



CONNECTICUT PILOT COMMISSION
ANNUAL REPORT
January 01 – December 31, 2017

Pursuant to Connecticut General Statute (CGS) 263, sec 15-13c, the Connecticut Pilot Commission (CPC) was tasked to advise the Commissioner of the Connecticut Department of Transportation (ConnDOT) 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. In accordance with Public Act (PA) 15-5, administrative oversight of the CPC was transferred from ConnDOT to the Connecticut Port Authority (CPA). The nine Commission members include appointees of the Governor and various legislative leaders, the CPA Executive Director and a pilot representative. The members represent a broad spectrum of business, maritime, and environmental interests. The Commission currently includes members with expertise in admiralty and environmental law, shipping, and port operations, and experience as Navy, and Coast Guard officers. Further information regarding the Commission, including a monthly meeting schedule, agenda and minutes, will be available at CTPortAuthority.com.

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. In addition to petroleum products, Connecticut's deep draft ports handle lumber, rolled steel for manufacturing, shaped steel for construction, rebar, scrap metal, salt and chemical cargoes.

Foreign flag and U.S. merchant vessels under register 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 amended by PA 15-5). As advisors to the ship's Master, state licensed 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 as amended, 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 (NY/CT 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 Regulations, Sec. 15-15a-17, now CPA Procedures). The rotation is administered by a Joint Rotation Administrator (JRA), designated by 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 2017, the JRA dispatched pilots to 434 assignments (down from 482 in 2016). The pilotage fees generated by CT licensed pilots working on the CT side of the rotation totaled \$931,944.65 (down from \$ 1,053,889 in 2016), of which 6% (\$ 60,565.35) was remitted to the CPA.

Under the aforementioned MOA and in accordance with PA 15-5, the CPA 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. as amended). The CPC and CPA worked 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 CPA also maintained 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

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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 nine members, including appointees of the Governor and various legislative leaders, the Commissioner of CTDOT/ Director of the CPA and an elected pilot representative. During 2017 the following were members of the CPC:

Christopher P. Clark. Appointed November 26, 2016 by Speaker of the House Sharkey for a term ending on June 30, 2020 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. Reappointed by the Governor, term ending June 30, 2021.

Michael Eisele. Reappointed on September 26, 2016 by House Minority Leader Klarides for a term ending June 30, 2020 as a member with expertise in admiralty law.

William C. Gash, Jr. Reappointed on September 20, 2016 by Senate President Pro Tempore, Looney, for a term ending on June 30, 2020. Appointed as Chairman by Governor Malloy on August 27, 2012.

Ralph Gogliettino. Reappointed on August 9, 2013 by Senate Majority Leader Looney for a term ending June 30, 2017 to represent public environmental interests. Reappointed by Majority Leader Duff, term ending June 30, 2021.

David E. Pohorylo. Reappointed on August 16, 2015 by Joe Aresimowicz, House Majority Leader, for a term ending on June 30, 2019.

Captain Michael Peszke, An active pilot elected by a majority of the Connecticut licensed pilots effective January 1, 2016 for an indefinite term.

Captain Charles C. Beck, USCG. (Ret.). Appointed by Senate Minority Leader Fasano on June 1, 2015 for a term ending on June 30 2018 as a retired ship's Captain.

Evan Mathews Executive Director of the Connecticut Port Authority effective July 1, 2016 for an indefinite term IAW with PA 15-5.

Goals and Objectives

The CPC charted a strategy in the form of a 2-page statement of 'missions, objectives and goals' adopted in 2009. The CPC's goals fell into four main categories:

- 1) Enhance and maintain marine safety & environmental protection through training
 - a. Apprentice selection and training (completed)
 - b. Continuing training of licensed pilots
 - c. Establishment of a training fund (completed)
- 2) Maintain competitive pilot rates
 - a. Fuels Surcharge-automatic index (completed)
 - b. Pilot Boat Fee-codification (completed)
 - c. Pilotage rate-automatic index
- 3) Optimize the organization of Connecticut pilotage
 - a. Single Pilot Organization
 - b. Pilot Boat Consolidation
- 4) Establish standard operating procedures

No changes were made to the Goals and Objectives during 2017.

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Pilotage Rates

Pursuant to CGS 263 sec. 15-14, as amended by PA 15-5 the CPA is obligated to set pilotage rates. The CPC is charged with advising CPA 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 as amended). In analyzing pilotage rates, the CPC seeks to balance a desire to keep Connecticut ports competitive with a rate structure that 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 NY/CT 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 CPC and the NY Board which is required to seek legislative approval of certain components of pilotage rates have sought to coordinate any change in rates. With the passing of PA 15-5, approval of rate changes now is under the authority of the CPA Board of Directors. At the regular December 2017 meeting, the CPC approved a motion that the CPC should put forward a recommendation to the CPA that CT adopt the LIS pilotage rate increase approved by NY, including the increase to the minimum pilot units from 150 to 200. In addition, the pilotage rates in CT harbors should be increased by 2.5% per year for the next five years.

