

Board of Pilot Commissioners

for the Bays of San Francisco, San Pablo, and Suisun
660 Davis Street, San Francisco, CA 94111
Phone: (415) 397-2253 | Email: bopc@bopc.ca.gov | Website: www.bopc.ca.gov



NOTICE OF MEETING

September 16, 2024

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun (Board or BOPC) will conduct a public meeting on **Thursday, September 26, 2024, at 9:30 a.m.** Items of business scheduled for the meeting are listed on the attached agenda. There may be recesses at the discretion of the Chairperson.

Members of the public may participate in this meeting in person or via telephone.

Location:

Board of Pilot Commissioners
660 Davis Street
San Francisco, California 94111

To participate via telephone please use:

888-808-6929

Access Code:

4310981#

There will be an opportunity for public comments on all agenda and non-agenda items at the outset of the open session. There will also be an opportunity for public comment during the presentation of each

agenda item, and on non-agenda items at the end of the meeting. Meeting documents will be available on the Board's website listed below.

This meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification to participate in the meeting should call the Board office at (415) 397-2253 or write to the Board at the above address or email address. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.

BOARD OF PILOT COMMISSIONERS

Allen Garfinkle, Executive Director

This notice and agenda may also be found on the Board's website <https://bopc.ca.gov/>.

* Order of business is approximate and subject to change.



SERVING THE PEOPLE OF CALIFORNIA SINCE 1850

INNOVATING FOR A GREENER CALIFORNIA: Equipped with the latest in marine engine technology, the pilot vessel *Golden Gate* is the first in a new generation of pilot boats.



**Board of Pilot Commissioners
for the Bays of San Francisco, San Pablo, and Suisun
Board Meeting
Thursday, September 26, 2024, at 9:30 a.m.**

MEETING AGENDA

OPEN MEETING

1. Call to Order and Roll Call (President Tynan)
2. Public comment on matters on the agenda or not on the agenda.
3. [Review and approval of Board meeting and meeting minutes \(President Tynan\)](#)
Board action to approve the minutes from the Board meeting held on August 22, 2024.
4. President Announcements and Activities (President Tynan)
5. Board Member Announcements and Activities (Board Members)
6. [Directors' Report \(Executive Director Garfinkle/Assistant Director Millspaugh\)](#)
 - A. [Correspondence and activities since the Board meeting held on August 22, 2024.](#)
 - B. Report on pilot licensing matters since the Board meeting held on August 22, 2024.
 - C. [Report on Board surcharges.](#)
 - D. Report of pension fiduciary.
 - E. Report on outstanding requirements of Board actions in response to Board determination and direction on Incident Review Committee reports.
7. Port Agent's Report (Port Agent Carlier)
 - A. [Monthly report on San Francisco Bar Pilots \(SFBP\) pilot availability and absences.](#)
 - B. [Monthly report on SFBP ship piloting business activity.](#)
 - C. [Monthly confidential written report of licensed pilots who have been Absent for Medical Reasons \(AFMR\). The Board may go into closed session to discuss the contents of the Port Agent's confidential report and other relevant confidential medical information, as authorized by Harbors and Navigation Code section 1157.1.](#)

8. Pilot Evaluation Committee (Committee Chair)

- A. Report on the Pilot Evaluation Committee (PEC) meeting held on September 18, 2024.
- B. Possible PEC recommendation to place one or more Pilot Trainee Training Program trainees on probation or dismiss one or more trainees from the program.

Possible Board action to place one or more Pilot Trainee Training Program trainees on or off probation or dismiss one or more trainees from the program.

- C. Possible PEC recommendation as to whether a trainee has, or trainees have successfully completed the Pilot Trainee Training Program.

Possible Board action to award a Certificate of Completion to a trainee who has completed the Pilot Trainee Training Program.

- D. Possible recommendation from the Executive Director for the Board to issue a state pilot license to a trainee who holds a Certificate of Completion from the Pilot Trainee Training Program.

Possible Board action to accept a recommendation from the Executive Director that a trainee holding a Certificate of Completion from the Pilot Trainee Training Program be licensed as a state-licensed pilot.

- E. Discussion regarding requirements for PEC Chair reporting and who is required to deliver the PEC chair's report (Legal Counsel Tuck)

9. Discussion and possible Board action regarding filling the pilot trainee vacancy created by the resignation of Captain Ajax on September 4, 2024, from the Pilot Trainee Program, and possible action to add a second additional pilot trainee to the Pilot Trainee Program (Director Garfinkle)

Possible Board action to direct the Executive Director to make offers of training to one or more candidates on the list resulting from the exam offered in 2022.

10. Reported Safety Standard Violations (Executive Director Garfinkle) (Reported safety standard violations occurring up to the start of the meeting will be reported on.)

11. Incident Review Committee (IRC) —Reportable Piloting Events (Executive Director Garfinkle/Vice President Hayes-White) (Reportable piloting events occurring up to the start of the meeting will be reported on.)

[Board deliberation of the Incident Review Committee's recommendations to the Board and determination regarding the event of September 1, 2023, involving the M/V BOHOL which made unintended contact with the pier in Sacramento, CA. If the report is not presented, the IRC may request an extension. If that is the case,](#)

possible Board action to extend the M/V BOHOL to the next monthly Board meeting.

The Board may go into closed session for the deliberation of the incident report presented under this item pursuant to Harbors and Navigation Code section 1180.6 and Government Code section 11126, subdivisions (c)(3) and (e)(1).

12. Report on September 24, 2024, Ad Hoc Committee on Review of Pilot Trainee Training Program Selection Exam. (Committee Chair)

13. [Finance Committee \(Commissioner Captain Nyborg\)](#)

A. Report on the Finance Committee meeting held on September 11, 2024.

B. Finance Committee recommendations to the Board on the following Board surcharges:

- i. To adjust or not adjust the Board Operations Surcharge rate (currently at 5.5% of all pilotage fees), and the revenues, expenditures, and reserve balance.

Possible Board action to adjust the Board Operations Surcharge rate.

- ii. To adjust or not adjust the Pilot Continuing Education Surcharge rate (currently at \$35 per move).

Possible Board action to adjust the Pilot Continuing Education Surcharge rate.

- iii. To adjust or not adjust the Pilot Trainee Training Surcharge rate (currently \$10/trainee/move).

Possible Board action to adjust the Pilot Trainee Training Surcharge rate.

- iv. To adjust or not adjust the Pilot Boat Surcharge rate (currently at \$0.021 per gross registered ton).

Possible Board action to adjust the Pilot Boat Surcharge rate.

14. [Pilot Vessel Condition and Valuation Survey \(Executive Director Garfinkle\)](#)

Review and discuss the Condition and Valuation Survey for the Pilot Vessel PITTSBURG. Possible Board action to accept the Condition and Valuation Survey for

JUMP TO AGENDA

the Pilot Vessel PITTSBURG, and making a finding that the vessel is safe and suitable for pilotage service.

15. Stakeholders' report on subjects that may be of interest to the Board, including reports on shipping activity regionally and within the Board's jurisdiction (Mike Jacob, Pacific Merchant Shipping Association/Captain Anne McIntyre, SFBP)
16. Discussion regarding the contract for Surcharge Collection, Pilot Education and Pilot Trainee Training between the SFBP and the Board, and issues related to reimbursement of the SFBP by the Board.
17. Closed session for the Board to confer with legal counsel regarding potential significant exposure to litigation against the Board involving an inactive licensee. (Board Counsel)

The Board is authorized to discuss this matter in a closed session pursuant to the Open Meeting Act, Government Code section 11126, subdivisions (e)(1) and (e)(2)(B).

18. [Discussion of rescheduling or canceling the October 2024 Board meeting.](#)

Possible Board action to reschedule or cancel the Board meeting scheduled for October 24, 2024.

19. Comment by public and Board members on matters not on the agenda.
20. Proposals for the next Board meeting agenda. (President Tynan)
21. Adjournment

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MEETING DOCUMENTS

Agenda Item 3: Review and approval of Board meeting and meeting minutes

**Board of Pilot Commissioners
for the Bays of San Francisco, San Pablo, and Suisun
Board Meeting
Thursday, August 22, 2024, at 9:30 a.m.**

ATTENDANCE

Board Members Present (in person and by phone)

Joanne Hayes-White, Vice President, Public Member
Captain Robert Carr, Pilot Member
Captain Lynn Korwatch, Dry Cargo Industry Member
Captain Einar Nyborg, Pilot Member
Sam Rodriguez, Public Member
Stephanie Dougherty, Designee for the Secretary of the California State Transportation Agency (CalSTA)

Board Members Absent

Karen Tynan, President, Public Member
Vacant, Wet Cargo Industry Member

Board Staff Present (in person and by phone)

Allen Garfinkle, Executive Director
Matthew Millspaugh, Assistant Director
Alethea Wong, Licensing and Training Programs Manager
Greg Shepherd, Records Management and Program Support Coordinator
Patrick Tuck, Board Counsel

Identified Public Present (in person and by phone)

Captain John Carlier, San Francisco Bar Pilots (SFBP) President and Port Agent
Kevin Baldwin, SFBP General Counsel
Captain Anne McIntyre, SFBP Business Director
Roma Cristia-Plant, former BOPC Assistant Director (by phone)
Mike Jacob, Pacific Merchant Shipping Association (PMSA) President and General Counsel
Jennifer Cohen, PMSA Vice President of Governmental Affairs
Captain Paul Ruff, SFBP
Captain William Benedict, SFBP

OPEN MEETING

1. Call to Order and Roll Call (Vice President Hayes-White)

Vice President Hayes-White (for President Tynan) called the meeting to order at 9:38 a.m. Licensing and Training Programs Manager, Alethea (Ally) Wong called the roll and confirmed a quorum.

2. Public comment on matters on the agenda or not on the agenda.

Roma Cristia-Plant, former BOPC Assistant Director, noted that she was participating remotely by phone.

3. Review and approval of Board meeting and meeting minutes (Vice President Hayes-White)

Vice President Hayes-White (for President Tynan) thanked the Board Staff for the furniture and technology upgrades in the office, especially the new iPads, noting that today's meeting marks the first time that Board documents were presented digitally, instead of in binders.

Commissioner Nyborg requested a non-substantive change to the minutes.

MOTION: Commissioner Korwatch moved to approve the draft July 25, 2024; Board meeting minutes as amended. Commissioner Nyborg seconded the motion.

VOTE: YES: Hayes-White, Carr, Korwatch, Nyborg, Rodriguez.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

4. President Announcements and Activities (Vice President Hayes-White)

Vice President Hayes-White announced that Present Tynan was away and that she would be stepping in as Chair for this meeting.

5. Board Member Announcements and Activities (Board Members)

Commissioner Carr announced that he had attended a meeting with Jennifer Ferrera Schmid, Chair of the Ad Hoc Committee to Review the Pilot Trainee Training Program Selection Exam, and two Puget Sound Pilots (PSP) on August 20, 2024, to discuss their experience working with Dainis & Company, Inc., a psychometric firm that worked on the PSP selection exam.

Commissioner Nyborg announced that he had met with the Gartner team on August 7, 2024, to answer questions and provide feedback related to the Board's Information Technology Modernization Project (ITMP).

6. Directors' Report (Executive Director Garfinkle/Assistant Director Millspaugh)

A) Correspondence and activities since the Board meeting held on July 25, 2024.

