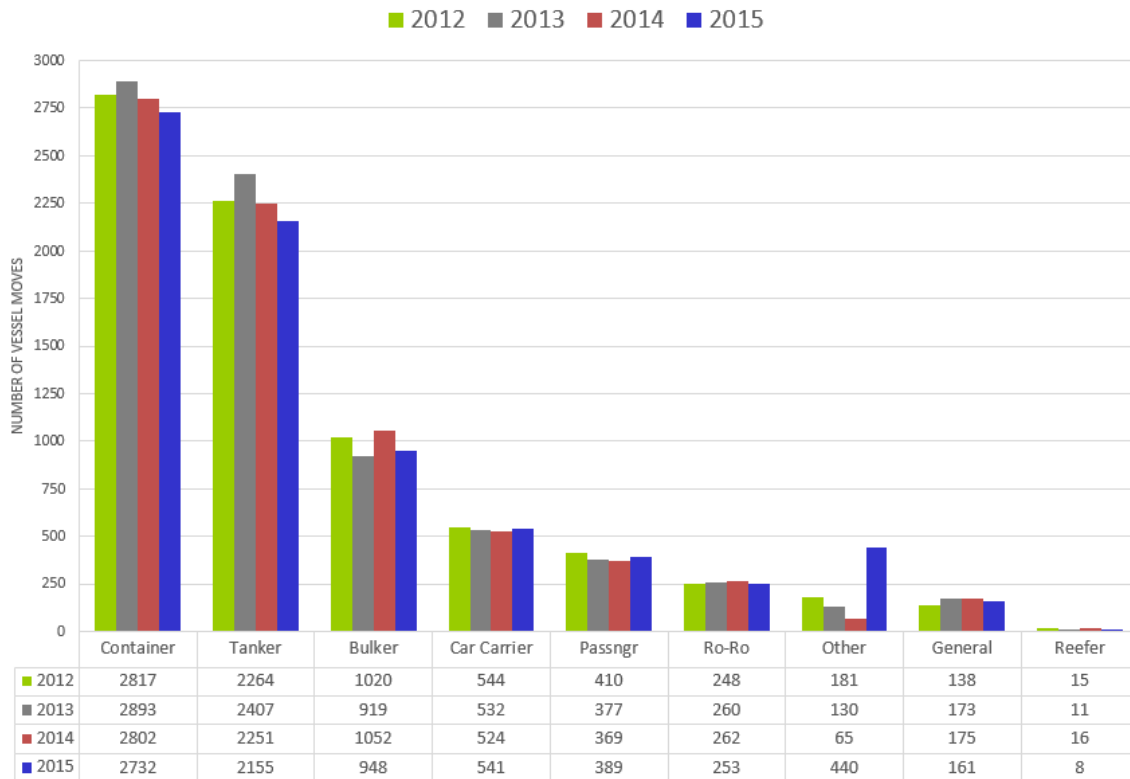
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The following reports and manuals are the source documents for preparation of this annual report and are on file at the office of the Board of Pilotage Commissioners, 2901 Third Avenue, First Floor, Seattle, WA 98121.

- Puget Sound Pilots and Subsidiary Special-Purpose Consolidated Financial Statements & Independent Auditor's Report (Modified Accrual Basis); 2015/2014
- Port of Grays Harbor Audited Financial Information, Pilotage Services Department, Statement of Revenues & Expenses; 2015
- Oil Tanker Movement Reports (Puget Sound District)
- LOA Zone & Earned Revenue Reports (Puget Sound District)

- Quarterly Pilotage Reports (Grays Harbor District)
- Pilotage Activity Reports (Grays Harbor District)

MOVES BY VESSEL TYPE - PUGET SOUND DISTRICT



A Message from the Chair of the Board of Pilotage Commissioners

The primary responsibility of Puget Sound and Grays Harbor pilots is the safe, incident and accident free passage of vessels through our waters. In 2015, these pilots completed over 7700 vessel moves with a total of only 8 incidents. Four of these incidents resulted in relatively minor damage, mainly to docks, piers, or pilings. Each incident is taken very seriously, is investigated, and each is discussed in the monthly open meetings of the Board, and each is acted on by the Board.

The Board licenses and regulates all pilots serving Washington waters in Puget Sound and Grays Harbor. The major responsibilities of the Board are to identify potential trainees through a rigorous examination process, develop an appropriate training program, license the pilots, set tariffs for pilotage services, and investigate marine incidents.

Each year the Pilotage Commission prepares a report providing data that is required by the Revised Code of Washington. This year we have added to that data to provide definitions, show trends, and move toward more analysis of the data. We appreciate your feedback and questions as we work to provide a useful and informative document. Please let us know how we can continue to improve the report.

As 2015 ended, the Board began the process of preparing for a pilotage examination scheduled for early 2016. It also grappled with the significant issue of the lack of gender and ethnic diversity among licensed pilots. With the potential for a new 2016 list of trainees, the Board began the process of reviewing, evaluating, and strengthening the training program to be sure that the most important and challenging skills are evaluated to give trainees appropriate feedback on the path to licensure. The goal is to have this program in place at the time a trainee from the 2016 list begins training.

Two board members completed service in 2015. After 19 years of dedicated attention to pilotage and the safety of Washington waters, Captain Harry Dudley completed his term as Board Chair. During his time on the Board, Harry handled a myriad of serious issues and we owe him a debt of gratitude for his tireless service. Captain Scott Ferguson represented the Washington State Department of Ecology during 2015, and provided excellent service. His Coast Guard experience was invaluable to the Commission.

Finally, the staff, which grew to three this year, deserves our huge vote of thanks for being the guardians of critical information for examinations, for trainees and pilots, for the Board, and for vessel exemptions. The work never stops but Peggy Larson, Shawna Erickson, and Jaimie Bever ensure operations of this regulatory Board are efficiently maintained.

We invite you to join us at our monthly Board meetings.

Sincerely yours,



Sheri J Tohn, 2016 Chair

A Message from the Executive Director of the Board of Pilotage Commissioners

Since the beginning – my beginning that is, back in 1982 – as I reflect back, I cannot begin to describe the changes I’ve experienced as each new year unfolds . . . **2015** was no exception.

For the past 16 years I had the privilege of working alongside our longest seated Chairman of the Board, Captain Harry Dudley. At the end of December, he moved on to the ranks of “those-with-one-less-job-and-still-not-retired”. During his reign, there were 41 pilot licenses issued, 32 tariff hearings presided over, 3 pilot exams administered producing 48 trainees, more than 125,000 vessels moved - 37,000 of those being oil tankers, 0 reportable oil spills, and the list goes on. Harry, thank you for your superior leadership!

We had several new faces seated in our Board Room this year. A mix of 12 men and women changed places.

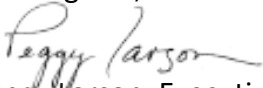
- ❖ Sheri Tonn replaced Elsie Hulsizer as the Marine Water Environmental Representative
- ❖ Sheri Tonn replaced Harry Dudley as Chair, to begin serving in 2016
- ❖ Capt. Scott Ferguson replaced Dale Jensen and then Alice Helker as the Dept. of Ecology Representative
- ❖ Shawna Erickson completed her sixth year as the Board’s Sr. Project Director
- ❖ Ms. Jaimie Bever joined the staff on November 1st as the Board’s Program Facilitator

The Board’s designated committees were very active during 2015. The Exam Committee prepared for the 2016 Marine Pilot Exam, scheduled for April 4, 2016, with the official announcement and call for applications circulated on November 30, 2015. The Trainee Evaluation Committee (TEC) continued to closely monitor and evaluate the active trainees from the 2012 Exam. Two successful candidates from the 2012 Exam entered the training program in 2015. A Train-the-Trainer course was facilitated by the TEC and held in June 2015 for new pilots licensed since 2012 who will be supervising pilot trainees. The Tariff Policy Committee helped to establish a Definition of Terms, which was adopted on April 16, 2015 by the Board.

The Board issued a Safety Advisory Bulletin on November 19, 2015 addressing loss of propulsion due to various factors including engineering practices, fuel switching, and engine maintenance, to name a few. The Board encouraged mariners to review the U.S. Coast Guard low sulfur fuel oil Marine Safety Alert included in the bulletin.

The Board Designated Physicians roster changed a bit in 2015. Two of our physicians, Dr. Stevens and Dr. Nitsche, resigned after a combined 38 years of service performing pilot physical examinations. The Board welcomed Dr. Peter Lehmann to the group.

Best regards,

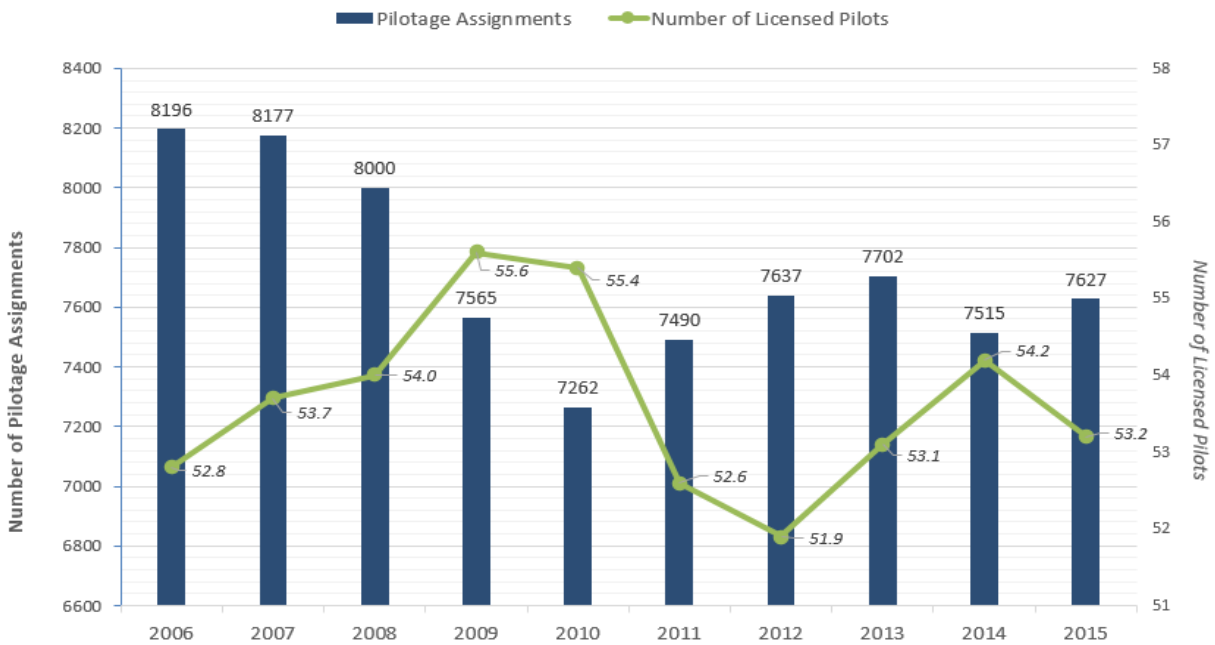

Peggy Larson, Executive Director

01 FOREWORD

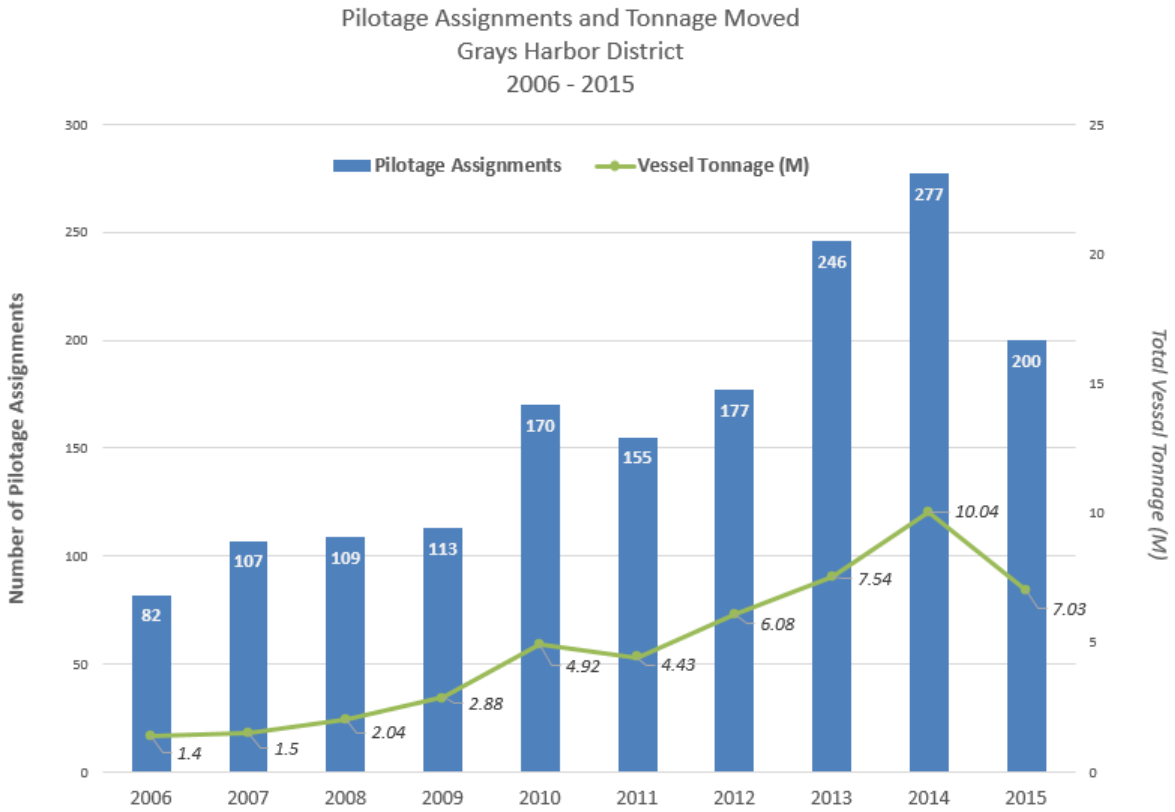
Piloting Activity in Washington State

The Puget Sound Pilots made a total of 7,627 vessel moves, resulting in 7,788 piloting assignments in 2015. This is an increase in vessel moves and assignments from the previous year. The average number of full-time pilots decreased to 53.2 in 2015. The average annual number of assignments per pilot was 146 or approximately 12 assignments per month in 2015 as compared to assignments of 140 annually and 11 per month in 2014.

Puget Sound District
Piloting Assignments and Licensed Pilots
2006 - 2015



The Grays Harbor Pilots had a total of 200 piloting assignments in 2015, resulting from 82 vessels arrivals. In comparison, there were 113 vessel arrivals generating 277 piloting assignments in 2014. The Port of Grays Harbor employed two full-time pilots.



2015 Tariff Hearings

The Board of Pilotage Commissioners is required by RCW 88.16.035(1)(e) to annually fix pilotage tariffs.

WAC 363-116-300: Pilotage Rates for the Puget Sound Pilotage District – 5/14/15.

The Board adopted a minimum tonnage charge of \$500 which was applied to all LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and all LOA Zone II and greater assignments. The effective period of this new tariff is the fiscal year 7/1/15 through 6/30/16.

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District – 11/19/15.

The Board adopted an increase of 4% in all tariff categories except the Pension Charge which was increased from \$403 to \$463 and the Travel Allowance which remained at \$105 per assignment. The effective period of this new tariff is 1/1/16 through 12/31/16.

Rule-Making

The following rule was adopted, amended or repealed:

WAC 363-116-082: Limitations on New Pilots. (continued from 2014)

Setting the Number of Pilots

The Board will, from time to time, set the number of pilots to be licensed in each pilotage district that is best calculated to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service. (WAC 363-116-065) There may be at times more pilot licenses authorized than issued.

	9/30/10	8/9/12	5/14/13	6/19/14	11/18/14	2/19/15	8/1/15
Puget Sound	52	53	54	55	54	53	52
Grays Harbor	The number of pilots will increase from 2 to 3 upon the next candidate becoming successfully licensed.						



02 BOARD MEMBERS & EXPENSES

COMMISSIONERS

	<u>APPOINTED</u>	<u>TERM EXPIRES</u>
<u>CHAIR</u>		
Capt. Harry Dudley	11/01/1999	12/31/2015
<u>REPRESENTING THE PUBLIC AT LARGE</u>		
Charles Adams	09/29/2009	12/26/2016
Capt. Edmund I. Kiley	01/14/2010	12/26/2017
<u>REPRESENTING AMERICAN SHIPPING</u>		
Phil Morrell - Totem Ocean Trailer Express (TOTE)	01/25/2012	12/26/2015
<u>REPRESENTING FOREIGN SHIPPING</u>		
Capt. J. Grant Stewart - Westwood Shipping Lines (WSL)	03/16/2012	12/26/2016
<u>REPRESENTING THE PILOTS</u>		
Capt. Edmund Marmol - Puget Sound Pilotage District	04/24/2013	12/26/2016
Capt. Don Mayer - Puget Sound Pilotage District	03/01/2010	12/26/2015
<u>REPRESENTING WA. STATE DEPARTMENT OF ECOLOGY</u>		
Capt. Scott Ferguson - Spill Prevention, Preparedness & Response Program	03/07/2015	N/A
Alice Helker - Spill Prevention, Preparedness & Response Program	01/15/2015	02/28/2015
Dale Jensen - Spill Prevention, Preparedness & Response Program	02/01/2014	01/15/2015
<u>REPRESENTING THE MARINE WATER ENVIRONMENT</u>		
Elsie Hulsizer	09/01/2007	02/17/2015
Sheri J. Tonn	02/18/2015	12/31/2015
<u>LEGAL COUNSEL</u>		
Guy Bowman	08/01/2008	
<u>STAFF</u>		
Peggy Larson, Executive Director	12/08/1982	
Shawna Erickson, Sr. Project Director	01/27/2010	
Jaimie Bever, Program Facilitator	11/02/2015	

The Board is comprised of the Assistant Secretary, Ferries Division, Department of Transportation or designee; the Director of the Department of Ecology, or designee; and seven members appointed by the governor. Each appointed member's term is for four years.

02 BOARD MEMBERS & EXPENSES (cont'd)

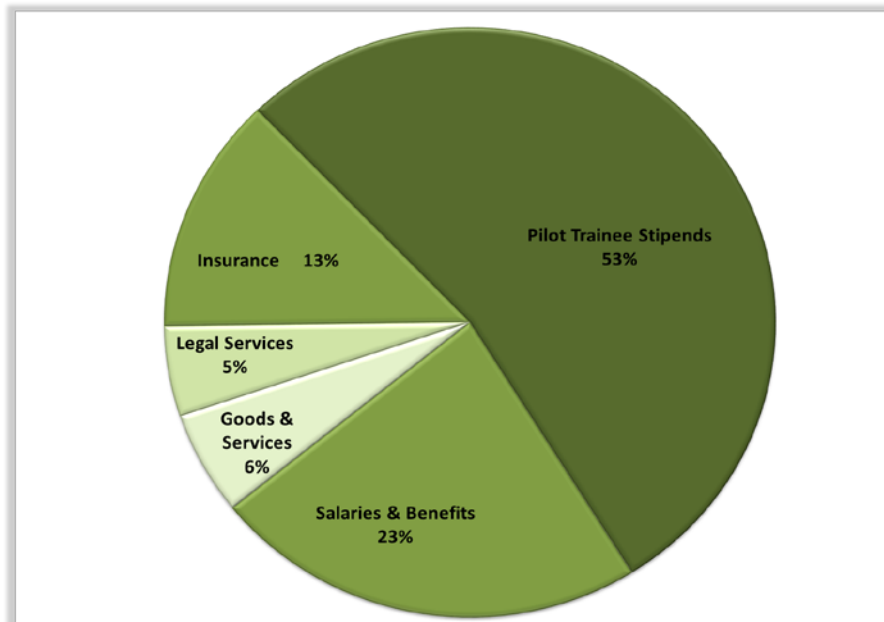
ANNUAL REVENUE & EXPENSES

BOARD OPERATING EXPENSES

Salaries and Benefits	\$239,224
Goods and Services	59,006
Legal Services	51,173
Insurance	134,806
Trainee Stipends	553,473

TOTAL EXPENDITURES

\$1,037,682



The Board of Pilotage Commissioners is a non-appropriated agency whose operating revenue is derived exclusively from pilot license fees and other ancillary fees as authorized in Chapter 88.16.RCW. The Board receives no General Fund appropriation. The Board's biennial budget is reviewed by the State Legislature but legislative spending authority is not required.

