



Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees			
5-May	6-May	Seattle	PSP	Analytics	KNU(2on*), MCG(1on*, 1paired**)			
6-May	6-May	Seattle	BPC	Pilot Safety Committee	ANA*, SCR*			
6-May	7-May	Seattle	PSP	Outreach, ATC Conference	HUP(2on*)			
7-May	7-May	Seattle	PSP	BOD, Executive session	GRK, HAM*, KLA, MCG*, MYE			
8-May	8-May	Seattle	PSP	Harbor Safety	KAL*			
8-May	8-May	Seattle	BPC	OTSC	BOU			
9-May	9-May	Seattle	PSP	Administrative	GRK*			
10-May	10-May	Seattle	PSP	President	GRK*			
10-May	10-May	Seattle	PSP	Administrative	HAM*			
10-May	10-May	Seattle	PSP	BPC	BEN			
13-May	13-May	Seattle	PSP	Pilot Boat	COR, MAN*, ROU, SEM			
14-May	15-May	Seattle	PSP	Administrative	GRK(2on*)			
14-May	14-May	Seattle	PSP	Pension Committee	GRD*, GRK*, MIE, MIL			
15-May	15-May	Seattle	BPC	TEC	ANT, BEN*, KNU			
15-May	15-May	Seattle	BPC	OTSC	BOU*			
15-May	15-May	Seattle	BPC	Pilot Safety Committee	ANA, SCR*			
16-May	16-May	Seattle	BPC	BPC	ANT, BEN*, KNU			
16-May	16-May	Seattle	BPC	Diversity	BEN*			
17-May	18-May	Seattle	PSP	Administrative	GRK(2on*)			
20-May	27-May	Seattle	PSP	Administrative	KLA(4on*,4off)			
21-May	21-May	Seattle	PSP	Rate Committee	GRK*, KLA*, KNU*, MCG			
22-May	22-May	Seattle	BPC	Pilot Safety Committee	ANA, SCR			
23-May	23-May	Seattle	PSP	BOD	GRK*, HAM, HUP, KLA*, MCG*, MYE*			
28-May	29-May	Seattle	PSP	Administrative	GRK(2off)			
28-May	28-May	Seattle	PSP	Rate Committee	GRK, KLA, KNU*, MCG*			
29-May	29-May	Seattle	PSP	Ladder Safety	GRK, HAM			
29-May	29-May	Seattle	PSP	Rate Committee	KLA, MCG*			
29-May	29-May	Seattle	PSP	WRAS	KAL*			
30-May	31-May	Seattle	PSP	President	GRK(2off)			
					* On Watch	Off Watch	** paired to assign.	
					44	38	2	

**Safety/Regulatory**

**Outreach**

**Administrative**

**C. Other (i.e. injury, not-fit-for-duty status, COVID risk)**

Start Dt	End Dt	REASON	PILOT
1-May	20-May	NFFD	SES

Number of assignments during the 12 months prior to setting the number of pilots at 56 at the July 2019 065 hearing.

**7,101**

Number of assignments during the last 12 months (June 2023-May 2024).

**7,599**

Call back job ratio during the last 12 months (June 2023-May 2024) **11.86%**.

# Puget Sound District Activity Report Dashboard

2024 May

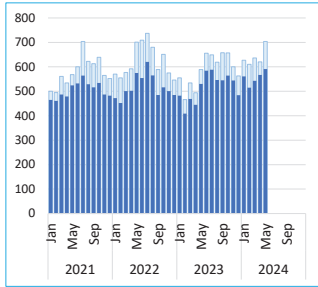
Last modified 6/17/2024.

Licensed Pilots  
Including President  
**56**

PS District  
Trainees  
**5**

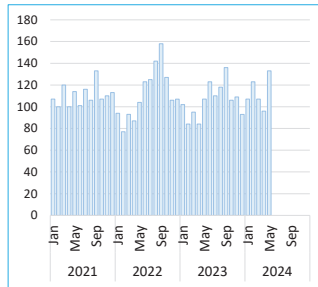
No changes.

## Total Assignments 704



591 On-Watch (dark blue), 113 Off-Watch (light blue)

## Repositions 133



## Licensed Pilots w/o Pres 55 Pilots NFFD entire month 0 Available Pilots 55

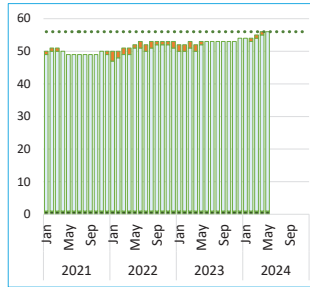
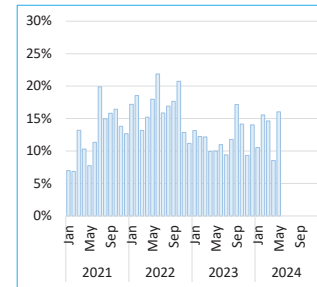
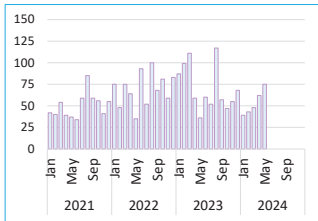


chart also includes president (1 pilot)

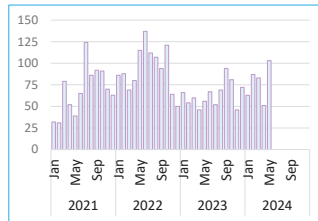
## Off-Watch Assignments (Callbacks) 16%



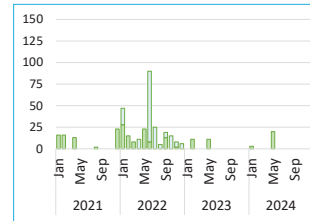
## Comp Days Used (Licensed Pilots) 75



## Comp Days Earned (Callbacks) 103

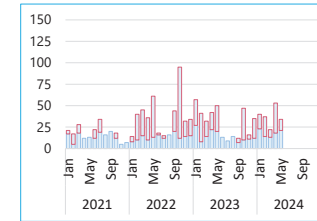


## COVID Days\* 0 NFFD Days\* 20



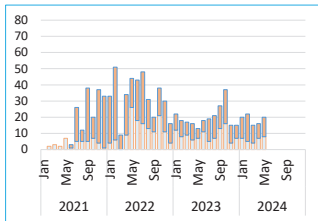
count of NFFD days if pilot(s)  
not NFFD whole month

## Training Days 13 Upgrade Trips 21



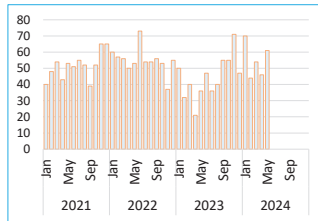
training days (red) stacked  
on upgrade trips (blue)

## Pilot Delays (Count) combined total 20

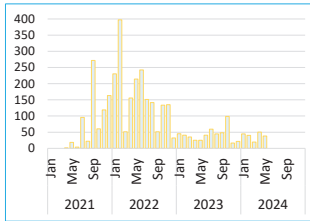


efficiency delay counts stacked on top  
of pilot shortage delay counts on bottom

## Billable Delays (Count) by Customers 61

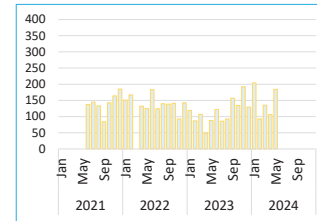


## Pilot Delay Hours (Pilot Shortage & Efficiency) 38 hrs



total pilot delay hours (not separated into  
efficiency & pilot shortage components)

## Billable Delay Hours by Customers 184 hrs



## **Port of Grays Harbor**

### **Pilotage Report**

**June 20, 2024**

#### Pilotage Activity

There were 8 arrivals in May (5 dry bulkers, 2 liquid bulker and 1 RoRo) for a total of 21 jobs. Year to date, through May, there have been a total of 45 arrivals for a total of 125 jobs.

The June schedule is looking steady with 8 arrivals so far: 5 dry bulker and 3 RoRo's.

#### Safety and Security

A Facility Safety Plan (FSP) audit was conducted and completed on 5-21. On 5/29 Full audit and certified letter was sent to USCG sector Columbia River for their records. Audit was updated into FSP and Marine Terminals Staff will follow up on any findings of the Audit. An Amendment will also be sent to USCG placing Greg Dineen as the FSO for the Facility and Making Nolan Wyatt the Assistant FSO.



## **WA State Board of Pilotage Commissioners Industry Update**

June 20, 2024 Meeting

### **Arrivals Up 16 in May 2024 to May 2023 Comparison**

✚ Containers up 6	✚ Car Carriers up 1
✚ Bulkers up 4	✚ Tankers up 5
✚ General up 2	✚ ATB's flat
✚ Other up 1	✚ RoRo's down 1

### **Year to Date Arrivals Returning to Pre-COVID Levels**

The pace of arrivals so far in 2024 indicates a total arrival volume in 2024 that will likely compare to pre-COVID total arrivals of over 2,500. Given the current ratio of pilotage assignments to arrivals, a rough forecast indicates 7,500 plus assignments by year end. Of course, that ratio is influenced by the number of shifts to/from anchor, second pilot assignments and cancelations. There are several entities that are dependent at least in part upon ship arrivals and this update is somewhat built upon other efforts that forecast arrivals and the associated revenues— much like the world of piloting.

### **The Rest of 2024?**

As we proceed further into the year, we expect the recent arrival pace to continue. We will continue to spot check various sectors to remain current and gain insights to expected changes (tank, grain, containers of course, etc.). As for carriers with services calling on the NWSA, we will have some overlap with the ports update as you have heard in past meetings but that has been well minimized to avoid duplication.

### **Puget Sound Maritime Air Emissions Inventory Update**

PMSA participated with the ports and others to produce the 4<sup>th</sup> inventory conducted every 5 years. The results were released on June 6<sup>th</sup> at a Press Conference at T-5 with the Ports (NWSA, Seattle, Tacoma, Everett), Clean Air Agency and PMSA answering questions about the results, successes and challenges ahead (posted on line on YouTube). Suffice to say, there have been very significant reductions in emissions since voluntary efforts were initiated in the early 2000's. Actual transit speeds and load factors were used to determine ocean carrier transit emissions which were added to emissions at anchor or at the dock where cargo handling equipment emissions were also measured. This has been and continues to be a very positive, collaborative success story and of course the journey is ongoing with continuous improvements always in the mix.

## Can a tiny shorebird stop the massive expansion of a container port?

<https://www.seattletimes.com/seattle-news/climate-lab/can-a-tiny-shorebird-stop-the-massive-expansion-of-a-container-port/>

June 5, 2024 at 6:00 am Updated June 5, 2024 at 6:00 am By Lynda V. Mapes Seattle Times environment reporter

BRUNSWICK POINT, Roberts Bank, B.C. — This is the story of a mud wrestle at the Fraser River delta. On one side, a government proposal for a massive expansion of a container port. On the other, a tiny bird, the sandpiper, which relies on this place as its last stopover on a migration as long as 7,000 miles. Under Canada's proposal, the new container port would be built on the flats next to the existing Deltaport and Westshore terminals, boosting container capacity 50% at the Port of Vancouver and adding 2.4 million containers per year at Roberts Bank.

## A new report released by the Puget Sound Maritime Air Forum highlights a continued decrease in maritime-related air pollutant emissions across the Puget Sound region, through 2021.

<https://www.nwseaportalliance.com/newsroom/new-report-shows-maritime-related-air-emissions-continue-decrease-puget-sound-region> Northwest Seaport Alliance Press Release

Key findings from the PSEI reveal an 82 percent reduction in diesel particulate matter and a 10% decrease in greenhouse gas emissions from port and maritime sources throughout the greater Puget Sound area from 2005.

“This latest Puget Sound Emissions Inventory demonstrates the extraordinary progress we have made in reducing emissions and improving efficiency at our seaports. These results confirm that the investments in clean air that are being made by the marine terminal and ocean carrier members of the Pacific Merchant Shipping Association (PMSA) have been exceptionally effective. As a founding member of the Maritime Air Forum, PMSA continues to support these air emissions inventories because the data in these inventories show exactly how impressive our emissions reductions in several key areas have been, and also where we still have work to do,” said **Capt. Mike Moore, PMSA Vice President**.

## NWSA April container volumes exceed 250,000 TEU

<https://www.porttechnology.org/news/nwsa-april-container-volumes-exceed-250000-teu/>

May 20, 2024 By Margherita Bruno

The NWSA has reported continued strong container volumes in April, with container volumes reaching 258,688 TEU. The data represents an 11.3 per cent jump over April 2023. In April 2024, full international exports surged by 15.6 per cent compared to the year prior, while full international imports grew by 13.5 per cent. This led to a total international volume increase of 12.7 per cent. Year-to-date (YTD), the NWSA's container volumes have climbed by 5 per cent, totaling 958,069 TEU.

## Borderlands Mexico: Mexican ports' 2024 cargo volumes up 18% through April

<https://www.freightwaves.com/news/mexican-ports-container-volumes-up-18-in-first-four-months-of-2024>

Noi Mahoney · Wednesday, May 22, 2024

Seaports across Mexico moved a record 2.95 million twenty-foot equivalent units during the first four months of 2024, according to statistics from Mexico's General Coordination of Ports and Merchant Marine. That represents an 18.2% year-over-year increase. Mexico's nine Pacific Coast ports handled the majority of container movements from January through April, totaling 2.14 million TEUs, a 19% y/y increase.

## Reprieve for Port of Portland's Terminal 6 depends on elusive profitability plan

By MATEUSZ PERKOWSKI Capital Press • May 20, 2024

The Terminal 6 container shipping facility at the Port of Portland recently won a reprieve, but the \$40 million needed to keep it open depends on submitting a profitability plan to lawmakers in the next three months.



## Nearly Complete April TEU Numbers

PMSA regularly surveys the monthly TEU numbers published by 23 North American ports, twenty in the United States and three in Canada. We are currently endeavoring to include comparable statistics from Manzanillo and Lazaro Cardenas, Mexico's chief Pacific Coast seaports.

Getting ahead of the TEU tallies that ports will eventually post for April, the **National Retail Federation's Global Port Tracker (NRF/GPT)** is estimating that 1.96 million inbound loaded TEUs will have arrived in April at the thirteen U.S. ports it monitors. That would be up 10.0% from April of last year.

Here's what the ports are actually reporting for April.

In Southern California, the **Port of Long Beach** handled 364,665 inbound loads in April, a healthy 16.3% gain

over a year earlier and a 14.7% gain over the volume recorded in April of pre-pandemic 2019. However, outbound loads this April (98,266) plunged by 19.9% year-over-year and were 0.6% below April 2019. Total container traffic (loads and empties) so far this year amounted to 2,753,244 TEUs, up 15.8% from the same months last year and 13.1% ahead of the first four months of 2019.

Over at the neighboring **Port of Los Angeles**, inbound loads (416,929) jumped 21.3% year-over-year. That also meant the nation's busiest container port processed 15.6% more inbound loads than it had in April 2019. Outbound loads in April (133,046) soared by 50.8% from a year earlier but remained 14.3% shy of April 2019's volume. Total container trade YTD through the Southern California gateway (3,150,841) was up 7.0% from the same period in 2019.

Up in the San Francisco Bay Area, the **Port of Oakland** reported 75,335 inbound loads in April, up 7.4% from a year earlier but still 6.7% shy of the volume experienced in April 2019. Outbound loads (67,566) were similarly up 6.9% year-over-year but down 14.8% from the volume recorded five years ago. Total container traffic so far this year through the Northern California gateway (754,686) was up 11.3% from the same period last year but down 8.9% from the first four months of 2019.

Up in Washington State, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** recorded 96,852 inbound loads in April, a 13.5% year-over-year gain but down 14.0% from April 2019. Outbound loads (54,489) were up 15.6% from a year earlier but down 33.0% from the same month in 2019. Total loads and empties YTD (958,069) were up 5.0% y/y but still

*We Make Cargo Move*



**The Port**  
**OF HUENEME**





## Partial Tallies

Continued

represented a 23.7% fall-off from the first four months of 2019.

Collectively, the U.S. West Coast ports we monitor posted a 16.9% year-over-year gain in inbound loads in April as well as a 9.8% increase in outbound loads. While inbound loads this April exceeded April 2019's volume by 10.0%, outbound loads remained down 19.4% from the fourth month of 2019.

Across the border in British Columbia, the **Port of Vancouver** handled 160,956 inbound loads in April, up 14.4% from a year earlier and also up 10.9% from April 2019. However, outbound loads (68,379) were down 8.7% y/y and 29.8% from April 2019. Total container traffic YTD through Canada's busiest port (1,155,439) was up 20.0% from a year earlier but still fell 24.8% behind the same months in 2019.

Even further north of the border, the **Port of Prince Rupert** continues to operate in the shadow of its pre-pandemic self. Inbound loads in April (31,598), although up a satisfying 12.4% from a year earlier, remained down 38.9% from April 2019. Worse, outbound loads in April (9,077) were down 8.3% y/y and down 55.2% from April 2019. Total container traffic YTD through the British Columbia gateway (246,592) was 28.7% below the volume recorded in the first four months of 2019.

Back East, the **Port of Baltimore** had a predictably off month. Inbound loads in April (102) were down

from 49,338 a year earlier, while outbound loads (108) were well shy of last April's 20,695. Year-to-date, the Maryland port's total container volume (260,066) was down 27.9% from a year earlier. The **Port of Philadelphia** ("PhilaPort") appeared to benefit from Baltimore's temporary closure, posting a 42.0% year-over-year bump in inbound loads in April.

The **Port of Virginia** also appeared to have gained from Baltimore's misfortune. Inbound loads (146,779) jumped by 23.4% year-over-year, while outbound loads (104,073) were up by 13.8%. Measured against this point in pre-pandemic 2019, inbound loads in April were up 23.1%, while outbound loads saw a 21.9% gain. Total container traffic YTD (1,167,884) exceeded the volume of the first four months of 2019 by 22.4%.

Down on the Gulf Coast, inbound loads at **Port Houston** (146,910) were up a respectable 4.4% in April from a year earlier and a downright impressive 46.0% from April 2019. Outbound loads (119,302) were up 8.1% year-over-year as well as 11.9% over April 2019. Year-to-date, total container traffic through the Texas port amounted to 1,394,094 TEUs, a 12.3% gain over the first four months of last year and up 47.2% from the same period in 2019.

As of our publication date, the **Ports of New York/New Jersey, Charleston,** and **Savannah** have not announced their April TEU tallies.

## A Word on the Port of Portland

April was another down month at Oregon's **Port of Portland**. Inbound loads (3,346) were down 41.1% from a year earlier, while outbound loads dropped by 32.7%. Total YTD container traffic through the Columbia River gateway (33,098) fell by 24.9% from the same period last year.

PMSA is aware that some observers are suggesting that a critical commentary ("Whither Portland") in this newsletter's March edition hastened the April 18 decision by port officials to discontinue container operations this fall. That notion is absurd. Changes in the nature of international container shipping were leaving the port with fewer and fewer opportunities for maintaining its container traffic at an economically sustainable level. The Port of Portland's latest financial audit noted that "business at the Terminal 6 container terminal is expected to decrease due to a loss of rail shuttle volumes during 2023". PMSA only observed that, notwithstanding ebullient forecasts of inbound container trade, not all seaports are destined for success. Still, the port's inability to demonstrate a consistent pathway to profitability at Terminal 6 did not dissuade Oregon Governor Tina Kotek from tossing the port a \$40 million lifeline in a May 16 announcement.





**FOR THE RECORD**  
**March 2024**  
**TEU Tallies**

As **Exhibit 1** shows, the 20 U.S. ports we monitor collectively reported handling just over two million inbound loads in March, an 18.1% increase from a year earlier and an 18.9% (+323,501 TEUs) gain over the third month of pre-pandemic 2019. U.S. West Coast ports alone recorded 874,509 inbound loads in March, a 15.6% bump over the preceding March and a 6.8% increase from March 2019. U.S. East Coast ports meanwhile handled 989,179 inbound loads, up 19.5% y/y and 17.1% ahead of the March tally five years earlier. U.S. Gulf Coast ports posted a 23.8% y/y increase in March but an even more impressive 43.1% jump from the third month of 2019.

**The ten largest U.S. container ports saw a 19.9% year-over-year jump in inbound loads in March, not a 19.2% gain as was widely reported in the maritime industry media last month.** That erroneous undercount was based on a report from a prominent container trade analyst that significantly underestimated the volume of inbound traffic at the Port of New York/New Jersey. When revised to account for the actual volume at the leading East Coast gateway, the Top Ten U.S. container ports recorded a 19.9% year-over-year bump in inbound loads in March.

As **Exhibit 2** displays, outbound loads nationally in March were 4.8% over the previous March but trailed March 2019's outbound volume by 11.2%. Only the Gulf Coast ports posted a gain (8.2%) in outbound loads since 2019.

