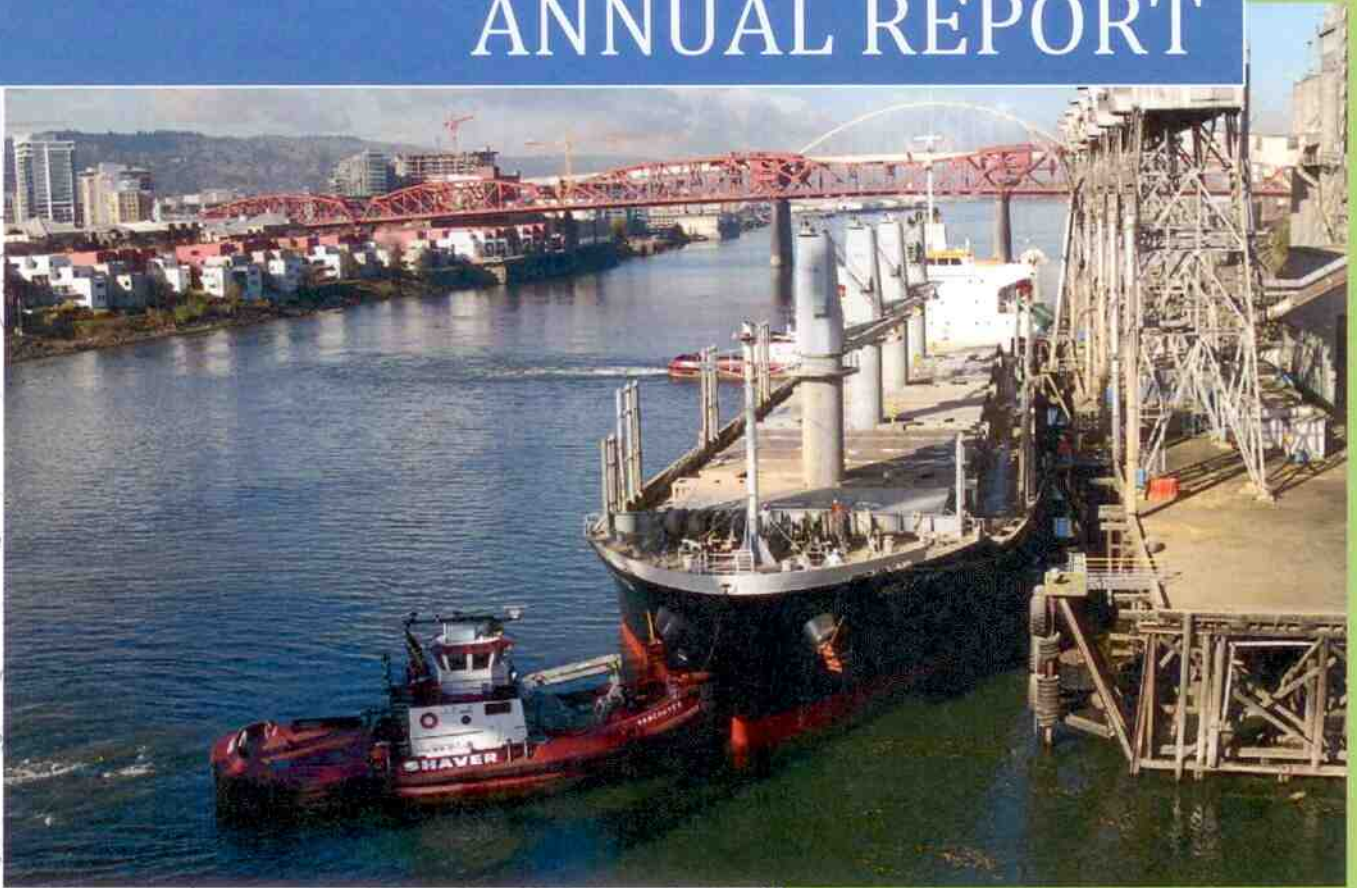


Fiscal Year 2009-2010

ANNUAL REPORT



Board of Maritime Pilots



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Board of Maritime Pilots
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Pilots are essential to Oregon's maritime commerce. They are navigational and ship handling experts who direct the transit of vessels calling on the ports of Coos Bay, Yaquina Bay, Astoria, Kalama, Longview, Vancouver, and Portland. Their functions have been regulated since 1846, making the Board of Maritime Pilots one of the oldest state agencies in Oregon, even preceding statehood.