Executive Director Garfinkle reported on the following:

- On July 25, 2024, Board staff received a copy of the PMSA *West Coast Trade Report* for July 2024.
- On July 26, 2024, the Notice of Rulemaking for the Board of Pilot Commissioners (BOPC/Board) Pilot Boat regulations were published in the California Regulatory Notice Register, officially commencing the 45-day comment period, which closes at 5:00 p.m., September 13, 2024.
- Also on July 26, 2024, Executive Director Garfinkle had a phone conversation with Justin Franzen, Terminal Manager of Terminal 8 (RCH22) in Richmond. Executive Director Garfinkle stated that Franzen is aware of the issues with boarding ships from his terminal and will work on providing a safe solution.
- On August 1, 2024, Executive Director Garfinkle attended a meeting of the Ad Hoc Committee to Review the Pilot Trainee Training Program Selection Exam.
- Also on August 1, 2024, Licensing and Training Programs Manager Wong provided the 2024 retirement survey to the Port Agent for distribution to all licensees.
- Also on August 1, 2024, Executive Director Garfinkle confirmed a tour of the Maritime Museum collection for Board staff on August 29, 2024, at 1:00 p.m. There is a limit of ten persons. Two slots are available for Board members who may want to attend.
- On August 5, 2024, Board staff sent a letter supporting Assembly Bill (AB) 1296 to Assembly Member Grayson and a letter supporting Senate Bill (SB) 295 to Senator Dodd.
- On August 8, 2024, Board staff were notified by Lavella Wilson, the continuing education coordinator at California State University Maritime Academy (CMA), that they have not secured a simulator operator for the fall combination course.
- On August 13, 2024, Assistant Director Millspaugh, Licensing and Training Programs Manager Wong, and Executive Director Garfinkle attended a meeting with the California Department of Human Resources' (CalHR) psychometric staff. It was a productive meeting, and Board staff were pleased with CalHR's willingness to adapt their exam services to whatever role the Board desires them to have, including working alongside outside psychometricians.
- Also on August 13, 2024, Board staff sent a letter to the California State University Board of Trustees supporting the merger between CMA and California Polytechnic State University (Cal Poly) San Luis Obispo (SLO).
- On August 14, 2024, Executive Director Garfinkle attended the open session of the Pilot Evaluation Committee (PEC) meeting.
- On August 16, 2024, Board staff met with Sheri Tonn, the President of the

Washington State Board of Pilot Commissioners, and Jaimie Bever, the Board’s Executive Director, to learn more about their recent trainee exam experience and preparation.

- On August 20, 2024, Board staff met with Captains Sandra Bendixen and John Scragg, Puget Sound Pilots (PSP), and Jennifer Schmid, Chair of the Ad Hoc Committee to Review the Pilot Trainee Training Program Selection Exam, in a meeting to review PSP’s experiences with the 2024 Washington State selection exam.
- Finally, Executive Director Garfinkle noted that the Board has some furniture to surplus. He added that Board staff have exhausted state disposal options.

B) Report on pilot licensing matters since the Board meeting held on July 25, 2024.

Executive Director Garfinkle reported, since the Board meeting of July 25, 2024, that the Board has issued license renewals to the following Board licensees: Captains Starnitzky, Burns, Laakso, and Merritt.

C) Report on Board surcharges.

Executive Director Garfinkle reported that the SFBP wired \$917,274.84 to the Board for surcharges collected in July 2024, itemized as follows:

- Operations Surcharge: \$ 246,146.07
- Pilot Training Surcharge: \$ 31,868.70
- Trainee Surcharge: \$ 47,552.41
- Pilot Boat Surcharge: \$ 591,707.66

D) Report of pension fiduciary.

Executive Director Garfinkle reported that as of July 30, 2024, there were 85 pensioners.

- Surcharge Rate for the Quarter: \$ 0.04448 / gross registered ton
- Rolling Look Back Period: April 2023 through March 2024
- Monthly Tonnage for July: 26,880,281
- Surcharge Billing Total: \$ 1,195,634.96
- Administrative Costs for the Month: \$ 2,522.85
- Amount Distributed to Pension Beneficiaries: \$ 1,193,112.11
- Total Monthly Target Rates: \$ 1,242,335.91
- Amount Over/(Under) Target: (\$ 46,700.95)

The last Cost of Living Adjustment (COLA) increase to the pension was April 1, 2023.

E) Report on outstanding requirements of Board actions in response to Board determination and direction on Incident Review Committee (IRC) reports.

Executive Director Garfinkle reported the following outstanding items:

- Captain Slack has yet to address the membership of SFBP on lessons learned on the issue of passing the conn (a term of art meaning the conduct of a vessel) to a mariner who does not hold the appropriate state or federal pilot license.

Captain Slack had planned on addressing the membership in August, but that General Membership meeting was cancelled. He will be training at Port Revel during the September General Membership meeting and will be away on a pre-planned trip during the October General Membership meeting. As a result, he requested that he be allowed to present at the November General Membership meeting.

F) Report on legislative activities and contractual matters.

Before beginning his report on legislative and contractual matters, Assistant Director Millspaugh thanked the Board staff for their recent contributions:

- Licensing and Training Manager Wong for her tremendous support of the Board's day-to-day operations, including training Administrative Coordinator Mari McNeill to handle the various administrative tasks of the Board.
- Administrative Coordinator Mari McNeill for her work coordinating the delivery of new office furniture and surplus old office furniture. In addition to her regular duties, she also assisted with the setup of the new iPads.
- Records Management and Program Support Coordinator Greg Shepherd for getting the iPads ready for the Board Members to use today.

Legislative Activities

For legislative matters, Assistant Director Millspaugh reported the following:

AB 1122 Baines/Villapudua

Board staff continue to monitor AB 1122; however, the bill continues to include language exempting pilot vessels used for transporting a maritime pilot in furtherance of their official duties and Board staff will no longer report on this bill unless there is a change that will affect the Board.

SB 295 Dodd/Grayson

This bill authorizes changes to Harbors and Navigation Code (HNC) section 1159.1 and expands the authority of the Board to expend funds from the Board's Special Fund for pilot boats. This bill passed out of the Assembly Committee on Appropriations and was ordered for its third reading. Board staff continue to monitor SB 295.

AB 1296 Dodd/Grayson

This bill prohibits a state regulation from requiring or compelling licensed pilots, collectively known as the San Francisco Bar Pilots (SFBP), to replace certain pilot boats until a pilot boat reaches the end of its useful service life. The bill requires that the useful service life of a pilot station boat be between 25 and 35 years from commission date. This bill passed out of the Senate on Appropriations, received its second reading, and was ordered for its third reading. Board staff continue to monitor AB 1296.

Contractual Matters

California State University Maritime Academy (CMA) – Trainee Selection Exam Services

Board staff continue to put on hold the development of a new contract with CMA for Trainee Selection Exam services as CMA has not identified staffing for development the next simulator exam test component.

BOPC staff are researching alternative options for the exam test component and as necessary will pursue development of a Request for Proposal (RFP) for services with a private entity.

State Controller’s Office (SCO) – Audit Services – Surcharges (23M900009)

The draft agreement between the Board and SCO has been finalized and remains under review by the SCO for signature.

State Controller’s Office (SCO) – Pilot Boat Program Audit

BOPC staff are meeting with SCO staff on 8/28/2024 to review options for the audit scope of work, this will directly inform the development of the scope of work for a new Inter-Agency agreement between the Board and SCO for the Pilot Boat Program Audit. Staff are anticipating development of the new Inter Agency Agreement will be completed by 12/2024.

Pilot and Pilot Trainee Fitness Assessment with the University of California San Francisco (UCSF) (21M900004)

A one-year agreement between the Board and UCSF with a term date of 7/1/2024 - 6/30/2025 has been drafted and the agreement is under review for signature with UCSF.

Administrative Services with the California Highway Patrol (CHP): (24M900000)

A new three-year Inter Agency Agreement between the Board and California Highway Patrol (CHP) has been finalized. The term of the agreement runs July 1, 2024 - June 30, 2027, with a three-year budget totaling \$457,000.

Information Technology (IT) Support Services, California Department of Transportation (23M900000-1)

The Board currently has a three-year agreement with Caltrans for IT support services related to the ITMP. Through an approved Budget Change Proposal (BCP), the Board received an augmentation to its budget of \$54,419.00 to receive these services in Fiscal Year (FY) 25/26. An amendment to the contract to extend the term to 6/30/26 and increase the budget by \$54,419.00 has been developed and is with Caltrans for review and signature.

Budget Act of 2024 – State Operations Reductions

The Budget Act of 2024 called for reductions in state operations costs by 7.95%. Starting in FY 2024-25 and ongoing, agencies and departments' state operations budgets are to be reduced by 7.95 percent, which includes, but is not limited to, personal services, operating expenses and equipment, and consulting and professional services funded through General Fund and/or Other Funds. These reductions apply to almost all agencies and departments with limited exceptions. Board staff are working with the Department of Finance to evaluate proposed reductions to the BOPC budget and if any exemptions may apply to the BOPC.

Captain Anne McIntyre, SFBP Business Director, inquired if the new contract with UCSF (Contract Number: 21M900004) would include any performance measures such as turnaround time. Assistant Director Millspaugh noted that this was a bridge to a longer-term agreement that could include additional changes, such as performance measures, if desired.

7. Port Agent's Report (Port Agent Carlier)

A) Monthly report on San Francisco Bar Pilots (SFBP) pilot availability and absences.

The Port Agent, Captain Carlier, reported that, as of July 2024, the following pilots are Absent for Medical Reasons (AFMR) and their initial absence dates:

- Captain Teague since February 14, 2024
- Captain Ruff since May 8, 2024

Captain Carlier reported the SFBP continuously monitors the dispatch list for possible 12-hour Minimum Rest Period (MRP) exceptions. For any potential exception likely to result in a rest period of less than 10 hours, SFBP will ensure that mitigating measures are enacted. These measures include, but are not limited to, suspending continuing professional development protocols, cancelling scheduled meetings or committee assignments, cancelling previously granted compensation time requests, deferring scheduled training sessions, or calling in off-watch pilots.

Captain Carlier reported there are currently 52 licensees on the SFBP roster.

In July, there were 15 MRP exceptions, with the shortest rest period being 10 hours.

B) Monthly report on SFBP ship piloting business activity.

For July 2024, Captain Carlier reported normal operations for all pilot vessels, which includes the CALIFORNIA, DRAKE, PITTSBURG, and SAN FRANCISCO. Pilot Vessel (P/V) GOLDEN GATE was in the shipyard for scheduled warranty and maintenance work from 7/19/2024 – 8/16/2024.

Captain Carlier reported vessel moves for July 2024 were as follows:

- Bar Crossings: 440
- Bar Moves: 126
- River Moves: 44
- Total Moves: 610
- Gross Registered Tonnage (GRT): 26.9M

Captain Carlier also reported that year-over-year, when comparing the same period in 2023 to the same period in 2024, total moves are up 0.5% and GRT is up 9.3%.

C) Monthly confidential written report of licensed pilots who have been Absent for Medical Reasons (AFMR). The Board may go into closed session to discuss the contents of the Port Agent’s confidential report and other relevant confidential medical information, as authorized by Harbors and Navigation Code (HNC) section 1157.1.

Nothing to report.

Commissioner Korwatch requested that Port Agent Carlier’s signature be redacted from Board documents.

8. Pilot Evaluation Committee (Committee Chair)

A) Report on the Pilot Evaluation Committee (PEC) meeting held on August 14, 2024.

PEC Chair Ruff presented the PEC Chair’s Report on the following:

- The PEC met on August 13, 2024. The members present were Captains Wehr, Slack, Bridgman, and Ruff.
- Executive Director Garfinkle joined the committee in open session.
- Major concerns about CMA’s ability to provide adequate personnel for administering the simulator exam. The PEC is considering alternatives to CMA including the Pacific Maritime Institute (PMI), the Maritime Institute of

Technology and Graduate Studies (MITAGS) or Orange Coast College (OCC) for simulator test development.

- There are five active trainees in the program including Gallo, Barron, Johnson, Ajax, and Johnston. The amount of time each trainee has spent in the program ranges from three and a half months to eleven months.
- All five trainees are acquiring trips to obtain their first-class pilotage endorsement for unlimited tonnage on the San Francisco Bay. They are observing, part handling, and handling ships under direct supervision of a licensed pilot.
- Captain Gallo has completed the federal requirements, charts, etc. Captain Barron is waiting to hear from the United States Coast Guard (USCG) about his last license endorsement test, which included the route to Sacramento. The other three are accumulating rides for the federal pilotage.
- In closed session, all trainees were individually interviewed and counseled on their progress in the training program. Time was spent answering their questions and addressing their concerns.
- All trainees are meeting recommended benchmarks and are progressing at their own rate.
- The next PEC meeting is scheduled for Wednesday, September 18, 2024, at 7:30 a.m. at the Board office.
- Board Counsel Tuck asked that the Chair identify himself at future meetings before giving the PEC report, for those attending by phone.

B) Possible PEC recommendation to appoint new committee member to replace Captain Aune, who retired recently.

PEC Chair Ruff reported that the Committee authorized him to recommend to the Board that Captain Daniel Bridgman be appointed to the Committee for a four-year term.

MOTION: Commissioner Nyborg moved that the Board appoint Captain Daniel Bridgman to a four-year appointment to the Pilot Evaluation Committee. Commissioner Korwatch seconded the motion.

VOTE: YES: Hayes-White, Carr, Korwatch, Nyborg, Rodriguez.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

Commissioner Carr requested that the Board consider allowing the PEC Committee Chair to submit a written report only, rather than being required to attend each Board meeting to report in person. This would save the Committee Chair time and allow him to focus on other duties.