Pilot trainee stipends are funded by a tariff surcharge specified in WAC 363-116-300 and paid to each trainee at a monthly rate of \$6,000 if the stipulations found in WAC 363-116-078(10) are met.

03 LICENSED PILOTS

PUGET SOUND DISTRICT

at 12/31/15 or retirement

at 12/31/15 or retirement

PILOT	Lic #	Years Licensed
ANACKER, D. Scott	183	3.8
ANTHONY, Michael	184	3.4
ARNOLD, John	147	20.1
BLAKE, Michael	163	9.5
BOUMA, Blair	181	4.4
BROUILLARD, Dan	188	2.4
BRUSCO, David	180	5.8
BUJACICH, Jack	164	9.5
CARLEY, Warren (Bud)	186	3.0
CARLSON, Ivan	165	9.5
CARSTENSEN, James	195	0.3
COE, Frantz (Andy)	142	23.7
COLEMAN, Scott	191	1.3
CORYELL, Tom	189	2.0
EMERSON, Larry	126	28.0
ENGSTROM, Fred	185	3.1
ENGSTROM, Victor	162	10.7
GALVIN, Jamie	192	1.1
GIESE, Peter	143	23.2
GROBSCHMIT, David	169	8.6
HANNUKSELA, James	175	7.1
HARRIS, John	123	28.0
HENSHAW, Brian	155	15.4
HURT, Gary	158	14.6
JENSEN, Brian	193	1.0
JUSTICE, Verne	128	26.9
KALVOY, Jostein	170	8.6
KEARNS, James	182	4.0
KELLY, Patrick	167	9.4
KLAPPERICH, Eric	172	7.9
LICHTY, Eric	190	1.7
LOWE, Brad	194	0.3
LOWERY, William (Bill)	187	2.9
MARMOL, Edmund	171	8.3
MAYER, Donald	121	29.4
MICHELSON, Bruce (Ret.)	136	24.6

PILOT	Lic #	Years Licensed
MORENO, Stephan	178	6.1
MORK, Stuart	159	14.5
NEWMAN, Alec	125	28.0
SANDERS, David	152	18.7
SCOGGINS, John	161	10.9
SCRAGG, John	181	5.5
SEMLER, Joseph	156	15.2
SEMLER, Stephen	174	7.6
SEYMOUR, Lawrence	177	6.5
SHAFFER, Daniel	116	30.5
SHAFFER, James	145	23.2
SHULER, Mark	154	17.8
SLIKER, William	166	9.5
SORIANO, Donald	122	29.1
THORESON, George	176	7.1
vonBRANDENFELS, Eric	148	20.1
WARD, John K. (Ret.)	168	8.9
WARD, Jonathan E. (Ret.)	160	12.0
WILDES, Gordon	173	7.9
WOOD, Micheal (Ret.)	134	25.8
Number of PS pilots at 12/31/2014		54
Pilots retiring in 2015 :		4
Pilots licensed in 2015:		2
Number of PS pilots as of 12/31/15:		52

GRAYS HARBOR DISTRICT

at 12/31/15

PILOT	Lic #	Years Licensed
D'Angelo, Robert	15	22.8
Cooke, Stephen (Ret.)	16	9.6
White, Ryan	17	1.0
Number of GH pilots at 12/31/2014		2
Pilots retiring in 2015 :		1
Pilots licensed in 2015:		1
Number of GH pilots as of 12/31/15:		2

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

04 PILOT EDUCATION

Pilot Training

The Board mandates vessel simulator training for a licensed pilot subject to RCW [88.16.105](#) at least once every five years for all active pilots. Pilots have generally chosen to attend manned-model simulator training. This year, three pilots licensed within the last 12 months traveled to Port Revel, France to attend the Basic Manned-model simulator training class with another attending simulator training at the Center for Maritime Training in Massachusetts. Additionally, there were another four pilots attending the Advanced Shiphandling class held in Port Ilawa, Poland.



Licensed pilots are offered various off-site training for refresher courses in 2015. The classes attended in 2015 were:

- Electronic Charts and Information System (ECDIS) for Pilots (pilots learn common functions, benefits and limitations of onboard ECDIS systems; required by PSP every 5 years)
- Bridge Resource Management Refresher (a combination of the BRM class & simulator experience designed to improve situational awareness; required by PSP every 5 years)

05 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID

PUGET SOUND PILOTAGE DISTRICT

	2015 Total	Avg. Per Pilot (53.2 Full- time)
Pilotage Tariff Revenue	\$ 32,881,003	\$ 618,064
Other Income / (Expense)	31,088	584
Retirement Payments to Retired Puget Sound Pilots <i>(Note 1)</i>	(3,885,653)	(73,039)
Operating Expenses of Puget Sound Pilots	(8,333,339)	(156,642)
Group Medical Insurance Plan for Pilots <i>(shown below)</i>	1,604,390	30,158
Available Revenue Pool for Distribution	\$ 22,297,489	\$ 419,126
Income Allocation of Pooled Tariff Revenue	\$ 19,011,724	\$ 357,363
Individual Business Expense Allowance <i>(Note 2)</i>	530,881	9,979
Transportation Allowances and Reimbursements	1,119,406	21,041
Tariff Revenue Paid to Pilots	20,662,011	388,384
Individual Pilot Medical Insurance <i>(Note 2)</i> (group plan paid by PSP)	1,604,390	30,158
Tariff Revenue Paid to Pilots + Medical Benefit	\$ 22,266,401	\$ 418,541
Undistributed Other Income	31,088	584
Available Revenue Pool for Distribution	\$ 22,297,489	\$ 419,126

Notes:

1. According to their own by-laws, amounts necessary for payment of benefits under the Puget Sound Pilots Trust Contract of 1952, the Puget Sound Pilots Retirement Agreement of 1978 and the Amended Retirement Program of Puget Sound Pilots are deducted and paid to the designated beneficiaries prior to distribution of income to current pilots.

2. Individual Business Expense includes the provision paid for disability insurance, annual physical exam, Anacortes subsistence and lodging, and business communication costs. Medical insurance premiums previously reported in this category (IBE) are now paid by the Association (noted above).

Remarks:

Not shown above is "extra compensation as a separate category" per RCW 88.16.035. The expenses and payments reported above do not include additional deferred compensation programs or retirement benefits, if any, provided by the pilot organization.

TRAINEE STIPENDS PAID

During all or part of the year there were ten pilot trainees working on their respective training programs. Not all were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2015 was \$364,542.

Pilot trainees may choose whether to take a stipend during their training program. As a condition of receiving such stipend, agreement is made to forego any other full- or part-time employment which then prevents full participation in the training program. If the additional stipulations found in WAC 363-116-078(10) are met each calendar month, the stipend is paid at up to \$6,000 per month. The stipend is funded through a training surcharge in the tariff.

05 ANNUAL EARNINGS OF INDIVIDUAL PILOTS AND TRAINEE STIPENDS PAID (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT

	2015 Total	Average Per Pilot (2 Full time)
Tariff Generated Pilotage Revenue	\$ 1,281,226	\$ 640,613
Other Pilot Services Department Revenue	1,200	600
Transfer funds to Puget Sound Pilots Association for payments to Grays Harbor Pilot Retirees with service credit prior to 2001 (Note 3)	(80,600)	(40,300)
Operating Expenses - Port of Grays Harbor Pilot Services (Note 4)	(548,252)	(274,126)
(Gain)/Loss retained by Port of Grays Harbor (Note 5)	224,965	112,483
Net Pilotage Revenue	\$ 878,539	\$ 439,270
Pilot Wages	\$ 559,102	\$ 279,551
Incremental Duty Pay	78,000	39,000
Employer Provided Benefits (Note 6)	218,892	109,446
Gain Sharing (Note 7)	-	-
Travel Allowance and Reimbursements	22,545	11,273
Compensation to Pilots	\$ 878,539	\$ 439,270

Notes:

3. As part of an agreement with the Commission, Puget Sound Pilots distributes retirement benefits to the retirees of the Grays Harbor Bar Pilots. The cost is offset in part by a 2001 Puget Sound District tariff increase and the pension charge per assignment included in the Grays Harbor tariff. The Port transfers those funds to the Puget Sound Pilots to distribute to Grays Harbor pilot retirees with service credit prior to 2001.

4. During all or part of the year there were two pilot trainees working on their respective training programs. Neither were eligible to take the stipend every month during the twelve month period. The collective amount paid during 2015 was \$71,667.

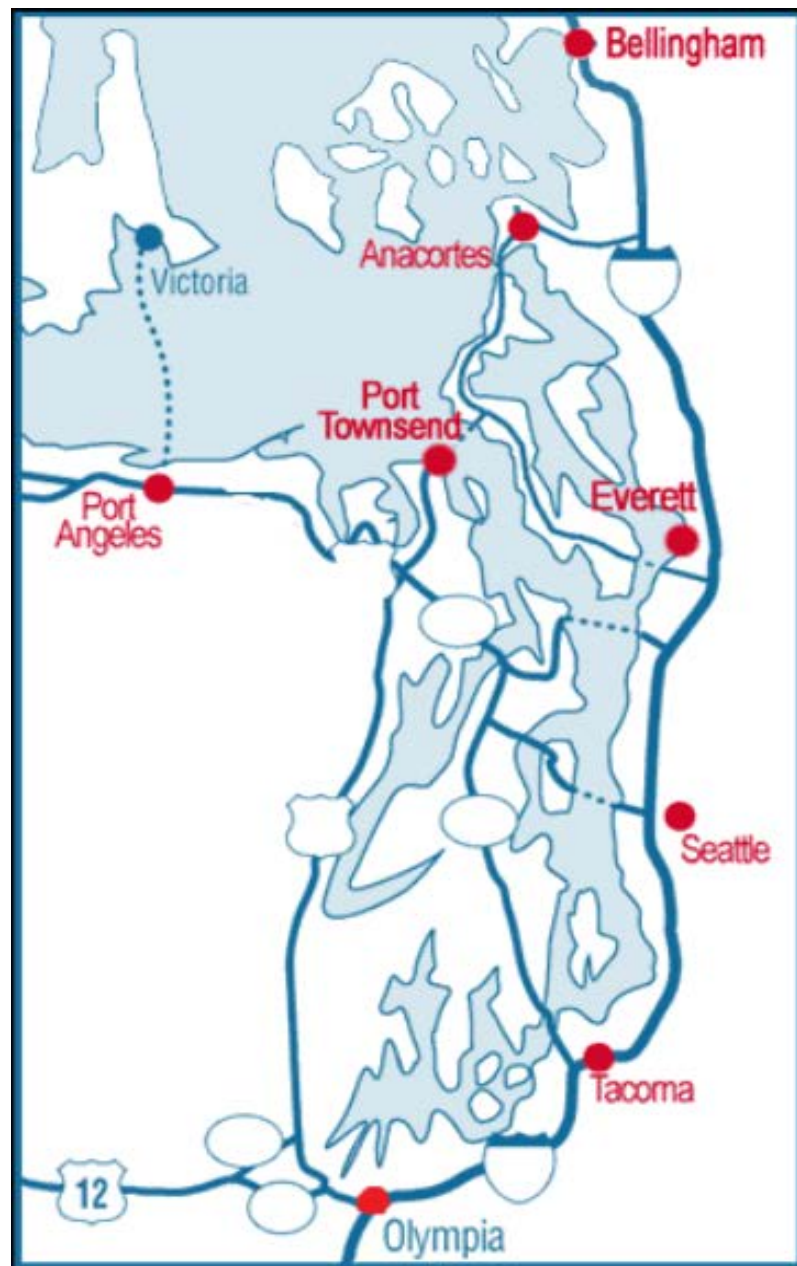
5. Port of Grays Harbor absorbs or retains any loss or income from the piloting division of their operations.

6. Employer Provided Benefits include health, life, medical, and disability insurance, federal and state taxes, and retirement funding paid by the employer.

7. A salary premium is paid when upon various thresholds being met creating a positive net income for the Port. The final net income is shared between the Port and the pilots who, in turn, share equally in the salary premium when this occurs.

Pilot trainees may choose whether to take a stipend during their training program. As a condition of receiving such stipend, agreement is made to forego any other full- or part-time employment which then prevents full participation in the training program. If the additional stipulations found in WAC 363-116-078(10) are met each calendar month, the stipend is paid at \$6,000 per month. Payment for the stipend for Grays Harbor trainees has funding built into their tariff.

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS
PUGET SOUND PILOTAGE DISTRICT



	2015	2014
TOTAL TARIFF GENERATED REVENUE	\$ <u>32,881,003</u>	\$ <u>32,623,068</u>
SUMMARIZED EXPENSES		
Payments to Retired Pilots/Widows - Puget Sound Dis	\$ 3,885,653	\$ 3,288,449
Pilot Medical Insurance - Puget Sound District	1,604,390	1,625,825
Seattle Other Operating/Administrative Expenses	4,511,969	4,682,123
Total Seattle Expenses	\$ 10,002,012	\$ 9,596,397
Port Angeles Station Operating Expenses	521,300	572,372
Pilot Boat Operating Expenses	1,695,680	2,037,993
Total PSP Operating/Administrative Expenses	\$ 12,218,992	\$ 12,206,762
Transportation Fees Paid Directly to Pilots	1,119,406	1,083,551
Total Deductions from Revenue	<u>13,338,398</u>	<u>13,290,313</u>
Balance of Revenue Pool to Distribute	\$ 19,542,605	\$ 19,332,755
Other Income / (Expense)	31,088	21,854
NET INCOME FROM POOLED OPERATIONS	<u>\$ 19,573,693</u>	<u>\$ 19,354,609</u>

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT

<u>SEATTLE OFFICE OPERATING EXPENSES</u>		
Attorney fees	\$ 51,605	\$ 96,244
Comp day expense	163,120	407,238
Computer maintenance	329,568	278,310
Computer programming	4,862	4,466
Conferences	34,347	76,749
Consulting services	284,359	91,942
CPA fees	56,665	63,512
Depreciation	320,884	308,493
Drug testing	6,737	5,381
Dues	169,583	154,715
Employee benefits	295,484	341,201
Employee salaries	851,238	702,636
Equipment leases	2,915	1,596
Gifts	13,127	-
Insurance	197,078	223,602
Interest	17,660	23,266
License fees - pilots	344,500	357,500
Lobbyist	112,294	106,099
Office maintenance & repair	6,042	7,634
Office supplies	31,432	43,994
Payments to Retired Pilots/Widows - Grays Harbor Dis	109,739	109,739
Payment to Retired Former Director	5,792	-
Pilot training	164,232	370,187
Printing & publications	5,532	24,615
Rent & parking	113,957	110,502
Taxes on payroll	61,007	50,737
Taxes, other	9,662	1,081
Taxes on revenue	536,666	536,164
Travel, entertainment, promotion	171,926	144,285
Telephone & communications	39,956	40,235
Seattle Office Total	<u>\$ 4,511,969</u>	<u>\$ 4,682,123</u>

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)
PUGET SOUND PILOTAGE DISTRICT (cont'd)

PORT ANGELES STATION OPERATING EXPENSES

	<u>2015</u>	<u>2014</u>
Depreciation	\$ 52,397	\$ 55,036
Food	93,855	85,609
Insurance	38,580	58,450
Interest	-	-
Lodging - Port Angeles	219	-
Maintenance and repairs	34,460	48,760
Rent, tideland lease	3,679	3,562
Reposition pilots	229,830	245,478
Supplies	18,994	25,915
Taxes on property	13,668	13,527
Telephone & communications	12,847	12,958
Training	-	405
Utilities	22,771	22,672
Port Angeles Total	<u>\$ 521,300</u>	<u>\$ 572,372</u>

PILOT BOAT OPERATING EXPENSES

Depreciation	\$ 28	\$ 28
Employee benefits	237,200	233,357
Employee salaries	750,119	773,729
Fuel of "Juan de Fuca"	128,517	166,737
Fuel of "Puget Sound"	135,906	250,022
Insurance	104,574	98,317
Interest	-	-
Maintenance & operation of "Juan de Fuca"	115,482	374,751
Maintenance & operation of "Puget Sound"	160,031	76,235
Taxes on payroll	59,512	60,428
Taxes on property	4,311	4,389
Pilot Boat Operations Total	<u>\$ 1,695,680</u>	<u>\$ 2,037,993</u>

Note (previous page):

5. Funds derived from the application of the Grays Harbor Pilotage District tariff (Pension Charge), for the purposes of offsetting a proportionate share of pension expenses, are remitted to Puget Sound Pilots for payment to retirees of the Grays Harbor Pilotage District. Puget Sound Pilots reports the revenue and expenses in their annual audited Financial Statements.

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

PUGET SOUND PILOTAGE DISTRICT (cont'd)

SCHEDULE OF EMPLOYEES

<u>Employee</u>	<u>Position</u>
M. Arkins	AR Clerk
T. Burnell	Dispatcher/Clerk
J. Clark	Relief Deckhand/Engineer
A. Dreyer	Boat Operator
M. Gregson	Deckhand/Engineer
C. Harthorne	Accountant/Dispatcher/Clerk
K. Houston	Dispatcher/Clerk
P. Jacobsen	Deckhand/Engineer
M. Juskevich	Boat Operator
J. Melvin	Deckhand
P. Moore	Accountant/Dispatcher/Clerk
J. Rushton	Deckhand/Engineer
R. Shelton	Maintenance/Utility
D. Shideler	Lead Boat Operator
L. Styrk	Executive Director
W. Tabler	Executive Director/General Counsel
B. Valentine	Dispatcher/Clerk
R. Welch	Boat Operator

Duty Arrangements: Office staff - 8 or 10 hour days, boatmen - 12 hour days.

06 ANNUAL EXPENSES OF PILOTAGE DISTRICTS (cont'd)

GRAYS HARBOR PILOTAGE DISTRICT



	2015	2014
Vessel Arrivals / Pilot Assignments	113 / 277	82 / 200
Tariff Generated Revenue	\$ 1,281,226	\$ 1,665,533
Miscellaneous Revenues	1,200	1,200
TOTAL REVENUE	\$ 1,282,426	\$ 1,666,733

GRAYS HARBOR DISTRICT EXPENSES

Advertising	\$ 50	\$ 53
Benefits	218,892	144,968
Pilot launch services	237,499	332,992
Depreciation	19,557	18,642
Dues & license fees	16,250	13,000
Insurance	1,821	1,869
Legal services	1,117	1,087
Miscellaneous other expenses	7,665	4,659
Pension contribution to PSP for GH Retirees	80,600	100,274
Pilot Trainee Stipend	71,667	63,330
Port Administrative Services	85,328	82,183
Repair/maintenance	60,318	67,912
Supplies	9,922	9,245
Taxes	19,690	21,490
Telephone	3,265	3,881
Training	6,784	0
Travel/Lodging/Meals	7,319	3,839
Wages	559,102	532,030
Gain Sharing Distribution	0	112,166
Incremental Duty Pay	78,000	7,991
Travel Allowance	22,545	27,700
GRAYS HARBOR DISTRICT TOTAL EXPENSES	\$ 1,507,391	\$ 1,549,311
GRAYS HARBOR DISTRICT OPERATING INCOME	\$ (224,965)	\$ 117,422

07 PUGET SOUND DISTRICT PILOTAGE RATES

WAC 363-116-300 Pilotage Rates for the Puget Sound Pilotage District.

Effective 0001 hours January 1, 2015, through 2400 hours June 30, 2015.

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

Any tow exceeding seven hours, two pilots are mandatory. Harbor shifts shall constitute and be limited to those services in moving vessels from dock to dock, from anchorage to dock, from dock to anchorage, or from anchorage to anchorage in the same port after all other applicable tariff charges for pilotage services have been recognized as payable .

Compass Adjustment	\$359.00
Radio Direction Finder Calibration	\$359.00
Launching Vessels	\$540.00
Trial Trips, 6 hours or less (minimum \$1,014.00)	\$169.00 per hour
Trial Trips, over 6 hours (two pilots)	\$338.00 per hour
Shilshole Bay – Salmon Bay	\$211.00
Salmon Bay – Lake Union	\$164.00
Lake Union – Lake Washington (plus LOA zone from Webster Point)	\$211.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II

(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)

Waterway and Bridge Charges:

Ships up to 90' beam:

A charge of \$266.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$127.00 per bridge.

Ships 90' beam and/or over:

A charge of \$361.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$251.00 per bridge.

(The above charges shall not apply to transit of vessels from Shilshole Bay to the limits of Lake Washington.)

Two or three pilots required:

In a case where two or three pilots are employed for a single vessel waterway or bridge transit, the second and/or third pilot charge shall include the bridge and waterway charge in addition to the harbor shift rate.