Exhibit 1	March 2024 Inbound Loaded TEUs at Selected Ports				
	Mar 2024	Mar 2023	Mar 2019	Change from 2023	Change from 2019
Los Angeles	379,542	319,962	297,187	18.6%	27.7%
Long Beach	302,521	279,148	247,039	8.4%	22.5%
<b>San Pedro Bay Total</b>	<b>682,063</b>	<b>599,110</b>	<b>544,226</b>	<b>13.8%</b>	<b>25.3%</b>
Oakland	83,483	60,311	74,714	38.4%	11.7%
NWSA	92,787	79,264	117,007	17.1%	-20.7%
Hueneme	9,048	11,862	5,703	-23.7%	58.7%
San Diego	7,128	6,068	7,072	17.5%	0.8%
<b>USWC Total</b>	<b>874,509</b>	<b>756,615</b>	<b>748,722</b>	<b>15.6%</b>	<b>6.8%</b>
Boston	9,213	8,118	11,856	13.5%	-22.3%
NYNJ	353,300	286,142	282,981	23.5%	24.8%
Philadelphia	36,716	28,272	22,156	29.9%	65.7%
Maryland	37,996	38,983	43,700	-2.5%	-13.1%
Virginia	134,944	105,315	107,040	28.1%	26.1%
South Carolina	107,237	91,694	92,875	17.0%	15.5%
Georgia	211,033	170,295	186,369	23.9%	13.2%
Jaxport	25,326	25,972	30,202	-2.5%	-16.1%
Port Everglades	30,010	29,424	28,507	2.0%	5.3%
Miami	43,404	43,363	38,690	0.1%	12.2%
<b>USEC Total</b>	<b>989,179</b>	<b>827,578</b>	<b>844,376</b>	<b>19.5%</b>	<b>17.1%</b>
New Orleans	11,060	7,994	13,179	38.4%	-16.1%
Houston	164,634	133,912	109,604	22.9%	50.2%
<b>USGC</b>	<b>175,694</b>	<b>141,906</b>	<b>122,783</b>	<b>23.8%</b>	<b>43.1%</b>
Vancouver	158,500	115,375	130,472	37.4%	21.5%
Prince Rupert	41,133	30,556	43,122	34.6%	-4.6%
<b>British Columbia Total</b>	<b>199,633</b>	<b>145,931</b>	<b>173,594</b>	<b>36.8%</b>	<b>15.0%</b>
<b>U.S. Totals</b>	<b>2,039,382</b>	<b>1,726,099</b>	<b>1,715,881</b>	<b>18.1%</b>	<b>18.9%</b>

Source Individual Ports



## March 2024 TEU Numbers

Continued

**Exhibit 3** adds up the loads and empties that moved through the surveyed ports through the first-quarter of the year and compares those totals against the totals recorded in the same months last year and in pre-COVID 2019. Overall, the U.S. ports we monitor handled 13,179,187 TEUs in the year's first-quarter, a 12.9% increase from a year ago and a 9.9% gain over the first three months of 2019.

At the **Port of Los Angeles**, inbound loads (379,542) in March were up 18.6% from a year earlier and represented an impressive 27.7% increase over March 2019. Outbound loads (144,718) jumped by 47.3% y/y but remained 8.9% below March 2019. Counting empty TEUs, total container traffic through the nation's busiest container port in this year's first-quarter (2,380,503) was 7.8% higher than the volume recorded in the same period five years earlier.

Next door at the **Port of Long Beach**, inbound loads (302,521) were up 8.4% from a year earlier and up 22.5% from March 2019. However, outbound loads at the port (105,099) fell 21.3% from the same month last year and were down 20.0% from March 2019. Total first-quarter container traffic through the port (2,002,820) exceeded the volume seen in the same quarter of pre-pandemic 2019 by 17.7%.

In the San Francisco Bay Area, the **Port of Oakland** saw major year-over-year gains that helped close its gap with the volume of container traffic the port handled before the COVID pandemic hit in early 2020. March

## Exhibit 2 March 2024 Outbound Loaded TEUs at Selected Ports

	Mar 2024	Mar 2023	Mar 2019	Change from 2023	Change from 2019
Los Angeles	144,718	98,276	158,924	47.3%	-8.9%
Long Beach	105,099	133,512	131,436	-21.3%	-20.0%
<b>San Pedro Bay Totals</b>	<b>249,817</b>	<b>231,788</b>	<b>290,360</b>	<b>7.8%</b>	<b>-14.0%</b>
Oakland	75,352	65,635	88,202	14.8%	-14.6%
NWSA	59,842	51,759	86,856	15.6%	-31.1%
Hueneme	1,366	2,444	1,425	-44.1%	4.1%
San Diego	1,610	630	311	155.6%	417.7%
<b>USWC Totals</b>	<b>387,987</b>	<b>352,256</b>	<b>467,154</b>	<b>10.1%</b>	<b>-16.9%</b>
Boston	5,334	6,002	6,645	-11.1%	-19.7%
NYNJ	117,893	117,924	130,038	0.0%	-9.3%
Philadelphia	6,056	7,515	6,938	-19.4%	-12.7%
Maryland	16,699	21,678	20,589	-23.0%	-18.9%
Virginia	101,170	100,473	89,282	0.7%	13.3%
South Carolina	60,319	59,771	77,704	0.9%	-22.4%
Georgia	127,997	118,101	155,083	8.4%	-17.5%
Jaxport	43,998	50,304	45,740	-12.5%	-3.8%
Port Everglades	36,067	36,336	37,351	-0.7%	-3.4%
Miami	23,598	24,954	38,947	-5.4%	-39.4%
<b>USEC Totals</b>	<b>539,127</b>	<b>543,058</b>	<b>608,317</b>	<b>-0.7%</b>	<b>-11.4%</b>
New Orleans	22,243	19,283	26,364	15.4%	-15.6%
Houston	134,221	119,824	118,295	12.0%	13.5%
<b>USGC Totals</b>	<b>156,464</b>	<b>139,107</b>	<b>144,659</b>	<b>12.5%</b>	<b>8.2%</b>
Vancouver	77,839	64,851	103,472	20.0%	-24.8%
Prince Rupert	14,720	14,848	17,832	-0.9%	-17.5%
<b>British Columbia Totals</b>	<b>92,559</b>	<b>79,699</b>	<b>121,304</b>	<b>16.1%</b>	<b>-23.7%</b>
<b>U.S. Totals</b>	<b>1,083,578</b>	<b>1,034,421</b>	<b>1,220,130</b>	<b>4.8%</b>	<b>-11.2%</b>

Source Individual Ports



## March 2024 TEU Numbers

Continued

inbound loads (83,483) were up 38.4% from a year earlier and 11.7% over March 2019. Outbound loads (75,352) finished up with a 14.8% year-over-year gain but remained 14.6% below March 2019. Total container traffic at the port in this year's first three months (566,053) was 7.5% shy of the total handled in the same period five years earlier. It was also down approximately 25% from the volume foreseen by the port's latest container forecast.

The **Northwest Seaport Alliance Ports of Tacoma and Seattle** posted impressive year-over-year gains in March but remained far short of the volume of container business the two Washington State ports had handled pre-pandemically. Inbound loads (92,787) were up 17.1% from a year earlier but were still 20.7% shy of the volume handled in March 2019. Similarly, outbound loads (59,842) were up 15.6% y/y but came up 31.1% short of the mark set five years earlier. Total container traffic in this year's first-quarter (699,381) was down 25.0% from the same period in 2019.

North of the border, the **Port of Vancouver** posted strong numbers in March. Inbound loads (158,500) were up 37.4% y/y and up 21.5% from March 2019. Outbound loads (77,839) represented a gain of 20.0% year-over-year but remained down 24.8% from March 2019. Total container traffic YTD through the British Columbia gateway (861,517) was up 2.2% from the first-quarter of 2019.

March may have been a long-awaited

### Exhibit 3

### March 2024 YTD Total TEUs

	Mar 2024	Mar 2023	Mar 2019	Change from 2023	Change from 2019
Los Angeles	2,380,503	1,837,094	2,208,734	29.6%	7.8%
Long Beach	2,002,820	1,721,325	1,702,258	16.4%	17.7%
NYNJ	2,001,449	1,791,059	1,792,845	11.7%	11.6%
Georgia	1,315,706	1,184,387	1,152,447	11.1%	14.2%
Houston	1,069,917	934,031	694,167	14.5%	54.1%
Vancouver	861,517	708,275	843,039	20.0%	-24.8%
Virginia	850,294	794,162	708,297	7.1%	20.0%
NWSA	699,381	679,821	932,289	2.9%	2.2%
South Carolina	627,297	609,741	597,933	2.9%	4.9%
Oakland	566,053	503,333	612,151	12.5%	-7.5%
Montreal	353,025	361,694	409,311	-2.4%	-13.8%
JaxPort	327,553	310,349	338,358	5.5%	-3.2%
Miami	280,275	281,855	291,368	-0.6%	-3.8%
Port Everglades	277,226	271,109	264,356	2.3%	4.9%
Maryland	258,013	265,182	266,138	-2.7%	-3.1%
Philadelphia	202,592	183,905	139,948	10.2%	44.8%
Prince Rupert	191,448	187,544	248,251	2.1%	-22.9%
New Orleans	133,842	112,917	150,169	18.5%	-10.9%
Boston	61,936	52,316	71,883	18.4%	-13.8%
Hueneme	60,198	70,069	33,428	-14.1%	80.1%
San Diego	38,060	38,727	36,385	-1.7%	4.6%
Portland, Oregon	25,849	32,573	20	-20.6%	∞
<b>U.S. Ports Total</b>	<b>13,179,187</b>	<b>11,673,955</b>	<b>11,993,174</b>	<b>12.9%</b>	<b>9.9%</b>

Source Individual Ports



## March 2024 TEU Numbers

Continued

turnaround month for the **Port of Prince Rupert**. Inbound loads (41,133) were up 34.6% from a year earlier. Outbound loads, though, slipped by 0.9%. Total container traffic through the port in this year's first-quarter (191,448) remained 22.9% below the same period in 2019.

The **Port of New York/New Jersey** handled 353,300 inbound loads in March, a 23.5% jump from a year earlier and a 24.8% upswing from March 2019. Outbound loads (117,893) were down by a mere 31 TEUs from March 2023 and a 9.3% decline from five years earlier. Total container traffic through the East Coast gateway in this year's first-quarter (2,001,449)

represented an 11.6% y/y gain as well as an 11.7% increase over the first three months of 2019.

Elsewhere along the Atlantic Coast, the **Port of Virginia** handled 134,944 inbound loads in March, up 28.1% year-over-year and 26.1% more than in March 2019. Outbound loads (101,170) were up just 0.7% from a year earlier but 13.3% higher than in March 2019. Total first-quarter container traffic through the mid-Atlantic port (850,294) was up 20.0% from the first-quarter of 2019.

The **Port of Charleston** recorded 107,237 inbound loads in March, up 17.0% from a year earlier and also up 15.5% from March 2019. Outbound

loads at the South Carolina port (60,319) were up just 0.9% y/y but fell short of March 2019's volume by 22.4%. YTD, total container traffic (627,297) exceeded the level achieved in the first-quarter of 2019 by 4.9%.

The **Port of Savannah** reported that 211,033 inbound loads were handled in March, a 23.9% jump over a year earlier and a 13.2% gain over the pre-pandemic March of 2019. Outbound loads (127,997) were up 8.4% year-over-year but down 17.5% from March 2019. Total loads and empties at the Georgia port in the year's first-quarter (1,315,706) were up 11.1% from the same quarter last year and up 14.2% from 2019.

**Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, March 2024**

		Mar 2024	Mar 2023	Mar 2019	Mar 2014
Import Tonnage	USWC	34.0%	33.5%	34.3%	39.6%
	LA/LB	24.9%	24.2%	23.5%	28.6%
	Oak.	3.8%	3.3%	4.0%	3.9%
	NWSA	3.9%	3.8%	5.1%	5.3%
Import Value	USWC	39.1%	38.1%	46.5%	48.6%
	LA/LB	30.1%	29.5%	30.4%	37.8%
	Oak.	3.4%	2.6%	3.8%	3.5%
	NWSA	4.9%	4.7%	6.7%	6.6%
Export Tonnage	USWC	32.8%	32.0%	38.1%	43.2%
	LA/LB	19.9%	20.1%	22.7%	26.6%
	Oak.	5.8%	5.5%	6.5%	6.4%
	NWSA	6.2%	5.7%	8.2%	9.2%
Export Value	USWC	27.5%	27.0%	32.3%	37.1%
	LA/LB	17.7%	17.6%	21.0%	25.9%
	Oak.	6.1%	5.6%	6.2%	5.6%
	NWSA	3.3%	3.1%	4.4%	5.1%

Source: U.S. Commerce Department

**Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, March 2024**

		Mar 2024	Mar 2023	Mar 2019	Mar 2014
Import Tonnage	USWC	52.3%	53.9%	53.6%	64.2%
	LA/LB	40.9%	42.0%	39.5%	48.3%
	Oak.	4.2%	4.4%	4.8%	4.4%
	NWSA	6.2%	6.3%	8.2%	9.5%
Import Value	USWC	60.9%	60.2%	63.5%	73.2%
	LA/LB	48.1%	48.1%	47.9%	58.1%
	Oak.	4.3%	3.3%	4.7%	4.1%
	NWSA	7.6%	7.5%	10.2%	10.2%
Export Tonnage	USWC	56.3%	52.8%	60.8%	69.1%
	LA/LB	35.2%	33.9%	37.7%	44.7%
	Oak.	8.4%	8.0%	9.5%	8.7%
	NWSA	11.1%	9.9%	13.1%	14.6%
Export Value	USWC	57.0%	55.7%	64.5%	71.4%
	LA/LB	38.0%	36.9%	43.4%	51.8%
	Oak.	11.0%	10.5%	11.1%	8.8%
	NWSA	7.3%	7.0%	8.6%	10.1%

Source: U.S. Commerce Department



## March 2024 TEU Numbers

Continued

Along the Gulf of Mexico, **Port Houston** handled 164,634 inbound loads in March, a 22.9% y/y jump, and an increase of 50.2% over the number of inbound loads the Texas port handled in March 2019. Outbound loads (134,221) were up 12.0% from a year earlier and 13.5% above March 2019. Total container traffic in the first-quarter (1,069,917) represented a 54.1% increase over the same period in 2019.

## Container Contents Weights and Values

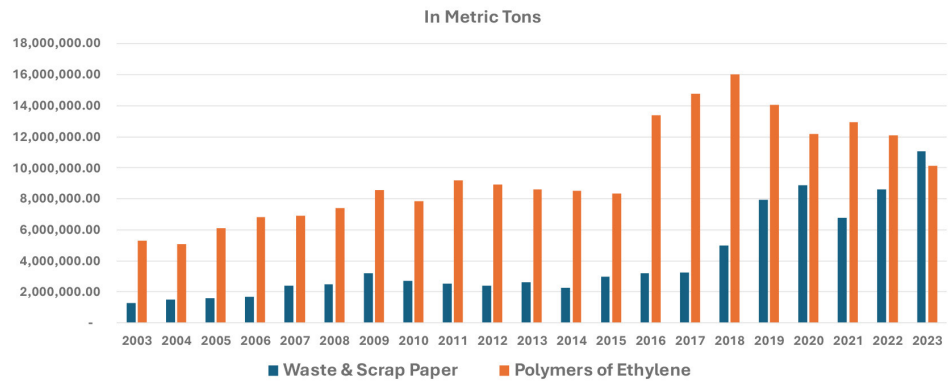
**Exhibit 4** and **Exhibit 5** display the U.S. West Coast ports' shares of the nation's containerized trade through the mainland U.S. ports against which USWC ports compete for discretionary cargo. The March 2024 data are derived from import/export documents shippers file with U.S. Customs and Border Protection. For a broader perspective, we compare the most recent month for which data are available with the same month in the preceding year, in pre-pandemic 2019, and a decade earlier. For those who are inclined to add up the numbers, the USWC totals in these two exhibits include international container traffic moving through smaller USWC ports like San Diego, Hueneme, and Everett in addition to the container figures from the USWC Big Five ports.

**Exhibit 4** shows a slight year-over-year boost in the USWC share of all containerized import tonnage flowing into all mainland U.S. ports. Still, the 34.0% share recorded in March was the lowest share since last July. January's share was 36.8%, while February's was 34.3%. Year-over-year gains were recorded at the California ports, while the percentage of the

### Exhibit 6

## America's Leading Oceanborne Containerized Exports

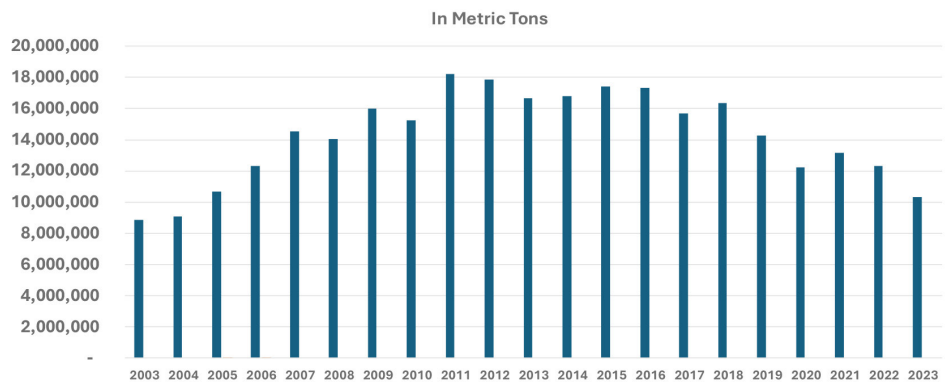
Source: U.S. Commerce Department



### Exhibit 7

## U.S. Oceanborne Exports of Waste & Scrap Paper

Source: U.S. Commerce Department



nation's containerized import tonnage flowing through the Northwest Seaport Alliance ports in Washington State barely rose from March 2023. Still, the latest USWC shares remain well below the historical benchmarks.

**Exhibit 5** focuses on the USWC shares of U.S. containerized trade involving trading partners in East Asia. Again, the numbers indicate that the Ports of Los Angeles and Long Beach are capturing a significantly larger share of the containerized import tonnage from East Asia. However, all the USWC Big Five ports saw their import tonnage shares slip from a year earlier.

## Containerization of Waste & Scrap Paper Exports

For many years, the top containerized export by tonnage at most U.S. ports was Waste & Scrap Paper (HS 4707).

There was a time not many years ago when America's maritime export trade in Waste & Scrap Paper (HS 4707) was largely bundled up and shipped abroad on pallets. The shift to containerization was gradual and then, in 2016, suddenly, scarcely any scrap paper moved overseas unboxed.

## Time Again for A Little Perspective

We couldn't help but notice a recent article in the American Journal of



## March 2024 TEU Numbers

Continued

Transportation reporting that the Port of Lake Charles in Louisiana had “edged out the Port of Los Angeles” for 10th place on the U.S. Army Corps of Engineers’ list of the nation’s top ports in terms of overall cargo tonnage handled in 2022. Only one USWC port, the Port of Long Beach, made the list.

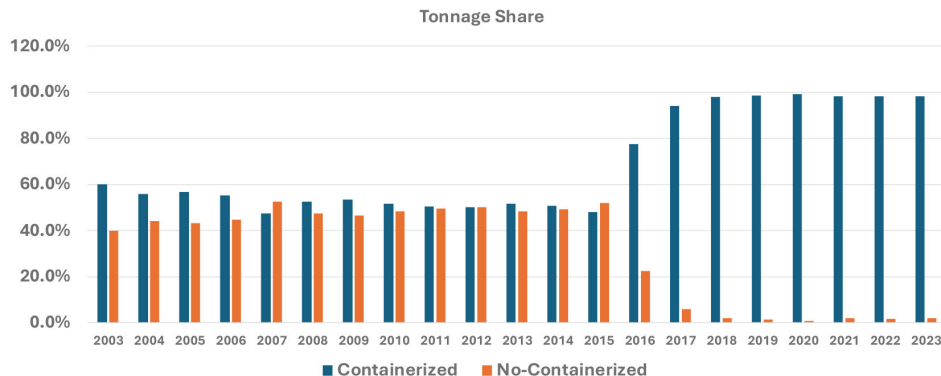
What the AJOT article reminds us of is that not everyone in the maritime trade industry measures traffic in twenty-foot equivalent units. Certainly, the folks who traffic in billions of barrels of petroleum can be forgiven for scoffing at TEU counts. Although the West Coast Trade Report tends to talk mainly in terms of TEUs, we regularly point out that there is more to international trade than the contents of the steel boxes carried by ocean carriers. Gross domestic product, it’s worth remembering, is not denominated in TEUs. Last year, for example, U.S. containerized vessel trade amounted to \$1.281 trillion or 25.1% of all the nation’s \$5.103 trillion foreign trade.

It is likewise important to note that America’s two largest trading partners are not overseas. And, with the popularity of near-shoring, this is not likely to change. Mexico and Canada accounted for \$1.572 trillion or 30.8% of the value of all U.S. foreign trade last year. The fact that the great majority of the fast-growing trade with our North American neighbors is transported by truck, rail, and pipeline should bring into question the facile connection between perceived increases in consumer spending and higher volumes of container trade.

### Exhibit 8

### U.S. Oceanborne Exports of Waste & Scrap Paper

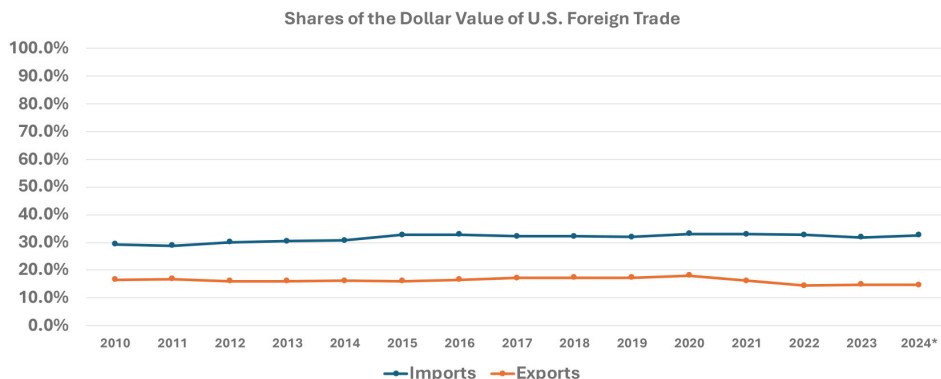
Source: U.S. Commerce Department



### Exhibit 9

### Maritime Containerized Share of Total U.S. Foreign Trade

Source: U.S. Commerce Department



Then there is the matter that another 27.4% of the nation’s \$5.103 trillion foreign trade in 2023 went by air, aboard air freighters and in the bellies of passenger aircraft. That, likewise, undercuts the often heard-bromide that “container imports will continue to grow as long as consumers keep spending”.