C) Possible PEC recommendation to place one or more Pilot Trainee Training Program trainees on probation or dismiss one or more trainees from the program.

Nothing to report.

- D) Possible PEC recommendation as to whether a trainee has, or trainees have successfully completed the Pilot Trainee Training Program.**

Nothing to report.

- E) Possible recommendation from the Executive Director for the Board to issue a state pilot license to a trainee who holds a Certificate of Completion from the Pilot Trainee Training Program.**

Nothing to report.

9. Reported Safety Standard Violations (Executive Director Garfinkle)

Executive Director Garfinkle reported that no new safety standard violations were reported during the preceding period.

10. Incident Review Committee (IRC) —Reportable Piloting Events (Executive Director Garfinkle/Vice President Hayes-White)

- A) Incident Review Committee (IRC) report on the June 30, 2023, event involving the MOTOR VESSEL (M/V) EVER LOGIC that was passing the M/V EVER FASHION, which suffered gangway damage as the result of hydraulic interaction.**

Vice President Hayes-White recused herself from the Board and assumed her position on the IRC. Commissioner Rodriguez chaired the meeting during this agenda discussion. Vice President Hayes-White announced that as an IRC member she would not be voting on any motion related to this IRC report.

Executive Director Garfinkle presented the findings of the IRC as found in the IRC report attachment for agenda item 10A, stating:

- On the afternoon of June 29, 2023, Captain Douglas Alferts and trainee Captain John Meyer boarded the containership M/V EVER LOGIC (hereinafter EVER LOGIC) at the San Francisco Sea Buoy, bound for the Port of Oakland, Berth 35. The EVER LOGIC was to dock “portside to” the pier, requiring it to turn around prior to entering the berth.
- The M/V EVER FASHION (hereinafter EVER FASHION) was moored portside to the pier at Berth 35 and was scheduled to depart for sea at 1700 hours, with the EVER LOGIC taking their berth after they departed. Captain Mark Barnum was aboard the EVER FASHION awaiting their departure.
- Captain Alferts’ plan was to enter Oakland Outer Harbor (OOH), proceed past the EVER FASHION to the OOH turning basin, turn the vessel, and then await the departure of the EVER FASHION.

- As the EVER LOGIC passed Berth 35 inbound, hydraulic interaction between the vessels caused the EVER FASHION to surge, damaging the EVER FASHION’s gangway.
- While the EVER LOGIC was turning around, the pilot on board the EVER FASHION notified Captain Alferts that, due to the damaged gangway, there would be a delay in departing of one to two hours. Given that delay, Captain Alferts decided to proceed to anchor to await the departure.
- There were no injuries to persons, and no damage other than the gangway.

Commissioner Nyborg expressed the view that there was no need to go into closed session to discuss the IRC report.

Commissioner Rodriguez asked Executive Director Garfinkle to clarify the IRC recommendations. Executive Director Garfinkle clarified that the recommendations from the IRC are twofold: 1) that the Board find for no misconduct for Captain Alferts, and 2) that this case be closed with no other action.

Commissioner Nyborg noted that this is common but difficult job which can be challenging, especially when trying to balance speed and proximity to moored vessels. Commissioner Nyborg noted that the SFBP has proactively increased the size of tugs used for some maneuvers to address these challenges.

MOTION: Commissioner Carr moved to accept the IRC’s recommendation to the Board on the M/V EVER LOGIC incident, that the Board find for no misconduct on the part of the pilot, and that the case be closed with no further action. Commissioner Korwatch seconded the motion.

VOTE: YES: Carr, Korwatch, Nyborg, Rodriguez.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

Commissioner Rodriguez returned the meeting back to Vice President Hayes-White to resume as Chair.

B) Progress report on the September 1, 2023, event involving the M/V BOHOL ISLAND, which made unintended contact with the pier in Sacramento, CA.

MOTION: Commissioner Carr moved to grant the IRC an extension to present its report on the M/V BOHOL ISLAND at the next Board meeting, on Thursday, September 26, 2024. Commissioner Rodriguez seconded the motion.

VOTE: YES: Hayes-White, Carr, Korwatch, Nyborg, Rodriguez
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

11. Report on August 1, 2024, Ad Hoc Committee on Review of Pilot Trainee Training Program Selection Exam. (Committee Chair)

Executive Director Garfinkle presented the report of the Ad Hoc Committee on Review of Pilot Trainee Training Program Exam (Ad Hoc Committee) on behalf of Committee Chair Jennifer Ferrera Schmid.

Executive Director Garfinkle began his report on the work of the Ad Hoc Committee with a summary of the current situation, noting that:

- The Board is two years away from hosting another trainee exam, and
- Two years is not a lot of time to contract for exam-related services and prepare the exam.

Executive Director Garfinkle added that the following issues were discussed by the Ad Hoc Committee at its August 1, 2024, meeting:

- Personnel issues at CMA are a significant concern. To date, CMA has not been able to identify staff required to prepare the exam or operate the simulator.
- To learn from other jurisdictions, the Ad Hoc Committee met with representatives from the Washington State Board of Pilot Commissioners (Washington State) to discuss their exam process. Executive Director Garfinkle shared the following items with the Board:
 - The Washington State exam was originally developed with help from Dr. Norman Hertz, the same psychometrician who created the Board's exam.
 - The format of the Washington State exam is similar to the one employed by the Board and includes three components: 1) a post-application eligibility review, 2) a written exam, and 3) a simulator exam. Washington State does not include an interview in its exam.
 - For its most recent exam, Washington State contracted with a third-party psychometric firm.
 - The third-party psychometric firm hired by Washington State made the written exam available online, giving candidates the option of taking the exam remotely. The online exam is very secure with proctoring occurring on a one-to-one basis. Candidates who passed the written portion of the exam completed the simulator portion of the exam onsite in Washington.
 - The Ad Hoc Committee felt that the option to take the written portion of the exam remotely had the potential to increase the size of the candidate pool as well as its diversity.

- The option to take the exam online would also reduce the costs associated with the Board’s exam. For example, under the current model, applicants must travel to California and be prepared for an extended stay if they pass the written portion of the exam.
- The Ad Hoc Committee also felt that the third-party psychometricians would be able to refresh an exam that is almost four decades old.
- Executive Director Garfinkle also reported that members of the Ad Hoc Committee met with representatives from CalHR:
 - During this meeting the committee members presented CalHR with the work that the third-party psychometric firm performed for Washington State and asked CalHR about the feasibility of offering a virtual exam.
 - CalHR explained that they are developing the capabilities to offer virtual exams, but they would not be able to do so at the current time.
 - CalHR stated they were open to working with an outside psychometrician.
- Based on the discussions that have been had to-date with Washington State and others, the ongoing personnel issues at CMA, and the contracting challenges of state contracting, the Ad Hoc Committee feels the Board should publish an RFP for psychometricians. Any psychometrician participating in the RFP would have to meet three criteria: 1) Experience developing marine pilot exams, 2) delivering and proctoring online written exams, and 3) creating and proctoring simulator-based exams.

Following Executive Director Garfinkle’s report, the Commissioners and members of the public discussed the report:

- Commissioner Carr supported the proposal to run an RFP. He also expressed the view that the third-party firm that the Ad Hoc Committee met with has a wealth of knowledge based on its interactions with other west coast pilot groups (e.g., Southeast Alaska Pilots’ Association, Puget Sound Pilots, etc.).
- Commissioner Rodriguez asked if Washington State has seen a more diverse pool of trainee pilot candidates. Executive Director Garfinkle responded that he believed there was some additional diversity in the final candidate pool. Commissioner Carr added that the validation report on the Washington State website may provide some additional insights on the diversity of the applicant pool. He also noted that the remote exam allowed for a more diverse candidate pool based on anecdotal evidence.
- Commissioner Nyborg spoke in favor of using a third-party psychometrician for testing purposes. Commissioner Nyborg expressed the view that the increased transparency an independent company, rather than a state agency, would provide to applicants is an important rationale for this change. He noted that an independent company may be able to do a better job explaining where the applicant fell short on a

particular question. Commissioner Nyborg also suggested that there might be legal benefits to the Board and state, if an arms-length agency was used.

Executive Director Garfinkle responded that the third-party psychometricians planned a great deal of transparency into their process that is not in the Board's current process. This includes approximately one hour of time in the simulator for each candidate prior to the actual exam. Additionally, the third party holds virtual seminars prior to the written exam. Executive Director Garfinkle expressed the view that a third party would bring transparency to the process at the front end, reducing challenges on the back end.

- Commissioner Rodriguez asked if the Board still charges to take the exam. Executive Director Garfinkle explained that the upfront fee for the exam is \$1,000. Half of the fee is refunded if the applicant does not move on to the simulator portion of the exam. The Board keeps the entire fee if the applicant completes both parts of the exam (written and simulator). Executive Director noted that he believed the cost to take the Puget Sound Pilot's exam was several thousand more.
- Responding to a comment by Executive Director Garfinkle about changes to the regulations prior to the last exam that opened the exam to candidates with chief mate experience, operators of tugs (with lesser tonnage than previously required), and pilots from other jurisdictions, Commissioner Rodriguez asked if the changes to the regulations impacted the quality of candidates. Executive Director Garfinkle responded that the regulatory changes prior to the last exam increased the size of the candidate pool without impacting the quality of applicants. The changing nature of the U.S. maritime industry means that there are fewer people at the top of the pyramid (i.e., fewer ships mean fewer eligible candidates under the old regulations). Changing the regulations to allow chief mates and certain tug operators to apply increases the applicant pool as well as its diversity. Commissioner Korwatch noted that this was a reasonable change. Commissioner Carr recommended leaving the regulations in place for this exam period, noting that the update described by Executive Director Garfinkle had occurred late in the prior exam cycle.
- Captain Anne McIntyre, Business Director, SFBP, reminded the Board that the SFBP has a robust outreach program that includes local schools, including maritime academies. Captain McIntyre also noted that the broader issue of diversity that the Board needs to address should not overshadow the immediate need to organize an exam.
- Roma Cristia-Plant, a member of the public and former Board staff member, reminded the Board the cost of the last exam was between \$225,000 and \$250,000. She noted that adding an outside psychometrician should be possible. Ms. Cristia-Plant noted that it would be beneficial to have CalHR and a third-party psychometrician review the components of the exam to ensure it is testing for the correct factors, including skills, personality, and knowledge.

12. Report and discussion of scheduling of Pilot Licensee continuing education and possible delays to the scheduling of the Fall 2024 Combination Course.

Executive Director Garfinkle reported the following information to the Board:

- Currently CMA holds classes twice a year. According to the terms of the Board's contract with CMA, the class schedule must be mutually agreed upon by CMA and the Board.
- To date, CMA has not been able to identify a simulator operator, when previously there were two. One of these operators has resigned from CMA and is no longer available; the other operator is a faculty member at CMA with classroom responsibilities. CMA may have been able to identify a simulator operator, but this has not been confirmed.
- This training is required by the Board. If the Board is not able to provide this training, it will have to allow some leniency in terms of license renewal. If the Board does not extend the continuing education requirement until such time as the Board is able to provide the training, some licensees will be at risk of not having their license renewed.
- Executive Director Garfinkle responded that the manned model would not be affected. It is a different vendor and different contract.

Following Executive Director Garfinkle's report, Commissioners and members of the public addressed the report:

- Commissioner Carr expressed the view that pilots have been concerned about staying in compliance and would welcome this action.
- Roma Cristia-Plant, a public member and former board staff member, noted that delaying the combination course may result in budget pressures. Ms. Cristia-Plant noted that the Board may want to consider holding the Combination Course at a different location.
- Captain Anne McIntyre, Business Director, SFBP, expressed the view that the Board should undertake a broader discussion about continuing education. Pilot should be receiving the best continuing education, not just any continuing education or what's available. Captain McIntyre noted that several providers offer training, including nationwide pilot training programs, like the one in Canada.
- Executive Director Garfinkle noted that the state's arcane contract processes impact the Board's contracting ability. He added that Board may want to consider passing the responsibility for continuing education procurement to the SFBP, adding that they are the subject matter experts in the best position to evaluate the course offerings.

MOTION: Commissioner Nyborg moved to temporarily suspend the

Combination Course requirement for license renewal until such time that the continuing education course may be available, per an update from the Executive Director. Commissioner Rodriguez seconded the motion.

VOTE:

YES: Hayes-White, Carr, Korwatch, Nyborg, Rodriguez

NO: None.