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$274.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$274.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$274.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$274.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$274.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges. When a pilot is ordered for an arriving inbound vessel at Port Angeles and the ETA is delayed to six hours or more beyond the original ETA, a cancellation charge shall be assessed, in addition to all other appropriate charges, if the ETA was not amended at least twelve hours prior to the original ETA.

Tonnage Charges:

0 to 20,000 gross tons:

Additional charge to LOA zone mileage of \$0.0084 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton. For vessels where a certificate of international gross tonnage is required, the appropriate international gross tonnage shall apply.

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00

Olympia	155.00
Point Wells	42.50
Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

(a) Intraharbor transportation for the Port Angeles port area: Transportation between Port Angeles pilot station and Port Angeles harbor docks - \$15.00.

(b) Interport shifts: Transportation paid to and from both points.

(c) Intraharbor shifts: Transportation to be paid both ways. If intraharbor shift is canceled on or before scheduled reporting time, transportation paid one way only.

(d) Cancellation: Transportation both ways unless notice of cancellation is received prior to scheduled reporting time in which case transportation need only be paid one way.

(e) Any new facilities or other seldom used terminals, not covered above, shall be based on mileage x \$2.00 per mile.

Delinquent Payment Charge:

1-1/2% per month after 30 days from first billing.

Nonuse of Pilots:

Ships taking and discharging pilots without using their services through all Puget Sound and adjacent inland waters shall pay full pilotage charges on the LOA zone mileage basis from Port Angeles to destination, from place of departure to Port Angeles, or for entire distance between two ports on Puget Sound and adjacent inland waters.

British Columbia Direct Transit Charge:

In the event that a pilot consents to board or deboard a vessel at a British Columbia port, which consent shall not unreasonably be withheld, the following additional charges shall apply in addition to the normal LOA, tonnage and other charges provided in this tariff that apply to the portion of the transit in U.S. waters:

Direct Transit Charge \$ 2,107.00
Sailing Delay Charge. \$ 283.00 per hour

Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.

Slow Down Charge. \$ 283.00 per hour

Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.

Cancellation Charge. \$ 525.00

Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.

Transportation Charge Vancouver Area. Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminister Range of British Columbia. \$ 514.00

Transportation Charge Outports. Vessels departing or arriving at British Columbia ports other than those in the Vancouver- Victoria-New Westminister Range. \$ 649.00

Training Surcharge:

On January 1, 2011, a surcharge of \$15.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC 363-116-078 shall be added to each pilotage assignment.

LOA Rate Schedule:

The following rate schedule is based upon distances furnished by National Oceanic and Atmospheric Administration, computed to the nearest half-mile and includes retirement fund contributions.

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	263	381	650	968	1,304	1,692
450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
470 - 479	285	404	672	1,020	1,347	1,711
480 - 489	294	410	675	1,038	1,355	1,719
490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
510 - 519	315	431	702	1,085	1,398	1,744
520 - 529	319	447	712	1,090	1,410	1,758
530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946
640 - 649	486	566	832	1,188	1,604	1,960
650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,494	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

07 PUGET SOUND DISTRICT PILOTAGE RATES

**WAC 363-116-300 Pilotage Rates for the Puget Sound Pilotage District.
Effective 0001 hours July 1, 2015, through 2400 hours June 30, 2016.**

CLASSIFICATION	RATE
Ship length overall (LOA)	
Charges:	
Per LOA rate schedule in this section.	
Pilot boat fee:	\$ 348.00
Per each boarding/deboarding at the Port Angeles pilot station.	
Harbor shift - Live ship (Seattle Port)	LOA Zone I
Harbor shift - Live ship (other than Seattle Port)	LOA Zone I
Harbor shift - Dead ship	Double LOA Zone I
Towing charge - Dead ship:	Double LOA Zone
LOA of tug + LOA of tow + beam of tow	

Any tow exceeding seven hours, two pilots are mandatory. Harbor shifts shall constitute and be limited to those services in moving vessels from dock to dock, from anchorage to dock, from dock to anchorage, or from anchorage to anchorage in the same port after all other applicable tariff charges for pilotage services have been recognized as payable.

Compass Adjustment	\$359.00
Radio Direction Finder Calibration	\$359.00
Launching Vessels	\$540.00
Trial Trips, 6 hours or less (minimum \$1,014.00)	\$169.00 per hour
Trial Trips, over 6 hours (two pilots)	\$338.00 per hour
Shilshole Bay – Salmon Bay	\$211.00
Salmon Bay – Lake Union	\$164.00
Lake Union – Lake Washington (plus LOA zone from Webster Point)	\$211.00
Cancellation Charge	LOA Zone I
Cancellation Charge – Port Angeles:	LOA Zone II

(When a pilot is ordered and vessel proceeds to a port outside the Puget Sound pilotage district without stopping for a pilot or when a pilot order is canceled less than twelve hours prior to the original ETA.)

Waterway and Bridge Charges:*Ships up to 90' beam:*

A charge of \$266.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle, south of Eleventh Street in any of the Tacoma waterways, in Port Gamble, or in the Snohomish River. Any vessel movements required to transit through bridges shall have an additional charge of \$127.00 per bridge.

Ships 90' beam and/or over:

A charge of \$361.00 shall be in addition to bridge charges for any vessel movements both inbound and outbound required to transit south of Spokane Street in Seattle and south of Eleventh Street in any of the Tacoma waterways. Any vessel movements required to transit through bridges shall have an additional charge of \$251.00 per bridge.

(The above charges shall not apply to transit of vessels from Shilshole Bay to the limits of Lake Washington.)

Two or three pilots required:

In a case where two or three pilots are employed for a single vessel waterway or bridge transit, the second and/or third pilot charge shall include the bridge and waterway charge in addition to the harbor shift rate.

Docking Delay After Anchoring:

Applicable harbor shift rate to apply, plus \$274.00 per hour standby. No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$274.00 for every hour or fraction thereof.

Sailing Delay:

No charge if delay is 60 minutes or less. If the delay is more than 60 minutes, charge is \$274.00 for every hour or fraction thereof. The assessment of the standby charge shall not exceed a period of twelve hours in any twenty-four-hour period.

Slowdown:

When a vessel chooses not to maintain its normal speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater, from the predicted arrival time had the vessel maintained its normal speed capabilities, a charge of \$274.00 per hour, and each fraction thereof, will be assessed for the resultant difference in arrival time.

Delayed Arrival – Port Angeles:

When a pilot is ordered for an arriving inbound vessel at Port Angeles and the vessel does not arrive within two hours of its ETA, or its ETA is amended less than six hours prior to the original ETA, a charge of \$274.00 for each hour delay, or fraction thereof, shall be assessed in addition to all other appropriate charges. When a pilot is ordered for an arriving inbound vessel at Port Angeles and the ETA is delayed to six hours or more beyond the original ETA, a cancellation charge shall be assessed, in addition to all other appropriate charges, if the ETA was not amended at least twelve hours prior to the original ETA.

Tonnage Charges:*0 to 20,000 gross tons:*

Additional charge to LOA zone mileage of \$0.0084 a gross ton for all gross tonnage up to 20,000 gross tons.

20,000 to 50,000 gross tons:

Additional charge to LOA zone mileage of \$0.0814 a gross ton for all gross tonnage in excess of 20,000 gross tons up to 50,000 gross tons.

50,000 gross tons and up:

In excess of 50,000 gross tons, the charge shall be \$0.0974 per gross ton.

Notwithstanding the above tonnage charges, there shall be a minimum tonnage charge of \$500.00 applied to:

- (1) All LOA Zone I assignments other than assignments of an additional pilot(s) on ship movements involving more than one pilot jointly piloting the vessel; and
- (2) All LOA Zone II and greater assignments.

For vessels where a certificate of international gross tonnage is required, the appropriate international gross tonnage shall apply.

Transportation to Vessels on Puget Sound:

March Point or Anacortes	\$195.00
Bangor	190.00
Bellingham	225.00
Bremerton	167.50
Cherry Point	260.00
Dupont	120.00
Edmonds	42.50
Everett	72.50
Ferndale	247.50
Manchester	162.50
Mukilteo	65.00
Olympia	155.00
Point Wells	42.50
Port Gamble	230.00
Port Townsend (Indian Island)	277.50
Seattle	18.75
Tacoma	87.50

(a) Intraharbor transportation for the Port Angeles port area: Transportation between Port Angeles pilot station and Port Angeles harbor docks - \$15.00.

(b) Interport shifts: Transportation paid to and from both points.

(c) Intraharbor shifts: Transportation to be paid both ways. If intraharbor shift is canceled on or before scheduled reporting time, transportation paid one way only.

(d) Cancellation: Transportation both ways unless notice of cancellation is received prior to scheduled reporting time in which case transportation need only be paid one way.

(e) Any new facilities or other seldom used terminals, not covered above, shall be based on mileage x \$2.00 per mile.

Delinquent Payment Charge:

1 1/2% per month after 30 days from first billing.

Nonuse of Pilots:

Ships taking and discharging pilots without using their services through all Puget Sound and adjacent inland waters shall pay full pilotage charges on the LOA zone mileage basis from Port Angeles to destination, from place of departure to Port Angeles, or for entire distance between two ports on Puget Sound and adjacent inland waters.

British Columbia Direct Transit Charge:

In the event that a pilot consents to board or disembark a vessel at a British Columbia port, which consent shall not unreasonably be withheld, the following additional charges shall apply in addition to the normal LOA, tonnage and other charges provided in this tariff that apply to the portion of the transit in U.S. waters:

Direct Transit Charge

\$ 2,107.00

Sailing Delay Charge.

\$ 283.00 per hour

Shall be levied for each hour or fraction thereof that the vessel departure is delayed beyond its scheduled departure from a British Columbia port, provided that no charge will be levied for delays of one hour or less and further provided that the charge shall not exceed a period of 12 hours in any 24 hour period.

Slow Down Charge.

\$ 283.00 per hour

Shall be levied for each hour or fraction thereof that a vessel's arrival at a U.S. or BC port is delayed when a vessel chooses not to maintain its normal safe speed capabilities for reasons determined by the vessel and not the pilot, and when the difference in arrival time is one hour, or greater from the arrival time had the vessel maintained its normal safe speed capabilities.

Cancellation Charge. \$ 525.00

Shall be levied when a pilot arrives at a vessel for departure from a British Columbia port and the job is canceled. The charge is in addition to the applicable direct transit charge, standby, transportation and expenses.

Transportation Charge Vancouver Area. \$ 514.00

Vessels departing or arriving at ports in the Vancouver-Victoria-New Westminster Range of British Columbia.

Transportation Charge Outports. \$ 649.00

Vessels departing or arriving at British Columbia ports other than those in the Vancouver- Victoria-New Westminster Range.

Training Surcharge:

On January 1, 2011, a surcharge of \$15.00 for each pilot trainee then receiving a stipend pursuant to the training program provided in WAC 363-116-078 shall be added to each pilotage assignment.

LOA Rate Schedule:

The following rate schedule is based upon distances furnished by National Oceanic and Atmospheric Administration, computed to the nearest half-mile and includes retirement fund contributions.

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
UP to 449	263	381	650	968	1,304	1,692
450 - 459	274	388	653	983	1,325	1,700
460 - 469	276	392	665	999	1,343	1,708
470 - 479	285	404	672	1,020	1,347	1,711
480 - 489	294	410	675	1,038	1,355	1,719
490 - 499	298	416	685	1,057	1,371	1,728
500 - 509	313	423	695	1,068	1,383	1,738
510 - 519	315	431	702	1,085	1,398	1,744
520 - 529	319	447	712	1,090	1,410	1,758
530 - 539	329	452	721	1,102	1,432	1,778
540 - 549	334	458	738	1,114	1,454	1,795
550 - 559	341	474	742	1,130	1,466	1,812
560 - 569	353	493	757	1,141	1,479	1,828
570 - 579	361	496	760	1,146	1,495	1,841
580 - 589	376	505	778	1,154	1,503	1,859
590 - 599	393	516	782	1,160	1,526	1,882
600 - 609	408	532	794	1,164	1,544	1,890
610 - 619	431	537	807	1,169	1,559	1,907
620 - 629	447	543	814	1,183	1,577	1,929
630 - 639	468	552	824	1,186	1,591	1,946

LOA (Length Overall)	ZONE I Intra Harbor	ZONE II 0-30 Miles	ZONE III 31-50 Miles	ZONE IV 51-75 Miles	ZONE V 76-100 Miles	ZONE VI 101 Miles & Over
640 - 649	486	566	832	1,188	1,604	1,960
650 - 659	520	575	847	1,197	1,624	1,981
660 - 669	530	582	854	1,205	1,642	1,996
670 - 679	550	597	863	1,226	1,660	2,009
680 - 689	557	607	874	1,237	1,674	2,028
690 - 699	574	616	888	1,258	1,692	2,071
700 - 719	599	637	904	1,275	1,725	2,093
720 - 739	634	653	927	1,292	1,758	2,128
740 - 759	659	685	945	1,304	1,795	2,167
760 - 779	685	707	968	1,325	1,828	2,194
780 - 799	719	738	983	1,343	1,859	2,234
800 - 819	748	760	1,002	1,350	1,890	2,268
820 - 839	771	788	1,025	1,371	1,929	2,293
840 - 859	804	820	1,046	1,387	1,958	2,333
860 - 879	834	847	1,064	1,423	1,996	2,367
880 - 899	863	871	1,085	1,455	2,028	2,402
900 - 919	889	900	1,103	1,497	2,071	2,434
920 - 939	917	927	1,130	1,526	2,091	2,468
940 - 959	950	952	1,147	1,559	2,128	2,498
960 - 979	971	980	1,167	1,591	2,167	2,535
980 - 999	1,003	1,002	1,187	1,624	2,194	2,568
1000 - 1019	1,065	1,067	1,240	1,710	2,299	2,678
1020 - 1039	1,094	1,098	1,279	1,758	2,368	2,757
1040 - 1059	1,127	1,125	1,316	1,812	2,435	2,838
1060 - 1079	1,161	1,165	1,355	1,866	2,511	2,922
1080 - 1099	1,196	1,197	1,394	1,920	2,585	3,011
1100 - 1119	1,230	1,234	1,437	1,980	2,662	3,102
1120 - 1139	1,268	1,274	1,481	2,037	2,742	3,194
1140 - 1159	1,304	1,310	1,523	2,098	2,825	3,291
1160 - 1179	1,343	1,347	1,571	2,161	2,909	3,388
1180 - 1199	1,384	1,388	1,616	2,226	2,997	3,491
1200 - 1219	1,427	1,430	1,664	2,293	3,087	3,593
1220 - 1239	1,467	1,473	1,713	2,362	3,177	3,701
1240 - 1259	1,511	1,516	1,763	2,432	3,274	3,811
1260 - 1279	1,555	1,561	1,817	2,505	3,373	3,925
1280 - 1299	1,602	1,609	1,872	2,580	3,471	4,044
1300 - 1319	1,651	1,655	1,927	2,657	3,576	4,164
1320 - 1339	1,701	1,705	1,986	2,736	3,682	4,290
1340 - 1359	1,749	1,756	2,045	2,817	3,792	4,419
1360 - 1379	1,803	1,807	2,106	2,903	3,905	4,549
1380 - 1399	1,855	1,861	2,171	2,989	4,022	4,687
1400 - 1419	1,912	1,918	2,233	3,077	4,142	4,826
1420 - 1439	1,968	1,976	2,301	3,171	4,268	4,971
1440 - 1459	2,029	2,035	2,371	3,265	4,395	5,120
1460 - 1479	2,086	2,094	2,440	3,362	4,527	5,270
1480 - 1499	2,150	2,157	2,512	3,462	4,661	5,429
1500 - Over	2,215	2,222	2,587	3,568	4,800	5,591

07 GRAYS HARBOR DISTRICT PILOTAGE RATES

WAC 363-116-185: Pilotage Rates for the Grays Harbor Pilotage District.
Effective 0001 hours January 1, 2015, through 2400 hours December 31, 2015.

CLASSIFICATION

RATE

Charges for piloting of vessels in the inland waters and tributaries of Grays Harbor shall consist of the following:

Draft and Tonnage Charges:

Each vessel shall be charged according to its draft and tonnage for each vessel movement inbound to the Grays Harbor pilotage district, and for each movement outbound from the district.

Draft	\$ 110.55 per meter – or - \$ 33.69 per foot
Tonnage	\$ 0.316 per net registered ton
Minimum Net Registered Tonnage	\$ 1,108.00
Extra Vessel (in case of tow)	\$ 621.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged \$6,141.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter \$ 1,050.00

Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage \$ 772.00

Delays per hour \$ 182.00

Cancellation charge (pilot only) \$ 303.00

Cancellation charge (boat or helicopter only) \$ 908.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of \$772.00 and in addition, when a bridge is transited the bridge transit charge of \$333.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations \$ 403.00

Travel Allowance:

Transportation charge per assignment \$ 105.00

Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid \$1,023.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited \$ 333.00

Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam \$ 910.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1-1/2% per month late charge.

08 INCIDENT REPORTS & MARINE SAFETY OCCURRENCES

INCIDENT REPORTS

A state licensed pilot and a state licensed pilot trainee involved in an incident shall notify the board by telephoning or radioing the Marine Exchange of Puget Sound as soon as the situation is stabilized or within one hour of reaching shore. In addition, all incidents shall be reported to the board on the Report of Incident form as soon as possible after the incident, but in no event more than ten days afterwards. If a pilot trainee is involved, both the pilot trainee and the supervising pilot shall file a Report of Incident. In any event where a pilot or pilot trainee is unaware of the occurrence of an incident at the conclusion of his/her piloting assignment, the pilot and pilot trainee shall file a Report of Incident within ten days of being informed of the occurrence of the incident. An incident includes an actual or apparent collision, allision or grounding, as well as a navigational occurrence which results in actual or apparent personal injury or property damage or environmental damage. An incident also includes any occurrence where a pilot or pilot trainee falls or is injured while embarking or disembarking a vessel or otherwise is physically endangered while performing his/her duties on a vessel, regardless of whether the incident results in physical injury to the pilot or pilot trainee.

PUGET SOUND PILOTAGE DISTRICT

Eight Incident Reports were filed in the Puget Sound Pilotage District in the year 2015.

DATE	VESSEL	PILOT(S)	LOCATION	BOARD DECISION
9-Mar-2015	Aiviq	Coleman, S	Everett, Pier 3 South <i>While shifting between docks, thrusters malfunctioned resulting in cracked stringers due to the unexpected momentum of the approach to the dock.</i>	Incident with damage; no pilot error
5-May-2015	Hyundai Faith	Harris, J Brusco, D	Tacoma, Blair Waterway, Pier 3 <i>Stern line parted on moored ship CHISWICK BRIDGE during inbound transit.</i>	Incident with damage; no pilot error
23-Jun-2015	Westwood Olympia	Hannuksela, J	Everett, off Pacific Terminal <i>Contact was thought to be made with shallow mud shoal; ship captain did not believe the ship went aground.</i>	Insignificant incident without placement in pilot file; no further action
25-Aug-2015	Alaskan Explorer	Mayer, D	Ferndale, between N & S berths @ Cherry Point <i>Vessel's port propeller cut an anchor line of a spill boom buoy on its approach to the dock.</i>	Incident with damage; pilot error; no further action; update electronic data recommended
31-Aug-2015	Otago Harbour	Scragg, J; Jensen, B; trainee Henderson, D	Seattle, Duwamish Waterway, Glacier W. dock <i>While docking, vessel came flat alongside with no excessive speed; it appeared two pilings were damaged in the process. The pilings in question were rotten and weak; other pilings were previously damaged.</i>	Insignificant incident without placement in pilot files; no further action
5-Nov-2015	Astoria Bay	Engstrom, F trainee Furst, A	Port Angeles, T-Pier <i>Vessel was not landed flat, consequently the stern laid on the camel and was forced into a piling; trainee was at the con.</i>	Incident with damages and with pilot error

25-Nov-2015	Akinada Bridge	Seymour, L	Between Whidbey Island and Marrowstone Island <i>Pilot was informed of an alleged injury to the operator of a 35' Nordic tug as they passed each other near Bush Point.</i>	Incident with alleged injury; no pilot error
9-Dec-2015	Morning Crown	Thoreson, G	Tacoma, Blair Terminal berth <i>A large gust of wind forced the vessel off the dock tearing the aft lines loose; tugs brought it back alongside.</i>	Incident with damage; no pilot error

GRAYS HARBOR PILOTAGE DISTRICT

No Incident Reports were filed in the Grays Harbor Pilotage District in the year 2015.