Pilotage Training and Safety Equipment Fund

Part of the pilotage rate increase passed in 2013 was the creation of a pilot training and safety equipment surcharge. A fee of \$20 per pilot boat transit is now collected and held by the Joint Rotation Administrator (JRA), to be distributed to the pilots for continuing training and safety equipment expenses on a reimbursable basis. As of December 31, 2017 the JRA reported the following distribution of the training and safety fund was made:

NY DISTRIBUTION	\$1,876.20
CT DISTRIBUTION	\$4,377.80
TOTAL COLLECTED	\$6,254.00

Fuel Surcharges

Beginning in February, 2006 CTDOT and the NY Board jointly imposed a temporary pilot boat fuel surcharge. The Temporary Pilot Boat Fuel Surcharge formula was developed and incorporated into the pilotage rate increase regulation that was adopted on August 1, 2013 and remains in effect. Adjustments to the base pilot boat fuel surcharge (\$200.00) are calculated by the Joint Rotation Administrator and with the approval of the CPC/CPA are applied every calendar quarter. 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:

$$[((\text{actual price per gallon}) - \$3.04)/\$3.04] \times \$200.00 + \$200.00 = \text{Fuel Surcharge}$$

Adjustment for 2017 were as follows:

<u>QUARTER</u>	<u>SURCHARGE</u>
1ST	\$185.00
2ND	\$185.00
3RD	\$190.00
4TH	\$195.00

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Joint Rotation Operation

Pursuant to the NY/CT MOA and implementing regulation, participation in the joint rotation is mandatory for both Connecticut-licensed pilots and New York-licensed pilots. The Joint Rotation Administrator (JRA) 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 between CT and the NY Board of Commissioners of Pilots. 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. 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 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 2017. Three organizations currently provide pilot boat services; Interport, Long Island Sound State Pilots and Northeast Marine Pilots.

As of January 2017, Connecticut licensed 9 marine pilots. As a condition of maintaining a Connecticut license, all of these pilots must also possess federal licenses endorsed for first-class pilotage. The pilots licensed by Connecticut who participated on the Connecticut side of the joint rotation were to be allocated 70% of vessel movements subject to the joint rotation pursuant to the terms of the NY/CT MOA. Pilots licensed by New York who participated on the New York side of the joint rotation were to be allocated 30% of vessel movements. The pilots participating on the Connecticut side of the joint rotation covered 303 of the 434 assignments made by the Joint Administrator during the year to equal the (70%).

Boarding Stations

The CPC's mandate specifically includes the provision of advice regarding the designation of pilot boarding and disembarkation stations (CGS 263 sec. 15-13 c(e)(9) as amended by PA 15-5). During 2004, the CPC issued a comprehensive report recommending that Connecticut 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 instructions were issued to Connecticut-licensed pilots dated March 1, 2005 requiring use of the Point Judith and Montauk Point pilot stations. The instructions were consistent with the NY Board's requirements for New York-licensed pilots. There were no reported violations of the pilot boarding stations during 2017.

Apprenticeship and Training

The Apprentice Selection and Training Program was approved as a regulatory change to State Agency Regulations Section 15-15a-6 through 15-15a-17 on December 21, 2010. In response to a request from the CSP and the CPC, Connecticut solicited for applicants to the CT marine pilot apprentice selection and training program on November 2, 2016. A field of five candidates responded to the solicitation, and the selection process as defined in Regulation began. In 2017, three candidates were selected for the apprentice training program, and two of these candidates successfully completed the training and were licensed as marine pilots.

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Pilotage of Yachts

Rhode Island and New Jersey set a minimum length of 200' for yachts to require a pilot. During 2017, the CPC recommended a legislative change to align Connecticut requirements with the requirements of neighboring states.

Investigations of a Marine Incident

The Connecticut General Statutes (CGS 15-15c (g)) as amended by PA 15-5 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 CPA. The CPC is to retain an independent investigator to compile a comprehensive factual record of any marine incident or casualty. The draft Investigative Processes for Incidents/Accidents was approved by the CPC during 2017 at the regularly scheduled meeting in May. The recommended Process is under review by the CPA BOD for funding and implementation guidance.

All 2017 CPC meetings were held on the third Tuesday of each month except for August at the New Haven Regional Fire Training Academy in New Haven CT or the Admiral Harold E. Shear, State Pier in New London. The April and July meetings of the CPC were canceled due to a lack of a quorum. The 2018 CPC Meeting Schedule was approved at the December, 2017 CPC meeting, rotating between the New Haven Regional Fire Training Academy in New Haven and Fort Trumbull State Park in New London on the third Tuesday of each month except for August.

William Gash
Chairman

