



STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION
CONNECTICUT PILOT COMMISSION



CONNECTICUT PILOT COMMISSION
ANNUAL REPORT
JANUARY 01 – December 31, 2013

Pursuant to Connecticut General Statute (CGS) 263, sec 15-13c, the Connecticut Pilot Commission (CPC) advises the Commissioner of Transportation (CTDOT) on issues related to the licensure of marine pilots, the safe conduct of vessels, pilotage rates and the protection of the ports and waters of Connecticut. The nine Commission members, including appointees of the Governor and various legislative leaders, a designee of the Commissioner of Transportation and a pilot representative, represent a broad spectrum of business, maritime, and environmental interests. The Commission currently includes members with expertise in admiralty and environmental law, shipping, stevedoring and port operations as well as experience as Merchant Marine, Navy, and Coast Guard officers. Further information regarding the Commission, including a monthly meeting schedule, agenda and minutes, is available at www.ct.gov/dot/cwp/view.asp?a=2314&q=307026. This is a report of the Commission's activities for the period January 1, 2013 through December 31, 2013.

Background

Long Island Sound ports (consisting of deep water terminals at New London, New Haven and Bridgeport as well as petroleum terminals on Long Island's north shore) are vital to the regional economy. These ports provide millions of people with access to global commerce and offer the potential to reduce roadway congestion along the northeast corridor. In addition to petroleum products, Connecticut's deep draft ports handle lumber, rolled steel, scrap metal, coal, salt and chemical cargoes shipped to and from every part of the world. In addition, international cruise ships periodically call at New London.

Merchant ships arriving at Long Island Sound ports are required by law to take aboard a local State licensed pilot who has up-to-date knowledge about hazards to navigation, tides and current, communications and vessel traffic (CGS 263 sec. 15-15). As advisors to the ship's Master, pilots direct the vessel's movement in restricted waters, including docking and undocking. Pursuant to the Federal Boundary Waters Act, 46 U.S.C. sec. 8501(b) and CGS 263, sec. 15-15d, Connecticut and New York share authority to regulate pilotage on Long Island Sound. The Boundary Waters Act entitles New York-licensed pilots to pilot ships to all Connecticut ports and Connecticut-licensed pilots to pilot ships on the New York waters of Long Island Sound. The two states are party to a 1999 Memorandum of Agreement (MOA), implemented by regulation, under which Connecticut-licensed pilots and New York-licensed pilots participate in a joint rotation to provide pilotage service for all ports on the Long Island Sound (Conn. Agencies Regs. Sec. 15-15a-17). The rotation is administered by a Joint Rotation Administrator (JRA), designated by the mutual agreement between Connecticut and New York. The JRA establishes work rules, dispatches pilots to assignments, collects pilotage fees, pays expenses and distributes earnings. During calendar year 2013, the JRA dispatched pilots to 373 assignments (down from 451 in 2012). The pilotage fees generated by CT licensed pilots working on the CT side of the rotation totaled \$838,151.75 (billed) of which six (06) percent equating to \$50,289.11 (from receipts) went to the Connecticut General Fund.

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Under the MOA, CTDOT retains authority to regulate the licensing, conduct, and duties of Connecticut-licensed pilots as necessary to ensure public safety and protection of the environment (CGS 263 sec.15-15a.). The CPC and CTDOT work closely with the Board of Commissioners of Pilots of the State of New York (NY Board) to coordinate the regulation of pilotage on Long Island Sound. The CPC and CTDOT also maintain an active working relationship with the U.S. Coast Guard, which regulates many aspects of merchant vessel operations.

Certain U.S. flag vessels in domestic trades (enrolled vessels) and naval or government-operated vessels (public vessels) are exempt from compulsory state pilotage. Pilotage of these vessels is regulated by the Coast Guard, which issues federal pilotage endorsements. Connecticut-licensed pilots may pilot enrolled or public vessels on the authority of their federal pilotage endorsements outside the joint rotation.