Lastly, there’s the 16.4% of U.S. merchandise trade in 2023 that was oceanborne but not containerized.

So to keep the business of containerized waterborne trade in perspective, we present **Exhibit 9**.

### Agricultural Trade Data

In 1997, the Agricultural Issues Center (AIC) at the University of California at Davis formed a partnership with the California Department of Food and Agriculture’s Agricultural Export Program to develop more accurate estimates of California’s agricultural exports. In 2019, this partnership shifted from AIC to the UC Davis Department of Agricultural and Resource Economics.

Unfortunately, researchers at UC Davis have been slow to update the state’s agricultural export statistics.



## March 2024 TEU Numbers

Continued

The latest numbers are for 2021. The state's Top Five farm exports that year are shown in **Exhibit 10**.

Fortunately, we can rely instead on federally-sanctioned marketing organizations to provide up to date export statistics for California's nut crops.

For example, the Almond Board of California reports that, in the current crop year for almonds which began last August 1, exports through April were up 7.4% over the previous crop year while domestic shipments inched up by just 0.6%. Exports this year account for 73.7% of all shipments. The principal export markets this year have been Spain, the United Arab Emirates, Germany, Netherlands, and Turkey.

Similarly, the California Walnut Board reports that the state's walnut export trade in the crop year that started last September 1 was up 22.1% year-over-year through April. Walnut processors were rather more successful than their peers in the almond trade by increasing domestic shipments by 17.7%. Still, 57.8% of all walnut shipments this year have gone to

foreign markets. The biggest customers this year have been Germany, Spain, Japan, South Korea, and the Netherlands.

The 2024 California Almond Forecast published by the U.S. Department of Agriculture estimates that the crop harvested this year will come in at three billion pounds, a robust 21% above last year's 2.47 billion pounds. Favorable weather conditions and especially an abundance of winter rainfall were key to the larger crop. If the current estimate holds, it will be the second largest on record. Only 2020, with 3.12 billion pounds, saw a bigger harvest.

And then there is the green (formerly red) nut, the pistachio.

### Pistachios

The high ranking of pistachios may surprise many. In 2001, pistachios ranked only as California's 16th most valuable agricultural export commodity, well behind almonds, cotton, wine, table grapes and even trailing behind raisins, prunes, and peaches. By 2011, it had climbed to sixth place. Ten years later, in 2021, it had

reached third place. As **Exhibit 11** shows, export shipments have swollen in recent years while shipments to the domestic American market have grown at a much more modest pace. As a result, the export share of annual production has risen from 33.5% in the 2001 crop year to 72.4% in 2023. Through the first seven months of the current crop year (which began last September 1), exports have already exceeded the total for all of the previous crop years. As a result, exports now account for 82.0% of all shipments.

The Administrative Committee for Pistachios oversees the federal marketing order regulating the pistachio industry in California, Arizona, and Nevada. The Committee's statistics show that production soared from 1.5 million pounds in 1976, when the first commercial crop was harvested, to the record 2016 crop of over 900 million pounds. In the process, the industry has gone from barely meeting domestic demand to exporting the majority of its production to countries all over the world.

Today, the three southwestern states account for 100 percent of the U.S. commercial pistachio production. California alone produces 99 percent of the total, with over 312,000 acres planted throughout 22 counties. There are 950 producers in the United States, and the annual "farm gate value" of pistachios represents more than \$1.6 billion to the California economy and more than \$16 million to the states of Arizona and New Mexico.

Acreage has swollen in recent years.

### Exhibit 10

#### California's Top Five Agricultural Exports, 2021

Source: California Department of Food and Agriculture

	Billions of Dollars
Almonds	\$4.647
Diary Products	\$2.537
Pistachios	\$2.071
Wines	\$1.288
Walnuts	\$1.246



## March 2024 TEU Numbers

Continued

About 30,000 new nut-bearing acres came into production in 2023, bringing the total to 461,000 total acres producing pistachios. Industry leaders expect to be bringing two billion pounds of pistachio to market by 2027. Whether that level of production will suppress prices as has happened with almonds and walnuts in recent years remains to be seen.

California's Central Valley – due to its fertile soil, hot, dry climate, and moderately cold winters – offers the ideal growing conditions for the nut. According to American Pistachio Growers, a trade association, the story began in 1929 when an American botanist named William E. Whitehouse traveled to Persia (modern day Iran) to collect pistachios. He returned with a collection of approximately 20 pounds (10 kilograms) of individually selected nuts.

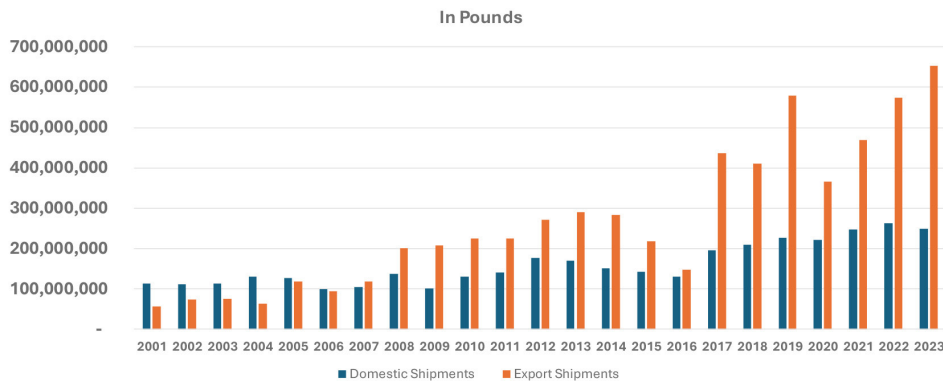
Within a year, the first test plots had been planted. However, pistachio trees take seven to ten years to mature, so it was almost a decade before Whitehouse knew what he had gathered.

Of all the nuts Whitehouse collected, only one proved useful. Whitehouse named the nut "Kerman" after the famous carpet-making city in Persia. (Contrary to widespread belief, the name has nothing to do with the Fresno County city of Kerman, a portmanteau forged in 1906 from the last names of the two men who established the Fresno Irrigated Farm Company and were instrumental in promoting land sales around what

### Exhibit 11

### U.S. Pistachio Shipments: Domestic vs Export

Source: Administrative Committee for Pistachios



had originally been the town of Collis, itself named for the railroad magnate Collis P. Huntington.)

Crop scientists propagated and strengthened the Kerman by budding it to heartier rootstock varieties.

The growth of the pistachio industry in the Southwest was given a powerful stimulus by geopolitics in the late 1970s. The toppling of Shah Mohamed Reza Pahlavi's regime in January 1979 and the storming of the U.S. Embassy in Tehran that November. Iran had been the principal source of pistachios imported into the U.S. The events of 1979 effectively cut off that source.

One peculiar artifact of that trade had been the practice of dyeing pistachio shells red to mask blemishes that resulted from harvesting and storage practices in Iran. So accustomed were American consumers to buying red-dyed pistachios that even the new U.S. producers followed suit, even though the harvesting practices they utilized did not leave the shells tainted with unappetizing blotches.

In the end, though, public health warnings about the use of red dyes in food products effectively ended the practice.

By far the largest overseas market for U.S. pistachios today is China. In the 2023 crop year, China accounted for 24.8% of all exports. Turkey (10.1%), Germany (9.5%), and India (6.4%) were also major export markets in the last crop year. The Ports of Los Angeles and Long Beach handled 74.0% of all containerized pistachio exports last year, with the Port of Oakland accounting for a 23.3% share. A small portion of the trade (4.2%) of pistachio exports in 2022 were shipped via the Port of Virginia and Port Houston, but those diversions have since receded.







JOCK O'CONNELL'S COMMENTARY

# California's Wine Exports Bulk Up

It used to be that you couldn't easily find a quality California wine in Europe. Often, you couldn't find any California wine at all.

Back in 1975, when I was an underfed graduate student at the London School of Economics, I was invited to Thanksgiving dinner at an American couple's home on the edge of Hampstead Heath. As they were also from California, I thought a bottle of Napa wine might be an apt contribution to what promised to be a grand feast.

So on that long ago Thanksgiving Day morning I set out for the grocery shop in Selfridge's, the celebrated department store a few blocks south of where I was living at the top of Baker Street. Certainly, I assured myself, an emporium founded by an American (Harry Gordon Selfridge) would have at least one suitable California wine in stock. Nope. There was an ample supply of wines from France, Spain, and Italy as well as a tidy selection of ports from Portugal. But nothing at all from California.

Not to be discouraged, I then pressed

on into the depths of Piccadilly, headed for Fortnum & Mason, the famed purveyors of fine foods and beverages to Her Majesty the Queen. But evidently no wine from the Golden State was yet deemed sufficiently fine for the royal palette.

With some desperation, I next strode over to Knightsbridge in the fading hope that Harrod's, the retailer which pretty much defines luxury, might have a bottle of California wine in its cavernous and well-appointed food hall. No such luck.

But I did make off with an enormous apple pie. "It's the last one," the clerk remarked. "We baked four dozen today just for you Yanks." And that's how I came to be the third invitee at that Thanksgiving dinner who showed up with an apple pie from Harrod's... but no wine.

I should point out that all of this preceded by several months the "Judgment of Paris", the May 1976 blind tasting in the French capital that shocked European oenophiles when California wines bested the best the French had brought to the table.

Prior to that, California winemaking lacked international wineshop cred. In 1975, there were only 330 wineries in the entire state, nearly all of them family-run businesses without the wherewithal to market their products beyond their own excruciatingly utilitarian tasting rooms.

It was, indeed, a different world. More or less.

Today, California wines are readily available around the world, providing you know where to look and aren't terribly discriminating about where the wine was actually bottled.

According to the Wine Institute of California, there are now 5,900 wine-grape growers and 6,200 bonded wineries in a state that makes 85% of all U.S. wine and accounts for 95% of the nation's wine exports. The Institute reports that California wineries export to 142 countries. Still, the customers tend to be concentrated, as **Exhibit A** makes obvious. (The markets listed account for over 80% of the state's wine exports.)

U.S. Commerce Department trade



## Increasing Velocity

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Port of **LONG BEACH**  
THE PORT OF CHOICE



## Commentary

Continued

data presented in **Exhibit B** reveal a similar pattern of market concentration for wines being shipped from Oregon and Washington.

But how does all that this wine get from here to there?

If the shipments are bound for Canada (or Mexico, a small but fast-growing market for California wines), cases of wine will almost entirely be transported by truck or rail. For all other markets, the trade moves by sea.

Given the geography of wine production in California, it should surprise no one that the Port of Oakland dominates the wine export trade, as **Exhibit C** demonstrates.

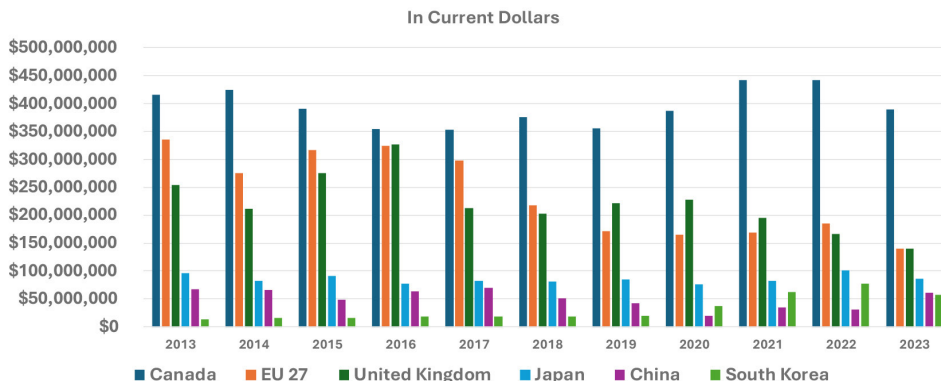
That answers part of the question about the logistics of shipping California wine around the globe. But there's more to the question.

Most casual drinkers may think of wine being loaded aboard oceangoing freighters on pallets bearing cases containing a dozen 750-milliliters glass bottles. And, certainly, that represents an ample share of the trade, especially when premium wines are involved. But more experienced imbibers might also be aware that wine is also transported in steel tanks or rubberized bladders that may hold over 24,000 liters or as much wine as would fill 32,000 standard wine bottles.

Even the most sophisticated wine connoisseurs may be surprised by just how much of California's wine export trade involves bulk, as

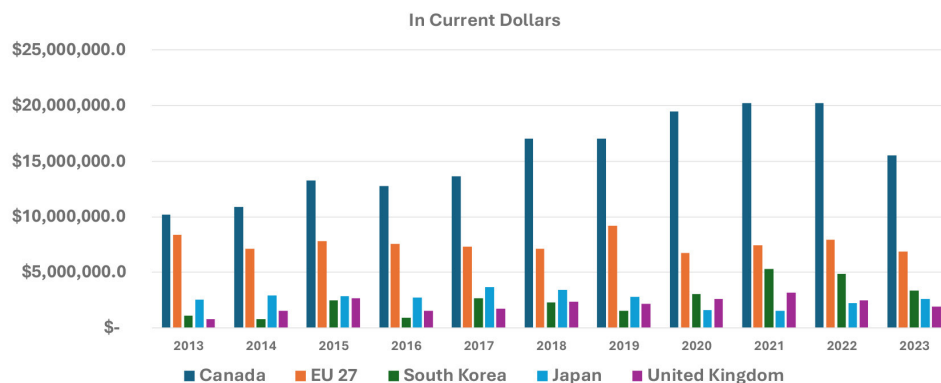
### Exhibit A Top Markets for California Wine Exports

Source: U.S. Commerce Department



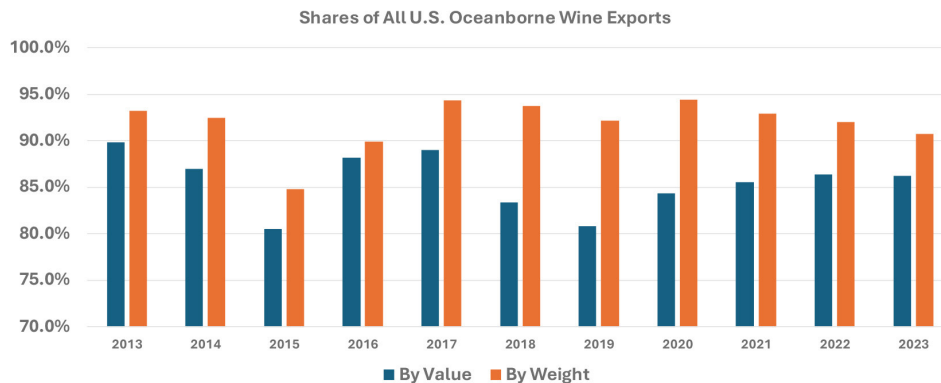
### Exhibit B Top Markets for Oregon and Washington Wine Exports

Source: U.S. Commerce Department



### Exhibit C The Port of Oakland's Dominance in U.S. Wine Exports

Source: U.S. Commerce Department





## Commentary

Continued

opposed to bottled, shipments.

While virtually all of the wine exported from California (and Oregon and Washington) to Canada is shipped overland in conventional glass bottles, that's not true of California's wine exports to the European Union and especially to the United Kingdom. See **Exhibit D** and **Exhibit E** for the percentages by weight and by value of California wine bulk exports to the state's Top Five overseas markets.

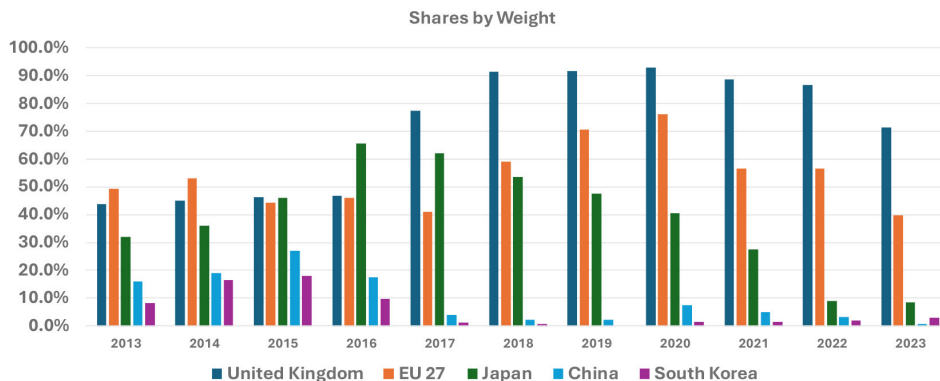
From a logistical perspective, no overseas market for California wine is more peculiar than the United Kingdom. The trade has shifted dramatically – both in weight (**Exhibit F**) and by value (**Exhibit G**) - in recent years from wines shipped in conventional 750-milliliter bottles to wines transported in bulk. The commodity breakdown in these two exhibits includes sparkling wines (which would lose their sparkle in a large shipping bladder) and a category I've labeled "Boxed?". While the relevant HS code was originally intended to encompass magnums, jeroboams, and other outsized bottles up to 10 liters, it now includes those three-liter boxed wines that have been exploding in popularity.

To be sure, premium wines, especially those trading on terroir in Napa or Sonoma still travel exclusively in glass. Selfridge's will now sell me a bottle of Opus One for £550 (about \$700). Less extravagantly, Fortnum's currently offers a £42 pinot noir from Failla Wines in St. Helena that would nicely complement turkey and stuffing. Much cheaper is the Apothic zinfandel from Modesto that's currently been marked down by grocery chain

### Exhibit D

#### Bulk Wine Share by Weight of California Wine Exports to Top Five Overseas Markets: 2013-2023

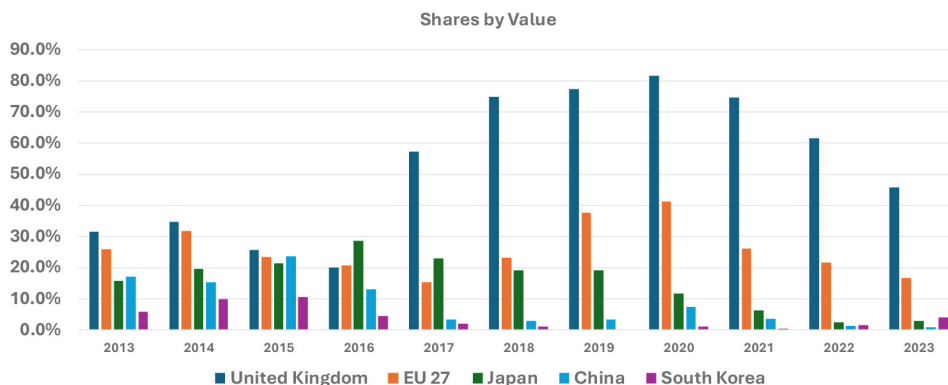
Source: U.S. Commerce Department



### Exhibit E

#### Bulk Wine Share by Value of California Wine Exports to Top Five Overseas Markets: 2013-2023

Source: U.S. Commerce Department



Sainsbury to £12.50.

However, for mass market wines priced under \$10, long-distance transportation costs quickly erode profits. A survey of the shelves in wine shops and grocery store chains in London or Paris turns up mostly wines selling for less than \$15 or the local currency equivalent. The Monoprix near the Paris apartment we rented for the month of April featured scores of French, Spanish, and Italian wines at attractive, single-digit prices. There were even two California products, a

Barefoot merlot and a red blend from Carnivor. If you didn't know better, you might not realize that both brands are owned by Gallo. Indeed, the Modesto-based company is said to account for half of all California wine exports.

Once bulk wines are delivered to a port like Bristol, they go to a local bottler. The U.K. boasts a number of contract bottlers like Encirc Ltd. in Elton (Cheshire), Greencroft Bottling Company in Durham, and The Park in Bristol. Greencroft reports that it is building a new facility that can



## Commentary

Continued

package some 28% of all wine sold in the U.K. Bottling wine from somewhere else is a huge business in the U.K. By one widely cited estimate, wineries in the U.K. produce fewer than ten million bottles of wine a year in a country that consumes 600 million bottles of wine annually.

For a consumer, what you're getting may be hard to discern. Yes, it is a wine produced in California. Prominently featuring the state's name on the label is the big selling point. Beyond that, though, labels can be an exercise in opacity.

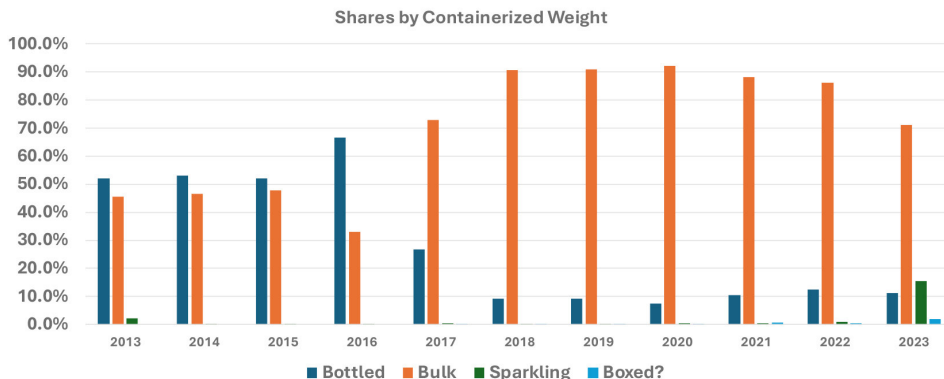
Sainsbury's is one of the leading grocers in the U.K. Its online catalog lists a pinot noir from Bread & Butter Wines in Napa that's marked down this month to £13.50 from £15. The product notes state that the wine was "produced and bottled" by Bread & Butter. Sainsbury also offers its Sainsbury California Zinfandel 2019 for just £9. But here the product notes observe that the contents were "produced in the U.S. and bottled in the U.K." The catalog further features five wines from Barefoot and four from Dark Horse. Miraculously, all sell for the identical price of price £10. All, it turns out, are Gallo products made from California grapes but bottled at the same facility in Uxbridge, England.