MARINE SAFETY OCCURRENCES

A state licensed pilot involved in a near-miss occurrence shall complete the board required Pilot's Report of Marine Safety Occurrence form and file it with the board as soon as possible. A near-miss occurrence is where a pilot successfully takes action of a non-routine nature to avoid a collision with another vessel, structure or aid to navigation, to avoid a grounding of the vessel or to avoid causing damages to the environment. A report of Marine Safety Occurrence may be voluntarily submitted on an out-of-the-ordinary occurrence or concern for navigational safety that is encountered or observed during the course of piloting a vessel.

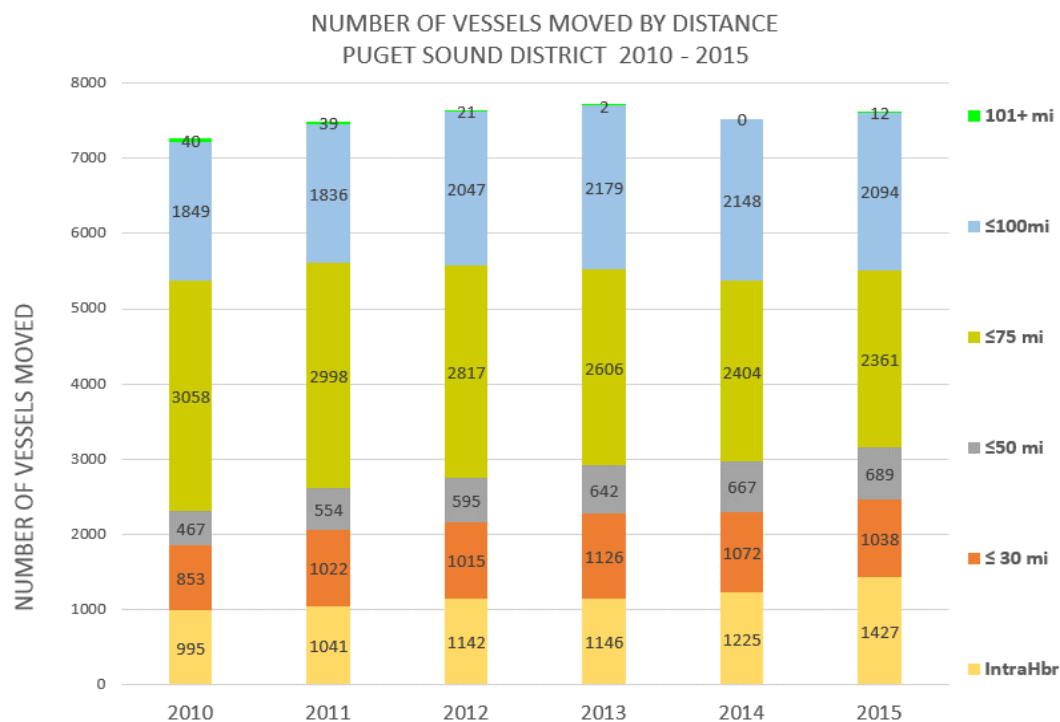
PUGET SOUND AND GRAYS HARBOR DISTRICTS

Thirty-eight MSO reports were filed in the Puget Sound District:

- * thirty-four vessel equipment malfunctions or failures, three were classified as near-miss;
- * four instances necessitating sounding a danger signal; one vessel responded appropriately; three did not respond, avoidance measures were employed and were classified as near miss.

Three MSO reports were filed the Grays Harbor District:

- * two vessel equipment malfunctions or failures, neither classified as near-miss;
- * one report classified as correspondence only as the narrative given was informational only.



09 PETITIONS FOR VESSEL EXEMPTION

During 2015, the following foreign flag vessels were granted an exemption from the requirement to have a licensed pilot on board while operating exclusively in Washington waters and lower British Columbia.

<u>VESSEL NAME</u>	<u>LENGTH OVERALL</u>	<u>GROSS TONNAGE</u>	<u>APPROVED OPERATOR</u>	<u>COUNTRY OF REGISTRY</u>
ARCTIC PRIDE	123 FT	297 GRT	Seethoff	Jamaica
AFTER EIGHT	151 FT	498 GRT	Lindsay	Isle of Man
ARROWHEAD	115 FT	193 GRT	St. Pierre	Marshall Islands
AZUL	94 FT	152 GRT	McCouat	Cayman Islands
CALEX	164 FT	492 GRT	Clemens	Cayman Islands
CAROLINA	156 FT	499 GRT	Stevens	Cayman Islands
ELISA	150 FT	456 GRT	Hill	Marshall Islands
EVVIVA	164 FT	492 GRT	Bracewell / Trailer	Cayman Islands
HONEY	164 FT	492 GRT	Trailer / Smart	Cayman Islands
ICE BEAR	171 FT	614 GRT	Butler	Cayman Islands
IMPROMPTU	120 FT	244 GRT	Hagedorn	Grand Cayman
INVADER	164 FT	608 GRT	Wakeham / Batchelder	Cayman Islands
ISLANDER	84 FT	155 GRT	Hayes	Cayman Islands
KYA	71 FT	119 GRT	Wilkinson	Marshall Islands
LAGNIAPPE	136 FT	398 GRT	Bramhill	Marshall Islands
MEA CULPA	130 FT	302 GRT	Cziraki	Cayman Islands
MY WAY	112 FT	208 GRT	Roush	Cayman Islands
MYSKY	167 FT	648 GRT	Biscoe / Royet	Cayman Islands
NOMADESS	121 FT	298 GRT	Collins	Cayman Islands
POLAR BEAR	93 FT	216 GRT	Milton	New Zealand
RASA	116 FT	394 GRT	Llop	Grand Cayman
REST ASSURED	92 FT	153 GRT	Chabala / Slattery	Cayman Islands
SATISFACTION	130 FT	334 GRT	Various	Cayman Islands
SHARON ANN	104 FT	185 GRT	Marschke	Marshall Islands
SOJOURN	130 FT	264 GRT	Glover	Jamaica
SOUTHERN WAY III	121 FT	218 GRT	Petrina	Cayman Islands
SWEET HOPE 2	76 FT	108 GRT	Morgan-Harris	United Kingdom
TOROA	68 FT	74 GRT	Bumgardner	Cayman Islands
TRITON	163 FT	527 GRT	Johns / Herregods	Marshall Islands
VICTORIA CLIPPER	127 FT	431 GRT	Various	Netherland Antilles
VICTORIA CLIPPER IV	118 FT	478 GRT	Various	Bahamas

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 five hundred gross tons (international), do not exceed two hundred feet in length, and are operated exclusively in the waters of the Puget Sound pilotage district and lower British Columbia, or yachts, which are not more than seven hundred fifty 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.

10 PILOT EXAMINATIONS

PUGET SOUND PILOTAGE DISTRICT

An exam for entry into a pilot training program for either the Puget Sound District or the Grays Harbor District was held in the fall of 2012. A waiting list of the top sixteen candidates was established from that exam and at December 31, 2015, twelve had been called into the program for the Puget Sound District and two for the program in the Grays Harbor District. In 2015, two trainees were deemed qualified for licensure in the Puget Sound District and two from the list were invited and accepted to train. One trainee was deemed qualified for licensure in the Grays Harbor District in 2015. There are two candidates remaining on the list from the 2012 exam.

Status of Successful 2012 Exam Applicants as of 12/31/2015:

1.	Scott Coleman	(T-033)	Licensed PS (#191):	08/27/14
2.	Jamie Galvin	(T-034)	Licensed PS (#192):	11/11/14
3.	Eric Lichty	(T-035)	Licensed PS (#190):	05/01/14
4.	Brian Jensen	(T-037)	Licensed PS (#193):	12/22/14
5.	Brad Lowe	(T-038)	Licensed PS (#194):	09/23/15
6.	Jim Carstensen	(T-039)	Licensed PS (#195):	09/30/15
7.	Ryan White	(T-032)	Licensed <i>GH</i> (#17):	01/02/15
8.	Neil Kelleher	(T-040)	Entered PS training program:	03/01/14
9.	Dave Henderson	(T-041)	Entered PS training program:	03/01/14
10.	Al Furst	(T-042)	Entered PS training program:	07/05/14
11.	Christopher Rounds	(T-043)	Entered PS training program:	10/01/14
12.	Philip Hunter	(T-044)	Entered PS training program:	10/15/15
13.	Rodney Myers	(T-045)	Entered PS training program:	10/15/15
14.	David Surface	(T-036)	Entered <i>GH</i> training program:	08/01/13
15.	Lee Vestal			
16.	Keith Kridler			

GRAYS HARBOR PILOTAGE DISTRICT

The exam held in 2012 gave the applicants the opportunity to be invited to train in either district. Two successful applicants accepted an invitation to train in the Grays Harbor District and their status is incorporated with the list above.

When the board determines the demand for pilots requires entry of an applicant into the training program, it shall issue a training license to that applicant, but under no circumstances may an applicant be issued a training license more than four years after taking the written entry examination. Chapter 88.16.090(4) RCW.

11 TRAINING PROGRAM

The Training Program is developed as provided in the Revised Code of Washington (RCW) 88.16.090 and is based on the appropriate provisions of the Washington Administrative Code (WAC) 363-116-078. The Training Program is intended to allow the trainee to demonstrate that the standards set in WAC 363-116-080 have been met. The Board evaluates performance to determine whether the trainee has been consistently successful in completing the elements of the program. The criteria the Board will follow in issuing or denying a license include, but are not limited to: performance in the Training Program; piloting, ship handling and general seamanship skills; local knowledge; bridge presence and communication skills; and, the ability to function independently and safely without extensive coaching or interventions. In order to allow the Board to determine that a trainee has been consistently successful in demonstrating the requisite skills and knowledge, the Training Program is designed to be comprehensive, demanding, and at times difficult.

The Training Program provides for an orientation and the assignment of a requisite number of Observation-only, Training, and Evaluation trips with licensed pilots for the assigned pilotage district, and ship assist/tanker escort tug masters

The goal of the Training Program is to provide the means to demonstrate that a trainee can safely, effectively, consistently and independently pilot vessels in the assigned district. (See RCW 88.16.035 and 88.16.090.) Training Programs are designed to enhance the skills of a trainee who has met the minimum thresholds required by the Board's qualifications, and the written examination and simulator examination. During the Training Program existing local, technical, and procedural ship handling knowledge and skills to the act of piloting vessels will be applied in real time. It is not the purpose of the Training Program to teach basic ship handling, technical and procedural knowledge, or other fundamentals of piloting. It is presumed that trainees have mastered many of the ship handling and fundamental piloting skills and these will be applied, under supervision, to improve piloting expertise with the intention of becoming a superior mariner and licensed pilot.

12 DIVERSITY PROGRAM

INTRODUCTION:

In 2015, the Washington Legislature issued a proviso to the Washington State Board of Pilotage Commissioners (Board) to include a Diversity Action Plan in the Annual Report of the Board, and establish policies and procedures necessary to increase the diversity of pilots, trainees, and applicants. They further required the diversity action plan must articulate a comprehensive vision of the board's diversity goals and the steps it will take to reach those goals. The following is the second annual report outlining the goals and the accomplishments of the past year.

STATEMENT OF PURPOSE:

The Board is committed to ensuring qualified pilotage in Washington State. The Board is also committed to encouraging diversity and inclusion to the extent allowed by law to a licensing agency. The Board is committed as well to understanding and responding to the professional environment which exists for all pilots in Washington. The Board recognizes the need to enhance opportunities for all professional mariners to become pilots, though the number of licensed pilots is small and the competition is strong. It is imperative for the prevention of loss of life or property damage and protection of the environment that all licensed pilots be highly trained. The process the Board follows to ultimately issue a license must be rigorous and utilize a full job analysis with respect to importance and difficulty of required skills so that those who are licensed are highly qualified.

This plan outlines steps accomplished to date in promoting diversity among licensed pilots in Washington. The Board established a Diversity Committee and has begun to collect and summarize statistics regarding diversity in pilotage locally, regionally and nationally, and will report the statistics as they are developed in each annual report. The Board is in the process of reviewing its licensure and training program to ensure that it is fair and objective and will encourage qualified diverse applicants to apply for the training program. It is also reviewing the standards of pilotage for any form of discrimination that could prevent any qualified individual from completing the program and becoming a licensed pilot. Where potential improvements to policies and procedures are identified, they will be modified to promote diversity in pilotage.

BACKGROUND:

The merchant marine industry is one of the most culturally and ethnically diverse industries in the world. However, it also has a very small percentage of females. This is well documented and, as a result, has prompted various industry organizations including the International Maritime Organization (IMO) and maritime companies to launch programs to increase in the number of women throughout the maritime industry. The US Coast Guard Data Management Branch reported that in 2014 there were 109 women among the 4022 federally licensed pilots. In Oregon, 2 of the 62 active pilots are women. Unfortunately, there are no women among the British Columbia or San Francisco pilots. Some east coast and southeastern pilotage districts represent the majority of women pilots in the US at present, though the percentages of women are in single digits.

Washington State has licensed shipboard pilots since the 1800s. Throughout that history there have been some licensed pilots from diverse cultural backgrounds but there has not been a female Washington State licensed pilot. Until 2005, no women who made application to take the examination were qualified to enter the pilot training program. The lone woman who applied that year eventually entered the training program but she was unsuccessful in the training program and was denied a pilot's license by the Board.

Over the past 10 years, at any time there have been between 50 and 56 licensed Puget Sound pilots and 2 or 3 Grays Harbor Pilots. The number of pilots is reviewed by the Pilotage Commission with a goal of keeping the number of pilotage assignments appropriate to maintain an optimum level of safety. From 2006 to 2015, 34 pilots have been licensed and 31 have retired, giving an annual turnover of just over 3 pilots per year. The pilotage application and exam process takes place at least every four years, with a roster of successful exam applicants of 14 people in 2008 and 16 people in 2012. Two individuals remain eligible to enter the training program from the 2012 roster. The exam was offered in April 2016, and 12 applicants were successful. The highest ranking candidate on the list is a woman. Trainees are called up from the list in anticipation of future pilotage needs. On average it takes trainees 18 to 24 months to complete the training program and to be issued a license (if they successfully complete the training program).

In the initial application process, the Board does not collect any information about an applicant that directly indicates the applicant's ethnicity, gender, or any connection to a protected class other than the applicant's birthdate which is for the sole purpose of determining if the applicant's age is within the bounds set by the RCW. During the process used to determine the qualifications of an applicant, information about the applicant is known only to a small committee which is assigned the task of determining if the applicant meets the minimum criteria set in the RCW and the Washington Administrative Code (WAC). As indicated, the only information collected by the Board that might indicate that the applicant is a member of a protected class is the person's name, citizenship, and date of birth. All the other information collected by the Board is for the purpose of determining whether or not he/she meets that qualification requirements set by the RCW/WAC.

Once the examination and evaluation process starts, the applicants are identified only by a number which is set by an independent contractor so the scores attained by applicants are not associated with a person's name. Only after the list of successful applicants is published is any information about the individual applicants revealed to the Board (and the public) and then that information is limited to what can be garnered by names (which may not be reliable since some names cross genders as well as ethnic backgrounds).

The development of diversity among the ranks of pilots is a long-term process and the Board will be just one of the many entities that must take action over time in order to realize increases in diversity. Pilots sit at the pinnacle of the ship handling profession, and they gain knowledge of local waters through the training program. In order to be a qualified applicant, mariners work their way to master level licensing through various fields. This "pipeline" has relatively few women among its ranks. The relative lack of women entering maritime

academies, working their way up through a shipping company to master a vessel, and then earning enough sea time means that pool of qualified applicants is much more limited than in the general population of mariners.

Various elements within the maritime industry have recognized the dearth of young people (particularly women) who seek careers in the industry and have launched recruiting efforts to try to turn that situation around. For example, the United State Maritime Administration (MARAD) has supported “Women on the Water Conferences” for the past seven years. Held at maritime academies, these conferences are designed to support women in maritime careers.

The Board will continue to encourage these efforts to support women and minorities where it can. For example, the Board has supported the initiatives of Puget Sound Pilots (PSP) to reach out to sources of mariners such as the maritime academies in an effort to attract woman to the concept of starting on a career path that can ultimately lead to being licensed as a Washington pilot. The Board Chair attended the 2016 Women on the Water Conference at the California Maritime Academy and plans to attend the 2017 conference as well. The Board maintains a perpetual list of all individuals who have indicated an interest in the pilotage exam or who have taken the exam in the past but did not earn a passing score. They are notified of the application process and of the date of the next exam. The Board will ensure that announcements about upcoming application opportunities are broadcast to as wide a spectrum of potential candidates as possible.

In the United States, the number of young people who set their sights on a career in the maritime industries seems to be diminishing. As the maritime industry in America has shrunk, so has the desire of young people to be a part of it. There are some school programs that are attempting to reverse that attitude by providing courses that provide an introduction to the maritime world. Various elements within the maritime industry have recognized the shortage of young people (particularly women) who seek careers in the industry and have launched various educational efforts to turn around that situation.

The Board has taken numerous steps since 2008 to adjust and improve its training program to be as objective and reliable as possible. These steps include hiring psychometric experts to validate the training program; separating the training program into three distinct phases of observation, training, and evaluation; offering Train-the-Trainer courses to pilots who complete trip evaluation forms on the trainees; etc. The Board is currently working with Progeny Systems Corporation to revise the training program for the 2016 trainees and will have a new set of criteria ready before the first trainee begins training. The Board will continue to ensure that all of the processes that it uses to ultimately license pilots are free from bias or discrimination.

In addition, the Board has removed the requirement for local federal pilotage licensure as a prerequisite to sitting for the Board’s examination in an effort to broaden the pool of available applicants. (Applicants then complete federal licensure during the training program, and must hold federal licenses before a state license may be issued.) The Board will continue to modify and improve the training program to make it the most comprehensive, objective, and fair training program possible.

It is a goal of the Board to have a more diverse group of pilots in the coming years. This includes a desire to see more cultural, race, and gender diversity. But, as stated above, an important element to that stated goal is that anyone who gets licensed must be qualified.

DIVERSITY ACTION PLAN: 2015- 2016 actions are shown in italics

Goal – Increase the ethnic and gender diversity of licensed pilots in Washington.

Actions:

- Establish a Diversity Committee of board members and mariners interested in promoting policies to encourage diversity to the extent allowed by law.

A Diversity Committee has been established with the following goals:

Support trainees in the Washington Pilotage Board training program

Identify and touch base with potential candidates for the next pilotage exam, likely to be given in 2019

Look at possible barriers to entry to pilotage and how to mitigate them

Discuss the training program and ways of making it more effective

Monitor and learn from diversity activities in other pilotage districts

Consider strategies necessary to build a diverse pool of interested candidates

Encourage youth and young adults to consider professional mariner careers

Develop ideas generated by the committee and other interested individuals

Develop a Diversity Committee document expressing mission, goals and key messages

- Forecast the need for licensed pilots due to mandatory retirement at age 70 and projected shipping activity. Use such data to prepare a five-year forecast for pilotage. Use the five-year forecast to predict potential needs for new pilots out to ten years.

This is limited to the use of mandatory retirement age because long term shipping activity projections are not available.

- Collect and report demographic data for all licensed pilots in Washington (as allowed by the privacy provisions of the RCW). Each pilot will submit data on an annual basis and the data will be aggregated for reporting. All individual data will be kept confidential. This is not yet accomplished.

Puget Sound Pilots (PSP) will be asked to prepare aggregated data.

Goal – Participate in efforts to develop a diverse pool of applicants with qualifications needed to become licensed pilots

Actions:

- Develop and use comprehensive means of notifying mariners of the pilotage application and examination. Ensure announcements of upcoming examination cycles are published in a wide spectrum of maritime publications and other modes of reaching mariners and pilots in other pilotage grounds.

2016 Exam was announced on our web-site, through e-mail distribution, and in well over a dozen publications, significantly more than in the past.

- Participate in conferences groups like “Women on the Water,” sponsored, by MARAD and maritime academies.

The Board Chair participated in the conference and informally met with cadets about pilotage.

- Monitor and support the activities of a wide range of government and industry organizations that have programs to broaden the diversity of the maritime industry through actions such as advertising and recruiting.

The Diversity Committee will undertake this in the future.

Goal – Eliminate any possible areas of bias or discrimination in training pilots.

Actions:

- Hire a third-party independent consultant to do another review of the training program with an eye toward ensuring absolute fairness at every level.

Progeny has been engaged to lead a full review of the training program to be instituted for the 2016 list of trainees.

- Provide diversity training for all pilots as part of the Train the Trainer course given by the Board.

This will be incorporated into the next Train the Trainer course.