Pilots have special knowledge of local conditions including winds, weather, tide, current and geography, and using aids to navigation, guide ships to avoid conflicting marine traffic, congested fishing fleets, reefs, outlying shoals and other hazards to shipping. Pilots are independent contractors, but act as quasi-public servants to preserve public safety.

The Columbia River bar has a reputation as one of the most hazardous bars in the world. The Columbia and Willamette River transit is long, winding and shallow in relation to the size of ships and the volume of traffic over 85 nautical miles and more than 80 charted course changes. The Coos/Yaquina Bay bars have the combined elements of both a breaking bar and a confined waterway.

The Board of Maritime Pilots licenses and regulates the pilots serving Oregon's designated pilotage grounds. All of the nation's maritime states have similar regulatory boards. The Board's major responsibilities include establishing license qualifications and training standards, setting rates for pilot service, and investigating maritime incidents.

BOARD MEMBERS

Public:

Kim Duncan, Chair
Term: 6/01/07-5/31/11

Tom Markgraf, Vice Chair
Term: 2/18/08-2/17/12

Mindy Ferris
Term: 3/24/09-3/23/13

Industry:

Amer Badawi
Term: 4/15/08-4/14/12

Andy Papachristopoulos
Term: 10/01/10-9/30/14

Jeff Krug
Term: 4/10/10-4/09/14

Pilot:

Capt. Anne McIntyre
Term: 4/10/10-4/09/14

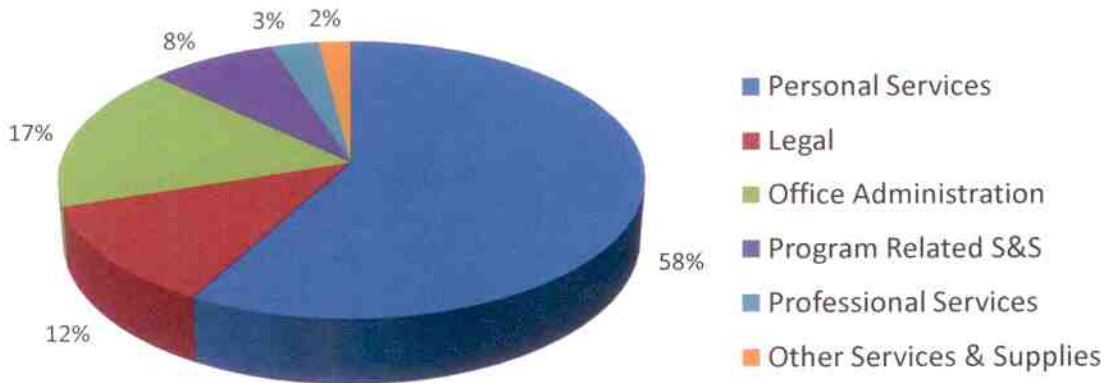
Capt. Thron Riggs
Term: 9/27/08-9/26/12

Capt. Charles Yates
Term: 6/01/07-5/31/11

Legal Counsel: David Hatton, Assistant Attorney General since 2002

Staff: Susan Johnson, Administrator since 1993

2009-11 BUDGET



2009-2011 Budget: \$303,308

REVENUE

The Board's sole source of revenue derives from the annual license fees paid by the pilots. The current annual license fee is \$2,682.00 per pilot. License fees can be altered only by legislative action although they are subject to automatic COLA adjustments.

EXPENSES

The major variable in Board expenses is legal costs. Legal services are provided by the Attorney General's staff. Legal expenses reflect the complexity of work before the Board and vary year to year.

BOARD ACTIVITY SUMMARY



Rate-making

- Conducted eight mediation meetings prior to petitions filed for changes in pilotage rates.
- Concluded two rate hearings and adopted new rate orders for the Columbia River Bar and the Columbia & Willamette River pilotage grounds.
- Published eight tariff adjustments.

Licensing

- Conducted two license examinations, and processed six license upgrades and 65 license renewals.
- Adopted a provisional licensing rule to allow waiver of a current federal license because of federal processing delays.
- Updated continuing professional development requirements

Administrative

- Conducted nine Board meetings
- Conducted five committee meetings; completed work and retired three committees and formed three new committees.
- Updated and improved the content of the Board's website.
- Established meaningful internal performance measures

Safety

- Contracted services for independent investigators and produced an incident investigation resource manual.
- Investigated and filed one incident report.
- Approved a legislative concept to redefine the statutory pilotage ground boundaries in latitudes and longitudes.