ABSTAIN: None.

ACTION:

The motion was approved.

13. Stakeholders' report on subjects that may be of interest to the Board, including reports on shipping activity regionally and within the Board's jurisdiction (Mike Jacob, Pacific Merchant Shipping Association [PMSA]/Captain Anne McIntyre, SFBP)

Mike Jacob, PMSA President and General Counsel, provided the following report:

- The current year will be one the flattest on record, based on the Port Agent's report, with minimal variation in traffic month over month. Year over year, the Port of Oakland saw record growth in June.
- Shipping traffic is normally seasonal with peaks and valleys occurring throughout the year. Early spring and post-holiday periods tend to be slower; late August and early September, driven by the back-to-school and pre-stocking for the holidays, tend to see increased volumes.
- Geo-political factors are positively impacting west coast traffic, including conflict in the Red Sea and a Canadian labor dispute.
- Macro-economic factors are also seen as having a positive effect on west coast shipping volumes through the end of the year: the risk of a recession is receding; wages are outpacing inflation, a leading indicator of increased demand; and the U.S. dollar is likely to remain strong relative to world currencies, despite lower forecast interest rates.
- However, the Port of Oakland hasn't seen the same level of growth as other west coast ports (e.g., Los Angeles/Long Beach and Seattle/Tacoma) but traffic has been steady, and it's not expected to degrade.

Executive Director Garfinkle asked what was preventing the Port of Oakland from achieving the level of growth seen at ports in Los Angeles/Long Beach and Seattle/Tacoma. Mike Jacob responded that the factors driving growth were unclear. However, he suggested that the availability of rail at Los Angeles/Long Beach might be a contributing factor.

Captain McIntyre, Business Director, SFBP, provided the following report:

- AB 1296 has moved to the Assembly's Committee on Transportation. She also noted that the Board's support for the bill has been helpful.
- The P/V GOLDEN GATE has been on the market for almost a year. Even though the price has been lowered to \$250,000, there has been very little interest. She reported that the SFBP is now considering donating the boat to the Stockton Sea Scout troop

once the current listing expires.

14. Closed session for the Board to confer with legal counsel regarding potential significant exposure to litigation against the Board involving an inactive licensee. (Board Counsel)

The Board is authorized to discuss this matter in a closed session pursuant to the Open Meeting Act, Government Code section 11126, subdivisions (e)(1) and (e)(2)(B).

Nothing to report.

15. Comment by public and Board members on matters not on the agenda.

Commissioner Carr asked about the status of the retirement survey. Licensing and Training Programs Manager Wong reported that the survey is now closed. Forty-eight pilots completed the survey, out of the fifty-two pilots who received the survey – a response rate of 92.3%.

16. Proposals for the next Board meeting agenda. (Vice-President Hayes-White)

Proposals for the next Board meeting agenda included:

- Board Counsel Tuck reported that the PEC is required by regulation (7 California Code of Regulations [CCR] § 209(b)) to report on its activities to the Board at each regular meeting of the Board. Vice President Hayes-White agreed to discuss the question with President Tynan of whether the Chair of the PEC must be present at Board meetings, or just submit a written report.
- Commissioner Nyborg asked that an item be added to the next Board agenda to discuss issues related to the reimbursement of the SFBP by the Board for services rendered to the Board by SFBP when there was no contract in effect.

Additional points discussed without specific change deadlines included:

- Commissioner Rodriguez requested a written report by the December 2024 Board meeting on the Board's open contracts and the goods and/or services they have been contracted to provide, including one year of disbursements.
- Licensing and Training Programs Manager Wong confirmed that the Board meeting dates for November and December were Thursday, November 14, 2024, and Thursday, December 12, 2024. These meetings occur earlier in the month than normal due to the holidays.

17. Adjournment.

Vice President Hayes-White adjourned the meeting at 11:54 a.m.

Submitted by:



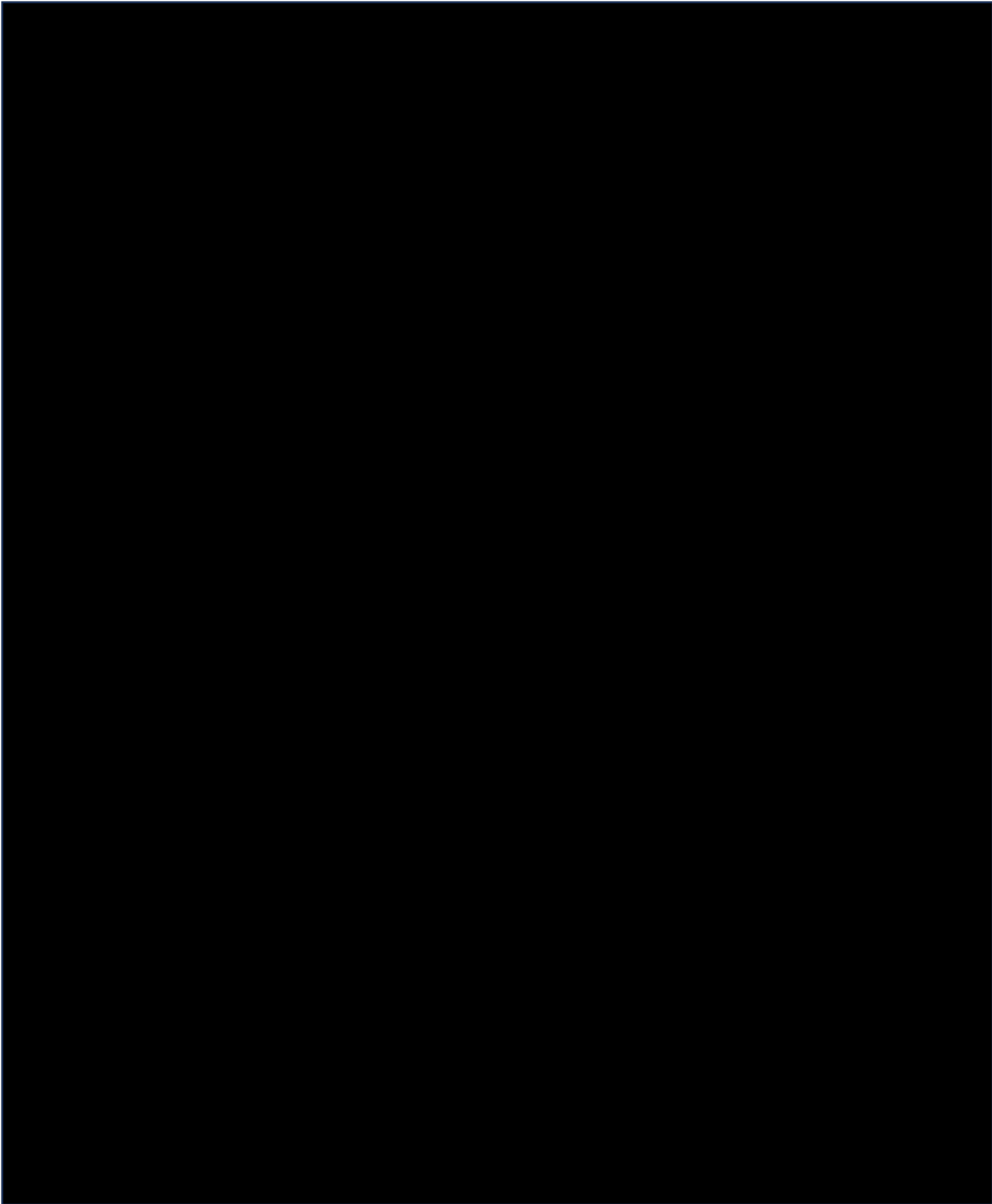
Allen Garfinkle
Executive Director

DRAFT

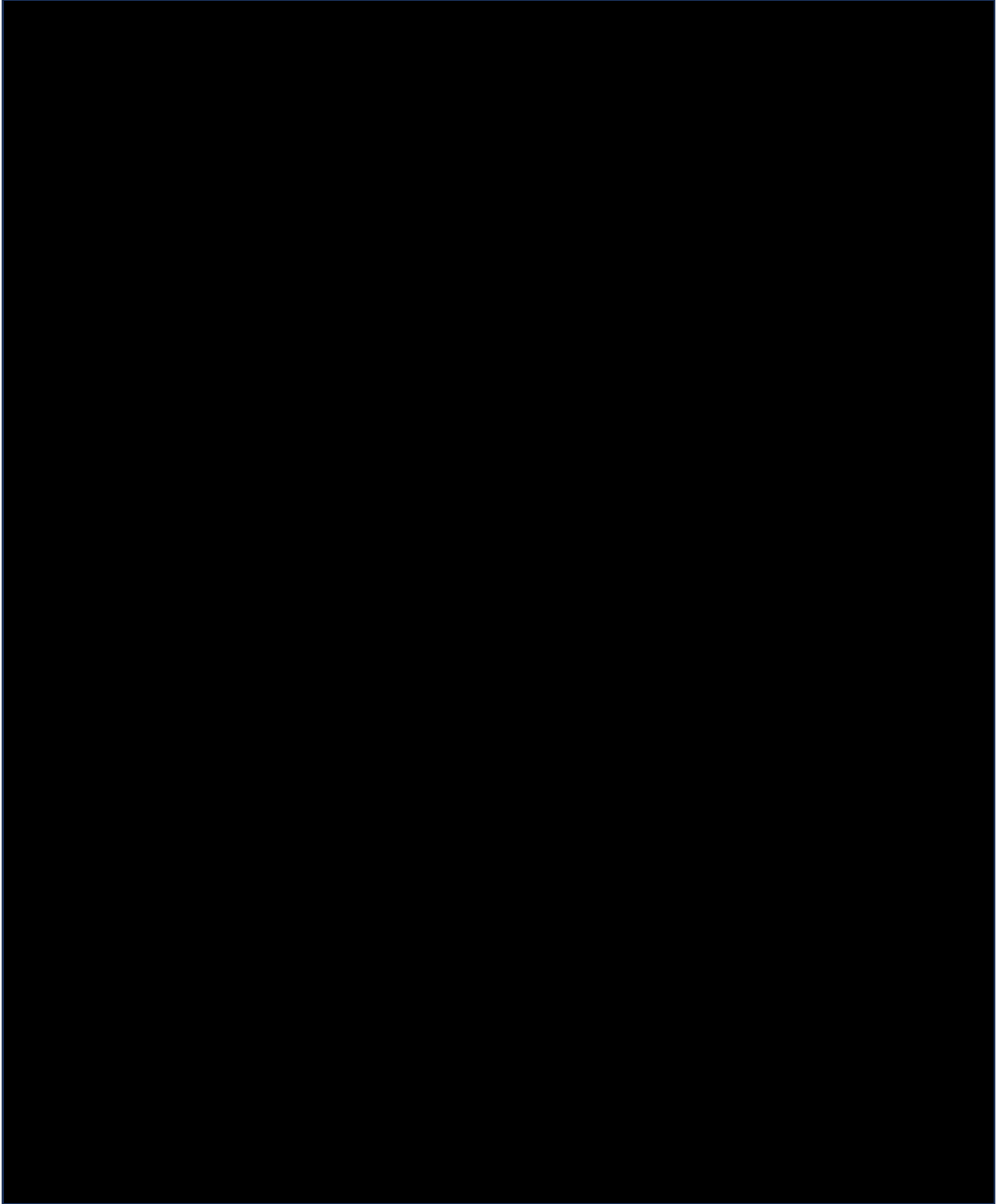
ACRONYM INDEX

Acronyms / Abbreviations	Definition
AB	Assembly Bill
AFMR	Absent For Medical Reasons
BCP	Budget Change Proposal
BOPC/Board	Board of Pilot Commissioners
CA	California
CalHR	California Department of Human Resources
Cal Poly	California Polytechnic State University
CalSTA	California State Transportation Agency
CCR	California Code of Regulations
CHP	California Highway Patrol
CMA	California State University Maritime Academy / California Maritime Academy / Cal Maritime
COLA	Cost of Living Adjustment
Conn	A term of art meaning the conduct of a vessel
FY	Fiscal Year (A Fiscal Year is July-June, instead of a calendar year of January-December)
GRT	Gross Registered Tons
HNC	Harbors and Navigation Code
IRC	Incident Review Committee
ITMP	Information Technology Modernization Project
MITAGS	Maritime Institute of Technology and Graduate Studies
MRP	Minimum Rest Period
M/V	Motor Vessel
OCC	Orange Coast College
OOH	Oakland Outer Harbor
PEC	Pilot Evaluation Committee
PMI	Pacific Maritime Institute
PMSA	Pacific Merchant Shipping Association
P/V	Passenger Vessel / Pilot Vessel
RFP	Request for Proposal
SB	Senate Bill
SCO	State Controller's Office
SFBP	San Francisco Bar Pilots
SLO	San Luis Obispo
UCSF	University of California San Francisco
USCG	United States Coast Guard