The Commission Members

The CPC consists of members, including appointees of the Governor and various legislative leaders, the Commissioner of the Department of Transportation and an elected pilot representative. During 2013 the following were members of the CPC:

Alan Blume. Re-appointed on July 17, 2012 by Speaker of the House Donovan for a term ending June 30, 2016 to represent non-recreational maritime industry interests.

K. Wynne Bohannon. Appointed on July 3, 2013 by Governor Malloy for a term of ending June 30, 2017 as a representative of a maritime related industry.

William Borek. Appointed on March 5, 2012 by Senate Minority Leader McKinney for a term ending June 30, 2014 as a retired ship's Master. Resigned in December 2013.

Michael Eisele. Appointed on June 8, 2012 by House Minority Leader Cafero for a term ending June 30, 2016 as a member with expertise in admiralty law.

William C. Gash, Jr. Re-appointed on June 25, 2012 by Senate President Pro Tempore Williams for a term ending June 30, 2016 to represent public environmental interests. Appointed on August 27, 2012 as Chairman by Governor Malloy.

Ralph Gogliettino. Re-appointed on August 9, 2013 by Senate Majority Leader Looney for a term ending June 30, 2017 to represent public environmental interests.

David E. Pohorylo. Re-appointed on August 3, 2011 by House Majority Leader Sharkey for a term ending June 30, 2015 to represent non-recreational maritime industry interests.

Captain Philip D. Gaughran. Active pilot elected by a majority of Connecticut-only licensed pilots for an indefinite term.

Captain Charles C. Beck, USCG. (Ret.). Transportation Maritime Manager selected by the Commissioner of the Department of Transportation as his designee for an indefinite term.

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Current Issues

Goals and Objectives

In early 2009, the CPC charted a strategy in the form of a 2-page statement of 'missions, objectives and goals' adopted by unanimous vote at the June 16, 2009 meeting. The CPC's objectives fell into four main categories:

- 1) Enhance and maintain marine safety & environmental protection
- 2) Maintain competitive pilot rates that permit Connecticut ports to compete for commerce while also recruiting and retaining qualified mariners as pilots
- 3) Optimize the organization of Connecticut pilotage
- 4) Establish standard operating procedures

The following goals were identified as requiring priority action:

- 1) Establishing an apprentice selection and training program for apprentice pilots as submitted by the CPC to CTDOT in October, 2008.
- 2) Amending the state statute that created the CPC to include administrative support from the CTDOT for the CPC similar to that provided for the CT Maritime Commission.

Both priority goals were accomplished prior to 2013. As part of the regulatory change that created an Apprentice Selection and Training Program, marine pilots licensed by CT organized around the Connecticut State Pilots (CSP) d.b.a. Interport Pilots. During 2013, an increase in the pilotage rates was approved. No changes were made to the Goals and Objectives during 2013.

Pilotage Rates

Pursuant to CGS 263 sec. 15-14, CTDOT Commissioner is obligated to set pilotage rates. The Commission is charged with advising CTDOT on "the establishment of fair and reasonable rates of pilotage . . . including establishment of a hearing process for the setting of fair and reasonable rates of pilotage." (CGS 263 Sec. 15-13c). In analyzing pilotage rates, the CPC seeks to balance a desire to keep Connecticut ports competitive with the notion that the rate structure should fairly compensate pilots, justify the substantial capital investment required to acquire, maintain and operate pilot boats and provide for the costs of training and safety equipment. The MOA entitles Connecticut and New York to separately set pilotage rates for those pilots operating under their respective authority, but recognizes that it is highly desirable for the two states to maintain identical rate structures. Thus, the CTDOT and the NY Board have long sought to coordinate any change in rates, which requires NY legislative approval of certain components of its rates and approval by the CT Legislature's Regulation Review Committee.

On June 21, 2012 the NY Legislature enacted a 12% increase to the pilotage rate limited to the transit of Long Island Sound, spread over 5 years instead of the 3 years requested by the pilot organizations. On July 17, the CPC recommended that CTDOT increase pilotage fees for the Long Island Sound in the amount of 12% over 5 years, consistent with the NY legislation, and increase fees for Connecticut harbors (which are not regulated by New York) in the amount of 12% over 4 years. Following a public comment period, this recommendation was submitted by CTDOT to the Governor's office for review on September 24, 2012. On October 4, the New York legislation was signed into law by New York Governor Andrew Cuomo with an effective date of January 1, 2013. On July 23, 2013, the CT Legislative Regulation Review Committee approved the rate change to the pilotage regulations. On August 1, 2013, the proposed pilotage rate increase became effective.