The Board developed internal performance measures and adopted them in September 2009. The first full report on these measures will be part of the FY 2010-2011 annual report.

1. The Oregon Board of Maritime Pilots will provide for safe, competent and efficient maritime pilot service for Oregon's designated pilot grounds. (ORS 716.115)

- Pilots will assure the safety of maritime traffic on designated pilot grounds.
 - ✓ Each year incidents will be tracked and categorized by those caused by pilot error and those caused by other factors. Results will be compared to previous year results and trends, if any noted.
 - ✓ Following each incident and receipt of the incident report, the board administrator will review the report to assure that all rules and procedures were followed. Results will be reported annually.
 - ✓ Each year the Board, pilot organizations and industry will report on any new work undertaken to assure the highest safety practices. This work may include, but not be limited to the use of existing and emerging technology, effective transportation systems, appropriate medical standards for selection and service; workload and fatigue balances; standards and practices of other pilot grounds equipment; medical standards for both potential entry and continuing pilots.
- Pilot services will be provided in a timely manner.
 - ✓ Each year complaints and related issues will be tallied and analyzed, including an assessment of how effectively issues were resolved. Results will be compared to previous year results and trends, if any, noted.
- On duty pilots will be skilled, knowledgeable, and professional.
 - ✓ Each year complaints and related issues will be tallied and analyzed including an assessment of how effectively issues were resolved. Results will be compared to previous year results and trends, if any, noted.
 - ✓ Issues related to safety, technology and training will be noted. If the Board anticipates these issues identify emerging concerns, the Board will so identify.

2. The Oregon Board of Maritime Pilots will establish and administer maritime pilot selection and licensing processes. (ORS 776.115, 776.300 – 776.755)

- Pilot appointment practices will produce the finest pilots possible.
 - ✓ The Board will maintain a ranked list of potential appointments.
 - ✓ Appointment standards and practices will be reviewed prior to any major interview processes but no longer than every five years, to assure the Board is fielding the highest quality applicant pool.
- New pilot training requirements will meet the highest professional standards.
 - ✓ Every five years a peer review of training programs of other pilotage authorities will be conducted and analyzed to improve practices in Oregon.
 - ✓ Upon completion of new pilot training and one year following, each new pilot will be interviewed to provide the Board with an assessment of the training program.
 - ✓ Each calendar quarter pilot organizations will report to the Board on the progress of their current training programs.
- The Board will establish and maintain a pilot licensing system that assures safe, competent and efficient vessel passage.
 - ✓ All appointments will be made in accordance to rigorous qualifying requirements.
 - ✓ License renewals will be processed within 30 days of receipt of a complete application.
 - ✓ No longer than every five years, the Board will examine the licensing process, including but not limited to classes of licenses and license requirements, to assure that license requirements protect the safety of maritime commerce.
- All pilots will maintain currency with the continuing professional development requirements of their respective organizations and the Board.
 - ✓ Each year pilot organizations will report on the status of continued professional development training fulfillment of their members.
 - ✓ Each quarter pilot organizations will report on safety and emergency drills including but not limited to the number of drills and number of participants.

- ✓ At the conclusion of each continuing professional development course, pilots will report on the effectiveness of the course to their respective organization and the Board.
- ✓ No longer than every five years, the Board will conduct a peer review of continuing professional development programs including manned model training, changes to model training facilities, changes in programs, technology and the continuing applicability to and for Oregon pilots.

3. The Board will review for sufficiency the boundaries for pilot grounds in Oregon and recommend to the Legislature any appropriate changes on those grounds set by statute. (ORS 776.025 and ORS 776.115).

- The Board will regularly review boundaries.
 - ✓ Every six years boundaries will be reviewed and statutory changes recommended as needed.
- The Board will alert stakeholders about boundary issues and changes in advance of and following any change in accordance with the Board’s rules and effective communication practices.
 - ✓ The Board administrator will assure that all stakeholders are alerted to the changes.
 - ✓ The Board administrator will provide all shipping agents with current information.

4. The Board will conduct or authorize hearings and meetings, and develop and maintain effective administrative rules and related operating procedures in the execution of its duties. (ORS Chapter 776)

- The Board will conduct effective and informative board and committee meetings.
 - ✓ The administrator will assure that Board members are well briefed on issues.
 - ✓ The administrator and Board chair will assure that the Board addresses operational mandates and strategic and emerging issues affecting the Board, pilots, and the maritime industry.
 - ✓ Each year Board members will assess their needs and satisfaction in an annual Board self-assessment.