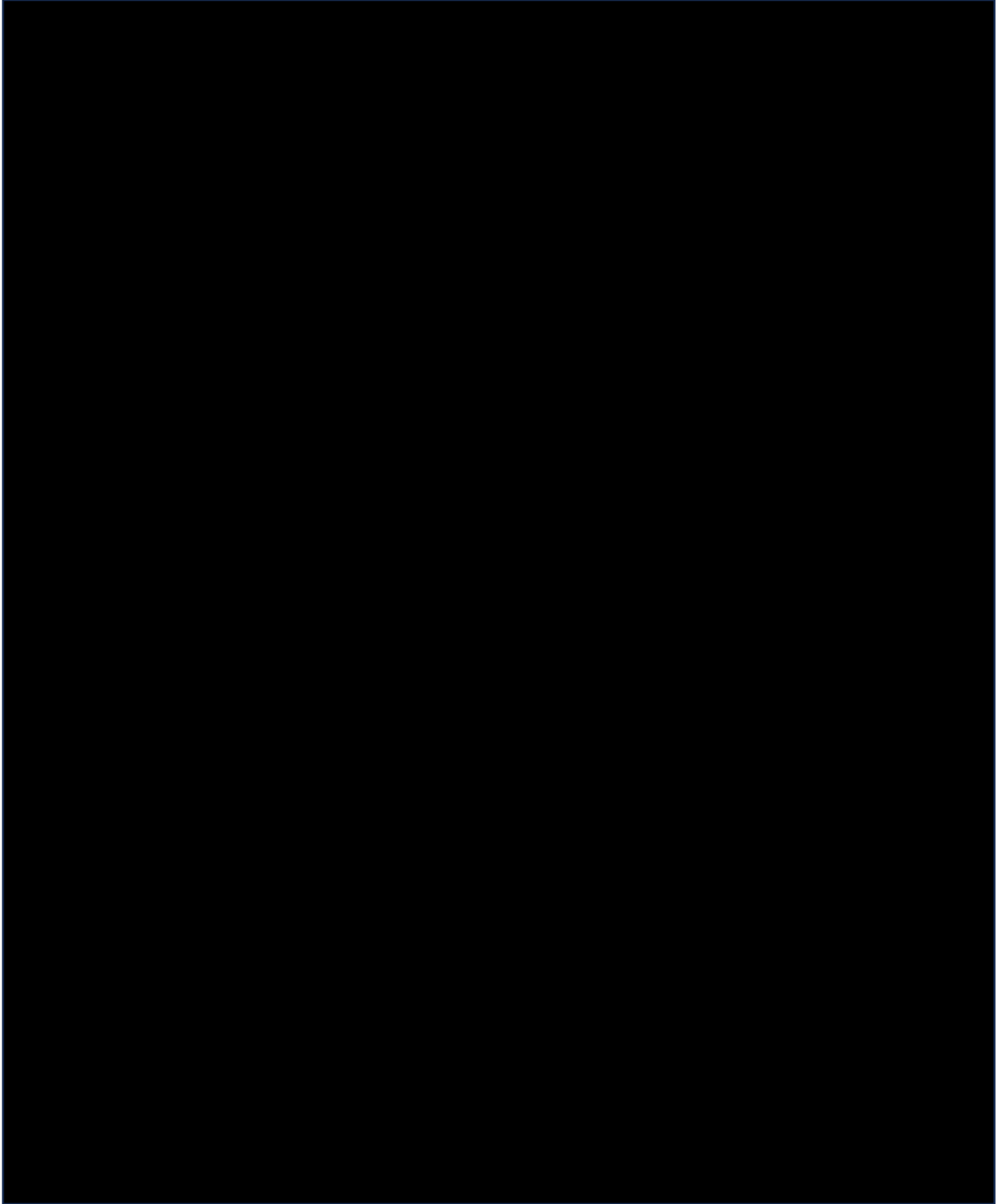
Agenda Item 6: Directors' Report



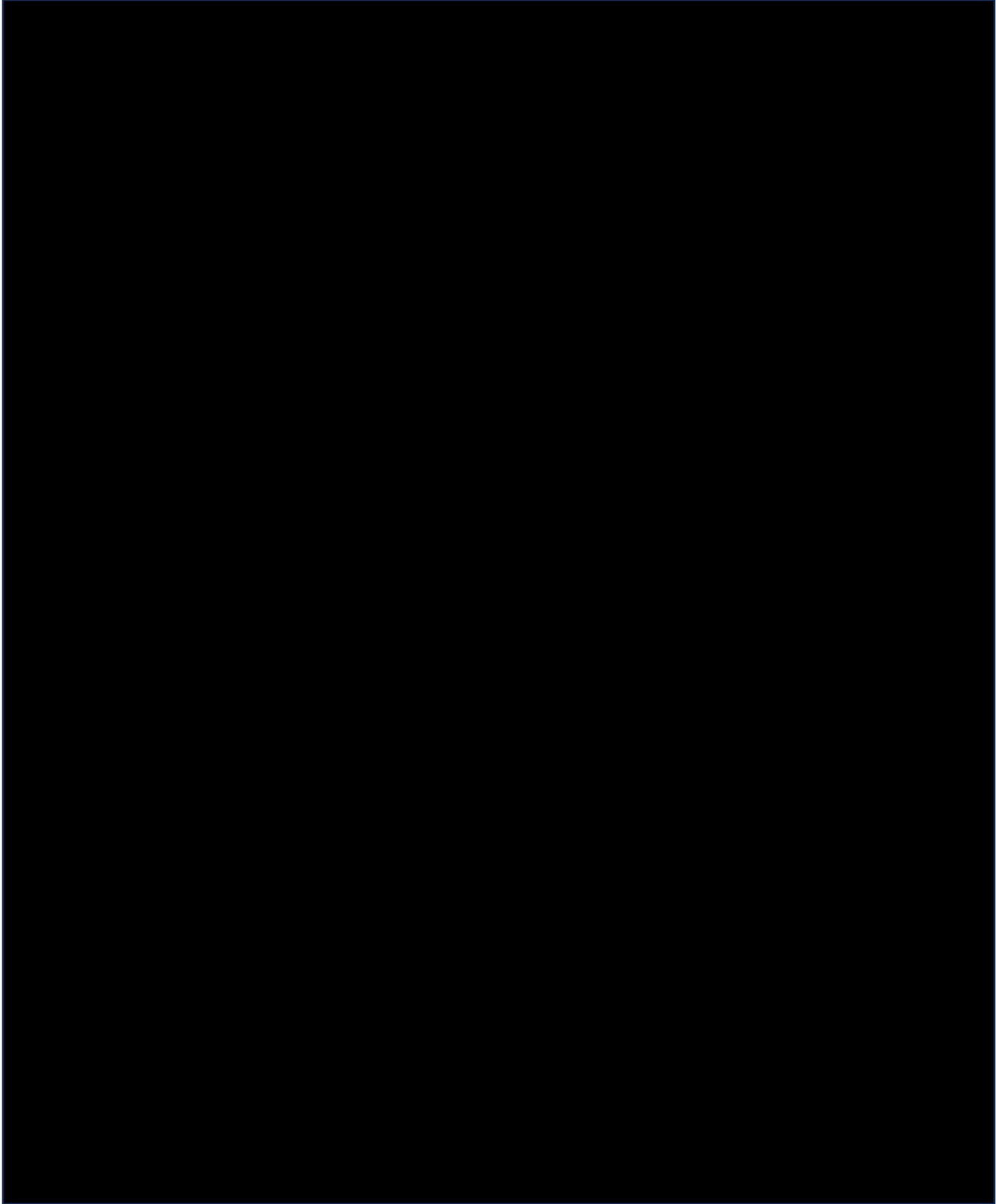
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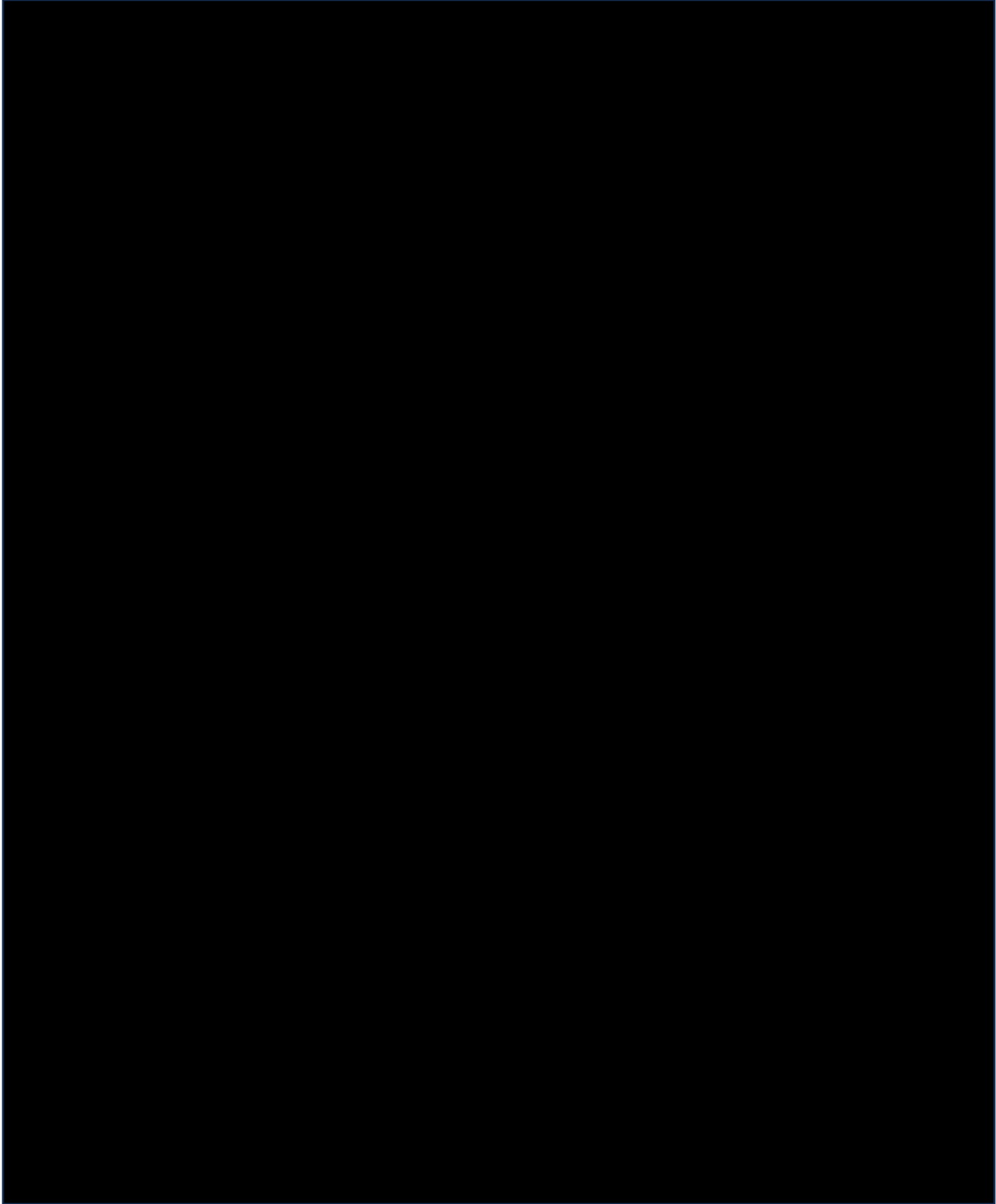
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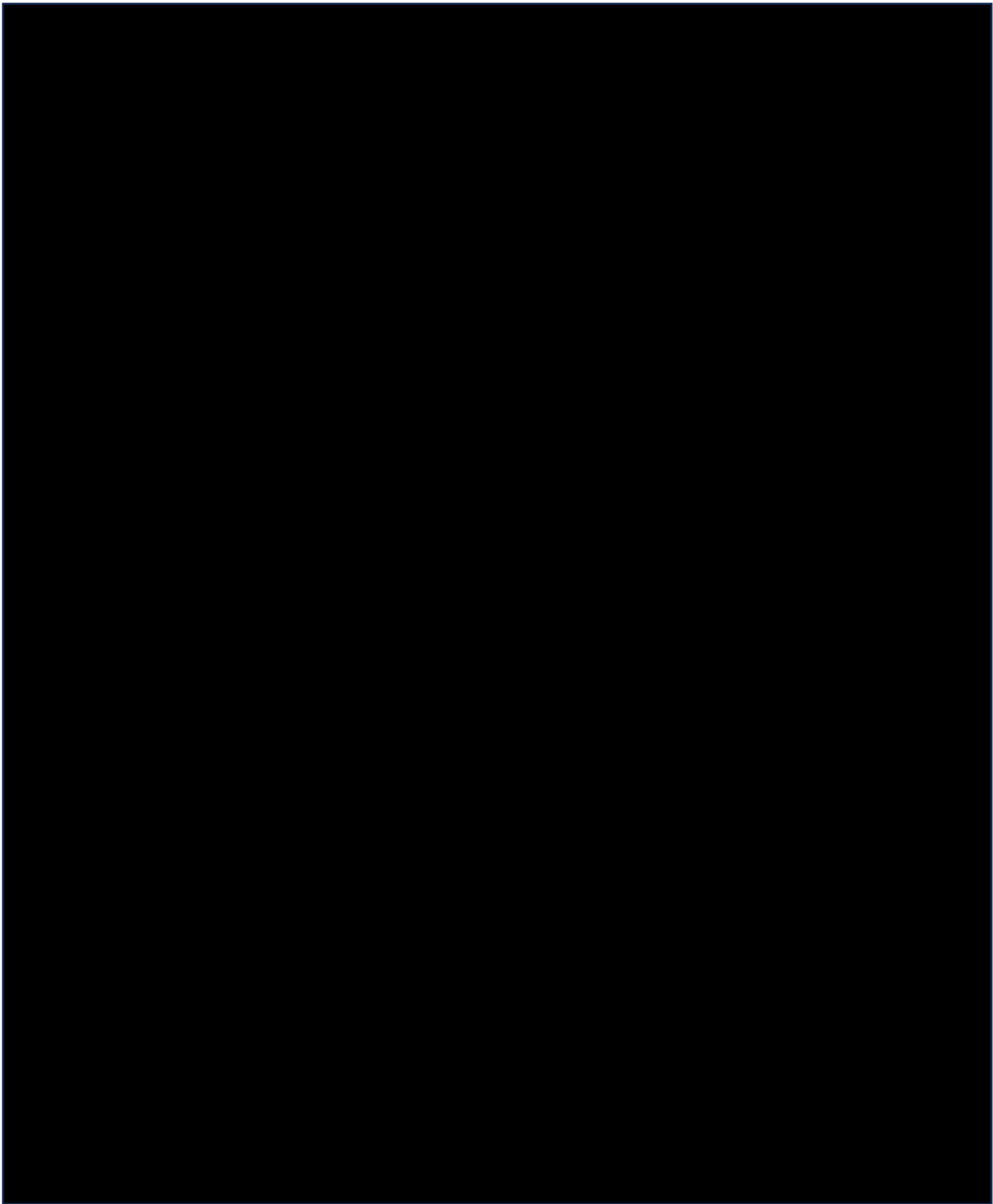
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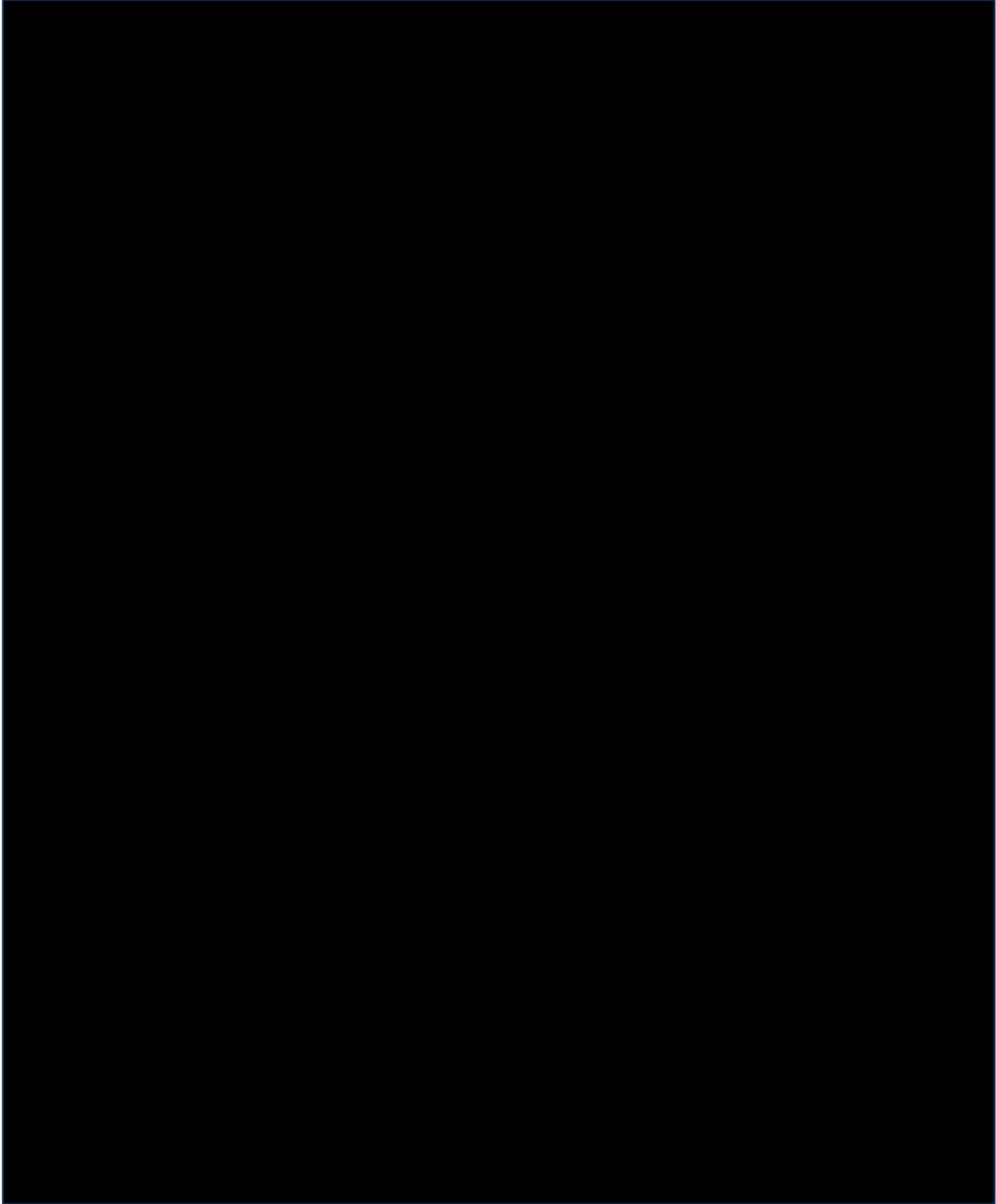
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Agenda Item 6A: Correspondence and activities since the Board meeting held on August 22, 2024

