



2019 COBALT
August 29, 2019

Presentation Overview

- ▶ History of Regulation
- ▶ Why do we have Pilots?
- ▶ Why only Oregon Pilots on the Columbia?
- ▶ Why do we have a Pilot Board?
- ▶ Why is the PUC involved?
- ▶ About the Board
 - ▶ Board composition
 - ▶ Board membership and meetings
 - ▶ Funding and Budget
 - ▶ Core Responsibilities
- ▶ Vessel movements and incidents

U. S. Pilotage Regulatory History

- ▶ Section 4 of the Lighthouse act of 1789. (The ninth act of the first Congress)

- ▶ Delegated Pilotage regulation to the States

“That all pilots in the bays, inlets, rivers, harbors, and ports of the United States shall continue to be regulated in conformity with the existing laws of the States, respectively, wherein such pilots may be, or with such laws as the States may respectively hereafter enact for the purpose, until further legislative provision shall be made by Congress”

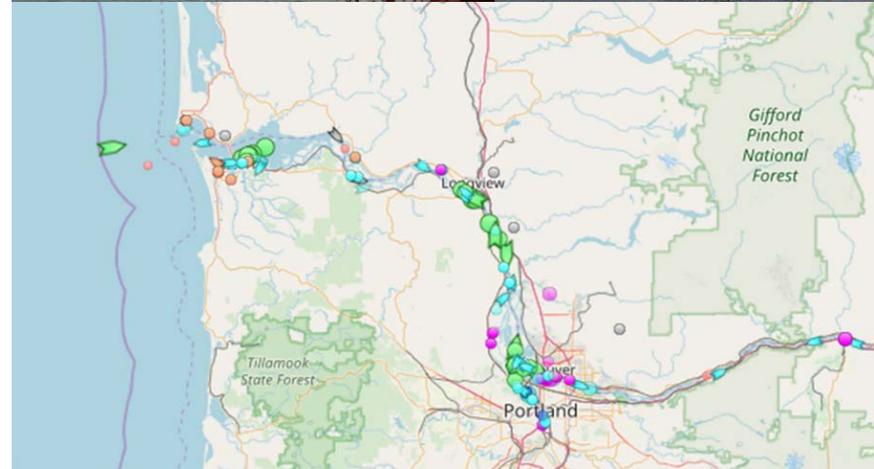
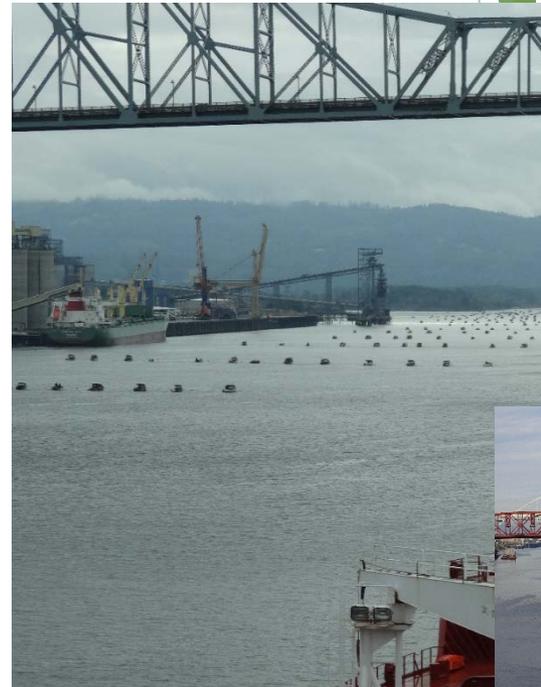
- Upheld by the Supreme Court in 1854

“The act of 1789 contains a clear and authoritative declaration by the first Congress, that the nature of this subject is such, that until Congress should find it necessary to exert its power, it should be left to the legislation of the States; that it is local and not national; that it is likely to be the best provided for, not by one system, or plan of regulations, but by as many as the legislative discretion of the several States should deem applicable to the local peculiarities of the ports within their limits.”

1846 - Oregon Board of Maritime Pilots was Established

Why are Pilots required?

- Navigating Oregon's harbors demands the highest levels of navigational skill.
- Pilots are navigational and ship handling experts who have extensive local knowledge.
- Pilots are essential to the safety of maritime commerce and are the gate keepers to the \$26 Billion Oregon maritime industry
- There is no substitute for Pilot experience, knowledge, and continued professional training.



Why Oregon Pilots and not Washington Pilots?