- ✓ Biannually the Board will conduct a planning meeting.
- The Board will maintain and review its administrative rules and operating procedures for relevancy and effectiveness.
 - ✓ The administrator will assure that rules and procedures are a living document that facilitates efficient operation and excellence of Board duties and performance.
 - ✓ The Board will maintain current copies of the pilot organizational procedures to assure Board rules and procedures are and pilot rules and procedures are complementary. The administrator will identify issues for the Board.
- The Board will conduct rate hearings and rate related activities in a clear procedural manner.
 - ✓ The Board will establish performance measures related to its ratemaking authority following the rate making activities anticipated for 2009 and 2010.
 - ✓ The Board will review the initial draft ideas for such performance measures as part of the work to create these performance measures.
- The Board will manage its budget effectively.
 - ✓ Each month the administrator will provide reports on budget status.
 - ✓ Each quarter the administrator will lead a quarterly revenue and expense budget review.
 - ✓ The budget will be built in accordance with an annual work plan designed by the administrator in consultation with the board chair and in accordance with the outcomes of the biannual planning meeting.
 - ✓ Biannually the Board will participate in a budget development process in accordance with the state budget timelines.
 - ✓ Annually, the Board will review the amount of the license fee and make recommendations for change as deemed necessary.
 - ✓ The Board will facilitate and review the periodic state audit.

INCIDENTS

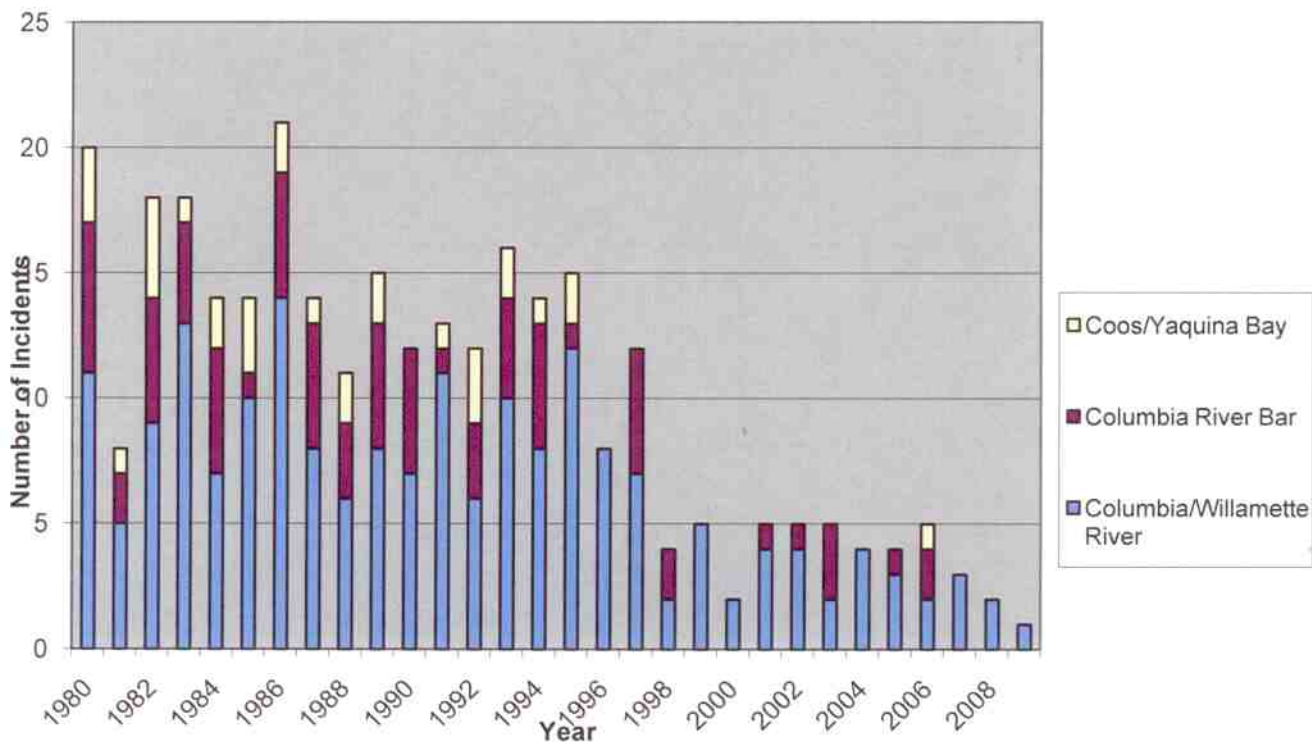
The purpose of licensing pilots is to assure the safe passage of vessels on Oregon waters. The occurrence of maritime incidents has dramatically declined, particularly in the last ten years. This decline has been linked to the implementation of a vessel tracking system and other technological developments, ongoing review of and improvements to training and continuing education requirements,