Goal – Support educational activities that develop student interest in maritime careers.

Actions:

- Support (within the bounds of the RCW/WAC) school programs that provide an introduction to the maritime world for young people.
- Ensure that Legislators are aware of such programs and encourage their support where appropriate.

Support of school programs is a longer term priority.

Goal – Continue to improve this Diversity Action Plan.

Actions:

- Have other agencies within Washington that have expertise and experience in diversity action planning such as the Department of Transportation’s Diversity Coordinator (Labor & Personnel Division) and their Office of Equal Opportunity plus Attorney General attorneys who specialize in labor and personnel matters review the plan and provide feedback for possible improvements.
- Compare the plan to any such plans maintained by other entities that have similar relationships with shipboard pilots (i.e. other pilotage commissions).
- Investigate successful diversity initiatives conducted by other pilotage commissions to glean ideas for improving this plan.

- Review and update the plan at least annually, and include the plan in the Board’s annual report.
- Monitor the results of the plan and modify it as needed to ensure that it is as up-to-date and effective as possible.

These goals are a priority for year 2, after the Diversity Committee develops a stronger and more complete plan.

CONCLUSION:

The Board continues to take its responsibilities very seriously; the need to ensure the processes used to select, train, and ultimately license mariners to be pilots is one of the most critical of the Board’s tasks. The Board will use the Diversity Action Plan as a starting place to ensure that a wide spectrum of applicants know about our upcoming exams; that we encourage the maritime industry to continue efforts to broaden the diversity of mariners; that we support school programs that introduce young people to a career in the maritime industry; and that there is no bias involved in the ultimate licensing of pilots. The Board will continue to make its training program as objective as possible and will encourage qualified diverse applicants to apply for its training program.

13 OIL TANKER TUG INFORMATION

The following are the names and horsepower of tug boats for any and all oil tankers subject to the provisions of RCW 88.16.190:

Tug Information										
Vessel Name	Phone #	HP	Propulsion	Bollard Pull Ahead	Bollard Pull Astern	Tension Gage	LOA	Breadth	Draft	Year Build
Brusco										
	(425) 879-2211									
Bo Brusco		4,750	Z-Drive	61.5			78'	31'	14.5'	
Cleo Brusco		2,400	Twin/Kort	26			72'	24'	0'	1969
Ellis Brusco		2,200	Twin/Kort	26			78'	26'	9'	1980
Mary Rose										
Roland Brusco										
Crowley										
	(206) 332-8201									
Chief	(206) 396-2774	4,800	Voith	50		Y	105'	36'	17'	1999
Goliah	(510) 367-7171	4,400	Z-Drive	63		N	105'	36'	16'	1997
Guard	(206) 245-6091	5,500	Voith	54		Y	120'	42'	19'	1996
Guide	(206) 510-3520	4,800	Voith	50		Y	105'	36'	17'	1999
Hunter	(206) 915-9461	7,200	Twin	67		N	136'	36'	20'	1977
Protector	(206) 225-5903	5,500	Voith	54		Y	120'	42'	19'	1996
Response	(206) 331-0094	7,200	Voith	70		Y	130'	46'	19'	2002
Tioga	(206) 419-2316	4,400	Z-Drive	46	43	Y	78'	30'	15'	1996
Valor	(206) 240-3751	6,800	Z-Drive	82		Y	100'	45'	22'	2007
Vigilant	(907) 299-9999	6,800	Z-Drive	82		Y	100'	45'	22'	2007
Foss										
	(206) 281-3810									
Andrew Foss	(206) 396-7334	4,000	Voith	43	37	Y	100'	36'	12'	1982
Barbara Foss		5,400	Twin/Kort	65		N	120'	34'	15'	1976
Garth Foss	(206) 396-7374	8,000	Voith	79	66	Y	155'	46'	19'	1994

Henry Foss	(206) 396-7373	4,700	Voith + Z	52	38	Y	100'	36'	12'	1982
Jeffery Foss		5,400	Twin/Kort	65		N	120'	34'	15'	1970
Lindsey Foss	(206) 396-7375	8,000	Voith	79	66	Y	155'	46'	19'	1998
Pacific Star	(206) 396-7337	6,610	Z-Drive	81	74	Y	98'	40'	18'	2008
Sandra Foss		2,900	Twin/Kort	42		N	111'	31'	12'	1976
Stacey Foss		2,900	Twin/Kort	42		N	111'	31'	12'	1976
Weddell Foss	(206) 396-7377	4,700	Voith + Z	52	38	Y	100'	36'	12'	1982
Olympic Tug	(206) 628-0051									
Brian S	(206) 423-8803	3,000	Twin	40	22	N	98	30	12	
Millennium Falcon	(206) 348-2479	4,400	Z-Drive	63	58	N	105'	34'	17'	2000
Millennium Star	(510) 381-4551	4,400	Z-Drive	63	58	N	105'	34'	17'	2000
Western Towboat	(206) 789-9000									
Pacific	(206) 793-1188	1,550	Twin			N	72			1994
Wasp	(206) 793-5674	1,000	Twin/Kort			N	65'			1968
West Point	(206) 793-5675	1,200	Z-Drive			N	60'			1993
Westrac	(206) 793-5678	2,400	Z-Drive			N	76'			1987
Westrac II	(206) 255-1119	2,400	Z-Drive			N	76'			1995

OPERATING RULES

PUGET SOUND PILOTS

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In order to promote safe, efficient and harmonious operation of vessels by this Pilot organization, we the undersigned members herewith agree to uphold and abide by the following rules. These shall be applicable to the following:

- 1) Dispatching of Pilots
- 2) Respite periods and vacations
- 3) Special charges not included in published tariffs
- 4) Miscellaneous Policies and Relief Rules
- 5) Penalties

RULE 1 **DISPATCHING OF PILOTS, TIME OF ASSIGNMENTS**

- A. Rotation. Pilots shall be assigned to vessels in accordance with a strict rotation system which shall be adhered to. Pilots returning to duty from their respite periods, vacations or from any other absence except as otherwise provided, shall be placed at the head of the assignment list according to their relative “reporting in times” at the time of commencing respite or vacation. Members off-duty for any cause shall be placed at the head of the rotation list upon returning to duty, however members returning from off-duty status shall be placed in rotation immediately behind members who have previously returned from off-duty status and are awaiting assignment. AMENDED: 2/93, 8/15.
- B. Pilots Working Three Consecutive Nights. Pilots who work three consecutive nights shall be assigned their next assignment in compliance with this Section B.

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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 0500.

1. Three Nights ending at the Station. If the assignment causing the pilot's third consecutive night of work ends at the station, unless needed on the Seattle side, the pilot will remain at the station and be given a full night's rest (no repo, travel or bridge time between and including the hours of 2000 and 0800 and shall not return to rotation before 0800 the following morning. If the pilot is needed on the Seattle side, the pilot will be assigned to a repo no sooner than eight (8) hours after check-in and then be given a full night's rest. The pilot will then be Number 1 for dispatch in Seattle at 0800 on the following day. The decision whether such a pilot will be repositioned will be made by the dispatcher considering the best interest of PSP with the concurrence of the President. The pilot may be informed of the repo when being given his third night ship assignment or after his rest at the station;
2. Three nights ending elsewhere. If the assignment causing the pilot's third consecutive night of work ends at a place other than the station the pilot will be given a full night's rest (no repo, travel or bridge time between and including the hours of 2000 and 0800, and shall be number 1 for dispatch at 0800 the following morning.

C. Assignments. In order to facilitate dispatching, members shall keep in close

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contact with the Seattle Pilot Station and/or the dispatcher. At 1730 a pilot, or the pilot's representative, shall be available to accept assignments for evening or morning dispatch. It shall be the responsibility of the Pilot to keep the dispatcher informed as to the Pilot's whereabouts both day and night in order that proper rotation dispatching shall be effective. Unless assurance is received from the Pilot or the Pilot's representative as to the Pilot's availability, the Pilot shall be placed in an off-duty status for twenty-four (24) hours, thereby losing two (2) day's distribution. AMENDED: 7/84, 8/15.

RULE 2 **ASSIGNMENTS**

At Seattle, the minimum off-duty period before and after an inter-port or sea-trial assignment, and before the first of multiple harbor shift assignments is eight (8) hours between the pilot's check-in time and the call time. At Port Angeles, except as provided in Section A (12) below, the minimum off duty period after a vessel assignment is eight (8) hours. The minimum off-duty period does not apply to repositionings or locals.

A pilot who has received a minimum eight (8) hour off-duty period at Port Angeles before being repositioned to Seattle at one of the first three (3) repositionings of the day, may be immediately assigned to an inter-port assignment after check-in at Seattle.

A pilot who has received a minimum eight (8) hour off-duty period at Seattle before being repositioned to Port Angeles at one of the first three (3) repositionings of the day, may be immediately assigned to an inter-port assignment after check-in at Port

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Angeles. AMENDED: 6/96, 8/02, 5/03, 5/09, 8/15.

A) SEATTLE

1. An assignment to a vessel in Seattle Harbor shall be given to the Pilot four (4) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 2.0 hours before the Pilot is to be aboard. AMENDED: 7/92, 6/03.
2. An assignment to a vessel at Point Wells or Eagle Harbor shall be given four (4) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 2.0 hours before the Pilot is to be aboard. AMENDED: 4/99, 6/03.
3. An assignment to a vessel at Olympia, Tacoma, Manchester, Bangor, Bremerton, Port Townsend, Mukilteo or Everett shall be given five (5) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 3.0 hours before the Pilot is to be aboard. AMENDED: 4/99, 6/03.
4. An assignment to a vessel at Anacortes, March Point, Bellingham, Ferndale or Cherry Point, shall be given six (6) hours before the Pilot is to be aboard. Travel to the assignment is considered to start 4.0 hours before the Pilot is to be aboard. AMENDED 6/03.
5. An assignment to proceed to Port Angeles shall be given three (3) hours before the scheduled Seattle to Bainbridge Island ferry departure time. Travel to the assignment is considered to start 1.0 hour before the scheduled ferry departure.

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Assignments to scheduled ferry departures shall be at such time as determined by the Board of Directors at a regular meeting of the Board where this subject appears as a scheduled agenda item. If a transportation assignment to Port Angeles and vessel assignment have the same dispatch time, the transportation shall be assigned first. AMENDED: 7/86, 5/95, 6/03, 6/04.

6. An assignment to a vessel at Vancouver, New Westminster, Delta Port or Port Moody, British Columbia shall be given ten (10) hours before the Pilot is to be aboard. Travel to the assignment is considered to start seven (7) hours before the pilot is to be aboard. An assignment to proceed to any other port in the British Columbia Range shall be given three (3) hours prior to bus time. Amended 2/04.

EXCEPTION TO PARAGRAPHS 1 TO 6 INCLUSIVE

A vessel which, because of a change in circumstances, is in need of a Pilot sooner than the above recited notice times will be furnished one as soon as practicable.

7. Assignments to all vessels departing later than 2030 up to and including 1045 the following morning shall be given at 1730. AMENDED: 10/85.
8. A Pilot on the rotation list shall be assigned at 1730 to any vessel scheduled to shift or sail during the night hours. If the shift or vessel departure assigned at 1730 is canceled prior to three (3) hours before the set time, the Pilot assigned

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shall be returned to the number one (1) position on the rotation list. AMENDED: 7/86.

9. The following applies to a Pilot commencing respite at 2400 Tuesday: (a) A Pilot shall not be assigned a vessel departing Olympia for Port Angeles later than 1000 Tuesday; (b) a Pilot given an assignment whose call time was prior to 0800, and the call time for the assignment is changed to 0800 or later, shall be removed from rotation at 0800 Tuesday; (c) a Pilot left unassigned before 0800, shall be removed from rotation at 0800; and (d) a Pilot whose check-in time is later than 0800 Tuesday, shall be removed from rotation upon check-in. Members returning from respite shall be placed in proper sequence at the head of the rotation list at 0800 Tuesday. AMENDED: 10/85, 11/87, 12/91, 1/97.

10. When a vessel is departing a pier/terminal to stream/anchorage, and another vessel is proceeding from the same stream/anchorage to the same pier/terminal, one Pilot shall be assigned to both assignments, unless requested otherwise by an agent. When practical, due to a lack of available pilots in rotation, one Pilot may be assigned to more than one harbor shift, provided that for pilots on watch, multiple harbor shifts must be in the same port. AMENDED: 12/91, 10/98, 4/07.

11. If a Pilot cannot take the Pilot's regular assignment on the rotation list due to a limitation on the Pilot's state license, the Pilot's duty is to take the next preceding assignment that the Pilot's state license can cover. If a Pilot has not completed

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any requirements imposed by the state Board of Pilotage Commissioners for upgrade of said Pilot's state license by the date specified by the Board of Pilotage Commissioners, said Pilot shall not be dispatched until the Pilot fulfills the requirements. The Pilot may use comp days or be placed in an off duty status, whichever is appropriate. The Pilot may appeal to the Board of Directors for an extension of time to complete requirements before being taken off the rotation list, provided the Pilot can demonstrate extenuating circumstances acceptable to the Board of Directors. AMENDED: 9/86, 6/90, 11/90, 4/92.

12. Round Trip Assignments. A member on respite, may be assigned an inbound ship in conjunction with an outbound comp day assignment bound for the station if the requirements below are met. An off duty pilot who declines such a round trip may be passed over by the dispatcher. The round trip pilot shall have the right to choose the inbound job.
 - a. Total combined bridge time of both jobs is projected to be 11 hours or less and the inbound job is scheduled to end within 24 hours of the call time for the outbound job;
 - b. Rest provided at Port Angeles shall be at least 5 hours, except that there is no rest required if the inbound check-in time is scheduled to be before 2200 and the call time for the outbound job is at least 24 hours after the pilot's most recent check-in.

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- c. All state imposed rest rules are observed. Section 12 added 5/09.

B) PILOT STATION

1. Boarding of inbound vessels arriving at the Pilot Station shall be in accordance with the rotation system. If a Pilot cannot take the Pilot's regular INBOUND assignment on the rotation list, due to a limitation on said Pilot's State License, the Pilot's duty is to take the next preceding INBOUND assignment that said Pilot's State License qualifies for. A Pilot arriving at the station shall be placed at the bottom of the rotation list. A Pilot dispatched to the Pilot Station at Port Angeles shall, upon arrival at the Pilot Station, be placed at the bottom of the rotation list. If more than one Pilot is dispatched to Port Angeles at the same time, they shall be placed at the bottom of the rotation list upon receipt of dispatching instructions. "Reporting in time" at the Pilot Station shall be three (3) hours after the designated Seattle to Winslow ferry departure times in accordance with O/R 2, Sec. (a), Par. #5. A pilot is considered to have arrived at the Port Angeles Pilot Station at this time. Local assignments at Port Angeles will be performed by the first pilot scheduled for repositioning or by the first pilot in rotation who has been at the Pilot Station at least eight (8) hours and who has at least ten (10) hours between the call time of a local assignment and their scheduled inbound assignment. A Pilot whose respite commences at 2400 of

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that day shall remain in rotation as long as the Pilot is able to check-in prior to 2400 on that same day. If a pilot commencing respite at 2400 cannot be assigned to an inbound vessel in the Pilot's regular rotation before 1440 that will allow the Pilot to check-in before 2400 on that same day, the Pilot shall be assigned to the next inbound ferry. A Pilot dispatched to Seattle via next transportation will be deemed to have departed from the Port Angeles Pilot Station two and one-half (2 ½) hours before the scheduled Winslow to Seattle ferry departure time. Assignments to scheduled ferry departures shall be at such times as determined by the Board of Directors at a regular meeting of the Board where this subject appears as a scheduled agenda item. AMENDED: 7/86, 11/87, 5/89, 11/90, 5/95, 6/96, 9/00, 8/02.

2. Round Trip Assignments on Certain Cruise Ships. A pilot at the station may be assigned a round trip assignment on a cruise ship, if that cruise ship has suitable clean and quiet sleeping quarters available to the pilot while the ship is at the dock and if the vessel is expected to be at the dock for at least eight (8) hours. A pilot intending to take the book rather than take the vessel outbound, shall inform the dispatcher before he departs the pilot station on the inbound leg. Section 2 added 5/09, 8/15.

C) OUTPORTS

AMENDED: 6/86, 8/87, 11/87; DELETED: Ballot #4-90, 5/90.

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D) COMPLETION OF ASSIGNMENTS

- 1) Within sixty (60) minutes of the completion of any assignment, Pilots shall inform the Seattle Pilot Office or telephone exchange of their check-in time. AMENDED: 7/84.
- 2) Arrival time at all ports shall be the time the Pilot leaves the ship. This time is to be noted on the pilotage service rendered slip.
- 3) From Seattle and outports, the following travel shall be allowed after the ship's official arrival time: AMENDED: 7/92.
 - a) Seattle, Point Wells and Edmonds - one (1) hour. AMENDED: 7/92.
 - b) Eagle Harbor or Bremerton - first available ferry arrival in Seattle.
 - c) Manchester, Bangor, and Port Townsend - three (3) hours. AMENDED 10/14.
 - d) Olympia, DuPont - three (3) hours after ship's arrival.
 - e) Tacoma, Mukilteo and Everett - two (2) hours after ship's arrival.
 - f) Anacortes, March Point, Bellingham - three (3) hours after ship's arrival.
 - g) Ferndale and Cherry Point - three and one-half (3-1/2) hours after ship's arrival.
 - h) A Pilot dispatched to Seattle from Port Angeles shall, check in at Seattle three

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(3) hours after having departed the Port Angeles Pilot Station in accordance with O/R 2, Sec. (B). If more than one Pilot is dispatched to Seattle, each shall be placed at the bottom of the rotation list at Seattle in the order of their position on the rotation list upon departure from Port Angeles. AMENDED: 7/86.

- i) Vancouver, New Westminister, Delta Port or Port Moody, British Columbia - seven (7) hours. The reporting time of a Pilot returning to Seattle from any other British Columbia port shall be one (1) hour after the next available bus arrival time in Seattle. AMENDED: 5/85, 7/90, 12/99, 2/04.
- j) Failure to comply with this Rule will not be considered a violation of these Operating Rules per se and will warrant a fine of only \$100.

RULE 3 **DEPARTING PORT ANGELES PILOT STATION**

- A) All pilots at the Port Angeles Station are “on duty.” A Pilot who desires, for any reason other than illness or death in the Pilot’s immediate family, to go “off duty” at the Port Angeles Pilot Station, and does not declare that he/she is taking a Comp Day in the manner prescribed in subsection “B” below, shall be placed on the “Off-Duty Roster” for not less than twenty-four (24) hours, starting at the time of the Pilot’s actual departure from the Port Angeles Pilot Station. The Pilot will lose four (4) days distribution. AMENDED: 7/84, 6/01.

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B) A Pilot who desires to go “off duty” on arrival at the Port Angeles Pilot Station for any reason other than illness and/or death in the Pilot’s immediate family, shall give notice of the Pilot’s intention to go “off duty” at the Port Angeles Pilot Station to the dispatcher on duty when the Pilot is assigned to a ship or transportation proceeding to Port Angeles or at the time that the Pilot assigned is notified that the assignment time is changed. A Pilot who is on assignment or checked in at the Port Angeles pilot station who desires to go “off duty” for any reason other than illness and/or death in the Pilots immediate family must declare to the on duty dispatcher his/her intentions at least thirty (30) minutes before the next outbound transportation that would cover the pilots next projected assignment as per O/R 2, with the exception of the 0820 reposition notice which shall be given at 0800. For the 0320 reposition, notice must be given by 1700. A Comp Day taken at the Port Angeles pilot station shall begin at the time of the assignment the pilot would have had if he/she had remained in rotation. The pilot returns to “on duty” status 24 hours later in Seattle. A Pilot who fails to properly notify the dispatcher as per this rule and leaves the station placing himself/herself “Off Duty” and thereby “Off Distribution” will be penalized under the provisions of O/R 3A. AMENDED: 12/85, 9/00, 6/01.

RULE 4 **TRADES OR SUBSTITUTIONS**

Members may trade assignments by mutual agreement or one member may substitute for another member assuming the member is sufficiently rested. The dispatcher shall be notified immediately of such trades or substitutions. Such trades are

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strictly between the members involved and of no concern to the organization other than to insure each assignment is covered. Once effected, the member agreeing to take the place of another shall be responsible for the completion of the assignment involved as if it were the member's own.

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RULE 5
RESPITE AGREEMENT

1. Members shall start in rotation at 0800 on a Tuesday and shall commence respite at 2400 on the second Tuesday thereafter. A member who commences said member's respite period later than 2400 on Tuesday shall have one (1) additional day's respite. Amended: 10/85, 11/87, 2/12.