Tesco is the largest grocery chain in the U.K. Its wine offerings feature at least a half-dozen California wines under labels controlled by Gallo. Only one, a Gallo Family Vineyards merlot, makes that parentage clear. For the most part, these are wines produced in California and shipped to the U.K. in bulk for bottling.

### Exhibit F

#### Categories of California Wine Exports to the United Kingdom: 2013-2023

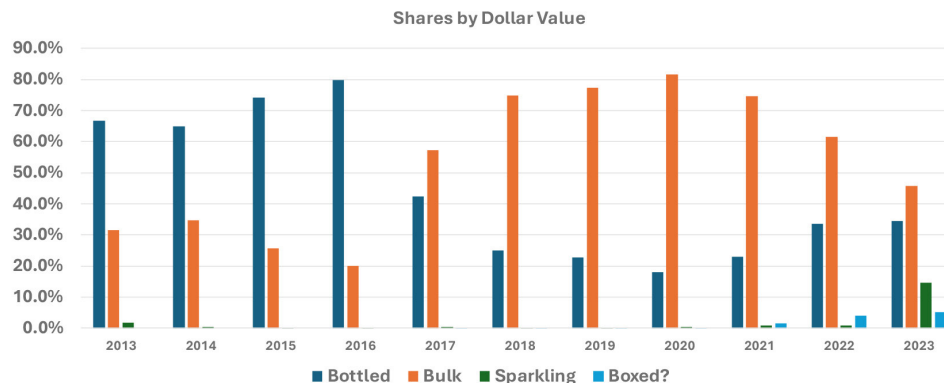
Source: U.S. Commerce Department



### Exhibit G

#### Categories of California Wine Exports to the United Kingdom: 2013-2023

Source: U.S. Commerce Department



In addition to the instore offerings, scores of businesses advertise on the internet that they can quickly supply British and European households with genuine California wines. One that caught my eye is a Czech firm that goes by the immodest name of CalifornianWines. It purports to represent over 130 California wineries, several of which are very respectable producers like Opus One, Daou Vineyards, Stag's Leap, Rombauer Vineyards, Cakebread Cellars, and Robert Mondavi Winery.

I can't vouch for the company. It says it uses DHL to ship from a warehouse in Dolni Brezany, a town just south of Prague. That may be true.

What is undeniably true is that the office address of CalifornianWines in Prague's Old Town is only a short walk from the Wenceslas Square restaurant where, in late 1968, I enjoyed one of my most memorable meals ever in a city teeming with heavily-armed Russian "tourists."

But that's a story for another time.



# Investment in Seaports' Long-Term Growth Is Critical to Successfully Achieving Economic and Environmental Sustainability Goals

By Mike Jacob, President, Pacific Merchant Shipping Association

One of the hallmarks of the federal approach to freight mobility and supply chain infrastructure in the United States has been the historical lack of dedicated national funding and investment. Whether public or private, most American seaports, railroads, and airports are nearly all funded and financed at a state, local, or corporate level.

Without direct access to dedicated federal revenues it is up to a decentralized entity to complete funding or financing, and as a result, the primary source of building a funding and financing model for any intermodal freight facility is capturing revenue derivative of traffic that benefits from the use of that facility. Tolls, tariffs, fees, wharfage, and lease revenues are the basic building blocks of all of our intermodal infrastructure, including our nation's seaports.

As a result, the costs and ability to build projects based on future revenues need to be backed by financing

that relies on projections of future demand. This means projections of demand-based volumetric growth remain just as integral to the ability of intermodal facilities to underwrite their investment in infrastructure as ever.

When a state or local government provides direct funding or supports the financing for the development of new seaport, airport, warehousing, or distribution center infrastructure, it is implicitly (via funding) or explicitly (via financing) placing its confidence that the benefits derivative from the future demand and use of the facility will exceed the costs of development. In other words, volumetric growth is always the hallmark of a successful intermodal supply chain investment. On the private side of this equation, it lowers average costs and marginal costs for customers and cargo owners – creating a virtuous cycle of market efficiency. On the public side of the equation, it grows jobs, economic benefits, and direct and

indirect tax revenues. These revenues can pay for other non-revenue generating expenses and overhead in excess of original financing baselines. For ports, the most expensive non-revenue producing overhead are investments in environmental improvements.

This all works well when financing and funding parties benefit from long-term growth. But, when infrastructure generates lower cargo volumes than anticipated by the public or private sector, the situation runs the risk of a negative outcome: higher per unit costs for customers and the opposite of a virtuous cycle. Fewer jobs, lower economic benefits, and less tax revenues. In the long run, the existing infrastructure and overhead, including environmental costs, can ultimately squeeze out all future room for additional funding or financing. As private revenues which are shrinking over time cannot reasonably underwrite ever greater levels of capital for new capital costs.

**Protecting Blue Whales and Blue Skies**  
**Vessel Speed Reduction Program**  
 A partnership for cleaner air, safer whales, and a quieter ocean  
[www.bluewhalesblueskies.org](http://www.bluewhalesblueskies.org)



### Investment in Seaports' Long-Term Growth

Continued

This is our current dilemma on the US West Coast: without more robust growth in volumes, it is hard to reinvest in new, more expensive ports and carry the anticipated large, non-revenue generating overhead associated with the environmental improvements that loom on the horizon. Cargo volumes are already substantially lower than anticipated that supported the existing infrastructure and higher environmental costs compliance in the current system.

One recent example: the additional costs that will ultimately need to be paid by cargo owners or the Ports of Los Angeles and Long Beach due to the significant debt refinancing taken on for the construction of the Alameda Corridor in Southern California. This project is now at a critical point where one might surmise that no future room for additional revenue bonding exists, where even projected potential growth in volumes is so underwater that they cannot reasonably underwrite greater levels of capital for new environmental and infrastructure costs, even if they could potentially be associated with

entirely new revenue streams.

This type of low volumetric growth situation will result in lower economic returns and less funds available for environmental overhead. And, if such improvements are needed expeditiously, it will be incumbent upon policymakers to dedicate greater levels of public investment in our intermodal port infrastructure. This will be necessary not just to pay for the overhead, but to develop actual public subsidies for financing that incentivize growth, leveraging economies of scale and lower per unit costs, reducing marine terminal operating and capital costs.

Such a pro-investment and volumetric growth-friendly freight policy by public agencies would yield greater levels of investments in infrastructure that policymakers are anticipating than waiting for financing to be forthcoming from a low or stagnant volumetric growth market. To successfully meet both long term economic and environmental sustainability goals, it is imperative to integrate growth and financing goals with volumetric-growth inducing infrastructure

so the investments align higher volume goals with public subsidies and environmental mitigation. On the other side of the same coin, state and local regulatory agencies need to be exceptionally sensitive to the risks of any new non-revenue generating mandates or costs, including any type that could potentially act as a cap on volume, which ultimately could undermine the ability of entities that rely on volumetric-based financing to pay for non-revenue producing overhead.

The bottom line for US West Coast port stakeholders is unequivocally clear: it is imperative that policymakers support the alignment of public funding and private financing to underwrite the investments in long-term infrastructure necessary to grow the economy and meet our environmental goals.

**NUMBER OF THE MONTH**

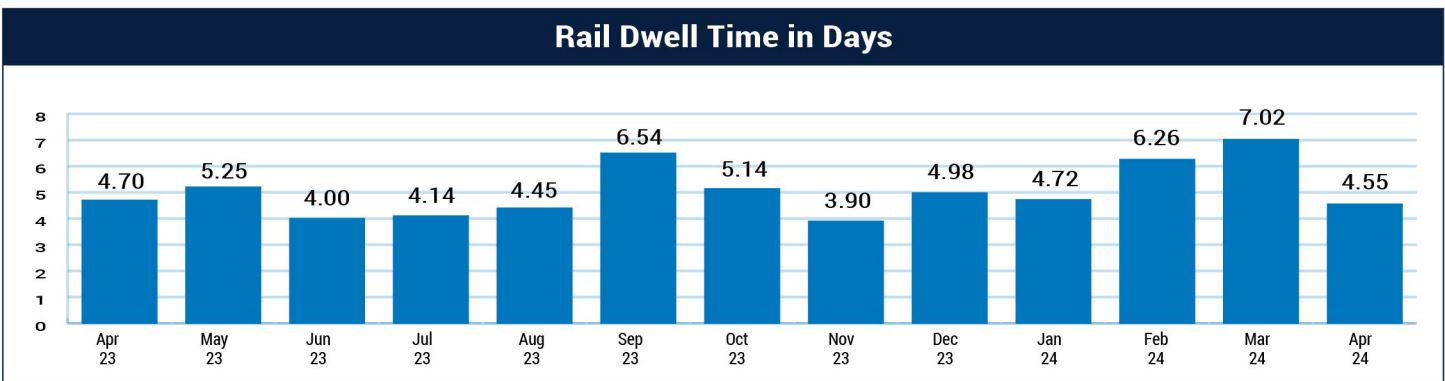
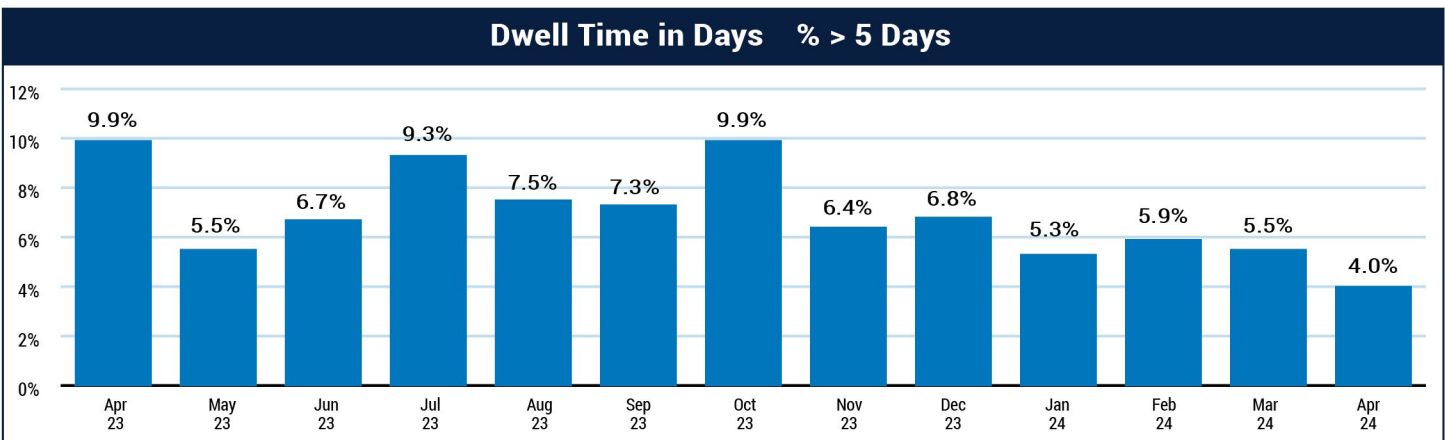
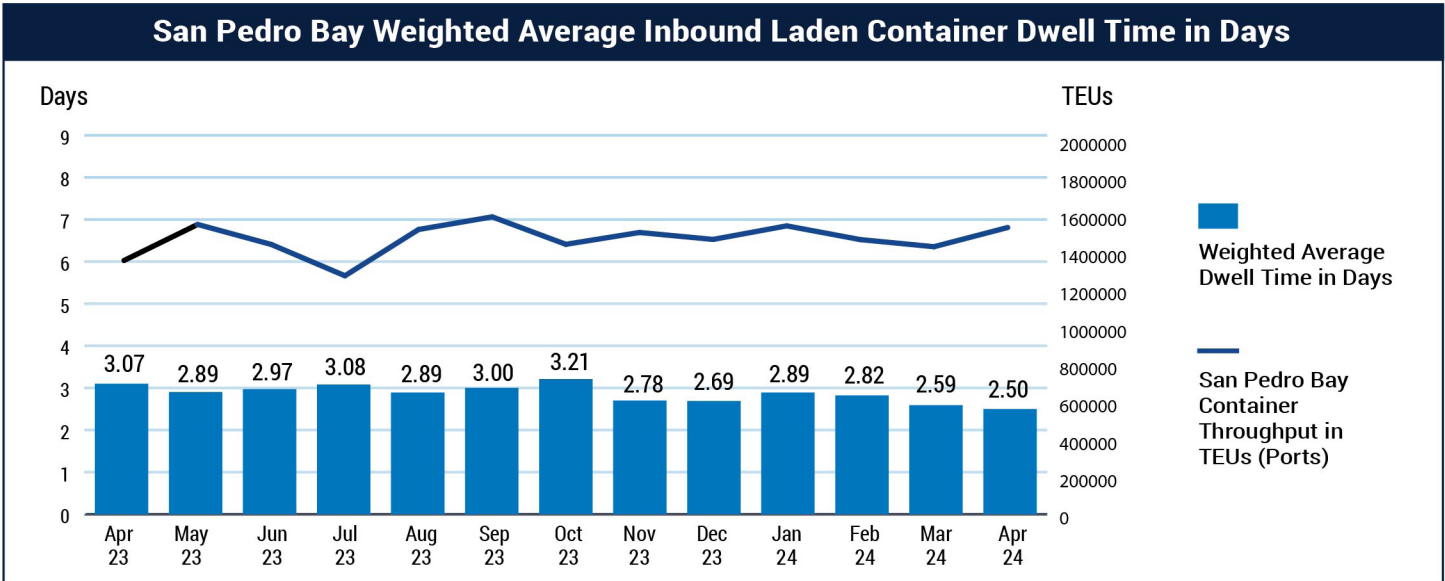
**16.9%**

**Y/Y INCREASE IN INBOUND LOADS IN APRIL FOR USWC PORTS**

SOURCE: INDIVIDUAL PORTS



# Container Dwell Times Improve At San Pedro Bay Ports in April



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**PUGET SOUND PILOTS**  
Protecting Puget Sound Since 1935

FINANCIAL STATEMENT PRESENTATION  
TO  
WASHINGTON STATE BOARD OF PILOTAGE COMMISSIONERS





## PUGET SOUND PILOTS OVERVIEW

- Audited Financial Statements on Modified Accrual Basis (not Generally Accepted Accounting)
- Taxed as a Partnership
- Figures consolidated with Pilot Technology Services II

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# CHANGES FROM 2022 TO 2023



Note 1 – First year of full activity in  
PTS



UTC liability resolved and paid off



New rates in effect



Self Insurance Liability charge ended

## AUDIT PROCESS

Risk Based Audit

Test Tariff Rates

Sample of invoices recalculated and tested

Sample of bills paid

Review of processes and internal controls

MODIFIED  
ACCRUAL BASIS

---

Records revenue (income) at the time it is earned (the day the job is completed)

---

Expenses are recorded when paid (in general)

---

Depreciation expense is normal and customary

---

Unrecorded Liabilities

## UNRECORDED LIABILITITES

Unfunded Comp Days – Estimated Value at December 31, 2023 is \$3,217,014

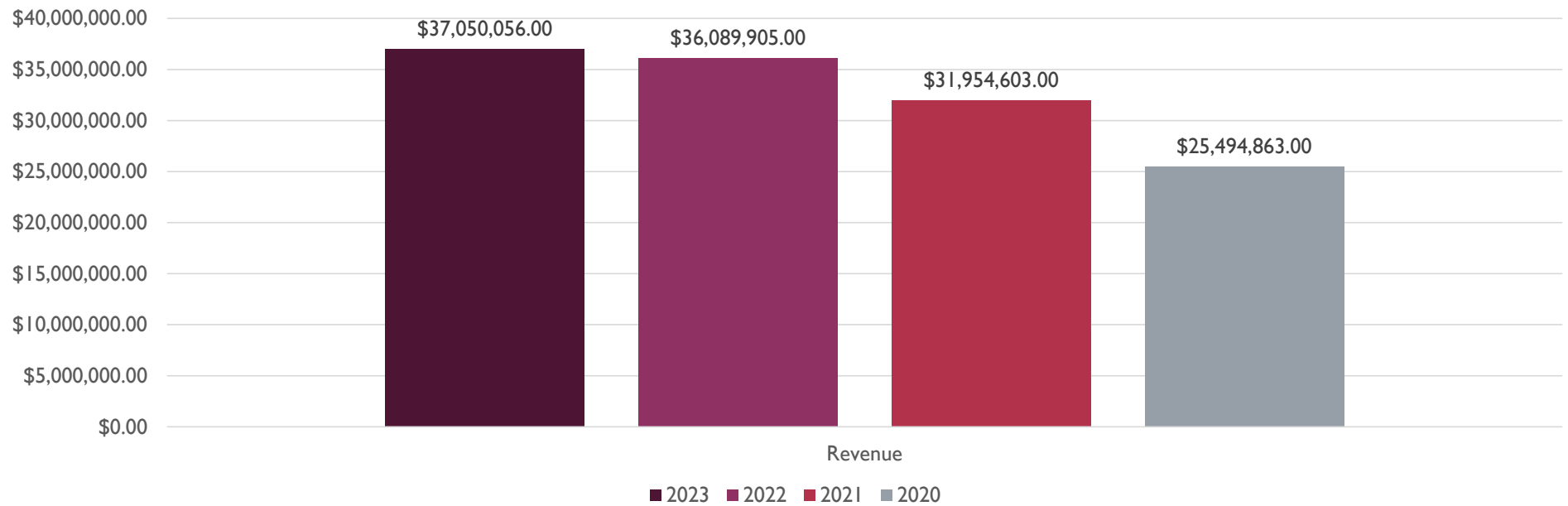
Vacation Payable – Estimated Value at December 31, 2023 is \$939,939

Major Medical – amount not determined

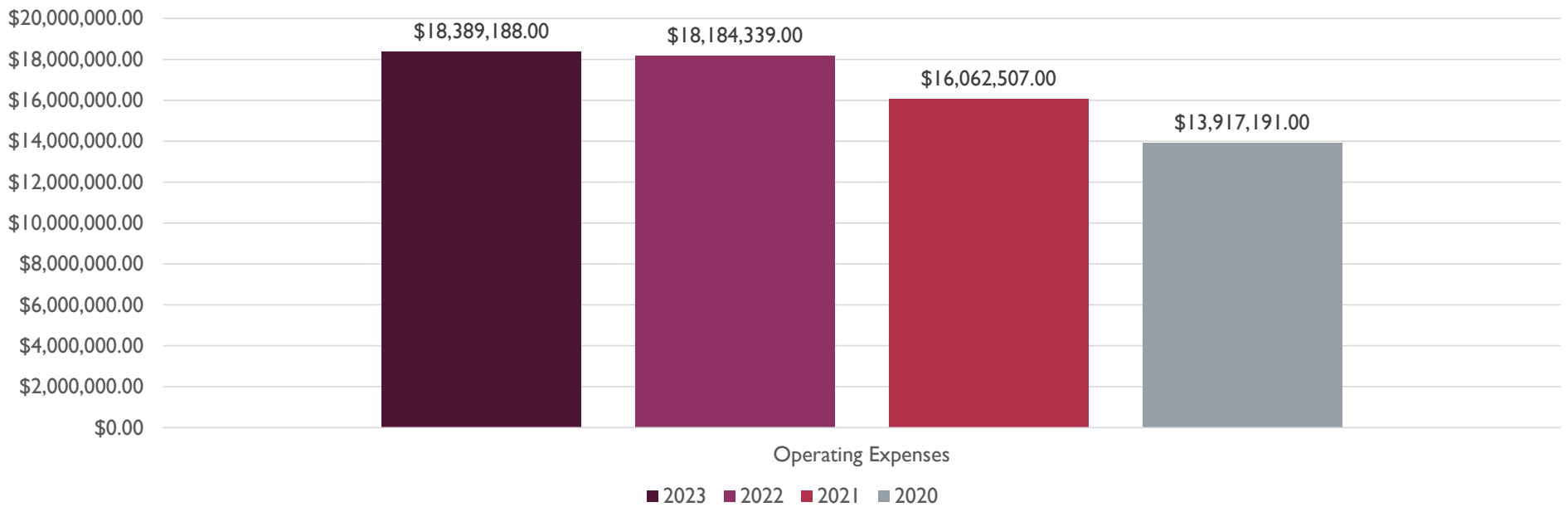
Membership Buy Outs at December 31, 2023 was \$4,180,476.

