



STATE OF CONNECTICUT  
DEPARTMENT OF TRANSPORTATION  
CONNECTICUT PILOT COMMISSION



CONNECTICUT PILOT COMMISSION  
ANNUAL REPORT  
JANUARY 01 – December 31, 2012

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](http://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, 2012 through December 31, 2012.

#### 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 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 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 2012, the JRA dispatched pilots to 451 assignments (down from 662 in 2011). The pilotage fees generated totaled \$ 1,272,717.10 (billed) of which \$ 51,916.66 (from receipts) went to the Connecticut General Fund.

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

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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 a pilot representative. During 2012 the following were members of the CPC:

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

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

Michael Eisele. Appointed on June 8, 2012 by the 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 the 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. Appointed on February 26, 2009 by the Senate Majority Leader Looney for a term ending March 3, 2013 to represent public environmental interests.

David E. Pohorylo. Re-appointed on August 3, 2011 by the 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.

One gubernatorial appointed vacancy existed on the CPC for all of calendar year 2012.

### Current Issues

#### Pilotage Rates

Pursuant to Conn. Gen. Stat. 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." Conn. Gen. Stat. 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

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equipment. Although the MOA entitles Connecticut and New York to separately set pilotage rates for those pilots operating under their respective authority, the CPC recognizes that it is highly desirable for the two states to maintain identical rate structures and has long sought to coordinate any change in rates with New York, which requires legislative approval of certain components of its rates.

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. As submitted by CTDOT, the proposed fee changes includes regulation of pilot boat fees for the first time. 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. As of December 31, 2012 the CPC's recommendation, with CTDOT's endorsement, for increases in pilotage fees remains pending.

### 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.

A Temporary Pilot Boat Fuel Surcharge formula was developed and incorporated into the draft pilotage rate increase regulation currently pending in the Governor's office. If adopted, the regulation would set a base pilot boat fuel surcharge of two hundred dollars (\$200.00) which shall be paid by the vessel to the pilot boat operator. Adjustments to the base pilot boat fuel surcharge would be calculated by the Joint Rotation Administrator and with the permission of the CTDOT Commissioner be applied every calendar quarter (three month period) commencing January 1, 2013 or the date the change to the pilotage regulation becomes effective, whichever comes last. The adjustment would be 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 and applying the percentage change to the base pilot boat fuel surcharge. The formula would be as follows:

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

On the first day of January, April, July and October of each year and no later than the fifteenth of each of these months, the Joint Rotation Administrator would notify and obtain permission from the CTDOT Commissioner for the newly calculated pilot boat fuel surcharge.

### 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

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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. There used to be 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. Additionally, once an apprentice pilot has successfully completed the training and qualification process, he/she is expected to work under the auspices of the CSP. The coordination and cooperation among the Connecticut licensed pilots working on the Connecticut side of the joint rotation continued during calendar year 2012. Three organizations currently provide pilot boat services; Interport, Long Island Sound State Pilots and Northeast Marine Pilots.

As of January 2012, 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 2012, a total of 10 marine pilots participated on the New York side of the rotation. The 8 pilots participating on the Connecticut side of the joint rotation covered 317 of the 451 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 95; the least was 10. Over 76% 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.

### Boarding Stations

The CPC's mandate specifically includes the provision of advice regarding the designation of pilot boarding and disembarkation stations. Conn. Gen. Stat. ch. 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.

CTDOT previously initiated administrative proceedings against several Connecticut-licensed pilots for a failure to use the pilot stations on multiple occasions. One proceeding culminated in a Hearing Officer's determination upholding CTDOT's designation of pilot stations in international waters. The remaining complaints were investigated and confirmed by CTDOT, resulting in the dismissal or consensual resolution of charges against the pilots. There have been no reported violations of the pilot boarding stations during 2012.

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## 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). Conn. Gen. Stat. ch. 263, sec. 15-13c(e) charges the CPC to set (subject to CTDOT approval) 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 document was forwarded to CTDOT for approval and implementation as a regulatory change to Section 15-25a-6 through 15-15a-17. The Apprentice Selection and Training regulations were approved 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 has successfully completed the program and received a CT state marine pilot license in July 2012 for some of the MOA waters. The remaining two applicants have been accumulating the required trips under the tutelage of the senior pilots for the MOA waters.

## 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 2012. 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 2012, an increase in the pilotage rates was submitted, reviewed and adjusted based on cost of living indices to keep CT ports competitive. The proposed pilotage rate change regulation has not yet been approved. No changes were made to the Goals and Objectives during the period.

## 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. No action was taken during 2012.

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

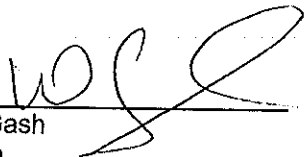
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Port Jefferson approach and harbor. State licensed pilots can maintain recency by conducting and documenting rides on the Bridgeport-Port Jefferson Ferry as well as other commercial vessels that do not require a state licensed pilot. However, maintaining recency is still a problem primarily in the Western Long Island Sound. The CSP has been asked by the CPC to draft a proposal to change the recency requirement. 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. Current language of CGS Section 15-15e requires pilot boat operators to obtain a certificate of compliance from the Commissioner of the Department of Transportation. No such pilot boat program has ever been implemented. The CTDOT has 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 is an efficient manner to obtain the goal of safety at sea and protection of the marine environment without burdensome regulations and associated liability. The proposed legislative change was not adopted during the 2012 session.

The April 16, 2012, June 19, 2012 and December 18, 2012 meetings of the CPC were canceled due a predetermined lack of a quorum.

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William Gash  
Chairman