



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: BOARD OF PILOTAGE COMMISSIONERS

- | | |
|--|---|
| <input type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR _____ ; or | <input checked="" type="checkbox"/> Original Notice |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____ ; or | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input checked="" type="checkbox"/> Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1). | <input type="checkbox"/> Continuance of WSR _____ |

Title of rule and other identifying information: (Describe Subject)

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

Hearing location(s):

2901 Third Avenue
1st Floor, Agate Conference Room
Seattle, WA 98121

Date: November 10, 2016 Time: 9:30 a.m.

Date of intended adoption: November 10, 2016
(Note: This is NOT the effective date)

Submit written comments to:

Name: Sheri Tonn, Chair
Address: 2901 Third Avenue, Suite 500
Seattle, WA 98121

e-mail larsonp@wsdot.wa.gov

fax (206) 515-3906 by (date) November 3, 2016

Assistance for persons with disabilities:

Contact Shawna Erickson by November 7, 2016

TTY () _____ or (206) 515-3647

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

The proposed rule reflects a range of across-the-board tariff adjustments as well as text amendments as follows:

- Apply an across-the-board adjustment in a range between a decrease of 3% and an increase of 7% excluding the *Transportation to Vessels on Puget Sound* category and the *Training Surcharge* category
- Change the title "*Delinquent Payment Charge*" to "*Payment Terms and Delinquent Payment Charge*" and replace current text with "*Payment terms are cash. Payment terms may be extended to 30 days with approval of credit. A 1 ½% per month delinquent payment charge will be assessed on unpaid balances over 30 days from date of invoice*"
- Change the title "*Transportation to Vessels on Puget Sound*" to "*Transportation to and from Vessels on Puget Sound*"

Reasons supporting proposal:

Puget Sound Pilots' proposal to increase the tariff across-the-board by 7% is based on its need to produce adequate revenue for operations and to provide safe, reliable pilotage service. This increase would cover anticipated costs for pilot boat maintenance, specialized pilot continuing education, the purchase of upgraded computer and telecom equipment, preventative maintenance to the Port Angeles pilot station facility, competitive total compensation for pilots, and an anticipated increase in staff compensation along with other items.

The Pacific Merchant Shipping Association's proposal to decrease the tariff across the board by 3% is based on reported revenue which exceeded the 2% target set by the Board at the 2015 tariff hearing. Revenue per assignment significantly increased by 8% YTD and over 7% for the tariff year. PMSA believes the surplus tariff revenue should more than cover projected PSP expenses while also providing higher compensation for pilots. Additionally, ports are in an intense competition for cargo with the industry in financially difficult times with a major bankruptcy and financial losses leading to alliances and consolidation making port competition even more intense and all port call costs matter.

The Northwest Seaport Alliance offered its position that the tariff remain unchanged at this time in combination with the elimination of the *Bridge Charges* category; and with future consideration given to a simpler rate structure to provide rate and revenue stability while promoting operational efficiencies.

Statutory authority for adoption: Chapter 88.16 RCW

Statute being implemented: RCW 88.16 .035

Is rule necessary because of a:

- | | | |
|-------------------------|------------------------------|--|
| Federal Law? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

DATE October 5, 2016

NAME Peggy Larson

SIGNATURE

TITLE Executive Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: October 05, 2016

TIME: 11:53 AM

WSR 16-20-109

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Current rates for the Puget Sound Pilotage District expire on December 31, 2016. New rates must be set annually.

The intent is to set a Puget Sound Pilotage District tariff for the period January 1, 2017 through December 31, 2017.

Name of proponent: (person or organization)

Washington State Board of Pilotage Commissioners

- Private
- Public
- Governmental

Name of agency personnel responsible for:

Name	Office Location	
Drafting..... Peggy Larson	2901 Third Avenue, Seattle, WA 98121	(206) 515-3904
Implementation.... Board of Pilotage Commissioners	2901 Third Avenue, Seattle, WA 98121	(206) 515-3904
Enforcement..... Board of Pilotage Commissioners	2901 Third Avenue, Seattle, WA 98121	(206) 515-3904

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No. Explain why no statement was prepared.

The proposed rule is being considered in the context of the required annual review of the rates charged for pilotage services.

The application of the proposed revisions is clear in the description of the proposal and its anticipated effects as well as the attached proposed tariff.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No: Please explain:

RCW 34.05.328 does not apply to the adoption of these rules. The Washington State Board of Pilotage Commissioners is not a listed agency in RCW 34.05.328(5)(a)(i).