Pilot's Pension – amount not determined

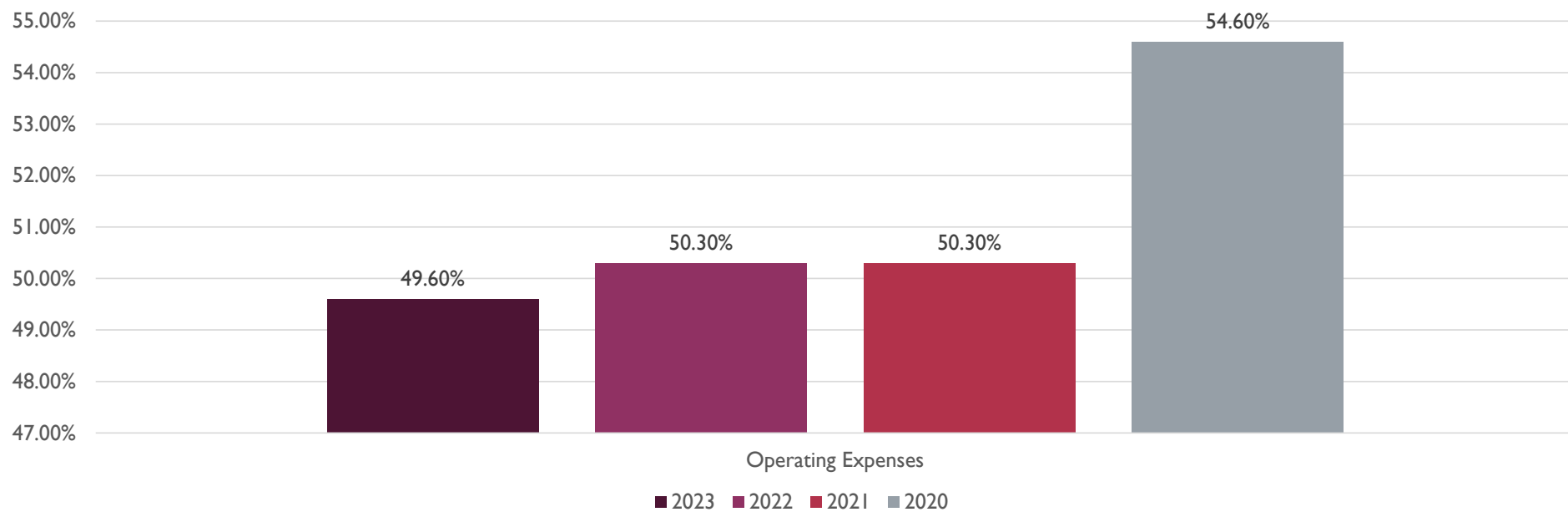
# REVENUE



# TOTAL OPERATING EXPENSES

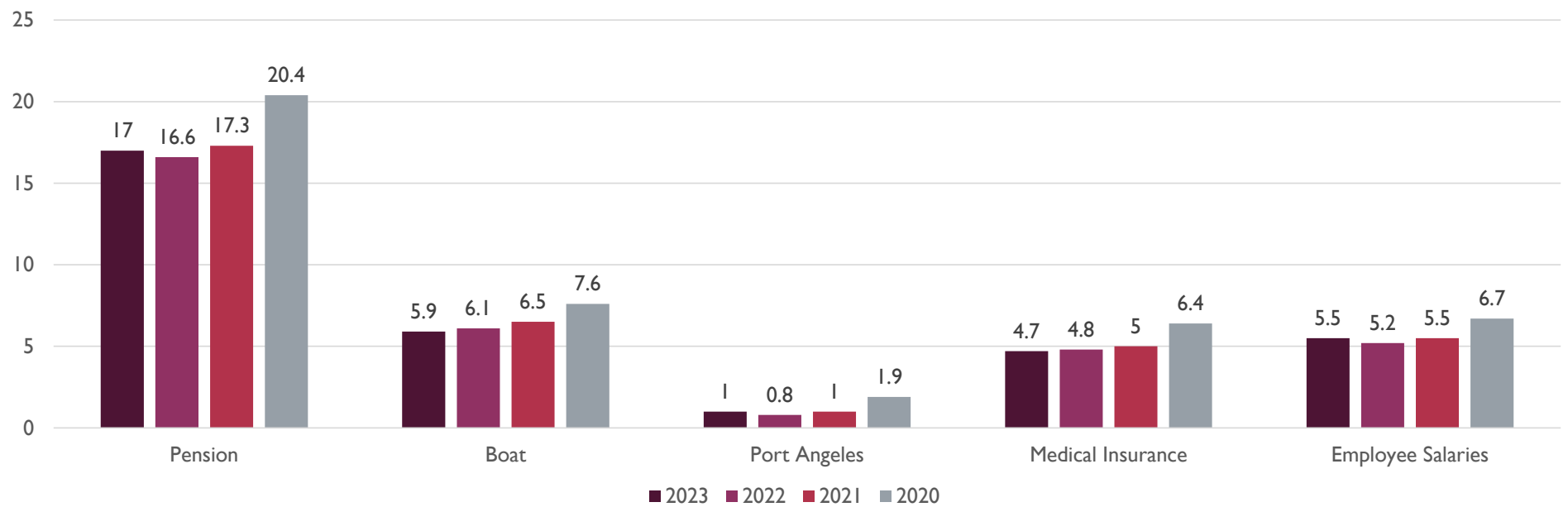


# TOTAL OPERATING EXPENSES AS % OF REVENUE





# COMPARATIVE EXPENSES



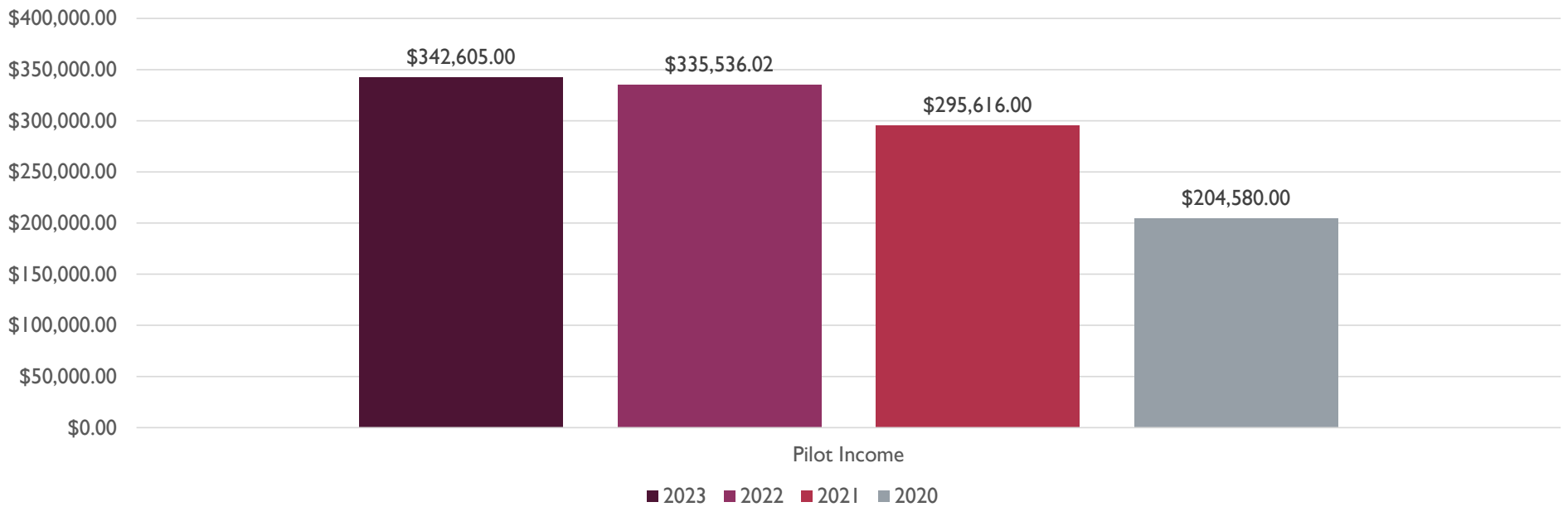
## UNDERSTANDING DISTRIBUTION OF PILOTAGE REVENUE AND EXPENSES

Column	Source	Total
(1) Days of Service	Calculated as total days in a year for each individual pilot. If a pilot is new or retired during a year his/her days of service will be less	19,631
(2) Credit for Pilotage Revenue	Page 7 of Financial Statements, Line 1	37,050,056
(3) Charge for Operating Expenses	Page 7 of Financial Statements, Line 6	18,389,188
(4) Charge for Other Expense	Disability Insurance	234,339
(5) Share of Balance of Pilotage Revenue Pooled	Column (2) minus (3) minus (4)	18,426,529

## CALCULATING PILOT INCOME (POOL SHARE)

Description	Reference	Amount
Share of Balance of Pilotage Revenue Pooled	Schedule of Days of Service and Distribution of Pilotage Revenue and Expense total Column (5)	18,426,529
Total Duty Days	Schedule of Days of Service and Distribution of Pilotage Revenue and Expense total Column (1)	19,631
Days in Year	Schedule of Days of Service and Distribution of Pilotage Revenue and Expense total Column (1)	365
Rounded Working Pilot Roster	Duty Days/Days in Year	53.8
Net Distributable Income Per Pilot	Share of Balance of Pilotage Revenue Pooled/Working Pilot Roster	342,605

# INCOME PER PILOT



## **Pilot Safety Committee TAL discussion #1 MEETING NOTES -- APPROVED**

**May 6, 2024 11:00-12:00** (second half of PSC meeting)

page 1

*Attendees: Andrew Drennen (BPC) (Co-Chair), John Scragg (PSP), Sheri Tonn (BPC), Jaimie Bever (BPC), Eleanor Kirtley (BPC), Mike Moore (PMSA), Scott Anacker (PSP), Ryan Leo (PGH), Ivan Carlson (PSP), Charlie Costanzo (PSP), Bettina Maki (BPC)*

*Regrets: Jason Hamilton (BPC)*

### **Task Overview and Context:**

At the April 12 Board of Pilotage Commissioners (BPC) meeting, Puget Sound Pilots (PSP) requested that the Board make a new determination on the authorized number of pilots (NOP) for current conditions in the Puget Sound District. Setting the number of pilots is sometimes referred to as an “065 hearing” (referring to WAC 363-116-065), but BPC Chair Sheri Tonn noted that the WAC does not require a hearing when setting the number of pilots.

At the April BPC meeting the Board acknowledged PSP’s request for an NOP determination, and as a first step assigned the Pilot Safety Committee (PSC) the task of determining a Target Assignment Level (TAL) for pilots in the Puget Sound District.

The TAL was last set prior to the increased rest requirements that have been put in place.

### **Timeline:**

Chair Tonn would like the Pilot Safety Committee to make a TAL recommendation to the Board at the June 20 meeting. It is expected that the PSC will need to meet several times during May and June to formulate a recommendation. After that, parties of interest may submit NOP proposals to the Board for review. The Board will consider the submittals then set the number of pilots at the August 15 meeting.

### **Preliminary Data Provided by BPC Staff for Discussion Starting Point:**

Bettina Maki, BPC data analyst, prepared a preliminary analysis of Puget Sound Pilots assignment data and activity reports 2019 through 2023, to compare *on watch pilot days* to *number of on watch assignments*. (Data prior to 2019 was not included due to changes in rest rules.)

This aggregate analysis was for all pilots except the PSP president, and considered the following:

- licensed calendar days minus NFFD calendar days (analysis included COVID days)
- number of training days and upgrade trips (assuming these to be on watch), and
- number of on watch assignments,
- with a resulting average of 171 available on-watch days per pilot per year, and an average of 120.45 on watch assignments per pilot per year, (or 1.42 on-watch days per on-watch assignment).

The analysis noted (but did not quantify) other things that consume pilots’ on-watch time, including “3 & outs” (additional rest requirements), time on watch when no assignment is available, and meetings associated with committees, projects, and pilot association administration.

**Ideas, Questions, and Discussion Points from Committee Members:**

**TAL in general:**

- Suggestion that focus should shift to understanding pilot availability instead of focusing on number of assignments pilots are expected to do. It was argued that pilots have control over their availability, but the number of assignments is controlled by the shippers (vessel traffic).
- Counter suggestion expressing preference for sticking with the established concept of Target Assignment Level and not changing focus to pilot availability.
- Stated goal of reducing off watch assignment percentage to 5%.
- Semantic issues of how to classify on-watch days when pilots are not available for ship assignments because they are doing other work (training, upgrades, etc) -- currently there is possibly a perception that this means pilots are not on watch all of the days shown on their watch schedule, but there were also statements acknowledging that the pilots' work consists of tasks other than ship moves. It seems there may not be a shared understanding.

**Comments and Suggestions regarding the 5-year preliminary data analysis**

- What if COVID days were filtered out of the analysis?
- What if there were 55 or 56 pilots (instead of the aggregate 49 in the data).
- Interest in a granular daily analysis of what assignments were available and which pilots were available (instead of analysis of the aggregate average pilot year)
- Observation that ~120.45 on watch assignments per pilot per year (the capacity shown in the data analysis) is similar to the previous PSP proposal of a TAL of 118.
- Adjust assumption of 100% of training and upgrade trips being done on watch – change it to 50% or less of them being done on watch, as this is usually the case. Note that upgrade trips often must be done off watch as they consist of some hard-to-get trips. Some interest in detailed analysis to determine precise percentage of on/off watch, instead of assuming “roughly 50%”.
- Adjust analysis to include 5% callbacks, instead of not including any callbacks. It is understood that some callbacks are necessary to accommodate peak workloads and cascading events.

**Additional data to consider**

- Interest in quantifying the variability of daily workload.
- Interest in understanding the effect of comp days on pilot availability
- Suggestion that the PSP watch schedule be studied in detail (PMSA requested it from PSP during the UTC rate case).
- Suggestion that the committee's analysis should include some awareness of expectations of pilots in other districts.
- PSP has updated their analysis (adding 2023 data to the 2019-2022 data shared previously) of all the things that impact pilot availability (training, upgrade trips, 3 & outs, NFFD days, repos, etc.) and will further refine it to indicate on-watch vs. off-watch activities.

**Next Work Session Dates/Times:**

Wednesday May 15 at 1:00 pm

Wednesday May 22 at 10:00 am

## Pilot Safety Committee TAL discussion #2 MEETING NOTES – APPROVED

May 15, 2024 1:00-3:00

page 1

*Attendees: Andrew Drennen (BPC) (Co-Chair), John Scragg (PSP) (Co-Chair), Sheri Tonn (BPC), Jaimie Bever (BPC), Eleanor Kirtley (BPC), Jason Hamilton (BPC), Mike Moore (PMSA), Scott Anacker (PSP), Ryan Leo (PGH), Ivan Carlson (PSP), Charlie Costanzo (PSP), Bettina Maki (BPC)*

### Review Notes of Session #1 discussion and Question/Answer document

The meeting notes were approved with small corrections. Two pages of questions submitted by Mike Moore with answers provided by BPC staff (Bettina Maki) were also reviewed. Bettina clarified that when looking at pilot availability she subtracts the calendar days that a pilot was NFFD from their total licensed days, and then multiplies the days by 49.6% to determine on-watch days. There was a request for her to subtract NFFD days *after* converting licensed days to on-watch days.

### Review aggregate 5 years on-watch assignments (data analysis by BPC staff)

Bettina again shared her preliminary calculations introduced at the previous meeting on May 6, updated to include revisions requested by the committee.

The calculations are based on 5 years of pilotage data 2019-2023 (all under current rest rules).

During this 5-year period PSP completed 29,438 on-watch assignments (plus an additional 5,147-off watch assignments).

The analysis seeks to quantify the number of on-watch days needed to produce this number of on-watch assignments, and understand things that impact pilot availability, to help determine an appropriate Target Assignment Level.

The calculation starts with aggregate licensed days of all pilots over the 5-year period (89,205 days). This number of aggregate licensed days is the equivalent of 48.9 pilots for all five years, including president, though of course, in reality, the number of pilots is not constant – it can be lower or higher than this averaged number.

Next, NFFD calendar days (1,967 days) are subtracted. Initially, COVID days (190 days) were included with the NFFD days, but the committee requested COVID days not be counted.

The remaining licensed fit for duty days (87,238 days) are multiplied by 0.496 to get on-watch days (43,270 days).

Training days (691 days) and upgrade trips (714 days) are then subtracted from the on-watch days to get a better idea of available on-watch days. The committee requested that half of these not be counted, because training days and upgrade trips tend to take place 50% on watch / 50% off-watch.

The remaining on watch days (42,568 days) work out to 177.15 days per pilot per year (average).

There were 120.45 on-watch assignments per pilot per year, so 1.45 on watch days per each.

The 1.45 days includes additional pilot activities such as 3 & outs, meetings, and scheduling “imperfections” that don’t always provide pilots’ next assignments *immediately* after their rest. The quantity of 3 & outs was noted to be 7-8 per pilot per year on average (based on average of 373 per year divided by the average of 48.9 aggregate pilots).

Something counterintuitive about the analysis is that changing the assumptions about pilot availability (assuming that 50% instead of 100% of training days and upgrade trips are done on-watch) *increased* the calculated on-watch days per on-watch assignment from 1.42 to 1.45. This is because this data looks at the actual number of on-watch assignments, not a hypothetical or projected number – so the number of assignments does not change when assumptions about pilot availability change.

There was a question about whether it was accurate to assume that upgrade trips and training activities represent “days”. Bettina explained that because training days and upgrade trips represent a very small portion of on watch activity (each less than 1%) she did not feel they merited a granular analysis to quantify the exact number of hours spent. John Scragg added that he was not aware of any PSP trainings that are not all-day trainings. This explanation was accepted, but it was emphasized that all such assumptions in the analysis should be clearly documented.

### **Definition of TAL (Target On-Watch Assignment Level) & when/how to factor in 5% callback tolerance**

Regarding the intention to reduce callbacks to 5%, Bettina explained that she initially understood this to mean that the TAL should include 5% callbacks, and tried to add off watch assignments to the revised analysis, but realized that this did not make sense, seeing the callback percentage as a function of the number of pilots, which is to be decided by the board after the committee provides a TAL recommendation. After some discussion by the committee there was no consensus about whether the TAL should or should not include off watch assignments, but there was consensus that on-watch capacity should be determined before attempting to factor in off watch assignments. After considering whether “Target Assignment Level” is supposed to include off-watch assignments or not, the committee decided to implement the more precise phrase “Target *On-Watch* Assignment Level” instead.

Eleanor Kirtley asked if the “Target On-Watch Assignment Level” refers to the number of on-watch assignments the average pilot can do in a year? Andrew Drennen explained that in his opinion the Target Assignment Level should represent the greatest number of assignments that can theoretically be done on-watch, which he estimated to be roughly 1.2 assignments per on-watch day (based on average assignment duration of 10 hours plus 10 hours of required rest). However, he acknowledged that training days, upgrade trips, and other nonrevenue activities can reduce available on-watch days from the 181 days per pilot on the watch schedule and that should be factored into such a calculation. He added that additional variables affecting on watch availability should be quantified.

### **PSP efficiency/productivity, documented by PSP President, Ivan Carlson**

PSP President Ivan Carlson presented data documenting PSP efficiency/productivity, including:

- data on PSP efficiency efforts during 2022 and 2023 (familiar from monthly activity reports) as well as a survey of PSP members indicating broad support of efficiency measures
- a 5 year summary of on and off watch assignment metrics, showing average assignment time (including repo time) decreasing from 10:05 hours in 2019 to 9:18 hours in 2023.



- information on Target Assignment Levels in neighboring districts, both of which feature a shorter “time on task” (average assignment duration) than that found in the Puget Sound.
  - the Pacific Pilotage Authority in BC has an Annual Assignment KPI with a target of *minimum* 95 assignments per pilot per year, combined with a Callback Percentage KPI with a target of *maximum* 2.5% callbacks,
  - the Columbia River Pilots “workload factor” is 106 assignments per pilot per year.

Ivan also noted that PSP does not operate in a perfectly efficient setting – PSP must contend with inefficiencies imposed by the system they are operating in, that they have no control over.

### **Quantifying additional impacts to pilot availability**

Eleanor Kirtley inquired about next steps in data analysis to support a TAL determination. Specifically, she noted the impacts to on-watch availability not quantified in the BPC preliminary analysis (predominantly meetings) – are they going to be quantified or qualitatively addressed later?

Andrew Drennen agreed that pilot availability needs to be further quantified – he would like to include a “comp day burn factor” because comp days taken reduce pilot availability. Bettina asked if the extra days worked to earn the comp days should also be accounted for? Andrew stated because of the number of comp days (~2600) on the books, extra days worked to earn them cannot be considered the way they would be if starting over with zero comp days on the books. Bettina will quantify comp days taken by licensed pilots and provide that to the committee. She has access to licensed pilot comp days taken 2021, 2022, and 2023 in PSP activity reports. Prior to 2021 comp days taken by licensed and retired pilots were not reported separately, but PSP can provide the breakdown for 2019 and 2020.

### **How to move forward and get closer to a TAL determination**

John Scragg observed that the BPC analysis based on 5 years of data gives significant information about pilot productivity and wondered what additional questions could be answered about why pilots don’t do more or don’t do less. He pointed out that the paradox that delaying ships for 1 or 2 hours sometimes can be key to keeping productivity high (it allows PSP to dispatch an on-watch pilot *immediately* after their minimum required rest, rather than deploying an off-watch pilot to the assignment).

Mike Moore questioned if these 1 or 2 hour delays are acceptable, and suggested gathering information about industry reactions to delay requests (he said he would probably be willing take the word of PSP dispatchers on this matter). He also cited much higher assignment levels in prior years before fatigue management efforts led to increased rest rules. However, he acknowledged it is difficult to make comparisons between years with different constraints and also acknowledged that 5 years of data is an ok amount of data to base decisions on, even though it includes the pandemic period.

Eleanor Kirtley expressed interest in understanding what the maximum possible assignments would be if vessel traffic allowed “perfect” dispatching where every pilot as able to be immediately dispatched to their next assignment. She acknowledged that this maximum possible number of assignments would not be considered achievable in the real world but it would provide an “upper boundary” to inform decision making.

John Scragg suggested that the 5 years of actual assignment data is likely an accurate representation of what is achievable in reality, where pilots cannot always be dispatched immediately after their rest period. Ivan Carlson pointed out that 3 & outs are a constraint that must still be considered in an “upper boundary” analysis that assumes perfect efficiency.

Andrew Drennen stated that the upper boundary analysis would be valuable for “PR” purposes, in other words for demonstrating to industry stakeholders that every effort is being made to understand and implement maximum efficiency.

Eleanor Kirtley stated the upper boundary analysis would also be valuable because approaching a question from various angles will strengthen confidence in the eventual conclusion and recommendation. She suggested the data presented by BPC and PSP shows pilot assignment levels but does not provide additional insight into productivity and efficiency. She also pointed out the need to develop an explanatory narrative to accompany the data analysis when it is being presented to the Board. Jason Hamilton agreed with this, noting that the numbers on their own will likely be difficult for anyone outside of the committee to understand; people will need help understanding the “what” and the “why”, including some definitions.