2. Peak Period Weekend Assignments. By February 15 of each year, each pilot shall be randomly assigned by the President to work a weekend shift during the pilot's respite period ("Peak Work Shift") during peak season. The pilot shall also be randomly assigned three consecutive Extra Respite Days starting on a Tuesday or a Saturday outside of the cruise season. Extra Respite Days shall start and end at 1100 except for those beginning on a rotation change day which shall start and end at 0800. The first random assignment of Extra Respite Days shall take place as early as possible in 2012, provided that any pilot who wishes to keep the Extra Respite Days already assigned for the 2012 – 2013 non-cruise season, may do so by notifying the President that the pilot does not wish to be part of the 2012 random drawing. The random selection process shall be designed, to the extent possible, to avoid more than one pilot having Extra Respite Days on any given day. Extra Respite Days may fall on holidays. Assignments of Peak Work Shifts and Extra Respite Days will not interfere with vacations and any training conflicts will be addressed by the President. Assigned Peak Work Shifts and Extra Respite days can be traded together or separately. New pilots will be assigned a Peak Work Shift

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by the President. Retiring pilots and those going on Major Medical will be given credit for accrued but unused Extra Respite Days as though they were comp days. On Peak Work Shifts, pilots will be randomly assigned as numbers one, two and three at 1100 on Friday and will be checked in by Monday at 1100. Peak Work Shifts will start on the second full weekend of May, will not occur on holiday weekends (Memorial Day, 4th of July and Labor Day) and will end when all pilots have been assigned to one weekend. Sec 2 added January, 2010, amended, 2/12, 6/12.

3. Peak Period Adjustment. To the extent consistent with rotation, pilots with unlimited pilot's license may volunteer to work an altered shift for a 25 day period (25 Day Shift) during peak periods under the following terms and conditions:
 - a. The shift shall start on a Thursday that is 9 days after the pilot finishes his/her normal watch;
 - b. The shift shall end at 1000 on the Monday morning that is 25 days later.
 - c. The shift shall begin during the months of May through September.
 - d. During the shift, the pilot shall be on duty. The pilot shall be number 1 at 1000 on Thursday and shall be checked in from his/her last job before 1000 of the following Monday. Pilots on this shift may be bumped up to jobs for which they are rested when necessary to insure a timely check-in. The pilot shall be on respite from 1000 each Monday to 1000 each Thursday during the shift.
 - e. At the end of the shift, the pilot shall remain on respite until the start of

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his/her normal watch 8 days later.

e. In return for completing such a 25 Day Shift, the pilot shall be given 2 Make-up Days. A Make-up day shall be treated exactly like a comp day, except that it may not accrue beyond May 1 of the following year and it can only be used, subject to the limits of Rule 10 below, to take a duty day off after October 31 and before May 1 of the following year.

f. By each February 1 (or as soon thereafter as is practical), the Board of Directors shall set a date by which all members may request to work for one or more 25 Day Shifts during the upcoming season. The board shall grant such requests as it deems appropriate to meet the expected work load requirements. The Board shall attempt to spread the available 25 Day Shifts as evenly as possible among the members and to insure that the number of pilots on 25 Day Shifts is balanced from May through September. The Board shall consider and may grant as it deems appropriate requests received after February 1 for 25 Day Shifts. Section 3 added 5/09, amended 2/12.

4. Each Pilot shall take said Pilot's respite period when due; provided, however, that trading of respite periods, mutually agreed upon between Pilots, is permissible. The dispatcher is to be notified of any trading of respite periods between Pilots. Trades of respite time are under the same constraints as trades of assignments. The extra duty roster and partner rules will remain in effect.

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RULE 6
VACATIONS

Members shall accrue vacation at the rate of 1.4 days per watch worked. Effective as pilots return to work from vacation on or after June 19, 2012, vacations shall be taken as follows: a pilot shall receive seven days of vacation to start two weeks after completion of every fifth watch. These seven days shall be followed by seven days of respite. The pilot will return to rotation four weeks after completion of every fifth watch. Trades of vacation time are to be under the same constraints as trades of assignments. Amended , 2/12.

During the President's term in office, the President shall not take any vacation under the rotation system described in this rule. The President shall retain the former position in rotation for the purpose of taking vacation when the individual is no longer serving as President.

Upon commencing a term as President, the President shall be credited with thirty (30) business days of vacation to be used during the President's term of office. The President may use these days at any time during the President's term at the President's discretion. The President shall not carry over any vacation days into a subsequent term, if re-elected, nor shall the President carry over any vacation days past the end of the President's term of office. AMENDED: 4/91, 2/12.

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RULE 7 **SICK PRIVILEGES**

A Pilot who has no Comp Days accrued may, if the Pilot so desires, take a day or more off for sickness or injury up to fourteen (14) days and have such days deducted from said Pilot's next vacation without further loss of pay. AMENDED: 4/96.

RULE 8 **OFF DUTY STATUS**

A member desiring to be placed in an off-duty status and not intending to accept a 1730 assignment shall notify the dispatcher by 1500 of the day that the member wishes to be placed in an off-duty status. A member who does not notify the dispatcher of said

member's intention at that time and goes on "Off-Duty" status shall be deemed in violation of this Rule. A comp day taken off shall begin at the call time of the assignment that would have been assigned without regard to the 1730 courtesy call time. The comp day shall end 24 hours after the beginning call time without regard to the 1730 courtesy call time. AMENDED: 4/88, 8/88, 10/89, 8/00.

RULE 9 **CANCELLED AND INCOMPLETED ASSIGNMENTS**

A member whose assignment is canceled by the owner, master or agent within the allotted travel time, according to Rule Two, may elect to go to the bottom or to the top of the rotation list unless that pilot is assigned to a harbor shift or repositioning. An assignment of such a pilot to a harbor shift or repositioning will be done only when it will avoid the need to hire a pilot on respite and will be subject to normal call time

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requirements. A member who, for reasons other than fatigue or safety, shall either cancel an assignment on said members own, or fail to appear for and/or complete an accepted assignment and remain on board the vessel to its final dispatched destination, will incur a mandatory deduction of two (2) days distribution plus a \$1,000.00 penalty. Further, no comp or vacation days may be used. AMENDED: 12/90, 10/03, 5/09.

RULE 10 **HOLIDAY OFF-DUTY PENALTY**

No member shall decline an assignment on Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, December 24th, December 25th, December 31st and January 1st. Violation of this rule will incur a mandatory deduction of two (2) days distribution plus the penalty hereinafter set forth for failure to comply with these rules. Further, no comp days may be used on these dates. A comp day taken on a day prior to one of the named holidays shall terminate at 2400 hours on the day prior to the holiday, irrespective of the time of commencement of the comp day. A member affected by the termination of the comp day at 2400 hours on a day prior to the holiday shall be available for dispatch at 2400 hours of that day. At the discretion of the Pilot, the Pilot may accept the job assignment at 1730 or 2400. The intent of this rule is so that no member may be required to work in place of one who arbitrarily refuses an assignment on these important holidays. AMENDED: 7/84, 5/85.

RULE 11 **RELIEF RULES**

Deleted by Ballot #7-00, 5/00.

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RULE 12
BRITISH COLUMBIA ASSIGNMENTS

The acceptance by a member of an assignment to pilot a vessel from a British Columbia port to a Puget Sound port at the termination of an assignment from Puget Sound to British Columbia is mandatory. If at the time of receipt of an assignment between Puget Sound and a British Columbia port a member is advised that pilotage service for a vessel bound from British Columbia to a Puget Sound port may be required, the member shall, upon arrival at the British Columbia port, telephone the Seattle Pilot Station before returning, and be subject to being held over for a maximum of sixteen (16) hours for assignment to the vessel bound to a Puget Sound port. The pilot shall not, however, be held over for an assignment which may depart less than five (5) hours after the completion of the original assignment to a British Columbia port. Amended Ballot 1-06, Feb 2006.

In the event there will be two (2) pilots in British Columbia capable of piloting a single vessel scheduled to sail from British Columbia to Puget Sound, the vessel shall be assigned to the Pilot scheduled to arrive in British Columbia last. The purpose of this Rule is to more efficiently utilize the available Pilots. AMENDED: 7/91.

RULE 13
RESPITE GRANT OCCASIONED BY DEATH

In the event of the death of the spouse, parent, child, parents-in-law, brothers, sisters, or grandchildren of an active Pilot, the Pilot shall be permitted up to five (5) days relief from rotational duties to attend to family affairs within the seven (7) days immediately

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following the death. AMENDED: 5/87, 1/88.

RULE 14
PILOT COMMISSION MEMBERS

Pilots serving on the Board of Pilotage Commissioners required to go to a meeting starting before 1000 hours shall be checked-in at Seattle by 2300 hours the previous evening; they shall be placed at the bottom of the rotation list and upon adjournment of the meeting, they shall check-in within 60 minutes, thereby returning themselves to the rotation list in the same manner as a pilot completing a ship assignment, including travel time as outlined in Operating Rule 2, Part D, Subsection 3. Pilot Commissioners who attend regular, special or board committee meetings during their respite periods, shall not be entitled to an additional day for attendance at a regular or special committee meeting of the Board of Pilotage Commissioners. Amended: 4/87, 10/90, 10/07.

RULE 15
DIRECTORS MEETINGS - COMMITTEE MEETINGS

Directors and special committee members required to attend duly called meetings shall do so under the same rules and considerations granted Pilot Commission members, in Rule Fourteen.

RULE 16
ATTENDANCE AT HEARINGS

Any member whose presence is required at a hearing or investigation conducted by the U.S. Coast Guard, Board of Pilotage Commissioners, or at a trial in a state or federal court, resulting from an accident to a ship in the member's charge, or who has

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been selected involuntarily to serve on a state or federal jury and who can demonstrate said member has exhausted all avenues of appeal, including timely notification and request for assistance of the PSP office, for relief from such jury duty, shall be removed from the rotation list at the time the member's presence is required. Upon termination of the proceedings, the member shall revert to the position on the rotation list said member occupied at the time the hearing or trial convened. AMENDED: 5/90.

RULE 17 **MEMBERS ON RESPITE, SERVICES REQUIRED**

Whenever the volume of shipping requires, members on respite or vacation may be requested to perform assignments. The number of assignments to respite members may be one (1) or more during any twenty-four hour period. If a respite member is dispatched to Port Angeles via transportation, the dispatcher on duty shall assign the member to an inbound ship which will enable the member to return to the vacation or respite roster within twenty-four (24) hours. A member on respite who is dispatched via vessel to Port Angeles shall have a check-in time in Seattle of three (3) hours after the member's arrival at the station in Port Angeles. Provided, however, this rule shall conform to license limitations and rest period requirement.

When a member is required, pursuant to this rule, to take assignments during the member's respite days or vacation, the member shall receive credit for an extra day of work. These extra days shall be called "Comp Days". A comp day worked shall begin at the call time of the first assignment without regard to the 1730 courtesy call time, and

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will end 24 hours later, without regard to the 1730 courtesy call time. The Secretary shall maintain records of the extra days worked by each member and shall call members in strict rotation as directed by the Secretary¹, and the monthly distribution statement shall include a tabulation of extra days accumulated by each member. With the exclusion of days enumerated in Rule Ten and subject to the limits of the last paragraph in this Rule, a member who has accumulated comp days may use one or more of them at the member's discretion in lieu of a work day, provided that the Pilot gives adequate notice to the dispatcher. AMENDED 9-12.

In the event a Pilot who has accumulated comp days retires or becomes disabled, the Pilot shall be entitled to use all said Pilot's comp days prior to commencing retirement pay. A Pilot who has given notice of retirement may not transfer comp days to another pilot during the six (6) month period preceding the Pilot's retirement date, except for previously existing comp day debts to other Pilots and except for charitable contributions not requiring any other Pilot to work on the retiring Pilot's behalf. Comp days are fully equivalent to work days with respect to a Pilot's right to respite days and vacation time. AMENDED: 4/92, 5/04.

Timed Comp Days. Comp days earned on or after September 1, 2012, by a pilot who then has an accrued balance of 60 or more comp days shall be referred to as a Timed Comp Day. Timed Comp Days must be used within one year of being earned. Timed

¹ Rule 17 was interpreted in Ballot 2-13 to provide that pilots at the top of the comp day list who are not offered a comp day job due to license limitations, shall retain their position at the top of the list until they are actually called for a comp day job.

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Comp Days may be traded but this does not extend their expiration date. PSP shall account for Timed Comp Days separately from regular comp days on a first-in/first-out basis, e.g. if a pilot with 60 or more regular comp days earns Timed Comp Days and then takes a day off, he/she will use the earliest of the Timed Comp Days first. Days off will not be debited from regular comp days until all of a pilot's Timed Comp Days have all been used. Nothing in this amendment instituting Timed Comp Days shall affect or limit the use of comp days existing on August 31, 2012 or comp days earned in the future by pilots then having fewer than 60 accrued comp days outstanding. AMENDED 9-12.

RULE 19 **PILOTAGE ASSIGNMENTS**

A member shall not perform pilotage on vessels subject to the Pilotage Act, unless duly assigned in accordance with the Operating Rules.

RULE 20 **MAJOR MEDICAL COVERAGE**

A Pilot who is unfit to perform the duties of a Puget Sound Pilot due to a major injury or illness, shall, after fourteen (14) duty days of such injury or illness plus respite days, participate fully in pilot distributions for a period not to exceed twenty-four (24) weeks until the Pilot is declared fit for duty.

The Pilot or the Pilot's representative shall present to the President and the Directors certificates satisfactory to them of the Pilot's inability to perform the duties of a Puget Sound Pilot. The President and the Directors shall then approve the participation in

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pilot distributions subject to the following provisions:

- 1) Distributions for the first fourteen (14) duty days shall be the responsibility of the Pilot who is unfit for duty. (That is, the first fourteen (14) days shall be charged against the Pilot's accumulated or future vacation days or accumulated comp days or in accordance with Operating Rule 4 or shall be uncompensated.) A pilot seeking major medical shall specify in writing how the first 14 days will be covered. Any such designation can be made or changed up to the time that the pilot returns to duty. In the absence of a written designation, days will be covered first with then accumulated vacation, second with accumulated comp days and third with un-accumulated future vacation days. Pilots using un-accumulated future vacation days shall pay back such days by working an equal amount of days during their next accrued vacation(s). To the extent that a pilot has used un-accumulated future vacation days to cover his or her 14 day obligation and does not return to work long enough to accrue the vacation days taken, the amount paid by PSP for those days shall be deducted from any retirement or equity buy out payments due to the pilot from PSP. AMENDED: 12/90, 9/10.
- 2) The President and the Directors may at their request and expense have a second opinion rendered by a Commission doctor whose opinion as to fitness shall be final and conclusive.
- 3) Except as provided in Subsections 3(a) and (b) below, the major medical

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provisions may not be invoked for the same injury or illness more than once in any twelve (12) month period following the date of the injury or illness. In addition, a pilot on major medical must return to full duty status for at least twenty four (24) weeks before the provisions of this Rule may again be invoked for any injury or illness, except as provided in Subsections 3(a) and (b) below.

- a. If a pilot returns to duty before the twenty-four (24) week major medical coverage period ends and, within ninety (90) days of such return, the pilot is again unable to perform the duties of a pilot due to the same illness or injury, that pilot may return to major medical coverage for the remainder of the 24 week period.
 - b. A pilot invoking section 3(a) must provide satisfactory medical evidence to the organization of his or her inability to perform the duties of a pilot and that such inability is due to the original illness or injury.
- 4) Pilots on major medical who are fit to do so, shall participate in the association business, activities or duties as requested by the president or Board of Directors. Unless the President indicates otherwise due to unusual circumstances, a Pilot on major medical who is fit to do so, will be available from Friday at 1700 to Monday at 0800 on at least two weekends per month to take calls and cover operational issues in place of the President so that the President can have the weekend off-duty. All phone calls will be routed to the pilot on major medical.

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Pilots who will be doing this duty will be oriented by the President on the types of issues that will be covered by this duty.

- 5) Every 30 days after the start of major medical, a pilot on major medical shall provide a written opinion from a doctor that the pilot is or is not fit for the administrative tasks described herein until such time as the doctor's opinion is that the pilot on major medical is fit to perform such tasks.
- 6) Under no circumstances will a pilot on major medical be requested to perform any duties that would in any way interfere with or delay that pilot's ability to return to work. AMENDED JAN 2014.

RULE 21 **AMENDMENTS TO OPERATING RULES**

The Operating Rules may be changed or amended by a majority vote of the members voting. Voting is to be accomplished by secret postal ballot or secret electronic vote as may be provided in the By-laws. Those present at a membership meeting that has a quorum may authorize a vote, or it may be initiated by the Board of Directors. AMENDED: 7/86, 7/07, 2/08.

RULE 22 **TRAVEL EXPENSES**

Each Pilot will pay the Pilot's own transportation cost to any assignment. Any transportation charges paid by the Association on a Pilot's behalf such as plane or taxi, will be deducted from that Pilot's share of that Pilot's distribution. AMENDED: 4/82.

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RULE 23
PENALTY FOR FAILURE TO COMPLY

Should any member without good and just cause, fail to comply with one or more of these Operating Rules, the President shall cause to have withheld from that member's distribution, for the subsequent month following the infraction, the sum of \$500 for each and every violation.

Should the member so affected believe such funds were wrongfully withheld or should the member believe there were sufficient mitigating circumstances to warrant rescinding such action, the member may, in writing, appeal to the Board of Directors. Their decision in this matter shall be final and binding.

RULE 24
WATCH EQUALIZATION

When determined by the Board of Directors that an inequality of the watches exists which requires a modification of the watch compliments, then the Board shall act as set out below. In making its determination, the Board may take into account license grades and/or the total number of pilots on a watch. For purposes of watch equalization, the President shall not be considered as a member of either watch.

1. Solicit a volunteer(s). If more than one pilot volunteers then the volunteer with the lowest license number with the necessary license grade shall be transferred.

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2. If there is no volunteer then the pilot with the highest license number with the necessary license grade from the watch that has the most licensed pilots would be transferred to the opposite watch.
3. A pilot who transfers as a result of a board declaration of inequality has a one-time right to go back to his or her original watch when the board declares another inequality of the watches. A pilot transferred involuntarily has priority in transferring back to his or her original watch over a pilot transferring voluntarily irrespective of seniority. If there is more than one pilot transferred by the same means, the pilot with the lowest license number shall have priority in transferring back.
5. A pilot who transfers for the purpose of Watch Inequality shall have the right to use a comp day on a holiday of his or her choice without the penalty imposed by Operating Rule 10 once a year during the first three years after the transfer.
AMENDED: 8/08.

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BYLAWS OF PUGET SOUND PILOTS

August 1, 2016

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1. **Name.** The name of the organization is the “Puget Sound Pilots” (herein the “**Association**”).

2. **Purpose.**

2.1 The purpose of the Association is to promote a safe, efficient, reliable and professional system of marine pilotage within the Puget Sound Pilotage District.

2.2 Puget Sound Pilots is an organization of individuals, corporations and limited liability companies, with each Member acting independently, for profit or loss, but sharing common services for their mutual interest in the carrying out of a function of providing logistical support, short of actual pilotage of vessels, for Pilots and Members herein. The Association is not intended to be a partnership of any kind, and no Member is authorized to act as agent of any other Member, nor to pledge the credit of any other Member. Only the Board of Directors, and the Officers, or duly appointed and authorized individuals or committees, are authorized to act for the Association, as permitted by these Bylaws or the Operating Rules.

3. **Definitions.** The following terms used in these Bylaws (the “**Bylaws**,” as they may be amended from time to time) shall have the following meanings (unless otherwise expressly provided therein):

3.1 “**Active Pilot**” shall mean a Pilot who is not retired, is actively involved in the business of the Association, and is available for Assignments.

3.2 “**Annual Election**” is the annual election in which the Directors standing for election are elected as further described in Section 10.1 herein.

3.3 “**Annual Meeting**” shall be the General Membership Meeting that is designated by the Board of Directors as the “Annual Meeting,” which Annual Meeting may be held on two separate dates in order to accommodate attendance by all of the Members as further described in Section 6.1 herein.

3.4 “**Assignment**” shall mean an assignment to pilot a vessel.

3.5 “**Association**” shall mean the Puget Sound Pilots Association as further described in Section 1 herein.

3.6 “**Authorized Entity**” is a corporate entity owned by a licensed Pilot, which Authorized Entity is a Member of the Association as further described in Section 5.2 herein.

3.7 “**Ballot**” is defined in Section 9.1 herein.