Item 6A-01: PMSA West Coast Trade Report, August 2024



**BOPC Received August 2024
8-26-2024**

Preliminary July 2024 TEU Numbers

The **West Coast Trade Report** monitors 24 North American container ports, nineteen in the United States, three in Canada, and two on Mexico's Pacific Coast. A few other U.S. container ports (notably including the Ports of Wilmington in Delaware and North Carolina, and the Port of Mobile in Alabama) choose not to make their TEU statistics public. Port Miami has lately been unable to supply the statistics we have requested and so we have delisted the Florida gateway, hopefully temporarily. The ports we track, save the Port of New York/ New Jersey, usually but not always post their latest TEU tallies in time for our publication date. The TEU tallies here are not estimates but the actual numbers the respective ports are releasing.

What are other trade analysts expecting to see in July? The National Retail Federation's Global Port Tracker (NRF/GPT) is looking for a 22.1%

year-over-year surge in inbound loads to 2.16 million TEUs at the thirteen U.S. container ports it monitors, while Descartes Global anticipates July's inbound volume at all U.S. ports (2,556,180 TEUs) will be up 16.8% over the previous July and up 16.3% over pre-pandemic July 2019.

Here are the July 2024 TEU numbers the nation's busiest container ports are reporting.

The **Port of Los Angeles** had a very busy July, with inbound loads totaling 501,281 TEUs, up 37.6% from a year earlier and 5.2% higher over pre-pandemic July 2019. Outbound loads (114,889) were up 4.1% year-over-year but remained down 28.8% from July 2019. Total Year-to-Date container moves through the San Pedro Bay gateway through July (5,671,091) represented a 4.0% gain over the first seven months of 2019.

Across the street at the **Port of Long**

Beach, inbound loads (435,081) surged by 60.5% from the previous July and by a whopping 38.8% over July 2019. Outbound loads (104,834) were up 16.3% year-over-year but were still 6.1% short of the 111,654 outbound loads the port reported in July 2019. Total container traffic through the port YTD through July (5,174,002) was up 20.0% year-over-year as well as up 20.1% over the same period in 2019.

Collectively, the two San Pedro Bay ports recorded an imposing 47.4% year-over-year bump in inbound loads in July to 936,362 TEUs from 635,294 a year earlier. Outbound loads in July (219,723) saw a noteworthy 9.6% gain from a year earlier. Total container moves through the two ports YTD (10,845,093) were up 11.1% over the first seven months of 2019.

The San Francisco Bay Area's **Port of Oakland** handled 80,135 inbound

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Partial Tallies

Continued

loads in July, a modest 2.6% gain over a year earlier. July's volume was also down 11.5% from the 90,598 inbound loads the port had discharged in July 2019. Outbound loads at the Northern California gateway (59,362) were up modestly by 2.3% year-over-year but down 22.3% from July 2019. Total container traffic through the port so far this year (1,320,245) was 10.4% below the volume recorded in the first seven months of 2019.

Up in Washington State, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** discharged 110,304 inbound loads in July, up 24.4% year-over-year but down 10.4% from the volume recorded in July 2019. Outbound loads in July (36,940) were off by 1.8% from a year earlier and fully half the volume the ports handled in July 2019. Total container moves YTD (1,822,489) were down by 18.7% from the same period in 2019.

Altogether, the five major U.S. West Coast container ports reported 1,126,801 inbound laden TEUs in July, a 40.5% boost over the previous July and an 12.3% improvement over July 2019. Outbound loads at these same ports in July (316,025) were up 6.7% from a year earlier but down 25.3% from July 2019.

North of the border, year-over-year comparisons between this July and July 2023 would be misleading given that a strike by longshore workers suppressed traffic through the ports of British Columbia for several days last July. For the record, though, the

Port of Vancouver handled 169,164 inbound loads in July, up 3.8% over July 2019. Outbound loads (60,745) were down by 33.6% from July 2019. Total container traffic through Canada's largest port through the first seven months of 2024 (2,076,769) was up 4.0% from five years earlier.

At North America's northern most Pacific Coast port, the **Port of Prince Rupert**, the 33,744 inbound loads in July represented a 22.1% increase over-a-year earlier but remained well shy of the 66,277 inbound loads the port had handled in July 2019. Outbound loads (10,965) jumped 42.6% over July 2023 but well below the 15,397 TEUs that sailed from the port five years earlier. Total container traffic YTD amounted to 468,944 TEUs, up 8.8% from the preceding July but far below the 659,398 TEUs the port had handled in the first half of 2019.

Back East, the **Port of Virginia** posted a modest 3.8% year-over-year increase in inbound loads to 146,926 TEUs, its highest volume in July since 2022. The gain in inbound loads was 17.3% over July 2019. Outbound loads (92,564) at the Mid-Atlantic gateway were the fewest of any month this year but the most of any previous July. Still, this July's outbound volume was up 14.5% from July 2019. Total YTD container traffic through the port (2,100,151) was 22.1% higher than in the same period five years ago.

Meanwhile, the **Port of Charleston** continues to see surprisingly meager

growth in its overall container numbers. To be sure, outbound loads in July (114,434) were up 6.2% year-over-year, but outbound loads (51,729) were down 3.9% from a year ago. Total container traffic YTD (1,464,383) was up just 2.9% from the same period a year earlier and was only 3.3% more than the 1,417,959 total TEUs the South Carolina port handled back in the first seven months of 2019.