#### **Next steps, and review of additional data needed**

Andrew Drennen stated the next step is to further refine understanding of available on-watch days by quantifying comp days taken, then use PSP data about average assignment time to figure out maximum possible assignments if the time between assignments never exceeds the minimum allowed by statute (the “upper boundary” in a perfect world). Bettina wondered if the upper boundary analysis needed to represent variations in daily demand, as there is not always another assignment immediately available.

Eleanor Kirtley requested that meetings also be quantified in addition to comp days, and acknowledged that pilots have a legitimate need to attend some meetings, both BPC meetings and meetings related to pilot association administration. Jaimie Bever noted that the pilotage WAC specifically mentions that work related to pilot association administration must be accounted for when considering the number of pilots, and that it is not BPC’s role to manage the pilot association’s management of itself. Eleanor stated that it is nonetheless appropriate for BPC to take interest in whether PSP is managing itself efficiently.

In order to make the next session on May 22 as productive as possible, it is expected that committee members will continue to share data and ideas via email in between meetings.

The session adjourned at 3pm.

*Attendees: Andrew Drennen (BPC) (CoChair), John Scragg (PSP) (CoChair), Jaimie Bever (BPC), Eleanor Kirtley (BPC), Jason Hamilton (BPC), Mike Moore (PMSA), Scott Anacker (PSP), Ryan Leo (PGH), Ivan Carlson (PSP), Charlie Costanzo (PSP), Bettina Maki (BPC)*

*Regrets: Sheri Tonn (BPC)*

### **Review Notes of Session #2 Discussion on May 15**

Meeting notes from May 15 were reviewed and approved with minor corrections.

Mike Moore requested that the PSP watch schedule be shared with the group.

### **Answers to previous questions about comp days and meetings**

Bettina presented answers to data questions from the previous meeting – this information was obtained from activity reports provided by PSP each month and is part of the effort to understand on watch availability.

Comp days taken by licensed pilots average 59.1 per month (2021-2023), not including the 14 comp days that pilots burn at the beginning of NFFD status.

The NFFD-associated comp days average 3.3 per month (2019-2023).

Meetings averaged 51.1 per month (2019-2023)

There was a question about 3 and outs and how much on watch availability they consume. Ivan Carlson clarified that the average is about 17 hours.

### **Detailed assignment count data**

In this session detailed data on assignment counts per pilot per month was made available in response to requests from committee members. (The data prepared for the previous work sessions was all based on averages and did not include detailed assignment counts.) The detailed assignment counts included both on and off watch assignments, however, as all analysis to date has been based on the monthly pilotage data submitted by PSP.

For the next work session Bettina will prepare the same detailed data with off watch assignments excluded, Additional data for this will be provided by PSP. Ivan Carlson had shared on watch assignment data at the previous work session but that data was not broken down to the individual pilot level, and committee members requested to see that level of detail to validate their understanding of on watch availability.

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\*in this document TAL always means “Target *On-Watch* Assignment Level”

### Calculating the “de facto TAL”

Ivan Carlson offered an analysis based on the fact that when the number of pilots was last set at 56, the trailing 12 month assignment count was 7101. He noted that if 95% of those assignments were on watch (because the current goal is to keep off watch assignments at no more than 5% of the total), then the de facto on-watch TAL would be 123, because 95% of 7101 is 6746, and 6746 divided by 55 pilots (56 pilots minus 1 president) is 123. He noted that several different approaches to determining the Target On Watch Assignment Level, including this one, have yielded a number in the 120s.

Jason Hamilton and Andrew Drennen asked for clarification about the on watch TAL representing 95% of a pilot’s assignments. Several committee members explained (and were in agreement) that the intention is to reduce off watch assignments to 5% of the total, but not eliminate them entirely, so pilots will be expected to do some off watch assignments beyond the TAL determination.t

### Review of data analysis done to date (determine additional data needs)

- *Aggregate pilot availability and aggregate on watch assignments with calculated average on watch assignments per pilot per month and per year. (reviewed at 1<sup>st</sup> and 2<sup>nd</sup> work sessions)*
  - Eleanor Kirtley stated that this analysis should also include consideration of median and outliers, to ensure that the Target On Watch Assignment Level is not being skewed up or down by outliers. Some hypothetical examples were offered by John Scragg, but Andrew Drennen and Mike Moore felt it would be more useful to consider the actual detailed data for on watch assignments that Bettina will prepare for the next session. Scott Anacker was also interested in understanding the underlying causes of the variation, such as committee work and other administrative tasks. John Scragg emphasized that the Target On Watch Assignment Level should be a realistic number, to avoid creating unexpected off watch work. He felt that the factors causing variation in the assignments per pilot per month over the five years of data are not likely to change, and it should be assumed that similar variation will continue in the future.
- *Detailed assignments per pilot per month (total assignments on and off watch) (reviewed at 3<sup>d</sup> work session and upcoming 4<sup>th</sup> work session)*
  - The data for on and off watch assignments seemed to be evenly distributed with an average of 11.82 and a median of 11.83. The committee would like to review the same type of detailed data for **on watch assignments only** at the next work session.
- *Detailed data about nonrevenue activity that impacts pilot availability (trainings, upgrade trips, meetings, 3 & outs, etc) (reviewed at 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> work sessions)*
  - The amount of data and level detail of was felt to be good. This data helps the committee understand pilot availability and explain it to others.

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- *Information about other pilotage districts' assignment levels (reviewed at 2<sup>nd</sup> work session)*
  - Committee members disagreed about the value of this. Andrew Drennen thought it best to focus on what is best for Puget Sound. Mike Moore suggested that other districts are too different and that it is difficult to obtain data about assignment characteristics. Pilots on the committee felt it is useful to be aware of what is happening and/or changing in other districts, and emphasized that they are not suggesting lowering the Puget Sound assignment level to 106 or 111 (the levels in two nearby districts).
- *Theoretical maximum assignment level (upper boundary) (discussed at 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> work sessions)*
  - Bettina noted that the theoretical maximum is over 200. Committee members felt that while this is an interesting calculation and possibly a way to demonstrate thoroughness of the committee's efforts, it lacks real-world applicability and might be misinterpreted by the audience as something that is achievable. It is more an idea for the committee to be aware of, but not something to include in the recommendation to the Board.
- *Complexity of systemic factors and variables outside of pilots' control that impact efficiency (discussed throughout, very challenging to quantify)*
  - Committee members noted that in addition to the complexity of analyzing these factors, they are mostly or entirely outside of pilots' control and perhaps beyond the scope of the TAL determination. Scott Anacker felt it is nonetheless useful to be able to list these kinds of factors that impede "perfect world dispatching".

**Next steps, and data needed for the next meeting:**

The 4<sup>th</sup> work session is scheduled for Tuesday June 11 at 8:30 am. Bettina will prepare detailed on watch assignment data for the committee to review at that meeting.

The session adjourned at noon.

*Attendees: Andrew Drennen (BPC) (CoChair), John Scragg (PSP) (CoChair), Sheri Tonn (BPC), Jaimie Bever (BPC), Eleanor Kirtley (BPC), Jason Hamilton (BPC), Mike Moore (PMSA), Scott Anacker (PSP), Ivan Carlson (PSP), Ryan Leo (PGH), Bettina Maki (BPC)*

### **Review Notes of Session #3 Discussion on May 22**

Meeting notes from May 22 were reviewed and approved with some typos identified.

### **Detailed per pilot per month assignment count data, on-watch only**

Detailed data was presented for *on-watch* assignment counts per pilot per month 2019-2023. At the previous session similar data was presented that included off watch assignments. For on-watch assignments only the average per pilot per month was 10.17 (median of 10.55).

Bettina explained this was derived from determining *each pilot's average on watch assignments per month*, and then averaging those 70 averages. She noted the data included new pilots and retiring pilots who were not licensed the whole 5 years, with a combined 2891 months between the 70 different pilots. The average assignments per month for all 2891 months was 10.18, close to the average of 70 pilots' averages (this was a check to make sure the data was not weirdly skewed).

The data showed the pilots having little variation in their average on-watch ship assignments per month. To understand the small amount of variation, Bettina did further analysis of on-watch “essential service activity”. This is also known as “non-revenue activity” (to contrast it from ship assignments) and includes training and upgrade trips that pilots are required to do and administrative work (meetings) that pilots volunteer to do.

On-watch ship assignments *plus* essential service activities per pilot per month averaged 11.06 (median 11.13). It was noted that a large proportion of administrative tasks are performed by a small number of pilots who have skill or interest in subjects such as safety, training, etc., while the majority of pilots are predominantly doing ship assignments and only a small number of administrative tasks – this is simply how pilots choose to divide up administrative work efficiently.

Bettina emphasized that the trainings, upgrade trips, and meetings included in the analysis were on-watch only and that there were additional off watch trainings (49%), upgrade trips (65%), and meetings (41%) that were not included in the analysis. John Scragg mentioned that PSP takes several things into consideration when scheduling trainings to minimize impacts to pilot availability, including not scheduling trainings during cruise season. Mike Moore recalled that in the past PSP had reported training was conducted at a 2:1 off watch to on watch ratio. Ivan Carlson stated that PSP strives for a 50/50 split. Jaimie Bever noted that uninterrupted respite time is an element of fatigue management and that BPC does not expect pilots to do all their required training off watch.

### **Committee discussion of the data and determination of TAL recommendation to Board**

Andrew Drennen asked about the effect of comp days on pilot availability. He noted that the data reviewed so far doesn't account very well for comp days taken and questioned whether lowering the TAL and

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increasing the number of pilots was adequately considering accumulated comp days. He was concerned about the cycle of pilots taking comp days, causing other pilots to have to work callbacks, generating more comp days, and asked if there are any restrictions on use of comp days. Ryan Leo noted that being able to take a comp day when needed allows pilots to be fully present on the job when they are working. He did not want to restrict the option of taking a comp day. Andrew clarified that he doesn't want to restrict pilots' use of comp days -- he wants to understand how to account for them when considering pilot availability. Ivan Carlson pointed out that the accumulation of comp days has arisen from being understaffed. Mike Moore and Ivan Carlson both cited consultants' conclusions in years past relating to comp days and number of pilots. Eleanor Kirtley felt that the concern about comp days was not something that could be resolved during this TAL meeting. She agreed with Andrew Drennen's suggestion that some safeguards around comp day usage would be appropriate and asked that the minutes reflect the committee's intention for further review of this in the future.

Eleanor Kirtley asked the committee to turn their attention back to the agenda and the meeting's aim to determine a recommended on-watch assignment capacity. She recapped how the committee planned for the target on-watch assignment level (TAL) to inform the number of authorized licenses:

1. Start with vessel traffic forecast (estimated pilotage assignments)
2. Assume 95% of assignments will be on watch (goal is to limit callbacks to 5%).
3. Divide estimated on-watch assignments by the Target On-Watch Assignment Level (TAL) to determine authorized number of pilot licenses for the district.

The committee confirmed this understanding and objective for the TAL. Eleanor calculated the annualized assignment level from the monthly average of 10.17 and median of 10.55 to be 122.04 and 126.60. This suggested a Target On-Watch Assignment Level between 122 and 126. This TAL range, using traffic levels from 2022 (7482 assignments) and 2023 (7040 assignments), would suggest a range of licenses from 58 to 56 and 55 to 53, respectively, plus 1 additional pilot to serve as PSP president.

Arguments for any number in the 122-127 TAL range:

- The range of TALs proposed, when applied to annual assignments (trailing 12 months), will result in a difference of maybe 2 pilots (depends on vessel traffic assumptions).

Arguments for a lower TAL:

- Average assignments per pilot is a metric used by other pilotage districts;
- Average includes essential service activity pilots are required to do and choose to do;
- Median inappropriately discounts the value of essential service activity.
- Average aligns with the "de facto TAL" of 123 – the number of pilots set by the Board in 2019 compared to the number of annual assignments (trailing 12 months) at that time.

Arguments for a higher TAL:

- If it is assumed that callbacks and comp day accumulation (and utilization) may decrease after resetting the TAL and number of pilots – then pilots' on watch availability will likely be higher than shown in the 2019-2023 data.

**Pilot Safety Committee TAL\* discussion #4 MEETING NOTES – APPROVED**

**June 11, 2024 8:30-10:30**

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After reviewing the committee roster (verifying voting members and alternates) a vote was taken with each voting member stating their preferred TAL number. The average of these numbers was 123, and committee members agreed this would be their TAL recommendation to the Board.

Mike Moore requested that the BPC continue to monitor pilot supply and demand (using the BPC “green line” supply-demand-delay chart) as the number of pilots increases.

The committee agreed the next regular PSC meeting should be in August.

The meeting adjourned at 9:50 am.

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STATE OF WASHINGTON  
**BOARD OF PILOTAGE COMMISSIONERS**

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**Meeting Minutes – Oil Transportation Safety Committee (OTSC)**

March 11, 2024, 10:00am – 12:00pm

Via MS Teams

**Attendees:**

Jaimie Bever (Chair/BPC), Brian Kirk (Ecology Alternate/BPC), JD Ross Leahy (Ecology Alternate/BPC), Sara Thompson (Ecology Alternate/BPC), Haley Kennard (Ecology Alternate/BPC), Angela Zeigenfuse (Ecology Alternate/BPC), Brittany Flittner (Ecology Alternate/BPC), Blair Bouma, (Pilot/PSP), Clyde Halstead (Tribal/Swinomish), Fred Felleman (Environment/Friends of the Earth), Rein Attemann (Environment Alternate/WEC), Lovel Pratt (Environment Alternate/Friends of the San Juans), Laird Hail (USCG/Advisory), Jim Peschel (Tug Industry Alternate/Vane Brothers), Joel Morton (Tug Industry Alternate), Andrew Drennen (BPC), Tom Umenhofer (Oil Industry Alternate/WSPA), Bettina Maki (BPC)

**1. Welcome**

OTSC Chair Jaimie Bever welcomed everyone to the meeting and thanked the group for making themselves available for recent meetings.

**2. Agenda**

Jaimie reviewed the meeting agenda which included a review of the March 5 SEPA Scoping meeting inputs and finalization of the recommendation to the Board for escort ideas (reasonable alternatives) to be evaluated and elements of the environment to be assessed (areas with probable significant adverse impact). Jaimie asked if there were immediate questions before beginning the presentation. There were none.

**3. Decision Process**

Jaimie then explained the decision process for the recommendation. She outlined that only OTSC members will vote, not the alternates unless they are attending the meeting in place of the member, and that majority and dissenting opinions would be summarized in the recommendation document.

**4. Criteria for Escort Ideas (Reasonable Alternatives)**

Assessment of Reasonable Alternatives WACs of relevance:

**Reasonable Alternative (WAC 197-11-786):** “an action that could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation. Reasonable Alternatives may be those over which an agency with jurisdiction has

authority to control impacts, either directly, or indirectly through requirement of mitigation measures.”

**Content of Environmental Review (WAC-11-060):** For non-project proposals, agencies are encouraged to describe objectives rather than preferred solutions.

**Scope (WAC 197-11-792):** Alternatives may be no action (required), other reasonable courses of action, or mitigation measures not in the proposed action.

**Note:** For this rulemaking, objectives are limited to the direction provided in ESHB 1578.

## **5. Reasonable Alternatives (Escort Ideas to be Evaluated)**

Jaimie described the 5 escort ideas for OTSC consideration:

1. Remove Rosario and waters east requirement (Pre – 2020)
2. Maintain Rosario and waters east requirement – no change
3. (3ii) Expand 2020 escort requirements to the waters of Strait of Georgia South, and a corner of Strait of Georgia.
4. (3iii) Expand 2020 escort requirements to Haro Strait and Boundary Pass, Strait of Georgia South, and a corner of Strait of Georgia.
5. (2ai) Remove requirements in Bellingham Channel and waters east. Reconsideration.

Jaimie then reminded the OTSC that at the last meeting 4 ideas were decided upon for final vote. However, since then the environmental representatives asked for 2ai to be put back in.

She then reviewed the 5 Reasonable Alternatives.

## **6. Reasonable Alternative 1**

Remove escort requirement for laden tank barges and ATBs over 5,000 DWT and oil tankers between 5,000 and 40,000 DWT, while not engaged in bunkering, in Rosario Strait and connected waters east. The considerations for this request included:

- Could result in an increase in oil spill risk.
- Could reduce tug escort traffic and related impacts.

## **7. Reasonable Alternative 2**

Maintain escort requirement for laden tank barges and ATBs over 5,000 DWT, and oil tankers between 5,000 and 40,000 DWT, while not engaged in bunkering, in Rosario Strait and connected waters east. The considerations for this request included:

- The no action alternative.
- BPC is required to consider this alternative in the EIS.

## **8. Reasonable Alternative 3 (3ii)**

Expand current escort requirement for laden tank barges and ATBs over 5,000 DWT and oil tankers between 5,000 and 40,000 DWT, while not engaged in bunkering, to the waters of Strait of Georgia South, and a corner of Strait of Georgia. The considerations for this idea included:

- Strait of Georgia South zone is adjacent to current escort area.
- Model shows this zone to have high escort efficiency.
- OTSC Pilot Representative agreed that the characteristics of this zone make it a good candidate for an escort requirement.

## **9. Chartlet**

The OTSC then viewed a chartlet showing potential expansion into Strait of Georgia South.

## 10. Reasonable Alternative 4 (3iii)

Expand current escort requirement for laden tank barges and ATBs over 5,000 DWT and oil tankers between 5,000 and 40,000 DWT, while not engaged in bunkering, to the waters of Strait of Georgia South, a corner of Strait of Georgia, and Haro Strait and Boundary Pass. Considerations for this idea included:

- Any BPC expansion of escort requirements to Haro/Boundary would apply within the territorial boundaries of Washington and to the extent provided by law and treaty.
- Escorts in Haro/Boundary would be complex to implement and have transboundary implications.
- The model found Haro/Boundary had the highest risk reduction in oil volume at risk and escort efficiency. Escorts here also have indirect benefits.

## 11. Reasonable Alternative 5 (2ai)

Remove escort requirements in Bellingham Channel and waters east for laden tank barges and ATBs over 5,000 DWT, and oil tankers between 5,000 and 40,000 DWT. Considerations for this idea included:

- Out of the three zones that make up Rosario and connected waters, the Bellingham Channel and waters east zone shows the lowest benefit from escorts.

## 12. Discussion of Reasonable Alternatives

After presenting the 5 alternatives, Jaimie then opened it up for discussion.

*Fred Felleman (Environment/Friends of the Earth) didn't believe he was in the meeting where the conversation of the extension north occurred. He wondered why the boundary didn't go anywhere near Cherry Point, noting that it swings west while the waters where the majority of tank vessels go, to the east, were not included. He asked about all the waters NE of the line in the new expanded Rosario zone. Jaimie invited JD Leahy (Ecology Alternate/BPC) to respond to that inquiry. JD responded that the waters east were included in the zone called the Strait of Georgia. And that the extension into Strait of Georgia South followed the model results, which were not granular but reported in the context of zones. They didn't have a comparable block for the area up to Cherry Point. The reason being that was what the model results suggested. Fred asked for clarification. Jaimie then pulled up the chartlet for reference per JD's request. JD explained that the waterway designated Strait of Georgia South is bounded by dangerous reefs, as Fred has previously pointed out. When exiting the lanes and heading up to the refineries, the area is wider open with multiple anchorage areas, and the assist tugs are waiting for vessels. That was the commonsense piece of the puzzle, not necessarily reflected in the model because the model described the whole Strait of Georgia zone as one area. Fred replied that he had no qualms with the zone itself. He just found it interesting that the Cherry Point area was not considered. Sara added that the Strait of Georgia South zone was added strictly due to high efficiency. Fred then asked for additional clarification about the zones themselves. JD described the boundaries of the zones Strait of Georgia and Strait of Georgia South. Fred expressed continued frustration with the lack of consideration of the area at Cherry Point Refinery.*

*Rein Attemann (Environment Alternate/WEC) asked for additional explanation about why 2ai was reconsidered while acknowledging that it was a conversation with the environment representative that prompted the reconsideration. Jaimie responded they the team had met with Fred Felleman last*

week who championed for this option to come back for consideration. Jaimie asked if Fred wanted to address it. Fred responded that his logic was because it was the area that the model showed had the least amount of benefit. He tried to find an alternative that was the overall least amount of risk but was also the least amount of conflict with fisheries while also taking into account safety. He then suggested eliminating that and Guemes Channel and then all waters east to see the variables. He added that there were “disturbing limitations” in the model that didn’t take into account the geographic specificities of the zones. He also had questions about the determination that there was benefit to escorts in Haro/Boundary. Rein agreed that reducing conflict with Tribal and non-Tribal fisheries was a good direction. He proposed a modification to include the Strait of Georgia South zone while dropping Bellingham Channel and waters east. Fred agreed with Rein.

Jeff Slesinger (Tug Industry/Delphi Maritime) responded that he was taking a holistic view of the model and how it related to the 5 scenarios. The goal was to improve what was already in place, which is a very good and solid day-to-day record of transporting oil in these waters. The prevention would be that low-frequency, high-consequence event. From an operational perspective, where that would occur would be in an area with lots of current, restricted channels, areas where there are rock piles, and go from deep waters to rocks. The zones have some arbitrary boundaries used by the model. He does believe that the likelihood of an issue in the Cherry Point area was very remote and that other areas like Bellingham Channel and waters east was where that event would more likely occur. He encouraged the committee not to get too far in the weeds of the risk model study but to try to connect more with the holistic picture of what was trying to be prevented.

Phil Hunter (Pilot Alternate/Puget Sound Pilots) strongly disagreed with removing the escorts in Bellingham Channel. He stated it was extremely rocky and narrow with a lot of current. As far as Rosario, yes in practice, the tugs are following the vessels to and from the refinery and the bulk is from Rosario to the refinery. He would support including that area. Sara responded that Captain Blair Bouma (Pilot/Puget Sound Pilots) had shared the same sentiment about Bellingham Channel at the last meeting.