Ship traffic on the Columbia River

improvements to pilot transfer systems, and a heightened sense of awareness among pilots. Since 2005 only two incidents have involved an element of pilot error. The excellent safety record becomes more relevant when viewed in the context of vessel activity: There were 4,924 pilot assignments in 2008 and 3,823 in 2009, and only three minor incidents in 2010.

Incidents 1980-2009

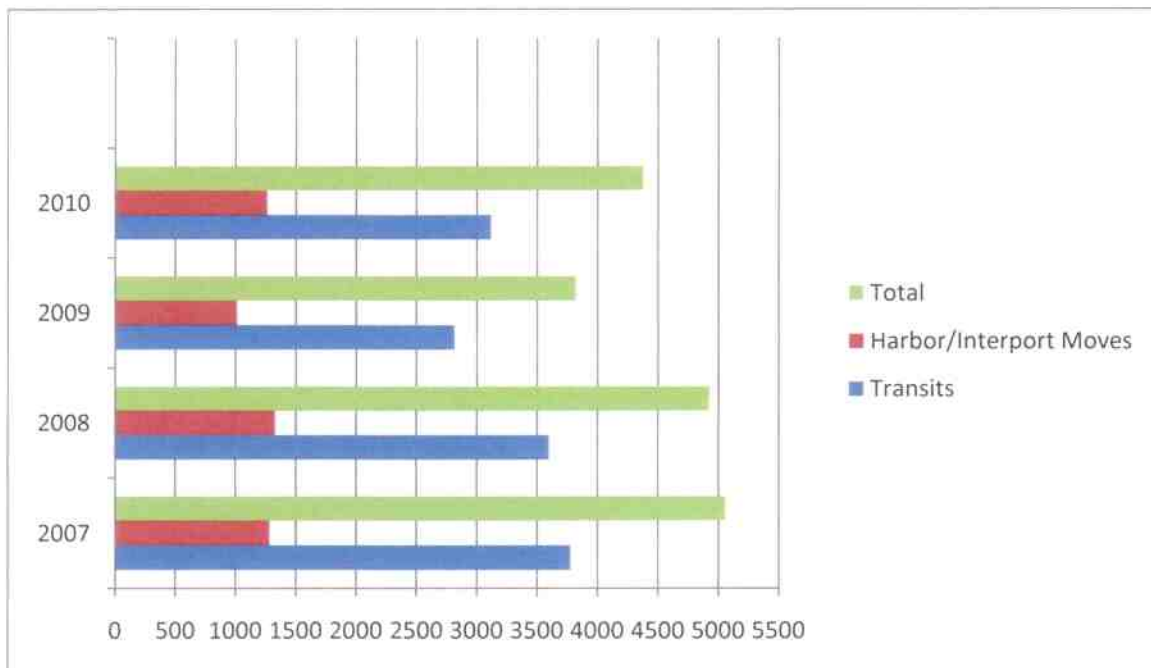


VESSEL ACTIVITY



Ship at anchor

There was a significant drop in shipping traffic in 2009 due to the recession. A transit is a one-way trip inbound or outbound between Portland and Astoria. Harbor and interport moves are trips from dock to dock in port or individual trips between ports.



LICENSED PILOTS



Capt. Dempsey climbs the ladder to her next piloting assignment.

There are currently 60 licensees in the state. As of 6/30/10, there were four retirements and two new pilots were selected. Capt. Paul Amos is the administrative pilot for the Columbia River Pilots and Capt. Gary Lewin is administrative pilot for the Columbia River Bar Pilots. Capt. Charles Yates is the administrative and functional pilots in Coos Bay.

PILOT APPLICANTS

The piloting profession is widely considered the pinnacle of a maritime career. Oregon's bar pilots come from careers as masters on ocean-going vessels. Oregon's river pilots usually come with experience on inland vessels such as tugboats. They typically have ten to fifteen years of maritime experience. The Board qualifies pilot applicants and selects pilot trainees and apprentices through an application and interview process. The most recent pilot applicant interviews were conducted by the Board for the Columbia River Bar and the Columbia & Willamette River pilotage grounds in February, April, May and June of 2009. Applicants are assigned a point score based upon education, experience, licensure and interview, which culminates in a ranked list of candidates from which to select pilot trainees when openings occur.