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Fuel Surcharges

Beginning in February, 2006 CTDOT and the NY Board jointly imposed a temporary pilot boat fuel surcharge based on a November 28, 2005 recommendation of the CPC. The intent of the fuel surcharge is to compensate pilot boat operators for substantial increases in the cost of diesel fuel, a major factor in the cost of operating pilot boats. Since its imposition, the fuel surcharge has been periodically reviewed and adjusted by CTDOT and the NY Board on the recommendation of the CPC. The CPC recommended continuation of the fuel surcharge on July 13, 2006, January 9, 2007, June 15, 2007, November 27, 2007, May 21, 2008, December 12, 2008, May 19, 2009, November 24, 2009, July 20, 2010 and January 31, 2011 and August 2011. As approved by CTDOT and the NY Board, the fuel surcharge was last set on August 1, 2012 at \$200.00 per boarding and disembarkation and will expire unless further extended on July 31, 2013. The Temporary Pilot Boat Fuel Surcharge formula developed and incorporated into the pilotage rate increase regulation became effective on August 1, 2013. Adjustments to the base pilot boat fuel surcharge (\$200.00) are calculated by the Joint Rotation Administrator and with the permission of the CTDOT Commissioner will be applied every calendar quarter (three month period). The adjustment is automatically determined by calculating the percentage change between the base price per gallon of marine diesel fuel of three dollars and four cents (\$3.04) and the average cost per gallon of marine diesel fuel during the quarter (as reported by the pilot boat operators) and applying the percentage change to the base pilot boat fuel surcharge. The formula is as follows:

$$[(\text{quarterly average price per gallon} - \$3.04)/\$3.04 \times \$200.00] + \$200.00$$

The formula adjustment was implemented to the Pilot Boat Fuel Surcharge on October 1, 2013 and will be recalculated on the first day of January, April, July and October of each year.

Joint Rotation Operation

Pursuant to the MOA and implementing regulation, participation in the joint rotation is mandatory for both Connecticut-licensed pilots and New York-licensed pilots. The Joint Administrator dispatches pilots, collects fees, pays expenses (including pilot boat costs) and distributes revenues among the pilots. The joint rotation is administered by Sound Pilots, Inc. (d/b/a Block Island Pilots), selected by agreement of CTDOT and the NYBCP. The operation of the joint rotation and the JRA is overseen by a Rotation System Executive Board (RSEB), consisting of three pilots from the Connecticut side and three pilots from the New York side of the rotation. Unlike most other jurisdictions, pilots participating in the joint rotation are not compelled to belong to a single business entity. Initially, there had been five separate pilot organizations (Northeast Marine Pilots, Sandy Hook Pilots of New York and New Jersey, Interport, Long Island Sound State Pilots, Connecticut State Marine Pilots) and a couple of non-affiliated individual pilots operating within the joint rotation. In November 2008, the CPC was notified that the Connecticut licensed pilots working on the Connecticut side of the joint rotation had agreed in principle to work together as the Connecticut State Pilots (CSP), a registered d/b/a under Interport Pilots, Inc. The coordination among the Connecticut licensed pilots working on the Connecticut side of the joint rotation continued during calendar year 2013. Three organizations currently provide pilot boat services; Interport, Long Island Sound State Pilots and Northeast Marine Pilots.