3.8 “**Board of Directors**” shall mean the Directors, elected as provided herein, by the Membership to govern the Association at the direction of the

Membership as more specifically provided herein as further described in Section 4.2 herein.

3.9 “**Board Vote**” is defined in Section 9.4 herein.

3.10 “**Claimant**” is a Member (Pilot) against whom a claim has been brought, and who seeks indemnification, as further described in Section 18.1 herein.

3.11 “**Combined Duty Days**” shall mean all of the Duty Days of all of the Pilots during a calendar month as further described in Section 16.3 herein.

3.12 “**Comp Day**” shall mean a day of work that is “earned” and attributed to a Pilot as a result of him/her working a day during his/her Respite or Vacation Period as further described in Section 16.4.4.1 herein.

3.13 “**Daily Rate of Income**” shall mean The Total Pilotage Services Fees shall divided by the Combined Duty Days of all of the Pilots to determine the daily rate of income for that month as further described in Section 16.5.2 herein.

3.14 “**Director**” shall mean a Pilot elected by the Membership as provided herein, to be a member of the Board of Directors as further described in Section 4.2 herein.

3.15 “**Duty Day**” is a day during which a Pilot is an active Member of the Association, and is either on duty and available for an Assignment aboard a vessel, on earned Respite Period, or on Vacation Period, as further described in Section 16.3 herein.

3.16 “**Equal Income Share**” shall mean the Total Pilotage Service Fees evenly divided between the Members and credited to their individual accounts as further described in Section 16.5 herein.

3.17 “**Expense Pool**” shall mean all operating and miscellaneous costs and expenses of the Association and the Pilots paid by the Association during each calendar month as further described in Section 16.6.1 herein.

3.18 “**Expenses,**” are the costs of business paid by the Association as further described in Section 16.6 herein.

3.19 “**General Membership Meeting**” shall mean the quarterly meeting of all of the Members as further described in Section 6.1 herein.

3.20 “**General Account**” shall mean the general and operating bank accounts and funding accounts of the Association, as they may be maintained from time to time. This does not include any trust accounts or specific purpose accounts.

3.21 “Individual Expense Share” shall mean a number determined by dividing the Expense Pool by the total number of Members for each month” as further described in Section 16.6.1 herein

3.22 “Member” shall mean the Pilot, or the corporate entity owned by that Pilot, that is a member of the Association as further described in Section 4.1 herein.

3.23 “Membership” shall mean, collectively, all of the Members as further described in Section 4.1 herein.

3.24 “Membership Payment” is the payment made by a new Member as part of the qualification to become a Member in the Association as further described in Section 5.5.1 herein.

3.25 “Net Income” is specifically defined in Section 5.5.1 herein as further described in Section 5.5.1 herein.

3.26 “Operating Rules” shall mean the rules adopted by the Membership, as they may be revised from time to time, that direct the actual operations of the Association and its Members as further described in Section 5.4.2 herein.

3.27 “Pilot” shall mean the qualified and licensed Pilots that are either Members of the Association, or are the owners of a corporate entity that is a Member of the Association as further described in Section 5.1 herein.

3.28 “Pilotage Services Fees” shall be the fees earned by the Pilots for their services piloting vessels as further described in Section 16.1 herein, and shall not include any Transportation Fees.

3.29 “Respite Period” is the period of time between Work Periods, when a Pilot is not available for regular scheduling of Assignments to vessels as further described in Section 16.4.2 herein.

3.30 “Terminating Member” is the Member whose Membership is being terminated for any reason, as more specifically described in Section 5.6.1 herein.

3.31 “Termination Payment” is the payment made to a Member whose Membership in the Association is terminated as further described in Section 5.6.1 herein.

3.32 “Total Pilotage Services Fees” shall be all of the Pilotage Service Fees received for all of the Pilots during the calendar month as further described in Section 16.1 herein.

3.33 “Transportation Fees” are those fees reimbursed to the Pilots for their costs of transportation to and from Assignments as further described in Section 16.1 herein.

3.34 “**Vacation Period**” is the period of time during which a Pilot not expected to receive Assignments, as further described in Section 16.4.3 herein.

3.35 “**Vote**” and “**Voting**” are defined in Section 9.1 herein.

3.36 “**Voting Period**” shall mean the period of time during which the Members may submit their Ballots for each election as further described in Section 9.3 herein.

3.37 “**Winning Candidate**” shall be the candidate for Pilot Commissioner who received the most votes and is the Association’s candidate for Pilot Commissioner as further described in Section 15.1 herein.

3.38 “**Work Period**” is the period of time during which a Pilot is primarily available for Assignments, and receives those Assignments as further described in Section 16.4.1 herein.

4. Structure and Composition.

4.1 The authority and power of the Association is vested in its members (all of the Members may be referred to herein as the “**Membership**,” individual members a “**Member**” and more than one as the “**Members**”).

4.2 The power vested in the Membership may be assigned or delegated, as further described herein, to the Board of Directors (the “**Board of Directors**,” the members of which are a “**Director**” or the “**Directors**”), and/or the Officers. The Board of Directors may delegate certain powers to the Executive Director. Between meetings of the Board of Directors, the power may be exercised by the Officers, with the exception of certain issues which are reserved to the Board of Directors or reserved to the Membership.

5. Membership.

5.1 Membership is limited to individuals who hold a valid Puget Sound Pilots License issued by the Board of Pilotage Commissioners of the State of Washington (“**Pilot**” or “**Pilots**”), and business entities owned by those individuals as more fully described in Section 5.2 herein.

5.2 A Member may be a corporation, or a professional services corporation, a limited liability company or a professional limited liability company (“**Authorized Entity**”), provided that:

5.2.1 The Authorized Entity is duly organized and in good standing under the appropriate corporation or limited liability company laws of the State of Washington;

5.2.2 The Authorized Entity shall have only one stockholder or member, one director and one officer, or one Manager, and the Pilot shall be an

employee, and the other employees of the Authorized Entity shall be limited to the Pilot's immediate family members;

5.2.3 Such sole stockholder, member, director, officer, Manager and Pilot employee shall be a person who is the holder of a valid Puget Sound Pilots License issued by the Board of Pilotage Commissioners of the State of Washington, in good standing;

5.2.4 Such Authorized Entity and its licensed Pilot shall have all of the obligations, responsibilities and duties to the Puget Sound Pilots as an individual Member of the Puget Sound Pilots would have;

5.2.5 Such individual licensed Pilot shall cause to be exercised and perform all of the rights and duties of the Pilot's Authorized Entity with respect to membership in the Association;

5.3 It is the intent of this Section 5 to permit Members to incorporate themselves or form a limited liability company, without in any way diminishing or changing their duties, responsibilities, and obligations of and to the Association. Notwithstanding the foregoing, the Pilot owning a Member corporation or limited liability company shall have all of the responsibilities and duties of a Member of the Association.

5.4 Admission into Membership.

5.4.1 An applicant for Membership qualified under Section 5.1 and Section 5.2 above must submit an application in writing as prescribed by the Board of Directors.

5.4.2 After application, and upon request from the applicant, the applicant shall be given the opportunity to review the Bylaws of the Association, the Operating Rules of the Association (the "**Operating Rules**"), the Anti-Harassment Policy of the Association, the Puget Sound Pilots Retirement Plan, and all other rules adopted from time to time by the Association. Admission to Membership will be granted by the Association when an applicant has demonstrated that the applicant has fulfilled all the licensing and financial requirements for Membership set forth herein, and that the applicant has agreed in writing to be bound by these Bylaws, by the Operating Rules, and all other policies or rules adopted from time to time by this Association.

5.4.3 At the time of admission, the Officers of the Association shall inform the new Member of all provisions of the Bylaws, Operating Rules, Dispatch Guidelines, the Puget Sound Pilots Retirement Plan, and of the methods of operation of the Association as a business organization.

5.4.4 During the first four (4) months of a Member's membership, a new Member has the option of being assisted during vessel Assignments by another Pilot.

5.5 Membership Payment.

5.5.1 Applicants shall, prior to being admitted into Membership, agree to pay to the Association as a condition of becoming a Member a sum (the “**Membership Payment**”) equal to the gross income of the Association, less the mandatory deductions of the Members from income as further described herein, but not less the personal expenses that may have been paid by the Association on behalf of Members, the average of which is calculated for the three (3) years prior to the year in which the applicant or the applicant’s Authorized Entity becomes a Member, divided by the number of Members during each of those three (3) years (the “**Net Income**”).

5.5.2 This Membership Payment shall be paid in equal or nearly equal payments over a period of seventy-two (72) months, or such other period of time as is set by the Board of Directors from time to time, provided that, if prior year Net Income is not yet known when the applicant or the Applicant’s Authorized Entity becomes a Member, it shall be assumed to be the same as for previous year until such time as it becomes known. At the time that it becomes known, the monthly payments shall be adjusted so that the remaining balance of the Membership Payment is paid in equal payments over the remainder of the payment period previously set by the Board of Directors. The first Membership Payment shall be paid from the first full month’s distribution payment to the new Member (not from a partial month prorated distribution payment, if any). These Membership Payments shall be deposited into the General Account of the Association.

5.5.3 The unpaid balance of the Membership Payment shall not bear interest. These payments shall be deducted by the Association from the monthly distribution payment to the new Member. A new Member may make a lump sum payment(s) and thereby reduce the amount of the unpaid balance of the Membership Payment and the number of monthly payments required, but such payment(s) shall not affect the amount of each remaining monthly payment.

5.6 Terminating Member’ Payment.

5.6.1 Upon termination of Membership in the Association, the Member whose Membership is being terminated (the “**Terminating Member**”), or the Terminating Member’s legal representative shall be paid an amount equal to the Membership Payment amount calculated pursuant to the terms of Section 5.5.1 above which is in effect at the time of the Member’s termination, and not the Membership Payment originally paid by that Member (the “**Termination Payment**”).

5.6.1.1 Payment of said Termination Payment shall commence at the time the Terminating Member is entitled to receive the first retirement payment pursuant to the terms of the then-effective Puget Sound Pilots Retirement Plan. The unpaid balance of the Termination Payment shall not bear interest. Said payment amounts shall be paid in equal or nearly equal payments over a period of seventy-two (72) months, or such other period as is set by the Board of Directors from time to time, except as described in Section 5.5.2 herein, and provided however, that if the payment

is based on an average of three (3) years' Net Income and prior year Net Income is not yet known at the time of termination, it shall be assumed to be the same as for previous year until such time as it becomes known. At that time, the monthly payments shall be adjusted so that the remaining balance of the applicable average is paid in equal payments over the remainder of the applicable period. Notwithstanding the foregoing, in the event that the applicable payment period of time is changed by the Board of Directors, it shall not affect the period of time over which payments are made for any Member already retired and receiving payments.

5.6.1.2 In the event that, at the time of commencement of payment of those Termination Payment payments, or at any time while such payments are being made, the Terminating Member owes any sum of money to the Association, including pursuant to the terms of Section 16.11 herein, then the Association shall be entitled to deduct all such sums owed from the next Termination Payments due to the Terminating Member.

5.6.2 Notwithstanding the foregoing, however, that in all cases in which the Terminating Member had not been a Member of the Association for the full specified period of payments of his/her Membership Payment, the Terminating Member shall receive the payments for the same number of months for which the Terminating Member's Membership Payments were made under Section 5.5.1 herein.

5.7 International Organization of Masters, Mates and Pilots Membership. Upon becoming a Member, each Member (or that Member's Pilot) is admitted as a member of the International Organization of Masters, Mates and Pilots, and continued Membership in this Association is conditioned upon continued membership in the International Organization of Masters, Mates and Pilots.

5.8 Compliance. Every Member is obligated to adhere to and follow the terms of these Bylaws, the Operating Rules, and any and all directives, policies or rules promulgated thereunder or promulgated by the Board of Directors. Each Member shall treat fellow Members with respect and consideration.

6. Membership Meetings.

6.1 There shall be a general meeting of the Membership ("**General Membership Meeting**") held during each calendar quarter of each year, on a date and at a time set in advance by the Board of Directors, or the President, or the Executive Director. One of those meetings each year shall be designated as the "**Annual Meeting**" by the Board of Directors, and that Annual Meeting may be held in two increments, to accommodate the Pilots who are not able to attend one of the meetings due to his/her schedule.

6.2 The agenda for General Membership Meetings shall be delivered to the Members not later than that date seven (7) days prior to the meeting date. Any five Members may submit in writing, prior to that date of notice, a matter which shall then be included on the agenda.

6.3 Actions specifically reserved to the Membership by these Bylaws may be taken only by Vote pursuant to the terms of Section 9.1 herein, and not at the General Membership Meeting.

6.4 Special Membership Meetings may be called by the President, or by a majority of the Board of Directors, on no less than seven (7) days' notice by delivery to the Members specifying the meeting agenda. Notice of Special Membership Meetings may be made in writing, by electronic notice, or by regular mail. The date that such notice is sent shall be the date of such notice.

6.5 The Board of Directors may determine, from time to time, whether Members may participate in a Membership Meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. If so approved by the Board of Directors, participation in such a meeting by audio and/or video shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

7. Officers.

The Officers of the Association shall consist of a President, a Vice President, and a Secretary, who shall each be a member of the Board of Directors. Functions that would otherwise be performed by a treasurer shall be performed by the Executive Director.

8. Board of Directors.

There shall be a Board of Directors consisting of seven (7) Members, including the Members holding the positions of President, Vice President and Secretary of the Association.

9. Voting Procedure.

9.1 Electronic Voting. Any Vote of the Members required by these Bylaws or by the Operating Rules (“Vote” or “Voting”) may be done by casting an electronic ballot (“Ballot”). The manner and method of electronic Voting shall be set by the Board of Directors. The Board of Directors shall not adopt any electronic Voting procedure until it has been certified in writing by the association’s primary computer consultant to provide an accurate way to authenticate voter identity by use of at least a password and to preserve voter anonymity. Such written description of the voting procedures and the consultant’s certification shall be distributed to all Members upon request. The results of all elections shall be reviewed by the Executive Director, and reviewed and approved by the President and one other Director. The President or the Executive Director shall notify the Membership of all Voting results.

9.2 Proxy. A Member who is unable to participate in a Vote, may designate another Member (the proxy holder) to cast a Ballot on his/her/its behalf. That

proxy holder shall submit to the Secretary satisfactory evidence that that Member holds the proxy for another Member. Said designation shall be in writing and shall be delivered to the Secretary prior to the time Voting is commenced. When exercising a proxy, the proxy holder shall make such arrangements with the President as are then-directed by the President. No Member shall cast more than one proxy Ballot in any Vote.

9.3 Voting Periods. The voting period (the “**Voting Period**”) shall commence on the date that the electronic notice of the Vote goes out to the Members. The Voting Period shall be fourteen (14) days. Each Ballot must be received within the Voting Period or it will not be counted.

9.4 Except as otherwise specified herein, (1) any vote of the Board of Directors (“**Board Vote**”) shall be a vote of a majority of the Directors in attendance at the meeting in which the Board Vote is taken, and (2) any Vote of the Membership shall be a Vote of a majority of the Members that cast Ballots in that Vote .

10. Election and Removal of Directors and Officers.

10.1 Election of Directors. Members of the Board of Directors shall be elected by the Members of this Association in good standing in an election commenced in November (specific date as set by the Board of Directors, the “**Annual Election**”) and shall serve a term as set forth in Section 10.4 herein. Any decision to change the date of the Annual Election from the same month as the prior year shall be made by the Board of Directors at a meeting held at least thirty (30) days prior to the start of the Annual Election, the published agenda for which Board meeting states that changing the date of the Annual Election will be considered by the Board of Directors.

10.1.1 The Vote for Directors and Officers will be by electronic Ballot, as described in Section 9.1 herein.

10.1.2 There shall be no nominations for the Director’s positions, but each Member shall vote for as many Director positions as are open for election that year. The Pilots running for election, for the Director positions that are open for election in that year, receiving the highest number of votes in said election shall be elected to the Board of Directors of the Association.

10.2 Election of Officers. A Ballot for Officers shall be forwarded, within twenty (20) days after each Annual Election of members of the Board of Directors, to the entire Membership, listing the names of the seven (7) Directors, including the newly elected Directors, with instructions for each Member to cast a Ballot for one of those Directors for President, one for Vice President, and one for Secretary. The Director receiving the highest number of votes for each office shall be elected to said office for a one (1) year term. All voting shall be in accordance with the provisions of Section 9 herein.

10.3 Tie Votes. In case of a tie Vote for a Director position or Officer position, another Ballot, listing only the Members tied in the previous Ballot, shall be

immediately forwarded to the Membership for an additional Vote to determine which of those receiving the tie Votes shall serve. Each Ballot shall be required to be cast within the Voting Period for that election.

10.4 Terms of Office.

10.4.1 Directors.

10.4.1.1 Subject to the terms of Section 10.4.1.2 herein, the term of each Director shall commence after the date of the Annual Election at which he/she is elected and shall continue until after the date of the second Annual Election thereafter.

10.4.1.2 If the Annual Election starts in November, the terms of office of Directors shall commence on the second (2nd) Tuesday in January immediately following their election. Their term of office shall continue until after the second Annual Election thereafter, when their successors are elected and qualified as described in Section 10.4.1.1 herein.

10.4.2 Officers. The terms of office of the Officers shall commence on the date that the newly elected Directors take office, and shall continue for one (1) year thereafter.

10.5 Removal. An Officer or a Director of the Association may be removed from office by a two-thirds (2/3) Vote of all Members

10.6 Vacancy.

10.6.1 In the event a vacancy is created on the Board of Directors, a Ballot listing all eligible Members shall be submitted to the entire Membership within sixty (60) days after the last day that vacating Director was in office, to fill the existing vacancy. The Member receiving the highest number of votes within the Voting Period shall be elected to complete the current term of office.

10.6.2 If the vacating Director was also an Officer, then, after the Vote for the new Director, a Ballot for Officers shall be forwarded within twenty (20) days to the Membership listing the names of the Directors that are not Officers, with instruction for each Member to vote for a Director to replace the Office position vacated. The Director receiving the highest number of votes shall be elected to that office.

10.7 Commissioners. No Member shall be eligible to serve as Director or as an Officer while serving as a member of the Board of Pilotage Commissioners of the State of Washington. If an incumbent Officer or Director accepts appointment as a member of the Board of Pilotage Commissioners of the State of Washington, the appointee shall be deemed to have resigned from office as Officer or Director.

11. Duties of Officers.

11.1 President. The President shall be the Chief Executive Officer of the Association and shall preside at all Membership meetings. The President shall be a member of the Board of Directors and ex-officio member of all committees of the Association. The President shall supervise the Officers of the Association in accordance with the Bylaws and Operating Rules of the Association or with any other orders or directions of the Association made either through the Board of Directors or the Membership. The President shall be the chief spokesman for the Association and shall be the only person authorized to represent the Association to third parties unless the Board of Directors or the Membership shall authorize other persons to act as spokesman or representative. The President and Executive Director, or their designee(s), shall each be empowered to authorize expenditures for the purpose of conducting Association business on any item not to exceed Eight Thousand Dollars (\$8,000). Expenditures on any item for the purpose of conducting Association business in excess of Eight Thousand Dollars (\$8,000) shall be approved in advance by the President and another Officer, the Executive Director and another Officer, or the President and the Executive Director, or their designee(s). In the event that the President or the Executive Director is intending to enter into a contract or agreement with a cumulative obligation in excess of Twenty Thousand Dollars (\$20,000), then he/she shall obtain prior approval from the Board of Directors in advance of signing such contract or agreement. The office of the President shall be a full time position; however, at the President's discretion he/she may take an Assignment under high workload peaks if he/she has a valid license, is fit for duty, and is not needing refresher trips.

11.2 Vice President. The Vice President shall act in the place and stead of the President if a vacancy occurs in the office of the Presidency, or in the absence of the President for illness or while out of town or while on authorized leave granted by the Board of Directors, or when the President is otherwise unavailable; the Vice President, while so acting, shall have all the powers of the President. The Vice President shall be a member of the Board of Directors.

11.3 Secretary. The Secretary, or designee, shall cause to be kept full and accurate minutes of all meetings of the Association and of the Board of Directors. The Secretary shall be Secretary of the Board of Directors and a member thereof and shall attend all its meetings that he/she is able to attend. The Secretary shall sign all such papers and documents and perform such duties as may be required of the Secretary as prescribed by the Board of Directors, the Association, the President or the Membership. The Secretary shall act in the place and stead of the President if both the President and the Vice President are otherwise unavailable for any reason; the Secretary, while so acting, shall have all the powers of the President.