Along the Gulf Coast, **Port Houston** saw the arrival of 157,565 laden TEUs in July, down 5.2% from a year earlier but up 41.9% from July 2019. Outbound loads in July (112,607) were off by 4.3% year-over-year but up 7.8% from July 2019. The Texas port handled 2,423,474 loads and empties in this calendar year through July, a 10.0% bump over last year and a 40.8% gain over the same period in 2019.

July tallies from the Port of New York/New Jersey, the Port of Savannah, and Port Miami were unavailable by our publication deadline.



FOR THE RECORD

Complete June 2024 TEU Statistics

The five major U.S. West Coast container ports we track collectively handled 1,075,746 inbound loads in June, a 21.9% bump over the preceding June and up 15.3% from June 2019. Outbound loads (341,037) were up 11.8% year-over-year but down 15.1% from June 2019.

Here is how the larger ports we track fared in June, in their own numbers.

In Southern California, the **Port of Los Angeles** recorded 428,753 inbound loads in June, down 1.5% from a year earlier but up 8.2% from June 2019. Outbound loads (122,515) rose 13.4% year-over-year but remained 12.1% below the 396,307 outbound loads reported in June 2019. Total container traffic through the nation's busiest container port in this year's first half (4,731,491) was 4.2% higher than in the first six months of pre-pandemic 2019.

The **Port of Long Beach** had its fourth busiest month ever in June, with total container moves (loads and empties) amounting to 842,446 TEUs. Inbound loads (419,698) were up 53.0% from a comparatively sluggish June 2023 and were 26.6% higher than in June 2019. Outbound loads (98,300) rose 4.0% from a year earlier but remained 26.6% below the volume recorded five years earlier. YTD, total TEU traffic through the Southern California gateway (4,291,626) was up 16.4% from the first half of 2019.

Up at the San Francisco Bay Area's **Port of Oakland**, June produced some deceptively impressive figures. Inbound loads (84,040) jumped by 26.8% from a year earlier, but June 2023 was the lowest June for imports the port had seen since 2020. As it was, inbound loads

were up just 3.9% from pre-pandemic June 2019. Outbound loads (66,540) meanwhile rose by 22.9% from a lackluster June 2023 but were down by 11.2% from June 2019. Through this year's first half, total container moves (1,135,778) though the Northern California port were down 9.5% from the same period in 2019.

We also note that the State of Oregon's **Port of Portland** continues to move some container traffic. June 2024 saw a 16.0% year-over-year bump in container traffic to 7,660 TEUs from 6,006 TEUs the previous June. However, the Columbia River port's total TEU volume in the second quarter (22,005) was down from 25,849 TEUs in this year's first quarter and from 30,533 in last year's second quarter. So far this calendar year, the port has handled a total of 47,854 inbound and outbound loads, down 24.6% from this point last year. By comparison, Maine's Port of Portland has handled 21,520 total TEUs so far in this calendar year.

In the Pacific Northwest, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** managed 129,789 import loads in June, a 42.5% jump year-over-year as well as a 14.6% increase over June 2019. Export loads (51,656) were up 12.6% from a year ago but just 0.6% ahead of the volume seen in June 2019. Total container moves YTD through the two Washington State ports (1,557,762) were up 13.8% from the first half of 2019.

Across the border in British Columbia, the **Port of Vancouver's** 152,912 inbound loads in June exceeded last

June's total by 20.0%, while edging up just 4.3% over June 2019. Outbound loads (67,573) in June were up 3.7% year-over-year but down 33.6% from June 2019. Total container traffic through the Canadian port in the first half of 2024 (1,769,093) exceeded the volume in the same period in 2019 by 4.3%.

Back on the Atlantic Coast, the **Port of New York/New Jersey** handled 413,833 inbound loads in June, an increase of 17.8% from a year earlier and a gain of 37.2% over June 2019. Outbound loads at the East Coast's busiest container gateway in June (124,801) were up 12.7% year-over-year but still just 1.7% above the volume recorded in June 2019. Total first-half container traffic (4,210,653) represented a 15.3% expansion over the same period in 2019.

The **Port of Virginia** reported 124,991 inbound loaded TEUs in June, a very modest 0.5% gain over a year earlier but a 10.9% increase from June 2019. Outbound loads (95,262) rose by 15.6% year-over-year and 24.5% from the sixth month of pre-pandemic 2019. Total container traffic through the Mid-Atlantic Coast gateway through the first half of this year (1,792,540) was up 23.2% over the same period in 2019.

At South Carolina's **Port of Charleston**, inbound loads in June amounted to 105,883, a 10.5% increase from the previous June and a 14.2% gain over June 2019. Outbound loads (62,377) were up 3.9% from a year earlier but were down 13.5% from June 2019. Total container moves during the first-half of this year



June 2024 TEU Numbers

Continued

(1,240,576) were up just 2.7% from the same period in 2019.

Georgia's **Port of Savannah** discharged 226,987 inbound loads in June, a 25.8% year-over-year bump that also represented a 34.5% increase over June 2019. Outbound loads, meanwhile, amounted to 120,366 TEUs, up 8.0% from a year earlier but just 0.9% ahead of June 2019's volume. Total container traffic in the year's first-half (2,701,136) was 19.9% higher than in the same period five years earlier.

On the Gulf Coast, **Port Houston** handled 153,778 inbound loads, a 4.9% gain from a year earlier but a massive 46.2% increase over June 2019. Outbound loads through the Texas port (114,728) were up 10.6% year-over-year but just 7.8% over June 2019. Total container traffic through the first half of 2024 (2,098,117) represented a 12.9% increase from the same period a year ago but a 43.6% expansion over the total volume in the first six months of 2019.

Please note that **Port Miami** no longer appears in our coverage of the nation's containerized trade as the Florida maritime gateway port officials have been unable to provide its TEU tallies to us.

As **Exhibit 1** reveals, the U.S. ports we monitor reported having handled 2,232,303 inbound loads in June, a 15.6% increase from a year earlier as well as a 20.1% increase over pre-pandemic June 2019. The surge in inbound loads some forecasters had anticipated for May came a month later as U.S. West Coast (USWC) ports saw a 21.9% gain in June from a year earlier. The 1,075,746 inbound loads they handled in June represented 48.2% of all inbound loads nationally in June, up sharply from 45.7% share a year earlier. U.S. East Coast (USEC) ports, meanwhile,

Exhibit 1

**June 2024
Inbound Loaded TEUs at Major North American Ports**

	June 2024	June 2023	June 2019	Change from 2023	Change from 2019
Los Angeles	428,753	435,307	396,307	-1.5%	8.2%
Long Beach	419,698	274,325	331,617	53.0%	26.6%
San Pedro Bay Total	848,451	709,632	727,924	19.6%	16.6%
Oakland	84,040	66,295	80,895	26.8%	3.9%
NWSA	129,789	91,089	113,295	42.5%	14.6%
Hueneme	7,746	9,595	5,080	-19.3%	52.5%
San Diego	5,720	6,050	5,836	-5.5%	-2.0%
USWC Total	1,075,746	882,661	933,030	21.9%	15.3%
Boston	12,242	8,626	13,874	41.9%	-11.8%
NYNJ	413,833	351,430	301,708	17.8%	37.2%
Philadelphia	36,524	30,326	24,856	20.4%	46.9%
Maryland	6,881	48,921	38,839	-85.9%	-82.3%
Virginia	124,991	124,338	112,664	0.5%	10.9%
So Carolina	105,883	95,831	92,707	10.5%	14.2%
Georgia	226,987	180,369	168,799	25.8%	34.5%
Jaxport	34,664	25,642	33,461	35.2%	3.6%
Port Everglades	31,164	24,316	22,463	28.2%	38.7%
USEC Total	993,169	889,799	809,371	9.3%	16.8%
New Orleans	9,610	11,200	11,673	-14.2%	-17.7%
Houston	153,778	146,636	105,159	4.9%	46.2%
USGC	163,388	157,836	116,832	3.5%	39.8%
Vancouver	152,859	135,052	137,495	13.2%	11.2%
Prince Rupert	36,408	34,289	57,754	6.2%	-37.0%
British Columbia Total	189,267	169,341	195,249	11.8%	-3.1%
L Cardenas	64,068	59,887	47,958	7.0%	33.6%
Manzanillo	145,028	133,506	115,596	8.6%	25.5%
Mexico Pacific Coast	209,096	193,393	163,554	8.1%	27.8%
U.S. Totals	2,232,303	1,930,296	1,859,233	15.6%	20.1%

Source: Individual Ports





West Coast Trade Report

June 2024 TEU Numbers

Continued

saw their collective share of the nation's inbound container trade decline to 44.5% from 46.1% in June 2023 and from 43.5% in June 2019.

Contrary to claims published elsewhere, the nation's Top Ten container ports recorded 2,040,018 inbound loads in June, a 17.2% bump over June 2023.

On the export side of the box trade ledger, **Exhibit 2** shows that the U.S. ports we track handled 975,249 outbound loaded TEUs in June, with U.S. West Coast ports holding a 35.0% share of the trade, up from 31.4% a year ago. U.S. East Coast ports, meanwhile, held a 51.3% share of the nation's outbound loads in June, down from a 52.2% share last June. The nation's Top Ten container ports reported 856,545 outbound loads in June, an increase of 11.2% over the previous June but still down 4.5% from June 2019, when outbound loads at the Top Ten container ports totaled 897,064 TEUs.

Exhibit 3 establishes that the North American ports we monitor handled 32,289,792 loaded and empty TEUs in the first half of this year. That was up 11.3% from a year earlier and 10.5% higher than the total handled in the first half of 2019. U.S. ports handled 26,331,697 total TEUs in the first half, an increase of 12.8% from the previous year and up 10.0% than in the first half of 2019. **Exhibit 3** also establishes that the Port of Los Angeles and the Port of Long Beach were the North America's two busiest container ports during the first half of 2024. A year earlier, the Port of New York/New Jersey (PNYNJ) had edged out the Port of Long Beach

Exhibit 2

**June 2024
Outbound Loaded TEUs at Major North American Ports**

	June 2024	June 2023	June 2019	Change from 2023	Change from 2019
Los Angeles	122,515	108,050	139,318	13.4%	-12.1%
Long Beach	98,300	94,508	133,833	4.0%	-26.6%
San Pedro Bay Total	220,815	202,558	273,151	9.0%	-19.2%
Oakland	66,540	54,138	74,901	22.9%	-11.2%
NWSA	51,656	45,891	51,964	12.6%	0.6%
Hueneme	1,496	1,944	1,270	-23.0%	17.8%
San Diego	530	584	298	-9.2%	77.9%
USWC Total	341,037	305,115	401,584	11.8%	-15.1%
Boston	4,602	4,292	7,366	7.2%	-37.5%
NYNJ	124,801	110,695	122,663	12.7%	1.7%
Philadelphia	7,869	7,027	7,374	12.0%	6.7%
Maryland	9,956	17,811	20,127	-44.1%	-50.5%
Virginia	95,262	82,414	76,535	15.6%	24.5%
So Carolina	62,377	59,485	72,126	4.9%	-13.5%
Georgia	120,366	111,104	119,295	8.3%	0.9%
Jaxport	38,553	41,738	38,424	-7.6%	0.3%
Port Everglades	36,601	30,707	34,705	19.2%	5.5%
USEC Total	500,387	465,273	498,615	-7.5%	-0.4%
New Orleans	19,097	19,672	25,898	-2.9%	-26.3%
Houston	114,728	103,726	106,429	10.6%	7.8%
USGC	133,825	123,398	132,327	8.4%	1.1%
Vancouver	67,573	65,149	101,715	3.7%	-33.6%
Prince Rupert	11,566	10,603	15,254	9.1%	24.2%
British Columbia Total	79,139	75,752	116,969	4.5%	-32.3%
L Cardenas	4,982	4,488	19,569	11.0%	-74.5%
Manzanillo	28,997	51,744	64,338	-44.0%	-54.9%
Mexico Pacific Coast	33,979	56,232	83,907	-39.6%	-59.5%
U.S. Totals	975,249	893,786	1,032,526	9.1%	-5.5%

Source: Individual Ports





June 2024 TEU Numbers

Continued

for the Number Two position. In 2019, Long Beach overtook PNYNJ for that slot. Among the major North American ports, all but the Port of Montreal and, for understandable reasons, the Port of Baltimore, recorded year-over-year gains in total container traffic in the first half. Compared to the volumes they had reported during the first half of pre-pandemic 2019, the San Pedro Bay Ports of Los Angeles and Long Beach together achieved a 9.7% increase in total container traffic. However, the Port of Oakland and the Northwest Seaport Alliance both fell well short of the volumes they had recorded during the first half of 2019. As a result, the five major USWC ports collectively handled 3.8% or 430,667 more loaded and empty TEUs in this year's first half than they had five years earlier.