Tom Umenhofer (Oil Alternate/WSPA) suggested refocusing on the tasks which were to look at the scenarios not in the context of solutions but as objectives of describing the impacts. The whole purpose of the scenarios was to see what does and doesn’t work. His perspective is that the model team has done a good job. In the EIS process, which he has a long background, it’s good to look at multiple scenarios whether you agree with what they propose them or not.

Fred Felleman (Environment/Friends of the Earth) clarified that he was not recommending the removal, he was recommending the evaluation of removing it. He then asked for the pilot’s opinion regarding removing Guemes Channel. Captain Phil Hunter (Pilot Alternate/Puget Sound Pilots) responded that a lot of times when coming out of Rosario Strait or Guemes Channel, the vessels comes into that area around Anacortes where there could be anchored vessels or oil pumping at the docks. If heading to a refinery, the vessel would have a tug. That was another place where he couldn’t support removing the escort. Fred asked if Phil had a choice between Bellingham and Guemes. Phil reiterated that he would still choose Bellingham to keep escorts. But that Guemes was also a tough choice to remove escorts.

*Sara Thompson (Ecology Alternate/BPC) suggested that it was a good time to go back and get thoughts scenario by scenario.*

### **Reasonable Alternative 1**

*Jeff Slesinger (Tug Industry/Delphi Maritime) asked for clarification on how many alternatives the group was trying to move forward for the recommendation. Sara responded less than five preferably. Or as few as the group feels comfortable with, to utilize resources efficiently.*

*Tom Umenhofer (Oil Alternate/WSPA) reminded everyone that in a process even if the benefit of an alternative may be less, it still needs to be considered to get the big picture for the decision makers.*

*Fred Felleman (Environment/Friends of the Earth) reiterated that Bellingham Channel should be removed to assess the impacts. He was withdrawing his request to include it. Regarding Alternative 1, Fred agreed with keeping this scenario.*

### **Vote: Alternative 1**

**Jeff Slesinger** (Tug Industry/Delphi Maritime) – No – Rationale: *It would be naive to think that there were unlimited resources to assign to all of them. So, he was trying to find ways to reduce the alternatives. He believed the other scenarios would help capture the benefits.*

**Tom Umenhofer** (Oil Alternate/WSPA) – Yes

**Fred Felleman** (Environment/Friends of the Earth) – Yes

**Phil Hunter** (Pilot Alternate/Puget Sound Pilots) – No – Rationale: *It would make no sense to recommend removing all the escorts. Why spend more time on what the benefits would be. It would be a waste of time to consider it as it wouldn't likely be an option.*

**Clyde Halstead** (Tribe/Swinomish) – Yes

*Sara Thompson (Ecology Alternate/BPC) suggested that including Reasonable Alternative 1 would help determine the benefits of escorting. Haley Kennard (Ecology Alternate/BPC) added that her understanding, this was not an “in favor” or “not in favor” decision, but that it would show the benefits. She added that the legislation specifically directed the BPC to look at all.*

*Fred Felleman (Environment/Friends of the Earth) expressed concern that the results of the model were never summarized for consideration. He was looking for relative numbers. Haley responded to remind everyone that the EIS was going to look much more broadly than some of the analysis already considered. It will include oil spill risk, vessel traffic safety, air emissions, etc. Fred reiterated that the question was looking at the trade offs between scenarios. However, in his opinion in order to do that the OTSC needs to know the specific reason for the safety measures in the scenarios. He then went on to say that the information in the risk model that went to the legislature was “completely misleading” adding that the group didn't know that instead of .05% reduction, it was 56% reduction.*

*Jaimie tried to bring the conversation back to Reasonable Alternative 1 adding that Haley's point was important. To assess the benefits of escorts in Rosario, this alternative must be considered.*

### **Reasonable Alternative 2**

*No vote was necessary as this alternative is required by statute.*

### **Reasonable Alternative 3ii**

*Fred Felleman (Environment/Friends of the Earth) asked for the US boundary waters where Boundary Pass meets Strait of Georgia. Phil Hunter (Pilot Alternate/Puget Sound Pilots) responded that it was right in the middle, around Patos Island. If adding the Strait of Georgia, all the waters up to US border would likely be included. Sara Thompson (Ecology Alternate/BPC) mentioned that the BPC decision regarding the Geographic Zones contains all the rationale for the zone boundaries.*

*Laird Hail (Advisor/USCG) renewed his caution that there needed to be a consistent approach between the US and Canada and consideration of unintended consequences. JD responded that this comment was likely about Haro/Boundary. The current scenario under consideration stays away from the Canadian border. Laird agreed.*

*Fred asked if the model looked at both US and Canadian waters. JD responded yes, where the zones included Canadian waters, the model include those. That would include Haro/Boundary.*

### **Vote: Alternative 3ii**

**Jeff Slesinger** (Tug Industry/Delphi Maritime) – Yes – Rationale: for factfinding to balance risk and consequences.

**Fred Felleman** (Environment/Friends of the Earth) – Yes

**Clyde Halstead** (Tribe/Swinomish) – Yes

**Tom Umenhofer** (Oil Industry/WSPA) – Yes

**Phil Hunter** (Pilot Alternate/Puget Sound Pilots) – Yes

### **Reasonable Alternative 3iii**

*Jaimie explained that this alternative would include Haro/Boundary to the above scenario. She reminded everyone to consider Laird's earlier point about transboundary complications. Sara mentioned the prerequisite for escorting in Haro/Boundary, that vessels not inbound or outbound from a US port would require the need for the USCG to consult with Canada.*

*Jeff Slesinger (Tug Industry/Delphi Maritime) asked how the results of the EIS might differ by having Haro & Boundary two zones combined as opposed to separate. Haley Kennard (Ecology Alternate/BPC) responded that she didn't have the answer yet. She was thinking through the different methodologies. She said if there was interest in looking at Haro & Boundary separately, that could be a recommendation for future consideration.*

*Fred Felleman (Environment/Friends of the Earth) stated that the first two scenarios were not add-ons. Alternative 1 was an odd on, the first expansion. He reiterated his concern about the tables of data previously presented, which were outputs from the model. He added that they could be discussed in a better way, such as to go along with each scenario. He did believe the model completely "mischaracterized" Haro/Boundary with high ratings for escorts, which he didn't understand considering the vessel traffic. He would support looking at it in isolation. He concluded that he would not support this alternative.*

*JD Ross Leahy (Ecology Alternate/BPC) responded to Fred's comments about the modeling assumptions in this area. As he had stated earlier, this area in the model zones crosses over into Canadian waters. It didn't take into consideration characteristics of destination or origin. A large*

portion of traffic in Haro Strait is either heading to or from Canada, and as a result, the model likely overstated the risk reduction provided by escorts in that area.

**Vote: Alternative 3iii**

**Fred Felleman** (Environment/Friends of the Earth) – Yes – He changed his vote from “no” after considering the consequences of vessels choosing Haro over Rosario with additional protections in place. But if he had to remove one, he said this would be it.

**Jeff Slesinger** (Tug Industry/Delphi Maritime) – Yes, they should be separate. If a laden tank ship experiences an issue, it’s not going to matter what side of the border they are on. From an EIS standpoint, the border shouldn’t be included. His preference was to keep alternative 3 and 4 with just Haro/Boundary.

**Phil Hunter** (Pilot Alternate/Puget Sound Pilots) – Yes – Rationale: 40k and above are already escorted in this area. There could be a scenario where vessels go this way to avoid an escort. It is also an environmentally sensitive area. He would consolidate 4 to just Haro/Boundary.

**Clyde Halstead** (Tribe/Swinomish) – No – he thought it was important to have Alternative 3 evaluated alone because if the legislature doesn’t want to take up issues with Canada, there would still be a scenario that could be considered. Additionally, he felt like having the EIS cover Haro/Boundary could benefit in conversations with Canada. His preference was to do them together. He said he could support Alternative 4 being just Haro/Boundary.

**Tom Umenhofer** (Oil Industry Alternate/WSPA) – Yes, and separate Haro/Boundary. But he would eliminate this option, if needed.

Haley Kennard (Ecology Alternate/BPC) suggested that the team could work on the best way to propose both alternatives to the Board. Jaimie reminded everyone that the adopted Rule language will have to be reviewed in three years per ESHB 1578.

**Reasonable Alternative 2ai**

**Vote: Alternative 2ai**

**Fred Felleman** (Environment/Friends of the Earth) – No – He stated he was following the pilot’s opinion and not relying on the model results, which he believed were not being responsibly shared with the group. JD Ross Leahy (Ecology Alternate/BPC) responded that Fred’s comment about modeling assumptions was well placed. The model did not consider the bottom characteristics of the waterways. Fred added the probability of hitting the bottom is what was missing from the model.

**Clyde Halstead** (Tribe/Swinomish) – Yes – He wondered how much more input the OTSC would have regarding rule language. Jaimie responded that the committee would be helping to craft the rule language.

**Jeff Slesinger** (Tug Industry/Delphi Maritime) – Yes – He asked for a reminder regarding the EIS study, whether it was also looking at the impact of an oil spill. Haley Kennard (Ecology Alternate/BPC) responded yes. He added that he would vote yes.

**Tom Umenhofer** (Oil Industry Alternate/WSPA) – Yes

**Phil Hunter** (Pilot Alternate/Puget Sound Pilots) – No – He saw no reason to consider this option.

Jaimie Bever confirmed that Reasonable Alternatives 1 and 2 would be recommended to the Board to include in the EIS. Reasonable Alternative 3ii was also a yes. Reasonable Alternative 3iii was a little trickier with interest from the group in Strait of Georgia and focusing on Haro/Boundary as a separate

*alternative. Haley Kennard (Ecology Alternate/BPC) would take Haro/Boundary to team members offline for additional information.*

After a lengthy discussion of all the points of view, Jaimie reminded everyone that ultimately it was the Board's decision. She then shifted gears to Haley's presentation regarding the environmental elements.

### **13. EIS Elements of the Environment**

Haley Kennard (Ecology Alternate/BPC) introduced the second portion of the decision-making being asked of the OTSC to do today, which is what elements of the environment should be included in the EIS scope, for at least a minimal analysis. She added that those who attended the Scoping workshop last week have already seen this slide, which is intended primarily as a reference.

Haley stated that an important piece for the discussion today, is that the EIS is supposed to identify and assess the probable significant adverse impacts to the environment. The agency is specifically directed to narrow the scope of the EIS to just those elements that were likely or reasonably likely to occur, and that pose more than a moderate adverse impact on environmental quality.

The decision for the OTSC today was whether the list of elements to include in the scope meets this threshold and whether anything is missing. She added that methods, process, data inputs, etc. will be handled at a later date. Haley reiterated that the decision today was whether the proposed scope meets this probable significance threshold.

Her plan for this next part of the meeting was to review the list of elements that are currently under consideration, then talk about what was heard at the workshop so that everyone is on the same page, and then move into discussing recommendations. She suggested keeping the initial discussion at a relatively high level. However, if the group wanted more information or a deeper dive on rationale and other comments received, to just let her know as the team is prepared to talk about things in more detail.

### **14. Elements of the Environment Under Consideration**

Haley displayed the of list of elements of the environment currently under consideration, adding that this list is likely familiar to the OTSC by now. This is the initial Determination of Significance list, just broken out with a few more details. These are the elements to be considered today:

- Air Quality
- Plants and Animals (SRKW and marine mammals)
- Underwater Noise/ Operational Noise
- Releases/Spill Risk
- Transportation/Vessel Traffic
- Treaty Fishing, Tribal Resources
- Water Quality
- Energy and Natural Resources
- Light and Glare
- Aesthetics
- Recreation
- Historic and Cultural Resources (Other)



## 15. Early Focus of EIS Scoping Comments

Haley reminded the group that the comments received initially focused on six primary themes: **SRKW and marine mammals, underwater and operational noise, air emissions, vessel traffic, oil spill risk, and treaty fishing impacts and tribal resources** more broadly. Based on the high level of interest in these topics as well as additional research and the legislative direction, the SEPA team believes that these elements could experience probable significant adverse impacts and should be assessed through the EIS. They also think it makes sense to include several additional elements based on the team's research and comments received at the workshop.

## 16. Scoping Workshop: Additional Feedback

Haley recognized that not everyone was able to attend the Scoping Workshop and provided a short overview of what was heard. Most of the discussion at the workshop was focused on the elements that had not been prioritized so far.

- Water Quality: Consider NPDES/VIDA-associated discharge (hydraulic fluid spills, effluent, deck runoff, grey water discharge). Poll results support analysis.
  - For water quality, Haley said she heard that the team should be considering several types of potential incidental discharge. They conducted a short poll during the workshop. There were only 10 people actually voting, so it was more of an interesting temperature check, rather than a reliable or statistically significant data source. The poll results from the workshop support inclusion in the EIS, as does the review of how other similar EISs treated this topic. The team's recommendation to the OTSC was to include this in the EIS
- Energy and Natural Resources: Fuel use increases between 2019 – 2020, but not a hugely significant change from baseline. These considerations are more important when towing. Consider also alternative fuel use. Poll results support analysis.
  - For energy and natural resources (which is primarily about changes in demand for fuel or energy at a statewide/system level), the team heard that although fuel use did increase with the implementation of the 2020 rule, it was not a significant change. They were also asked to consider how the transition to alternative fuels could interact with the rule. The poll results from the workshop support inclusion in the EIS, as does the team's review of how other similar EISs treated this topic. The recommendation to the OTSC is to include this in the EIS.
- Light and Glare: Check with USCG on locations/frequency of complaints from residents. From tug operators: complaints are more frequent in smaller/more unusual anchoring zones (Blake Island, Indianola), where tugs will anchor to do maintenance (which can be loud). Poll results support analysis.
  - For light, glare, and aesthetics, the team heard that these types of complaints are more frequent at smaller/more unusual anchoring zones. They also heard a recommendation to check with the Coast Guard on the locations and frequency of complaints from residents on light (as well as noise) as part of the analysis. The poll results from the workshop were more mixed on this one, but the review of how other similar EISs treated this topic supports including it and conducting at least a high-level analysis. The team's recommendation to the OTSC is to include this in the EIS.

## 17. Scoping Workshop: Additional Feedback Cont'd

- Noise: Important to consider ambient/above ground operational, maintenance, and safety-related noise (generators, foghorns, engines, maintenance work). Comments both about noise being additive and about masking effects, indicating the need for detailed assessment of this topic.
  - For noise, the team talked about the importance of including ambient and operational noise in the analysis as well as underwater noise, and discussed different sources of operational noise, some of which are safety-related/unavoidable. They also had some additional discussion about underwater noise dynamics, which underscored the need for a focused and thorough assessment in the EIS. The poll results from the workshop support inclusion in the EIS, as does the review of other examples. The team's recommendation is to include noise in the EIS.
- Recreation: No comments, but poll results support some level of analysis.
  - For recreation, the team didn't receive many comments at the workshop and the poll results were somewhat mixed. Based on the review of other similar EISs, most of them did include recreation and some of them even found significant impacts related to recreation, so the team is recommending erring on the side of including it for at least a high-level analysis in the EIS. They also think it would be helpful to do some additional targeted outreach to recreational users on this process because the lack of focus on this could be more related to lack of engagement rather than lack of potential impact, just given the high level and diversity of recreational use in the study area.
- Non-Tribal Historic/Cultural Resources: No comments, but poll results do NOT support analysis. We have reviewed maps and don't believe that these resources are at significant risk.
  - For Non-Tribal Historic/Cultural Resources, the workshop participants didn't have much to say on this and the team hasn't received any comments indicating that this was a priority. The poll results from the workshop do not support including this. The team also reviewed some maps and looked at example EISs and are recommending removing this from consideration in the EIS. The team will of course retain a Tribal Resources section, the contents and scope of which will be determined in coordination with interested Tribes.
- Other/General: Process questions about how/where in the rulemaking process benefits of tug escorts will be captured to support decision-making. Nuance is needed across the EIS in considering when impacts are additive or not, when tugs are escorting or not, need to recognize the complexity of this system. Importance of experts to complement model results.
  - And then finally, the team had some discussion about process and what documents and information will inform rulemaking decisions. They also talked about the need for nuance in considering where impacts are additive or not and how impacts may change based on whether a tug is actively escorting or transiting alone. The team also talked about the importance of the experts with lived professional experience on the water and/or doing these operations in complementing modeling and analysis results. They have documented both of these perspectives. If the OTSC has any references, the team will make sure those are included in the analysis. This preliminary scoping decision isn't getting into what the assessment may or may not conclude about

underwater noise impacts. Haley added that she was hearing that there was a need to look at this in detail and consider literature on the masking effect and constructive interference.

## **18. Discussion Elements of the Environment to include in EIS Scope**

Haley reported that this was the end of her comments and display a summary of the team's recommendation to the OTSC based on comments received so far and our preliminary research. She then opened the discussion.

*Tom Umenhofer (Oil Industry Alternate/WSPA) thanked Haley for the presentation. He asked about the resources available to complete the proposed list of elements. Haley answered that agency guidance did not recommend equal analysis of each element. The team would be coming back to the OTSC in the future with proposed methodologies for each element to get feedback. They are thinking about resource constraints and which to prioritize.*

*Fred Felleman (Environment/Friends of the Earth) mentioned that the already identified items were important but did not see value in the additional feedback from the scoping workshop.*

*Jim Peschel (Tug Industry Alternate/Vane Brothers) thanked Haley for capturing some of the items he had brought up at the scoping workshop. He asked if oil spill risk included escort tugs spilling oil while fueling. And he asked JD regarding probability, if that included the tug pulling the barge or the just the barge itself. JD responded that they did not include potential outflow from tug fuel tanks, the model only addressed oil outflow from the towed barge that might result from drift groundings.*

*Clyde Halstead (Tribe/Swinomish) liked the list and had no other comments.*

*Laird Hail (Advisor/USCG) didn't think light and glare were necessary when talking about escorts. Yes, if talking about anchorages, but he didn't see any impact with tugs. He suggested separating underwater noise from other noise. Jim Peschel responded that the feedback they had received regarding light and glare was mostly while tugs were waiting for their vessels, not while in the process of escorting.*

*Fred Felleman (Environment/Friends of the Earth) signed off by saying that the vessel traffic consideration was very important. He wanted to point out that the whole study was limited in scope to drift grounding, which he found to be an inappropriate limitation of the study. He added that he had shared a pilotage report from Canada outlining the following statements:*

*“unescorted ships must sail fast enough to be able to steer effectively with their rudder. In maritime environments characterized by rocky bottoms and coastlines, the speed necessary may also be too fast for a double hull to provide effective protection. Escort tugs can help maneuver a vessel with a high degree of precision at lower speeds...According to the international consultancy...the two greatest risks of a vessel in port or other restricted areas are power groundings and collisions. As shown in this exhibit, together these two categories account for more than 90% of all accidents likely to infer in port channels and approaches.”*

*Haley acknowledged receipt of the Canadian study. She added that the great thing about the EIS was that they are not limited by the parameters of the risk model, which focused on drift groundings. They will be considering references received and conducting new analysis. If folks have concerns or ideas about*

*methods, those conversations will be happening going forward. Jaimie reminded everyone about the multiple inputs that will go into the rulemaking.*

*Tom Umenhofer (Oil Industry Alternate/WSPA) agreed with the list as presented.*

*Phil Hunter (Pilot Alternate/Puget Sound Pilots) agreed with the list.*

### **19. Next Step and Wrap Up**

Jaimie asked if the group wanted to circle back to the decision from the first part of the meeting. Sara provided a recap of the votes. The final recommendation will be presented the Board during their March 21 Regular Public Meeting. The Board decision was posted on the BPC website at <https://pilotage.wa.gov/oil-transportation-safety.html>.

The Next OTSC: June 5 and 18 – discuss functional and operational requirements (July or Aug board discussion/vote).

Jaimie thanked everyone for their time and input.

The meeting adjourned at 12pm.



STATE OF WASHINGTON  
**BOARD OF PILOTAGE COMMISSIONERS**

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**Meeting Minutes – Oil Transportation Safety Committee (OTSC)**

May 15, 2024, 10:00am – 12:00pm

Via MS Teams

**Attendees:**

Jaimie Bever (Chair/BPC), Brian Kirk (Ecology Alternate/BPC), Adam Byrd (Ecology Alternate/BPC), Haley Kennard (Ecology Alternate/BPC), Angela Zeigenfuse (Ecology Alternate/BPC), Brittany Flittner (Ecology Alternate/BPC), Laurie Wood (Ecology Alternate/BPC), Blair Bouma, (Pilot/PSP), Clyde Halstead (Tribal Government/Swinomish), Brian Porter (Tribal Government/Swinomish), Rein Attemann (Environment Alternate/WEC), Jason Hamilton (Commissioner/BPC), Tim Johnson (Oil Industry Alternate/WSPA)

**1. Welcome & 2/28 Meeting Minutes**

Jaimie Bever (OTSC Chair/BPC) welcomed everyone to the meeting. She informed the group that she would be finalizing the minutes from the 2/28 meeting within a few days to let her know if there were any requested revisions. The minutes for the 3/11 and today's meetings will be finalized at the June 5 OTSC meeting and provided to the Board at the June 20 Regular Public Meeting as well as being posted on the BPC website.

**2. Reminders & Meeting Logistics**

As this meeting was virtual only, Jaimie reminded everyone of the Team's functions for raising hands and provided comments.

**3. Meeting Objectives**

Jaimie then reviewed the objectives for the meeting, which were to:

- Share the preliminary scoping decision from BPC,
- Dig into readily available information on the geographic scope of the proposed alternatives to:
  - Inform method of analysis for EIS.
  - Develop a shared understanding of the alternatives area, and
- Announce upcoming workshops.