12. Duties of the Board of Directors.

12.1 The authority and power of the Association is vested in its members, except as otherwise specifically described herein, and may be delegated by the Membership to the Board of Directors.

12.2 The Board of Directors shall, subject to the reservation of, or exercise of, powers by or to the Members, have supervision, control and direction of the management, affairs and property of the Association; and shall actively pursue its purposes and objectives and supervise the disbursement of its funds. The Board of Directors may, subject to the powers of the Membership, adopt, by majority Vote, such rules and regulations for the conduct of its business and the business of the Association as shall be deemed advisable. Under no circumstances, however, shall any actions be taken which are inconsistent with these Bylaws.

12.3 It shall additionally be the duty of the Board of Directors: to administer the Operating Rules of the Association; to retain a Certified Public Accountant to audit the books and accounts of the Association at the conclusion of each fiscal year; to authorize the President or Executive Director, subject to powers reserved to the Membership as described herein and subject to the terms of Section 11.1 herein, to sign leases, charters, contracts, notes, agreements or other documents as may be necessary in the conduct of the business of the Association; to inform the Membership of such leases, charters, contracts, notes, agreements or other documents with a cumulative obligation in excess of Twenty Thousand Dollars (\$20,000); to open bank accounts and to authorize any one or all of the Board of Directors to countersign all checks issued by the Secretary; to submit the Association's nominee(s) for the Pilot Commission as described in Section 15 herein; to take any other action not inconsistent with these Bylaws.

12.4 Members may attend Board meetings in person, or by telephone or electronic transmission (method of which shall be determined by the Board from time to time), except for those meetings that are deemed by the Board of Directors to be held in executive session.

13. Meetings of the Board of Directors.

13.1 The Board of Directors shall normally meet once per month.

13.2 A quorum at a meeting of the Board of Directors shall consist of four (4) members of said Board of Directors.

13.3 The Board of Directors is authorized to submit issues for Vote to the Membership on any matter, or matters, which, in its sound discretion, it determines is appropriate. In doing so, the Board of Directors shall make reasonable efforts to not "bundle" more than directly related issues for one Ballot. More than one (1) related or unrelated issue may be submitted by the Board of Directors for separate Ballot, at the same time.

13.4 Directors may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation in such a meeting shall constitute presence in person at the meeting, except where a

person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

14. Rules of Order.

In all Membership meetings of this Association, the rules contained in Robert's Rule of Order, Revised (the then most current edition), shall govern, to the extent that they are not inconsistent with the Bylaws of this Association.

15. Pilot Commissioner Nominee(s).

15.1 Sixty (60) days prior to the expiration of the term of office of an incumbent Pilot Commissioner, the President shall submit to the Membership an electronic notice advising the Members of this expiration date. Within seven (7) days after the date of that letter all eligible active Members who choose to be a candidate for Pilot Commissioner shall submit their name in writing to the Board of Directors. If only one Member submits his or her name as a candidate, the President shall so notify the Membership and submit the candidate's name to the Governor as the choice of the Association. If more than one Member submits his or her name as a candidate, the President shall, without delay, submit the names of all voluntary candidates to the entire Membership for a Vote. In all elections provided in this Section 15, Members shall only vote for one candidate. Voting must be completed within seven (7) days and the candidate receiving the highest number of votes shall be the winning candidate (the "**Winning Candidate**") and the Association's choice for Pilot Commissioner.

15.2 If two (2) or more Members are tied in total votes for the first choice, a runoff election to determine that choice shall be held among those tied. These runoff procedures for tie Votes shall be repeated until there is a Winning Candidate and a second choice.

15.3 When the name of the Winning Candidate has been determined, the President shall, without delay, submit the name of the Winning Candidate to the Governor of the State of Washington for his or her approval or rejection. The President shall submit the Members' second choice only if so directed by the Governor's office, in which event the President shall indicate which choice is preferred by the Members.

16. Pooling and Distribution of Income and Expense.

16.1 Income. The fees for pilotage services earned by each Member under the tariff contained in WAC 363-116-300 (the "**Pilotage Services Fees**"), and fees for transportation to and from vessels and stations ("**Transportation Fees**"), are invoiced and collected by the Association. The total of the Pilotage Services Fees collected during a month for all of the Pilots is herein the "**Total Pilotage Services Fees.**"

16.2 Transportation Fees. The Transportation Fees are then allocated, and paid, specifically to the Member (Pilot) who earned them, and are not, for the purposes hereof, considered part of the Pilotage Service Fees or the Total Pilotage

Service Fees. The Board may determine from time to time that the Transportation Fees are to be allocated in a manner different than that set forth in this Section 16.2.

16.3 Duty Days. Unless otherwise specified by the Board of Directors, each day during which an Active Pilot is an active Member of the Association, and is either on Duty and available for an Assignment, during the Pilot's assigned Work Period, or on Respite Period, or on Vacation Period, is defined herein as a "**Duty Day**." The number of Duty Days for all Members (Pilots) for that month shall be combined to be the total Duty Days for all the Members (the "**Combined Duty Days**").

16.4 Work Period; Respite Period; Vacation Period.

16.4.1 Each Pilot shall be assigned a series of periods for his/her active Assignment (the "**Work Period**").

16.4.2 Each Pilot shall be assigned respite time between Work Periods (the "**Respite Period**"). The Association shall make reasonable efforts to offer Assignments to Pilots on their Work Period before offering Assignments to Pilots on their Respite Period.

16.4.3 Each Pilot shall be assigned vacation time ("**Vacation Period**"). Vacation Period shall be the period of time during which a Pilot is not expected to receive Assignments to vessels. The Association shall make reasonable efforts to offer Assignments to Pilots on their Work Period or Respite Period before offering Assignments to Pilots on their Vacation Period.

16.4.4 Compensatory Days.

16.4.4.1 In the event that a Pilot works an Assignment(s) outside of his/her Work Period, he/she shall be deemed to have earned a compensatory day (“**Comp Day**”).

16.4.4.2 In the event that a Pilot takes a day off during the Pilot’s assigned Work Period, then, at the election of the Pilot, either: (1) the Pilot can replace that day off with a previously earned Comp Day; or (2) the Pilot’s (Member’s) total Duty Days for that month shall be deemed reduced by two (2) Duty Days. In the event that that Pilot takes a day off during the Pilot’s assigned Work Period, and in the event that that Pilot does not have a Comp Day to replace that day off, then that action may be considered by the Board of Directors to be misconduct, and be subject to the terms of Section 17 herein.

16.4.4.3 The Board of Directors may elect to forego the requirements of Section 16.4.4.2 in the event that a Pilot, due to exceptional circumstance, has used all available Comp Days, but requires additional days off from his/her Work Period(s). In such instance the Pilot’s total Duty Days shall be deemed to be reduced by two (2) Duty Days for each day off during his/her assigned Work Period.

16.5 Allocation of Total Pilotage Services Fees.

16.5.1 The Total Pilotage Services Fees, except as otherwise specifically described herein, and except as otherwise determined by the Board of Directors from time to time or on a case to case basis, shall be evenly divided between the Members and credited to their individual accounts (the “**Equal Income Share**”).

16.5.2 In the event that a Member’s Equal Income Share is to be reduced pursuant to the terms of Section 16.4.4.2 herein, then the Total Pilotage Services Fees shall be divided by the Combined Duty Days to determine the daily rate of income (the “**Daily Rate of Income**”), and the Member’s Equal Income Share shall be reduced by the Daily Rate of Income multiplied by the Duty Days forfeited as described.

16.6 Determination and Allocation of Expense Share. Expenses of the Association, and the Members (the “**Expenses,**”), subject to the terms of Section 16.4 herein, are then determined and allocated as follows.

16.6.1 Determination of Expense Share. All operating and miscellaneous costs and expenses of the Association and the Pilots paid by the Association during each calendar month are referred to herein in the aggregate as the “**Expense Pool.**” The Expense Pool shall be divided by the total number of Members each month to yield the “**Individual Expense Share.**”

16.6.1.1 In the event that (1) a Member (Pilot) is unable perform the Pilot’s duties for a period of more than thirty (30) consecutive days for physical reasons or other health reasons beyond the Pilot’s control, or as described in

Section 16.4.3.3 herein, and (2) said Member has performed no pilotage services in the calendar month for which the Member seeks exemption, then, upon majority Board Vote, that Member shall not be charged his/her Individual Expense Share for that month.

16.6.1.2 In addition to the foregoing, the Board of Directors may give special treatment to the distribution of irregular or extraordinary expenses, costs or expenditures that are non-recurring and that would result in inequitable charges to any Member or Members due to (1) formal exemption from monthly charges under this Section 16; or (2) the death or retirement of a Member; or (3) admission of a new Member.

16.6.2 Allocation of Expense Share.

16.6.2.1 Each Member's account shall be charged each month, except as set forth in Section 16.6.1.1 and 16.6.1.2 herein, with his/her resulting Individual Expense Share.

16.7 **New Members.**

16.7.1 In the event that a new Member (Pilot) commences his/her first Assignment(s) on other than the first day of a calendar month, that new Member shall be paid for that partial calendar month of service, starting with that Member's Equal Income Share, and then reducing that Equal Income Share by an amount determined by multiplying the Daily Rate of Income by the number of Duty Days not worked or accrued in that calendar month by that new Member.

16.7.2 New Members shall be charged, for his her first month or partial month of service, a pro-rated share of the Expense Pool which is calculated by multiplying the Individual Expense Share for that month by a fraction, the numerator of which is the number of Duty Days worked or accrued by that Member during the month, and the denominator of which is the number of days in that month.

16.8 **Retiring Members.**

16.8.1 A retiring Member shall be paid, for his/her last month of service, an amount equal to his/her Equal Income Share, and then reducing that Equal Income Share by an amount determined multiplying the Daily Rate of Income by the number of days remaining in that calendar month after the effective date of retirement.

16.8.2 Members retiring after the first day of a month shall be charged a pro-rated Share of the Expense Pool which is calculated by multiplying the Individual Expense Share for that month by a fraction, the numerator of which is the number of Duty Days worked or accrued by that Member during the month, and the denominator of which is the number of days in that month. By way of further clarification, a Member retiring on or before the last day of a calendar month shall be charged no part of the Expense Pool for the month following the last day of service.

16.9 Payment of Benefits. The amounts necessary for payment of benefits under the Puget Sound Pilots Trust Contract of 1952, the Puget Sound Pilots Retirement Agreement of 1978, and the Amended Retirement Program of Puget Sound Pilots shall be deducted and paid to the designated beneficiaries thereunder, prior to distribution of income.

16.10 Individual Expenses. The following expense items are individual expenses which may be, as determined by the Board of Directors from time to time, (1) either pooled and allocated, or (2) paid by the Association on behalf of Members, and then deducted from the account of the Members:

16.10.1 Personal accident, liability and license insurance of each pilot.

16.10.2 Personal transportation costs charged to the Association.

16.10.3 Other personal charges that a Member may charge to the Association.

16.11 Subrogation. In the event that, pursuant to Association policy, or by determination the Board of Directors or the Membership, the compensation as described herein shall be continued for any period of time for a Pilot that is injured or incapacitated, and that injured or incapacitated Pilot has a claim for compensation or damages against any other person or entity or governmental body, or a claim for workmen's compensation or other injury benefits, or a claim under insurance covering the injury or loss of income, then, upon recovery or receipt of proceeds from any such body for any of the described causes, the Pilot shall immediately compensate the Association for any such compensation paid to the Pilot during the period when the Pilot was not taking Assignments.

17. Misconduct. Violation of these Bylaws, the Operating Rules, or any directive or policy or other matter, including the Puget Sound Pilot's Anti-Harassment Policy, as they may be amended from time to time, duly adopted by the Membership or the Board of Directors shall constitute misconduct for which a Member can be punished by fine, suspension, expulsion, or sanctions, as determined by the Board of Directors. A charge of misconduct can only be brought against a Member by direction of the Board of Directors, or by the President, by written specification setting forth the particulars of conduct alleged to be misconduct, so as to fairly advise the Member charged of the nature of the accusation and circumstances surrounding same. In order to assure a fair and speedy determination of any charges of misconduct, and in order to assure the fairness of the punishment to be accorded, if any, the following rules are adopted:

17.1 The written accusation shall be delivered to the Member charged with misconduct

17.2 The Member so charged shall have an opportunity to address the Board of Directors. Following such presentation the Board of Directors shall determine the nature and extent of the punishment, if any.

17.3 Except as otherwise specified in these Bylaws, the Board of Directors may issue fines in amounts not to exceed Five Thousand Dollars (\$5,000).

17.4 In the event that the recommendation by the Board of Directors with respect to such violation is expulsion, suspension, or a fine in excess of Five Thousand Dollars (\$5,000), then at the next General Membership Meeting, or at a Special Membership Meeting called for this purpose, the recommendation of the Board of Directors shall be submitted to the Membership. There shall thereafter be taken a Vote of the Membership on the recommendation of the Board, in such manner as shall be determined by the Board of Directors, for subsequent approval, or modification, of the Board of Directors recommendation, by majority Vote of those Members that cast Ballots in that Vote, except as specified in Sections 17.5 and 17.6 herein, not including the vote of the subject Member.

17.5 If the recommendation of the Board of Directors is for expulsion of the Member, it shall be considered approved and final only upon affirmative Vote of two-thirds (2/3) of the entire Membership, not including the vote of the subject Member.

17.6 If the recommendation of the Board of Directors is for a fine in excess of Five Thousand Dollars (\$5,000), it shall be considered approved and final only upon a majority Vote of the entire Membership, not including the vote of the subject Member.

17.7 If the recommended punishment covered in this Section 17 and required to be submitted to the Membership is not approved as described by the Membership, then the punishment recommendation will be re-submitted to the Board of Directors for reconsideration, followed by re-submission to the Membership at the next General Membership Meeting or at a Special Membership Meeting called for that purpose. If the recommended result is not approved by the Membership upon second submission, the action shall be deemed terminated.

17.8 To the extent that a violation of Puget Sound Pilots' Anti-harassment Policy or this Section 17.8 by a Member exposes the Association, or another Member, to financial liability, including liability for attorney's fees, the violating Member shall reimburse the Association or such other Member for all expenditures made in connection with such liability, including any amounts reasonably paid in settlement of any claims, whether or not a lawsuit is filed. The right of reimbursement set forth herein shall be in addition to any other right of reimbursement, contribution or payment existing or created in the future under state or federal law. Any sums due the Association under this Section 17.8 may be automatically withheld by the Association from distributions of the Member's share of Total Pilotage Service Fees, unless sooner

paid by the Member. All sums past due hereunder shall accrue interest at the rate of twelve (12%) per annum.

17.9 Failure of a Member to abide by a directive or other Board of Directors or Membership approved sanction shall be cause for additional sanction or termination of Membership, upon affirmative Vote of two-thirds (2/3rds) of the Members, not including the vote of the subject Member.

18. Limitation of Liability and Indemnification.

18.1 Indemnification. Each person who was, or is threatened to be made a party to or is otherwise involved (including as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director, Officer, employee or advisor of the Association, whether the basis of such proceeding is alleged action in an official capacity as a Director, Officer, employee or agent or advisor or in any other capacity while serving as a Director, Officer, employee or agent or advisor (herein “*Claimant”), shall be indemnified and held harmless by the Association, to the full extent permitted by applicable law then in effect, against all expense, liability and loss (including attorneys’ fees, judgments, fines, or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such Claimant in connection therewith. Such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee or agent or advisor and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 18.2 below with respect to proceedings seeking solely to enforce rights to indemnification, the Association shall indemnify and such Claimant seeking indemnification in connection with a proceeding initiated by such Claimant only if such proceeding was authorized by the Board of Directors.

18.2 Right of Claimant to Bring Suit. If a claim for which indemnity is required under Section 18.1 herein is not paid in full by the Association within sixty (60) days after a written claim has been received by the Association, the Claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the Claimant shall be entitled to be paid also the expense of prosecuting such claim.

18.2.1 The Claimant shall be presumed to be entitled to indemnification under this Section 18 upon submission of a written claim, and thereafter the Association shall have the burden of proof to overcome the presumption that the claimant is not so entitled.

18.2.2 Neither the failure of the Association (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the Claimant is proper in the circumstances nor an actual determination by the Association (including its Board of Directors or independent legal counsel) that the Claimant is not entitled to indemnification or to the reimbursement or

advancement of expenses shall be a defense to the action or create a presumption that the Claimant is so entitled.

18.3 Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 18 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, Board Vote of disinterested Directors or otherwise.

18.4 Limitation. Notwithstanding the provisions of Section 18.1 and 18.2 herein, the Association may not indemnify a Director or Officer or employee from or on account of:

18.4.1 acts or omissions not in good faith which involve an intentional material breach of these Bylaws;

18.4.2 acts or omissions of the Director or Officer or employee finally adjudged to be intentional misconduct or a knowing violation of law by the Director, Officer, employee or agent;

18.4.3 any transaction with respect to which it was finally adjudged that such Director or Officer or employee received a benefit in money, property, or services to which such Director or Officer or employee was not legally entitled.

18.5 Insurance, Contracts and Funding. The Association may maintain insurance, at its expense, to protect itself and any Director, Officer, employee or agent of the Association against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the Washington statutory law applicable to the Association.

19. Amendment of Bylaws and Operating Rules.

19.1 Amendment of Bylaws.

19.1.1 One or more proposed amendments to these Bylaws shall be submitted to the Membership for approval, including a copy of such proposed amendment(s) in the event that: (1) there is an affirmative Board Vote to submit such amendment(s) to the Membership for approval; or (2) a petition to submit such amendment(s) to the Membership for approval is signed by not less than one third (1/3) of the Members.

19.1.2 These Bylaws shall then be amended, as proposed, upon a two thirds (2/3) majority Vote of those Members that cast Ballots in that Vote.

19.2 Amendment of Operating Rules.

19.2.1 One or more proposed amendments to the Operating Rules may be submitted to the Membership for approval, including a copy of such proposed amendment(s) in the event that: (1) there is an affirmative Board Vote to submit such amendment(s) to the Membership for approval; or (2) a petition to submit such amendment(s) to the Membership for approval is signed by not less than one third (1/3) of the Members.

19.2.2 The Operating Rules shall then be amended, as proposed, upon a majority Vote of those Members that cast Ballots in that Vote.

20. General Obligations; Non-Competition.

20.1 Each Member (and each Pilot) agrees, as a condition to his/her Membership in the Association, to abide by the provisions of all contracts, agreements, Operating Rules, or obligations of the Association legally constituted, now in effect or which may in the future be adopted in accordance with the Bylaws in effect at the time. Each Member agrees, as a condition to his/her Membership in the Association, to seek and secure pilotage work in Puget Sound and adjacent inland waters only pursuant to the Operating Rules of the Association in effect at the time.

20.2 Each Pilot shall be bound by any agreement or obligation or responsibility of the Member owned by that Pilot, pursuant to the terms hereof. Likewise, each Member shall be bound by any agreement or obligation or responsibility of the Pilot that owns that Member, pursuant to the terms hereof.

20.3 Each Member agrees that should such Member retire, withdraw or resign from the Association, or be expelled from the Association pursuant to the terms of Section 17, or should such Member's Membership in the Association be terminated for any reason whatsoever, such Member or then-former Member will not seek, secure or accept any pilotage work whatsoever in Puget Sound and adjacent inland waters, and will not otherwise compete with the business of the Association and its Pilots, for a period of five (5) years after the effective date of such retirement, withdrawal, resignation, expulsion or termination of Membership.

20.3.1 Because the extent of damages that would be suffered by the Association and its Members from violation of this covenant not to compete contained herein would be difficult to ascertain, it is agreed by all Members, now and in the future, that an amount equal to the total monies that would otherwise be paid, or that have then been paid, to that violating Member or former Member as Termination Payment pursuant to the terms of Section 5.6 herein, and under any unvested Pension Plan, be agreed to be reasonable as liquidated damages for any such violation.

20.3.2 The Members further agree that, in addition to the foregoing, an action for specific enforcement may be brought by the Association in a court of competent jurisdiction, and that that court may specifically enforce the terms hereof and enjoin any such Member or former Member from violating the terms of this Section 20.

20.4 The Members, bound by the provisions of these Bylaws, now and in the future, further agree that upon retirement, withdrawal, resignation, expulsion or termination of Membership from the Association, he or she will promptly surrender his/her state license to the appropriate state agency for cancellation. The Members further agree that no monies shall be paid as Termination Payment under Section 5.6 herein unless and until said state license is canceled.

These Bylaws are adopted effective as of the _____ day of _____, 2016.