- ▶ 1881 - The GLENEARNE Decision(Oregon District Court [Admiralty])
 - ▶ Pilots from either state licensed on the Columbia River can pilot ship on the Columbia River due to it being a State boundary line.
 - ▶ However, only Oregon Licensed Pilots can Pilot vessels on the Willamette River or to the Port of Portland.
- ▶ 1986 - Decision by Washington State Legislature
 - ▶ It was determined that since only Oregon licensed pilots can pilot Oregon Waters (Glenearne); and the majority of shipping at the time was to Portland; and there were no existing Washington Licensed Pilots operating on the Columbia; that there was no need to duplicate the current Oregon licensing and regulatory system for the Columbia.
 - ▶ A large number of Oregon Pilots are Washington residents.
 - ▶ A duplicative system would not appreciably reduce rates or increase efficiency. (OBMP memo to WSL)

Some Basic Facts:



- Oregon Pilot services have been regulated by the Board since 1846, preceding Statehood.
- Pilot Candidates must hold an Unlimited Master license with at least two years operating as a vessel Master.
- There are currently 65 Oregon pilots (the number fluctuates slightly from year to year).
- The pilots' average age is 56 years.
- There are 2 Female pilots



There are 4 Designated State Pilotage Grounds:



- Columbia River (46 licensees – 3 on limited licenses and 2 trainees)
- Columbia River Bar (17 licensees – 2 on limited licenses)
- Coos Bay (3 licensees and 1 trainee)*
- Yaquina Bay (2 licensees and 2 trainees)**

*Includes one Columbia River Pilot providing backup service

** Includes a Coos Bay Pilot and a Columbia River Pilot



Why a Pilot Board?

- Federal Law delegates the regulation of vessel pilotage to the coastal states.
- All coastal states have a Board or Commission to license and regulate Maritime Pilots.
- The Oregon Board of Maritime Pilots is the licensing and regulatory body for Oregon's designated State pilotage grounds.
- The Board is administratively supported by the PUC
- The Board's major responsibilities include:
 - Establishing license qualifications and training standards,
 - Setting rates for pilot service and licensing fees
 - Investigating maritime incidents involving piloted vessels.

Why the PUC?

▶ Regulatory History

- ▶ July 5, 1843 - the first act regulating a “public utility” enacted by the then “Provincial Government”, six years before the Territorial Government was organized.
- ▶ July 1, 1915 to February 28, 1931 - the Railroad Commission was renamed the Public Service Commission of Oregon
- ▶ 1986 Oregon voters approved a Governor-appointed Commission, changing the name to the Oregon Public Utility Commission.

▶ Admin Hearings and ALJ

- ▶ The PUC Administration Hearings Division conducts contested case hearings on issues concerning utility services.
- ▶ The Board of Maritime Pilots is required to use PUC Law Judges for contested cases because of their rate hearing and utility regulatory experience.

▶ Relationship of Board with the PUC

- ▶ The Executive Director and Board Administrator are employees of the PUC and report directly to the Chief Operating Officer.
- ▶ State HR policies, Personnel training and budget oversight are managed by the PUC

Board Composition



- 9 member volunteer board:
 - 3 public members
 - 3 industry representatives (including one member from the ports)
 - 3 pilot members
- Appointed by the Governor, confirmed by the State Senate.
- 4 year terms, may serve up to two terms.
- Only public members may chair the board.
- A supermajority, or 7 of the 9 members must vote in favor of any Rate Making Order.



Board Members



Public:

Leslie Goss, Chair

Daniel Retzlaff, Vice Chair

Gary Piercy

Industry:

Kip Callahan

Heather Moats

Daniel Pippenger (Port of Portland)

Pilot:

Capt. Elroy Olson

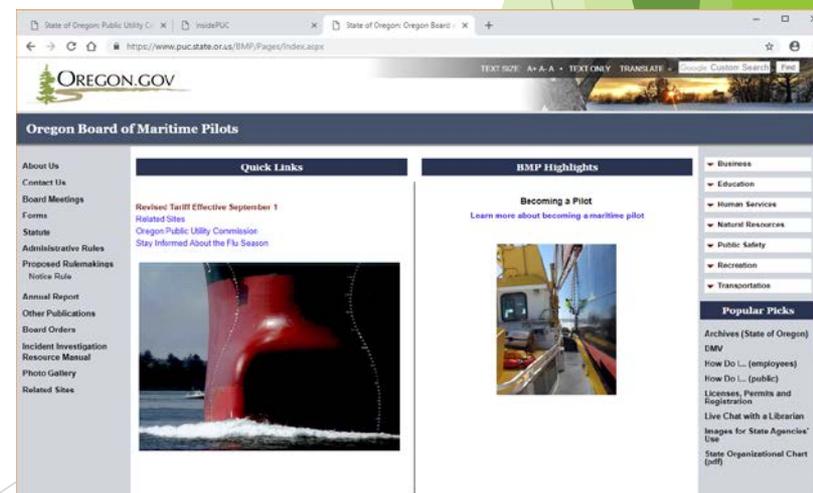
Capt. Chris Farrell

Capt. George Wales

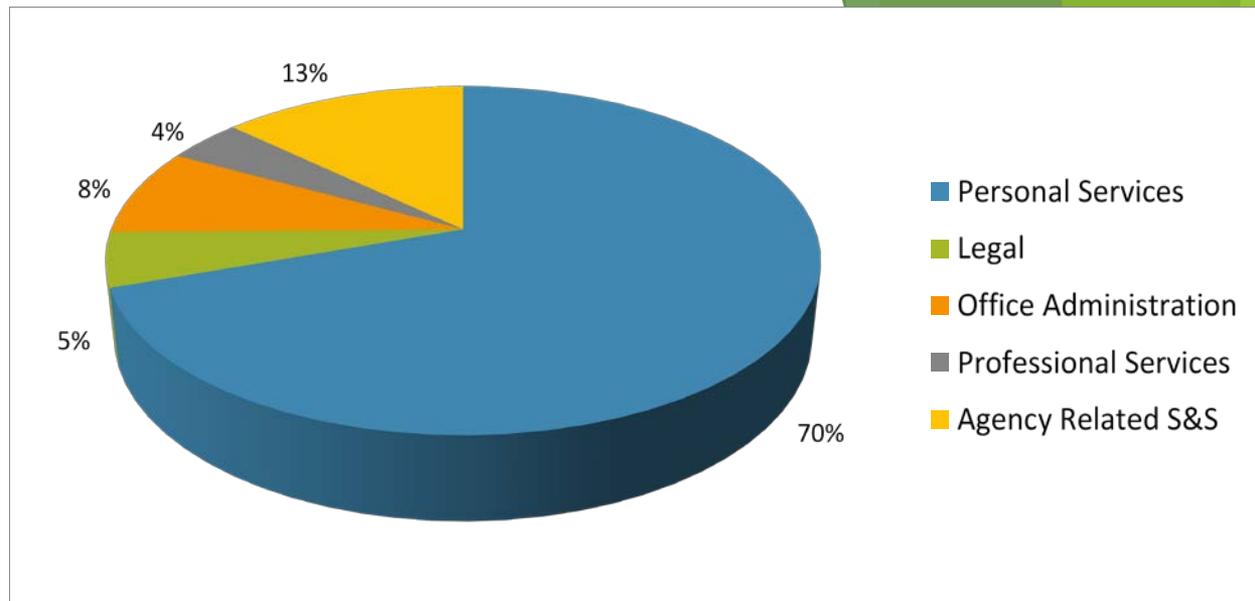
OBMP Meetings



- Full Board meetings are conducted every 2 months.
- Committee meetings vary.
- Meetings are announced by public notice.
- Board and Committee meetings are open to the public.
- Website is [http: www.puc.state.or.us/BMP](http://www.puc.state.or.us/BMP)



Funding & Budget

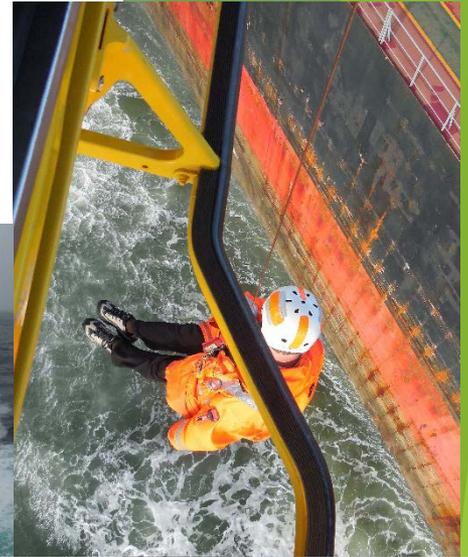


- OBMP is an “other-funded” agency – meaning it’s not funded through taxes.
- Revenues are derived from pilot license fees and a board operations fee in the tariff.
- Pilot license fees are currently \$3,149.00 per pilot per year.
- Current Board Operation fee is \$50.00 per vessel transit.
- The parties to rate proceedings are assessed fees by the Board to defray costs of rate hearings.
- The 2019-21 biennial budget is \$810,446.