**4. Roles and Responsibilities**

Jaimie then handed the presentation over to Haley Kennard (Ecology Alternate/BPC) who reviewed the roles and responsibilities for each agency:

- BPC – Outreach lead, government-to-government consultation, final decision on tug escort requirements, and
- Ecology – Rulemaking process, technical expertise, regulatory analyses – Administrative Procedures Act, State Environmental Policy Act, Regulatory Fairness Act.

## 5. Rulemaking Overview (ESHB 1578)

- Vessel Types: The BPC, in consultation with Ecology, must adopt tug escorts rules for the following vessels:
  - Small (5,000 – 40,000 dwt) oil tankers, and
  - ATBs, and towed barges greater than 5,000 dwt designed to transport oil in bulk internal to the hull.

Haley reminded everyone that the 2019 legislature passed The Reducing Threats to Southern Resident Killer Whales by Improving the Safety of Oil Transportation Act, Engrossed Substitute House Bill (ESHB) 1578. The Act provides a measured approach to preventing a catastrophic oil spill in the Puget Sound by closing important safety gaps related to vessels carrying oil in bulk. Among other requirements, it directs the Department of Ecology’s Spills Program to assist the Board of Pilotage Commissioners (BPC) in developing rules for tug escorts in the Puget Sound. Specifically, the BPC, in consultation with Ecology, is to adopt tug escort rules for oil tankers (between 5,000 and 40,000 dwt), and ATBs and tank barges over 5,000 dwt. For simplicity in the presentation, Haley will be referring to this group of vessels as the target vessels for the rulemaking.

## 6. Geographic Scope

ESHB 1578 directs BPC and Ecology to consider these rules within this specific geographic scope, which is East of the line extending from Discovery Island light south to New Dungeness light and all points in the Puget Sound area. The slide showed a map of the BPC Geographic Zones that were defined under an earlier provision of the implementation of the bill. She added that the rulemaking is only considering changes within this geographic scope.

## 7. Rulemaking Overview

ESHB 1578 gave BPC and Ecology a lot of flexibility in their options for developing new tug escort rules. The adopted rules will specify operational and functional requirements. The adopted rules could also:

- Establish new escort requirements for the target vessels,
- Adjust escort requirements implemented by ESHB 1578 for Rosario and waters east,
- Suspend the existing escort requirements for Rosario and waters east, or
- Determine that no change from the current requirements is needed.

Haley mentioned that the group will see this reflected in the BPC preliminary alternatives later in the meeting.

## 8. Rulemaking Objective for Use in SEPA

The team was summarizing all this information for use in the SEPA analysis, which was the main focus of the workshop. The rulemaking objective is to reduce the risk of a major oil spill through potential tug escort requirements for oil tankers 5-40,000 DWT and barge and ATBs over 5,000 DWT. The objective is also to design the rules in a way that minimizes underwater noise, focuses vessel traffic into the existing traffic lanes, and minimizes impact to treaty fishing areas. Haley reminded everyone that this

language came directly from the legislation.

## **9. EIS Process**

Haley then presented a slide which showed an overview of the EIS process. She added that the team had finalized the scoping process and were now working on the development of the draft EIS.

## **10. Rulemaking and EIS Happen Concurrently**

As a reminder, Haley presented the rulemaking and EIS timeline. She pointed out that it was important to note that these processes were happening concurrently. The intent was for the EIS to help inform rulemaking decisions.

## **11. BPC Preliminary Scoping Decision**

Haley then invited Jaimie back to talk about the BPC's preliminary scoping decision.

## **12. BPC March Meeting**

Jaimie Bever (OTSC Chair/BPC) reported that the BPC met for their regular public meeting on March 21 where they considered the OTSC's recommendations on preliminary EIS alternatives and scope. The BPC selected 3 alternatives for assessment in the EIS and made no changes to the OTSC's recommended elements of the environment to include.

## **13. Identification and Selection of Alternatives**

Jaimie explained that the model results were used to identify potential alternatives. She reminded the OTSC that they considered direct and indirect benefits, and tug escort efficiency. Other factors (pilot experience, knowledge of the water, and other sources, etc.) were used to select among potential alternatives suggested by the model results. She added that the team anticipated returning to the modeling results and/or modeling new scenarios as the EIS is developed.

Jaimie then reviewed each of the OTSC's recommendations considered by the BPC.

## **14. Alternative 1 (Pre-2020)**

Remove 2020 escort requirements for Rosario Strait and connected waters east. Rationale: will help understand benefits of the 2020 rule, ESHB 1578 explicitly allows for removal, and may reduce underwater noise, vessel traffic, etc.

Jaimie reported that the BPC chose Alternative 1 to include in the analysis.

## **15. Alternative 2 (No Action)**

Maintain 2020 requirement for Rosario and waters east (no change). Rationale: No action alternative is required under SEPA.

Jaimie reported that Alternative 2 would be included in the analysis.

## **16. Alternative 3 (Expansion)**

Expand 2020 escort requirements to Strait of Georgia South zone and corner of Strait of Georgia zone. Rationale: The model showed high escort efficiency, OTSC pilot representative agreed that characteristics of this zone make it a good candidate for escort requirement, and adjacency to current escort area making it straightforward to implement.

Jaimie reported that the BPC chose Alternative 3 to include in the analysis.

## **17. Chartlet**

Jaimie then showed a close up chartlet of the expansion into Strait of Georgia South for clarity.

## **18. Alternative 4 (Haro/Boundary)**

Expand 2020 escort requirements to Haro Strait and Boundary Pass. Rationale: Implementation and authority concerns, concerns about attempts to avoid the escort requirement, and navigational safety.

Jaimie reported that the BPC chose not to include Alternative 3 in the analysis. However, they want this alternative to be reconsidered as a part of the 2028 rule review.

## **19. Alternative 5 (Partial Removal)**

Remove 2020 escort requirements in Bellingham Channel and Waters East zone. Rationale: pilots emphasized dangerous nature of this zone (high currents, rocky, curvy, and dangerous).

## **20. Preliminary Alternative Summary**

Jaimie then displayed the three Preliminary Alternatives maps.

## **21. BPC Vote: Elements of the Environment**

Jaimie reported that the OTSC's recommendation for Elements of the Environment were approved by the BPC. Those elements can be found on the BPC website at <https://pilotage.wa.gov/oil-transportation-safety.html>. She pointed out that the BPC showed support of focus on environmental justice, which will be integrated throughout the elements. Haley added that it was later decided that Environmental Justice would also have its own summary chapter, making it easier to find.

## **22. Questions**

Jaimie paused for questions about the voting process, preliminary alternatives to be assessed, or the preliminary list of elements of the environment to be assessed.

*Captain Blair Bouma (Pilot/Puget Sound Pilots) confirmed with the team that Haro/Boundary was not going to be considered in the EIS at this time. He also asked for a definition of "environmental justice" as it pertained to this rulemaking. Haley responded that the focus of environmental justice in the analysis was something that Ecology considers as best practice in all their EISs. It will look at whether the rule would affect people disproportionately impacted by environmental stressors already or communities who are already overburdened. There are state and federal tools that the team will be using for this part of the assessment.*

Jaimie then handed the presentation back to Haley.



### **23. Next Steps: Finalizing Scope**

Haley reported that the team was working on a scoping summary report, which had already been sent out to the OTSC. She cautioned that it was a summary only and not a required process document. Any comments received on the report would be considered in the development of the Draft EIS.

### **24. Geographic Scope and Methods Development**

Next Haley reported that she would be switching gears to talk about the next step in the process, defining the methods for the EIS assessments. Because many of the OTSC members were able to attend the stakeholder workshop and/or the Tribal Government workshop, she suggested focusing on sharing out the comments received so far on the methods development. The team held a Tribal Government workshop on May 14th. She added that one of the benefits of shifting the OTSC meeting to last in the series was being able to share relevant comments from the stakeholder and Tribal Government workshops with the committee.

### **25. Goals for this Part of the Workshop**

The goals with this portion of the workshop were to share what the team has heard about priorities for methods as well as knowledge of this specific area. Any additional input the OTSC may have will also be helpful.

### **26. OTSC Input**

Haley presented the questions posed at the stakeholder and Tribal Government workshops. She added that the team was also looking for OTSC input on several key questions today:

- What information do YOU want to better understand the potential impacts of this rulemaking? What questions do you have that you want the EIS to answer?
- We know many of you live and work and play in this area. You have local knowledge and lived professional experience that might not be included in the immediately available data sources or obvious to us as agency staff working out of Olympia. Are there things you want to make sure we're aware of as we're designing our analysis approach?
- And then other input on methods that you might have? Specific analyses, impacts or indicators that you want included, etc.

### **27. Next Step: Methodology Development**

Haley reported that the team had just wrapped up the scoping phase, which was focused on figuring out WHAT needs to be analyzed. The next phase is figuring out HOW to analyze it. She said the team would be pulling these together based on subject matter expertise, best practices and standard methodologies, literature review, review of other EIS methods, as well as OTSC input at this meeting and throughout the process. The team was in the early stages of working on this now and it will be the focus of an upcoming workshop. She added that the meeting was an informal opportunity to help shape these documents at this very early stage, and an opportunity to learn about what's coming next.

### **28. Content of Methodology Memos**

Haley then introduced some of the elements being considered in developing methodology documents: description of study area, sub-elements to be analyzed, available references and data, methods of analysis, impact indicators and thresholds, approach to identifying mitigation, and relevant scoping comments.

She asked if there were any questions about what she had just covered.

*Regarding the process, Rein Attemann (Environment Alternate/WEC) wondered when reports or studies around specific issues should be shared with team. Haley responded that they can be sent in any time. They are being tracked and documented.*

## **29. Focus for Today**

Haley presented a slide with a table of the various elements, their priority, and data sources. She explained that for many of the other sections, the team had reference maps they were going to show to support some brainstorming about methods. She said that the reference slide primarily outlines where the information being discussed today comes from should OTSC members want to check it out for themselves. She added that they wouldn't be covering every element today, but if the OTSC had pressing comments on topics that weren't in the table, the team would be happy to take them and that there may be time for discussion at the end of the maps. She also wanted to be clear that the methodological approaches are going to be based in the literature, subject matter expertise, established methodology, available data, etc. The team wants early input as well and will consider it, but this was intended to be informal and iterative. The team may not be able to incorporate all comments received today into the memos but will try to be responsive at the methodology-focused workshop about how and why input was incorporated or not.

## **30. Reminder**

Haley issued a reminder that the SEPA process was focused on documenting adverse impacts to the environment resulting from the proposed changes to the tug escort rules as described in the alternatives. The team is focusing on figuring out how to document/assess what is changing in relation to the baseline. SEPA was just one source of information that the rule team would consider in developing final rule language. The maps were intended to be REPRESENTATIVE ONLY. They are conversation starters and brainstorming tools. They are not indicative of analysis or results or that something will or will not be in the EIS. They were intended to spark discussion ONLY. Finally, for those who attended a previous workshop, they switched to the zoom whiteboard feature at this point in the meeting. Because the OTSC was a smaller group and was using MS Teams, she would just walk through the maps one by one. She will share comments heard so far and pausing for any additional comments. She added that the OTSC should feel free to also put notes in the comments, as they would be recorded.

*Tim Johnson (Oil Industry Alternate/WSPA) was noticing the data sources and looking through the reports. For the vessel traffic, it references the 2021 Vessel Traffic Synopsis. He suggested the Synopsis of Changing Vessel Traffic Trends as a better comparison. The other source he recommended was Ecology's report of Vessel Traffic and Vessel Traffic Safety, which gives a lot of good information about traffic and oil spills. Haley responded that those were on the larger reference list. She thanked him for the reminder.*

## **31. Priority Element: Vessel Traffic (Escort Tugs)**

Haley wanted to recognize that all the areas shown in the map are the Usual and Accustomed fishing areas (U&A) of one or more Tribes. The maps didn't show that, which was an oversight that the team will be sure to correct going forward.

Haley then introduced vessel traffic as a priority element that the BPC wants to see assessed. She displayed a map of assist and escort tug traffic from 2023, which was a heat map generated from AIS data. It showed operating minutes.

She then outlined comments from previous workshops:

- data needed on what tugs do when not in service,
- it will be hard to predict how tugs will be scheduled coming back from or going to a job,
- pilots are not in control of when ships are coming and going,
- communications include the terminal, vessel, pilots,
- location of tugs isn't factored in,
- there aren't many tugs just sitting around as there is not a huge fleet,
- pilots are a good source of information for fleshing this section out, and
- differentiate between vessels actively escorting and not escorting.

### **32. Priority Element: Vessel Traffic (Escort Tugs) Cont'd**

Haley acknowledged that the committee was familiar with the model results and the analyses that were conducted in the report based on those results. She anticipated the team continuing to use the existing risk model in developing this EIS, as data can be queried in different ways and new analyses ran. She presented a list of things that the model can report about adding or subtracting tug escorts from the system: relative frequency of escort incidents: collisions, allisions, loss of propulsion, etc., escort tug hazard rates, results by alternatives, changes in underway time, and transits.

### **33. Priority Element: Oil Spill Risk**

Again, the team anticipates continuing to use existing model in analyzing oil spill risk. Haley displayed some things the model can share about oil spill risk, for tug escorts: hazard incident frequency – collisions, allisions, loss of propulsion, etc., and hazard rates from escort tugs. And for target vessels: drift grounding frequency, oil volume at risk, oil outflow, results by zone or alternative, results by vessel type, and map of drift grounding locations for target vessels.

Previous workshop comments included:

- Consider spill trajectory maps,
- Major risk of spill happens with vessels that are moored, and
- Need to consider improvements made by industry and the agencies over the years.

*Rein Attemann (Environment Alternate/WEC) asked about considering spill trajectory maps. He believed that several years ago, Ecology had an online model that the public could use to map out oil spills using different inputs. He wondered if something like that would be helpful again. Haley suggested that it may have been a NOAA tool. Adam Byrd (Ecology Alternate/BPC) added that it was probably the NOAA tool called GNOME. He said that Ecology utilizes NOAAs modeling for trajectory results. Rein suggested including that model as an option going forward. Haley agreed and thanked Rein for flagging it.*

### **34. Priority Element: Plants and Animals**

The 'plants and animals' element is quite broad obviously and will be cross-referenced with the other elements (oil spill risk, water quality, etc.). The analysis will look at T&E species, species of interest, and habitats. The focus maps for today's meeting are:

- SRKW: they're in the legislation, most of your comments so far have focused on SRKW impacts for this section. This is sightings data from 1990-2022 and critical habitat designation (specifically summer core): both from NOAA website.
- Dungeness crab: commercially important
- Seabirds: Other protected species

Previous workshop comments included:

- Mechanics of underwater noise needs to be studied (planned),
- Consider also physical disturbance to SRKW at scale of new tug escorts, and
- Need to know how many additional tugs would be added to the system.

### **35. Priority Element: Plants and Animals – Crab**

Haley showed a map of the Dungeness crab distribution within the study area (WDFW priority habitats).

### **36. Priority Element: Plants and Animals – Seabird Colonies**

She then displayed a map from the 1969 inventory of seabird colonies in Puget Sound.

### **37. Priority Element: Air Quality**

Air quality was another priority element that the BPC identified. The team started looking at state resources on existing air quality and pollution. Haley displayed data from the DOH Environmental Health Disparities Map. She explained that the darker colors indicated higher relative values. This layer was showing relative concentration of diesel exhaust particulate matter emissions.

Previous workshop comments included:

- Include air emissions over water (this can be done, it's a visualization change, also dispersion modeling planned),
- Consider air emissions outside of the study area,
- Don't use COVID years in determining air emissions, other impacts (anomalous), and
- There are no standing air emissions monitoring in San Juan County.

*Blair Bouma (Pilot/Puget Sound Pilots) wondered if there had been any discussion on incentivizing cleaner technology on tugboats. He acknowledged that it would take regulatory action. He added that other states have higher emissions standards than Washington. Haley responded that for the purposes of the EIS the only place she could see talking about that would be in the mitigation discussion. Jaimie added there had been conversations at the BPC level regarding electric tug technology. The question of BPC jurisdiction and authority would need to be explored further.*

*Rein Attemann (Environment Alternate/WEC) added that it would be good to know the emissions standards for the different tugs and then to figure out the cumulative impact of all the tugs. Then look at the overall impact to air quality. Just getting a grasp of what the fleet does produce in a given month or year would be helpful.*

### **38. Priority Element: Air Quality**

To support air quality analyses, but also other impacts (noise, light and glare, etc.), the team is looking at compiling sensitive populations datapoints. These are things like schools, daycares and childcare,

medical facilities, eldercare, military, etc. that are particularly sensitive.

Previous workshop comments included:

- Consider also: remote campers in San Juan Islands (Patos, Sucia, etc.) and state parks who can't shelter in place,
- A hospital in Anacortes was not showing up on this map, and
- DOH Environmental Health Disparities (EHD) Map: some tribal concerns are left off this, so it may not be the best information source.

### **39. Element to Assess: Recreation**

Even though it wasn't a priority item, the team is including recreation because the data is accessible and because the team has received some questions about other uses of this area (besides commercial vessel traffic) as well as specifically about fixed gear recreational fishing. The map on the slide showed WDFW recreational fishing use areas as well as recreational shellfish beaches.

Previous workshop comments included:

- Add in-water fishing, not just shore-based, and
- Consider including commercial shellfish areas.

### **40. Element to Assess: Light, Glare, Aesthetics (+Others)**

Light, glare, and aesthetics was another one that isn't a priority, but the team wanted to address. Haley displayed an anchorage map due to a handful of comments received about vessel behavior at anchorages being a concern for light and glare, but also for other elements: noise, crowding, fishing interactions.

Previous workshop comments included:

- Additional tugs may have impacts outside the study area (PA, Everett) where they are loitering, and
- Does this map include additional tugs loitering? Or just where vessels anchor now?

*Rein Attemann (Environment Alternate/WEC) shared that his personal view was that this element was not very important to consider. If it was included it should be targeted to the regions that are being analyzed. Haley acknowledged that light and glare wasn't identified by the OTSC or BPC as a priority item, but that it should still be included in the EIS for a high-level assessment.*

*Blair Bouma (Pilot/Puget Sound Pilots) added that light and glare was an issue, especially in other anchorage areas. However, it didn't really relate to the charge of the committee or tug escorts. Tugs are usually moving and don't have a large amount of light. It was more of an issue at anchor with deck lights. Jaimie asked Blair about when tugs were sitting and waiting for a job. Blair said it was possible, but that they just didn't produce a lot of light and the lights are not bright. He mentioned a letter from the USCG the pilots give to every vessel when they anchor explaining that the USCG understands the needs for lights on the vessel but directs them to not to use flood lights. He will provide the letter to Jaimie for the team to reference. The letter directs the use of house lights and hatch lights, lights that don't shine outward. He said that most of the noise complaints the pilots get were from vessels doing maintenance in the middle of the night. He reiterated that he believed this should have minimal*

*consideration. Rein concurred with Blair, that while this was an issue, it was not relevant to this particular process. Haley responded that this was a helpful conversation.*

#### **41. Integrated Throughout: Environmental Justice**

The last map Haley showed was the Environmental Justice map, also from the DOH Environmental Health Disparities map. She reminded the group that environmental justice will be incorporated throughout the EIS. It will also have its own summary chapter. The map showed combined socioeconomic layers. There are also environmental exposure layers like the one included for air quality.

Previous workshop comments included:

- Lower than it should be for Swinomish Reservation areas. Concentration of refineries in this area has an outsize impact on Swinomish, which is not reflected here, and
- Environmental justice concerns should include recent spill/hazmat events (train derailments, pipeline spills).

#### **42. Map Brainstorm**

Haley thanked everyone and opened it up for additional discussion.

#### **43. Discussion Questions for the Group to Consider**

What information do YOU want to better understand potential impacts of this rulemaking?

What do you want us to know about this specific place and resources as we define our methodological approach?

What other information is important to you as we're defining methods for analysis?

*Jason Hamilton (Commissioner/BPC) asked for additional clarification regarding environmental justice. When asking for input, he emphasized the importance of outreach to get the right people at the table. Haley agreed and added the team had recently met with Ecology's leadership on Equity and Environmental Justice. They provided many resources and a prescribed methodology that the team will likely adopt, as well as outreach recommendations.*

*Rein Attemann (Environment Alternate/WEC) acknowledged that Ecology has their consultation process with Tribes. He then asked if tribal treaty obligations will be discussed and analyzed in this process. To him, honoring tribal treaties is a part of Environment Justice. Haley said there will be a tribal resources chapter. Her approach would be to defer to the tribes that are engaged themselves to see if they had a preference as to where they want to be documented. She will continue to have conversations and make sure that information from tribal governments is included in a way that reflects the priorities and preferences of individual tribal governments.*

*Blair Bouma (Pilot/Puget Sound Pilots) stated that he couldn't imagine any other conclusions than this region was unbelievably precious and valuable. He asked about the next step in determining the value of the different options and the actual rule writing. Haley said the methods were being defined: what will be in the analysis and in the draft EIS. Early this summer/July August (tentative) once agreed and approved internally, start technical analyses, which will become the draft EIS. As soon as complete and reviewed they will be shared with OTSC to help inform rule development. Finalizing rule language in January 2025 tentatively and the filing of the CR102 in July.*

#### **44. Next Steps, Upcoming Workshops**

6/5 & 6/18 - OTSC Meetings: Operational/ Functional Requirements

Workshop #8: EIS Methodology, Economic Analysis Overview

Stakeholder Workshop: 7/10/24

Tribal Government Only Workshop: 7/16/24

OTSC Meeting: 7/17/24

*Jaimie announced that for the upcoming June OTSC meetings, the team is looking for recommendations from OTSC members on subject matter experts the team could invite to help with the technical discussions planned, particularly regarding tug escort operations from the escort and the escorted vessel perspective. She asked that recommendations be sent to her by Friday May 24<sup>th</sup>.*

#### **45. Final Comments or Questions**

There were none.

Meeting adjourned at 11am.