There are currently:

- 13 candidates on the ranked list for the Columbia River;
- 13 candidates on the ranked list for the Columbia River Bar;
- 1 candidate on the ranked list for the Coos/Yaquina Bay Bars; and
- 4 candidates on the ranked list for the Apprentice Training Program.

PILOT TRAINING



Capt. McIntyre directs navigation from the bridge of the ship.

Initial licenses are issued only after a pilot trainee has completed rigorous training requirements and passed a written examination. Columbia-Willamette River pilots are issued limited licenses and continue to train on larger classes of vessels for two more years until they are qualified to receive unlimited licenses.

- There are currently three trainees in the regular training program training to qualify for an initial license.
- There are currently four pilots working on limited licenses and training to receive an unlimited license.
- There is one apprentice training on the Columbia River. Apprentices are river pilots in training from a non-traditional background. Consequently, they require a tailored training program that takes longer to complete.

CONTINUING PROFESSIONAL DEVELOPMENT

All unlimited licensed pilots are required to complete continuing professional development training over a five-year cycle. Required training certifications are submitted as part of the annual license renewal. Core training requirements include a manned-model course and bridge resources management for pilots. The Board also maintains a list of other approved courses from which pilots can select.

<u>Certifications</u>	
Manned Model	6
Bridge Resources Management	17
Other Approved Training	17
Total	40

SAFETY REPORTS

Pilot organizations make quarterly reports to the Board on issues related to the personal safety of each pilot. Pilots are required to complete at least one day of personal safety training per year. Most of the safety training is incorporated into continuing professional development (CPD) and pilot training programs.

Columbia-Willamette River Pilotage Ground:

- Inadequate lighting on a vessel caused a pilot to trip over an object on deck, injuring his leg. Pilot access on vessels was referred to the Harbor Safety Committee, a U.S. Coast Guard group of maritime interests. They worked cooperatively with the Steamship Operators and the terminals to ensure the availability of gangways.
- Safety program is an issue-based report at monthly safety meetings.
- Conducted a buoy trial on the lower river.
- Evaluated the Foss tug *Betsy L* to replace the pilot launch *Arrow II* in Astoria.
- Reminded ships arriving with a draft of 36 feet or greater to arrive in Astoria at least two hours prior to high water in order to safely transit upriver, especially during seasonal low water.



Climbing the jacob's ladder.

Columbia River Bar Pilotage Ground:

- Reviewed master/pilot exchange procedures, and consulted with the River Pilots on their pilot-to-pilot exchange procedures.
- Established a transportation safety committee reviewing safety issues relating to their helicopter and pilot boats.
- Conducted a minimum of one man-overboard drill a month; and conducted two major man-overboard drills with the Coast Guard that requires attendance by all boat crews. A semi-annual MOB drill with U.S. Coast Guard on 11/18 was attended by four Board members.
- Buoy installed to report bar conditions via satellite.
- Have minimum standards for flotation, light, and a locator beacon, all of which operate without manual intervention.

RATE HEARINGS & ADJUSTMENTS

The Board of Maritime Pilots sets the rates which pilots charge for their services. By law, pilot rates can be set no less than every two years, although in the last decade, four to five year rate agreements have promoted rate stability. In fixing rates, the Board considers: the size of the vessels to be piloted; the difficulty of providing the service and the skill required to render it; the supply of and demand for pilotage services; the public interest in maintaining efficient, economical and reliable pilotage service; rates charged in other jurisdictions; and other factors.



An Administrative Law Judge from the Public Utility Commission conducts rate proceedings and writes proposed orders, which the Board considers for adoption. The Board then publishes a tariff setting the rates, which are based on approved pilot expenses and ship traffic projections.

Mediations and Hearings - There were mediations and two rate hearings conducted after Petitions for Change in Pilotage Rates were filed by the Columbia River Pilots on September 30, 2009 and by the Columbia River Bar Pilots on November 17, 2009. The Board adopted final orders in both matters on May 19, 2010.

Adjustments – Rate orders and settlement agreements typically include periodic adjustments to reflect economic factors. Tariffs are adjusted quarterly to reflect changes in ship traffic, and annually for cost of living, continuing education, and pension adjustments. There were eight tariff adjustments in fiscal year 2010.

Go to www.oregon.gov/PUC/BMP for the latest tariff publication.