As of January 2013, Connecticut licensed 10 marine pilots, 2 of which worked on the New York side of the rotation both of which are also concurrently licensed by New York. As a condition of maintaining their Connecticut licenses, all of these pilots must also possess federal licenses endorsed for first-class pilotage. The 8 pilots licensed by Connecticut who participate on the Connecticut side of the joint rotation are to be allocated 70% of vessel movements subject to the joint rotation pursuant to the terms of the MOA. Pilots licensed by New York (including the 2 pilots who are licensed by both Connecticut and New York) participate on the New York side of the joint rotation and are allocated 30% of vessel movements. During 2013, a total of 10 marine

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pilots participated on the New York side of the rotation. The 8 pilots participating on the Connecticut side of the joint rotation covered 261 of the 373 assignments made by the Joint Administrator during the year (70%). The most assignments handled by a single pilot participating on the Connecticut side of the rotation totaled 128; the least was 12. Over 82% of the vessel traffic in Long Island Sound was into and out of a Connecticut port. In early 2012, the CPC established a report from the RSEB as a recurring agenda item at the monthly meetings. In November 2012, the CSP challenged the role of the Joint Rotation Administrator's participation and record keeper of RSEB meetings. The CPC requested additional information from the RSEB on the administration of its activities. Based on comments made during 2013, the issue has yet to be completely resolved.

Boarding Stations

The CPC's mandate specifically includes the provision of advice regarding the designation of pilot boarding and disembarkation stations (CGS 263 sec. 15-13c(e)(9)). During 2004, the CPC issued a comprehensive report recommending that CTDOT designate mandatory pilot stations at Point Judith, Rhode Island and Montauk Point, New York under authority of existing regulations. After reviewing industry comments and consulting with the NY Board and U.S. Coast Guard, the CTDOT issued instructions to Connecticut-licensed pilots dated March 1, 2005 requiring use of the Point Judith and Montauk Point pilot stations. CTDOT's instructions are consistent with the NY Board's requirements for New York-licensed pilots. There were no reported violations of the pilot boarding stations during 2013.

Apprenticeship and Training

Connecticut State Agency Regulations Section 15-15a-17(i) required the Connecticut licensed marine pilots to submit for approval to the CTDOT Commissioner and the CPC a proposed program for the training of new pilots within six months of the effective date of the regulation (09/10/2003). CGS 263 sec. 15-13c(e) charges the CPC (subject to CTDOT approval) to set the requirements for pilot licensure and apprenticeship programs as well as the appropriate number of pilots necessary for the "safe, efficient and proper operation of the pilotage system." For a number of years, CTDOT had not solicited applications for new licenses consistent with recommendations of the CPC. In the absence of a recommended new pilot selection and training program from the Connecticut licensed pilots, the CPC drafted regulatory language to establish an Apprentice Selection and Training Program. The Apprentice Selection and Training Program was approved as a regulatory change to State Agency Regulations Section 15-25a-6 through 15-15a-17 on December 21, 2010. In response to a request from the CSP and the CPC, the CTDOT solicited for applicants to the CT marine pilot apprentice selection and training program on April 14, 2011. As a result of a public solicitation and selection process, three applicants were admitted to the apprentice training program on February 8, 2012. One of the applicants successfully completed the program and received a limited CT state marine pilot license in July 2012. The remaining two applicants withdrew from the apprentice program during 2013.

The CSP notified the CPC and all other pilot organizations that it would no longer honor requests from the Northeast Marine Pilots for their apprentice pilots to ride as a Pilot Observer when a CSP pilot was assigned as the Pilot of Record. The CPC was generally opposed but took no action, instead referring the issue to the RSEB. The CTDOT and the NY Board recorded their respective opposition to the CSP declaration via correspondence. A report of the actions taken by the RSEB pends.

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State Licensing Disparities

The differences between how the State of New York and the State of Connecticut issues a marine pilot license was raised by the CSP. The CSP claim was that the NY Board licensing process for the MOA waters is less stringent than the CTDOT's. The CPC initiated a gap analysis to determine the validity of the claim. Follow on discussion included proposed changes to the minimum trips required by an apprentice pilot as well as a new concept of trips for an extension of route for pilots already licensed in other parts of the MOA waters. Any changes to the trip requirements would take a change to the Statutes/Regulations.