Core Responsibilities

License and Train Pilots

- Qualify & select pilot trainees and apprentices.
- Set training and licensing standards. Trainees are trained by licensed training organizations.
- Issue initial state licenses after training and examination.
- Oversee annual license renewals which
 - Verifies pilot compliance with licensing standards and
 - Verifies required continuing professional education.



Core Responsibilities



Set Rates for Pilot Service



- The OBMP is one of the few rate-setting entities in state government.
- Tariff rates can be set no less than every two years.
- A rate proceeding begins when a petition is filed by a stakeholder and accepted by the Board. The Board may initiate a single issue rate proceeding upon its own motion.
- An administrative law judge from the Public Utility Commission conducts the proceeding, writes a proposed order, which the Board can accept, amend or reject.

Core Responsibilities



Investigate Maritime Incidents*

- Any reportable maritime incident that occurs while a pilot is directing the navigation of a vessel.
- A reportable incident is defined as:
 - An accidental grounding;
 - An intentional grounding that creates a hazard to navigation;
 - An unintended allision or collision with any object;
 - Loss of life related to the operation of the vessel;
 - Any occurrence resulting in damage to the vessel or other property reasonably expected to be in excess of \$75,000.

* The OBMP investigates in cooperation with the Coast Guard through a Memorandum of Understanding.

Vessel Movements vs. Incident Statistics

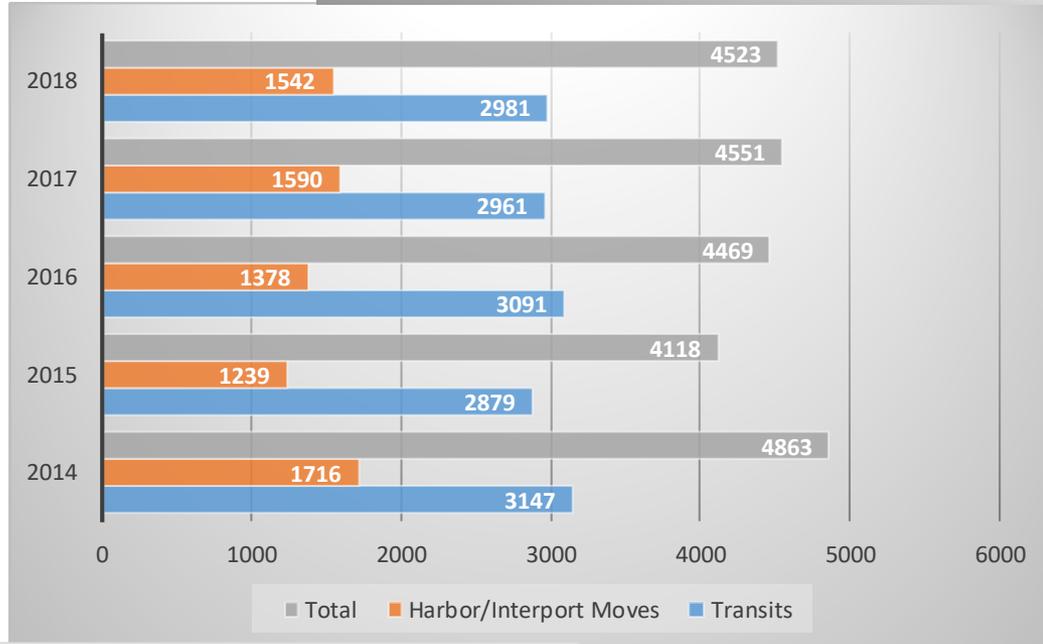
4 Incidents in 2017
1 incident in 2018

Translates into:

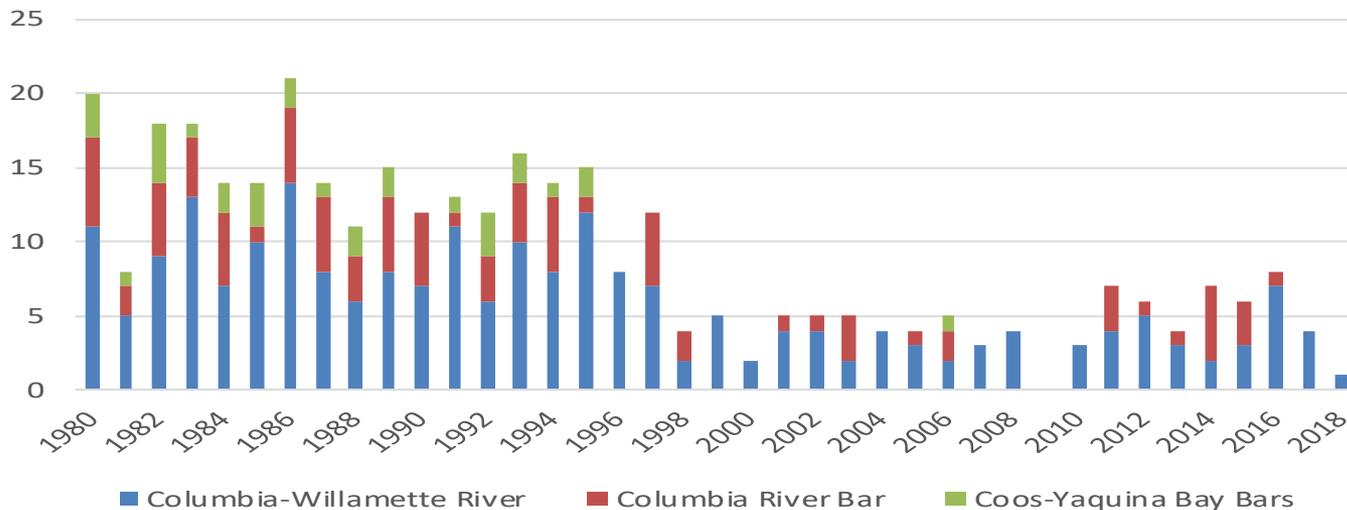
One incident for every 1,137 vessel movements in 2017 (.08%)

One incident for every 4,523 vessel movements in 2018 (.02%)

Vessel Movements 2014-2018



Incidents 1980-2018

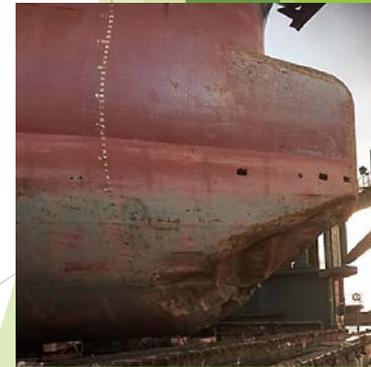


Reportable Incidents



Category I – (SMI)

- Property damage exceeding \$200,000; or
- Loss of life or serious personal injury; or
- Allision with a Bridge; or
- Release of more than 50 gallons of oil or other hazardous substance in the water; or
- Drug/alcohol involvement by a pilot; or
- Any factor that results in widespread public interest.



Category II

- Any reportable incident that does not meet the criteria for a Category I incident.

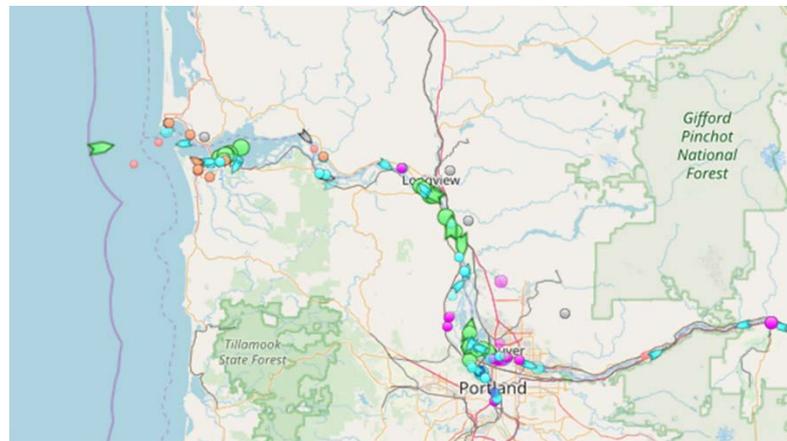
USCG/OBMP MOU on Simultaneous Investigations



- OBMP's role is to investigate the actions of the Pilot to establish if any licensee error or misconduct was involved.
- Establishes interagency cooperation, communication, and vessel boarding coordination.
- Prevents redundant interviews and investigative actions.
- OBMP agrees to withhold its incident report until USCG releases theirs.



Questions?



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