Investigations of a Marine Incident

The Connecticut General Statutes (CGS 15-15c(g)) assigns the CPC responsibility of conducting a review and investigation of any marine incident or casualty as well as conducting hearings to determine the causes of any such incident. As a result of the investigation, the CPC is to make recommendations on disciplinary measures to the CTDOT. The CPC is to retain an independent investigator to compile a comprehensive factual record of any marine incident or casualty. However, the CPC has never been provided a budget or contractual authority. By a letter dated July 19, 2013 to the CTDOT Commissioner, the CPC proposed to draft procedures to conduct investigations which might be considered for promulgation by the Department as Regulations pursuant to CGS 263 Sec. 15-15a. Additionally, the CPC requested the CTDOT identify financial resources available within the Department to support an investigation of any marine casualty. More specifically, given the time-sensitive nature of any investigation into a marine casualty, the CPC requested the CTDOT pre-qualify independent investigators who might be retained to assist the CPC meet its statutory obligation. In a November 6, 2013 response to the CPC July 19, 2013, DOT Commissioner Redeker applauded the efforts of the CPC towards establishing the investigative process and procedures. He advised that at present there was no budget line available for hiring an investigator at this time. Commissioner Redeker committed to pursuing the establishment "on call" type investigative services list but requested the CPC provide a detailed job description and minimum qualifications to assist in the solicitation.

Other Items

In 2011, the CPC requested and the CT State Pilots provide a 5 Year Plan. The request was generated in part by the need to determine the number of pilots needed on the CT side of the rotation and the expected attrition rate of the presently licensed pilots due to retirement. Nothing was received from the pilots thus, no action was taken by the CPC during 2013.

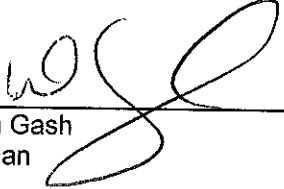
A reduction in the number of vessel using Long Island Sound and its ports has created a recency problem for most pilots. In 2011, the CPC, CTDOT and the NY Board evaluated and implemented a course of action that would facilitate the safe transit of the vessels through the Port Jefferson approach and harbor. State licensed pilots can maintain recency by conducting and documenting rides on the Bridgeport-Port Jefferson Ferry as well as other commercial vessels that do not require a state licensed pilot. However, maintaining recency is still a problem primarily in the Western Long Island Sound. In 2012 the CPC asked by the CSP to draft a proposal to change the recency requirement. Nothing was received during 2013. A request by one of the CT licensed marine pilots for an "extension of route" for the Western end of LIS was discussed during the November 2013 CPC meeting. The request used the reduced vessel traffic as part of the argument to grant the request. The pilot was advised to submit his request with supporting documentation to the licensing authority, the CTDOT. Any change to the recency requirement would require a change to Connecticut General Statute Section 15-13(f).

Legislation was introduced by CTDOT to relieve the administrative burden of the pilot boat inspection program. Originally CGS Section 15-15e required pilot boat operators to obtain a certificate of compliance from the Commissioner of the Department of Transportation. No such

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pilot boat program had ever been implemented. The CTDOT had never been staffed with the capability to inspect/certify vessels of any type. Pilot Boat operators are required to obtain surveys conducted by qualified surveyors as part of their respective insurance policies. Changing the burden of the "certification" program was pursued as an efficient manner to obtain the goal of safety at sea and protection of the marine environment without burdensome regulations and associated liability. CGS Section 15-15e was amended during the 2013 legislative session to allow self-certification effective October 1, 2013.

The March 19, 2013 meeting of the CPC was canceled due weather. At the September 17, 2013 CPC meeting, the CG Sector Long Island Sound Command informed the CPC that security measures at the New Haven facility were being changed as a result of a shooting incident at the USN Base in Washington, DC. The change would require notification of all CPC meeting attendees in advance of each meeting and completion/submission of a form prior to each meeting. The CPC Commissioners collectively decided that the new security measures would be incompatible with holding a public meeting. The October and November CPC meetings were held at The State Pier Administration Building conference room in New London. The December 17, 2013 meeting scheduled to be held at the State Pier Facility was canceled due to inclement weather. A draft 2014 CPC Meeting Schedule which was to be approved at the December 2013 CPC Annual Meeting did not list CG Sector Long Island Sound's New Haven facility as a meeting location.



William Gash
Chairman