Container Contents Weights and Values

Exhibit 4 and **Exhibit 5** display the U.S. West Coast ports' shares of the nation's containerized trade through the mainland U.S. ports against which USWC ports compete for discretionary cargo. These June 2024 data are derived from import/export documents shippers file with U.S. Customs and Border Protection. For a broader perspective, we compare the most recent month for which data are available with the same month in the preceding year, in pre-pandemic 2019, and a decade earlier. For those who are inclined to add up the numbers, the USWC totals in these two exhibits include international container traffic moving through smaller West Coast ports like San Diego, Hueneme, and Everett in addition to the container

Exhibit 3	June 2024 YTD Total TEUs at Major North American Ports				
	June 2024	June 2023	June 2019	Change from 2023	Change from 2019
Los Angeles	4,731,491	4,137,379	4,538,639	14.4%	4.2%
Long Beach	4,291,626	3,732,676	3,685,635	15.0%	16.4%
NYNJ	4,210,653	3,740,344	3,652,841	12.6%	15.3%
Georgia	2,701,136	2,375,409	2,252,228	13.7%	19.9%
Houston	2,098,117	1,858,375	1,461,409	12.9%	43.6%
Manzanillo	1,935,710	1,734,942	1,512,284	11.6%	28.0%
Virginia	1,792,540	1,580,449	1,454,453	13.4%	23.2%
Vancouver	1,769,093	1,554,904	1,695,377	20.0%	4.3%
NWSA	1,557,762	1,396,574	1,806,731	11.5%	-13.8%
South Carolina	1,240,575	1,225,957	1,207,417	1.2%	2.7%
Oakland	1,135,778	1,012,154	1,254,985	12.2%	-9.5%
Lazaro Cardenas	1,111,075	833,996	662,060	33.2%	67.8%
Montreal	737,464	759,184	859,410	-2.9%	-14.2%
JaxPort	674,079	640,575	669,706	5.2%	0.7%
Port Everglades	551,158	514,933	522,238	4.3%	3.4%
Philadelphia	419,882	364,083	296,494	15.3%	41.6%
Maryland	404,753	382,405	550,083	5.8%	-26.4%
Prince Rupert	294,644	548,848	536,520	-46.3%	-45.1%
New Orleans	258,731	237,457	316,050	9.0%	-18.1%
Boston	131,424	109,471	148,822	20.1%	-11.7%
Hueneme	120,809	127,888	65,418	-5.5%	84.7%
San Diego	73,438	78,058	59,633	-5.9%	23.1%
Portland, Oregon	47,854	63,106	0	-24.2%	∞
North American Totals	32,289,792	29,009,167	29,208,433	11.3%	10.5%
U.S. Ports Total	26,331,697	23,743,736	23,929,219	12.8%	10.0%





West Coast Trade Report

June 2024 TEU Numbers

Continued

figures from the USWC Big Five ports.

The numbers here confirm a decided shift of U.S. containerized trade back toward America's West Coast ports. However, we warn that these recent gains in market share by USWC ports are likely to dissipate once the threat of a dockworkers strike along the East and Gulf Coast is lifted and once the Houthi blockade of the Suez Canal is neutralized. Given shifts in worldwide manufacturing, right now could be the highwater mark for the USWC ports' shares of the nation's containerized maritime trade.

Exhibit 4 shows a substantial year-over-year boost in the USWC share of all containerized import tonnage flowing into mainland U.S. ports in June. The Ports of Los Angeles and Long Beach actually exceeded the share they held in pre-pandemic June 2019. However, on the export side of the trade ledger, the five major USWC ports saw a significant fall-off in their collective share of containerized export tonnage from last June.

Exhibit 5 focuses on the USWC shares of U.S. containerized trade involving trading partners in East Asia. Again, the numbers indicate that the Ports of Los Angeles and Long Beach are capturing a larger share of the containerized import tonnage from East Asia. Oakland saw its import tonnage shares edge up slightly from a year earlier, while the Northwest Seaport Alliance Ports of Tacoma and Seattle enjoyed a more appreciable gain. As for export tonnage, this June very nearly mirrored last June's distribution of shares.

New Wine Bottle Import Tariffs

Wine bottle manufacturers in China, Chile and Mexico are looking at new U.S. tariffs that may range as high as 218.15% as the result of Countervailing Duty and Antidumping investigations by the U.S. Commerce Department. To the extent higher duties distort trade, the logistical impact will be felt at border crossings with Mexico and at U.S. West Coast ports, which handled 71.1% of glass wine bottle shipments to the U.S. from China during the first half of this year. **Exhibit 6** reveals the breakdown over the past ten years. As Mexico has emerged as an ever-larger supplier of glass wine bottles, the role of Chinese

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, June 2024

		Jun 2024	Jun 2023	Jun 2019	Jun 2014
Import Tonnage	USWC	38.5%	35.0%	38.4%	44.1%
	LA/LB	29.0%	26.4%	27.5%	31.5%
	Oak.	3.4%	3.0%	4.2%	4.6%
	NWSA	4.4%	3.9%	5.2%	6.2%
Import Value	USWC	43.4%	40.8%	46.4%	52.4%
	LA/LB	33.9%	32.2%	35.1%	40.7%
	Oak.	3.2%	2.7%	3.8%	3.9%
	NWSA	5.3%	4.7%	6.9%	7.1%
Export Tonnage	USWC	30.2%	32.3%	36.7%	42.1%
	LA/LB	18.6%	19.7%	21.7%	25.6%
	Oak.	5.7%	5.6%	6.0%	6.5%
	NWSA	5.3%	5.6%	7.9%	8.8%
Export Value	USWC	25.9%	26.7%	32.1%	36.6%
	LA/LB	16.4%	17.9%	20.8%	25.0%
	Oak.	6.0%	5.5%	6.0%	5.8%
	NWSA	3.0%	2.9%	4.5%	5.0%

Source: U.S. Commerce Department

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, June 2024

		Jun 2024	Jun 2023	Jun 2019	Jun 2014
Import Tonnage	USWC	57.6%	54.0%	57.2%	66.0%
	LA/LB	45.7%	43.1%	44.3%	49.6%
	Oak.	3.9%	3.8%	4.8%	4.9%
	NWSA	6.9%	6.0%	7.7%	9.6%
Import Value	USWC	65.4%	61.5%	66.7%	73.8%
	LA/LB	52.7%	49.6%	51.8%	58.8%
	Oak.	3.9%	3.4%	4.5%	4.2%
	NWSA	8.0%	7.2%	9.8%	10.1%
Export Tonnage	USWC	52.5%	52.5%	58.9%	68.8%
	LA/LB	33.3%	33.2%	36.5%	44.1%
	Oak.	8.6%	8.7%	9.3%	9.4%
	NWSA	9.5%	9.3%	12.8%	14.3%
Export Value	USWC	54.4%	56.3%	62.1%	69.9%
	LA/LB	34.7%	38.1%	41.4%	49.2%
	Oak.	11.5%	11.1%	10.9%	9.9%
	NWSA	7.1%	6.4%	8.6%	9.9%

Source: U.S. Commerce Department





West Coast Trade Report

June 2024 TEU Numbers
Continued

manufacturers has not only fallen off, but the trade has also been rechanneled south, with the San Pedro Bay ports emerging as the preferred point-of-entry. That shift stands out because most of America’s wine is produced in Northern California, a region more immediately in the hinterland of the Port of Oakland.

Shipping Fresh Idaho Potatoes to Japan

Japan has long to be loath to accept fresh potato imports from the United States. That has long been a source of irritation to potato growers and their friends in Idaho, where one in every five potatoes is exported.

Perhaps oddly, Japan is already the leading overseas market for frozen U.S. potatoes, the kind used to make French fries and potato chips. But political pressure from Japanese potato growers has kept fresh potatoes out of the country, despite decades of negotiations and the absence of a compelling, science-based justification for the ban.

Data from the U.S. Department of Agriculture show that U.S. potato exports hit a record \$2.1 billion in sales in 2022, the latest year for which the USDA has comparable statistics. According to the National Potato Council, exports of fresh potatoes to Japan could add another \$150 million to that total.

The U.S. already exports fresh potatoes to countries in the same general neighborhood as Japan, including South Korea, Taiwan, Hong Kong, Singapore, Indonesia, the Philippines, Malaysia, and Thailand.

Exhibit 6 U.S. Port Shares of Glass Wine Bottle Imports from China
Source: U.S. Commerce Department

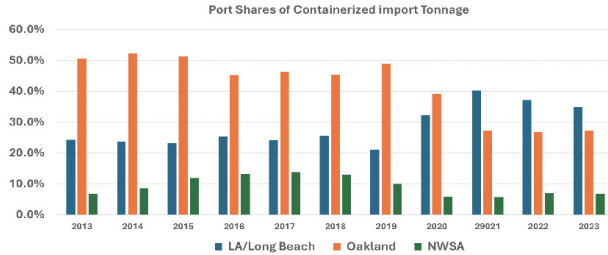
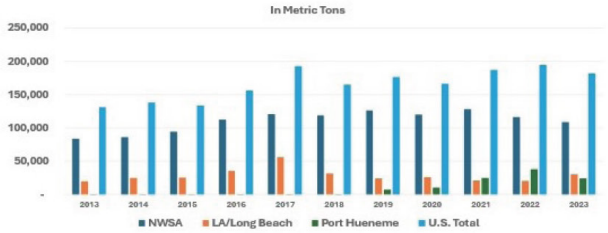


Exhibit 7 Ports Handling U.S. Fresh Potato Exports
Source: U.S. Commerce Department



Opening Japan to Idaho potato exporters would also presumably benefit the Northwest Seaport Alliance Ports of Tacoma and Seattle, which currently handle the majority of fresh potato exports going to overseas markets (see Exhibit 7).

California Nuts

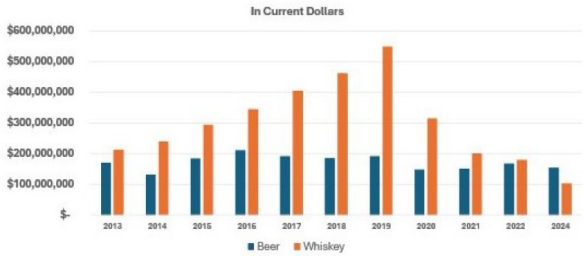
Almonds, pistachios, and walnuts rank among California’s Top Five agricultural exports by value.





June 2024 TEU Numbers
Continued

Exhibit 8 U.S. Imports of Alcoholic Beverages from Ireland
Source: U.S. Commerce Department



Other than the overland trade to Canada and Mexico (and a <10.0% share diverted to ports on the East and Gulf Coasts), virtually the state's tree nut export trade moves through the Ports of Oakland, Long Beach, and Los Angeles. Here's how exports are faring in the current crop year, which began last September 1 for pistachios and walnuts and on August 1 for almonds.

Almond exports for the 2023-24 crop year which ended on July 31 totaled 1,963,916,713 pounds, a 6.3% gain over the 2022-23 crop year. 73.0% of California almonds were exported in the just concluded crop year. Spain, Germany, the Netherlands, the United Arab Emirates, Turkey, and Morocco were the chief destinations.

Through July, pistachio exports this year have totaled 882,319,358 pounds, up 45.5% from this point last year and 68.1% above the volume exported in the previous crop year. So far this year, 79.2% of the crop has been exported. Only a fraction (4.7%) of pistachio shipments are going to Canada and Mexico. Germany and Turkey each have been importing more California pistachios than are our two immediate neighbors. Spain, India, and Vietnam also rank among the top overseas markets for California's pistachios.

California Walnut Board numbers show that exports of inshell walnuts in the 2023-24 crop year were up 33.3% through July to 308,439,000 pounds, while exports of shelled walnuts rose by 22.4% to 321,085,000 pounds. All but 5.1% of inshell walnuts were shipped abroad, while 57.2% of shelled walnuts were exported. Germany, Spain, Japan, and South Korea are currently the leading foreign markets for California walnuts.

In the first half of this year, U.S. Commerce Department statistics indicate that, in tonnage terms, the Port of Oakland handled 65.4%

of all exports of tree nuts, while the Ports of Los Angeles and Long Beach collectively handled an even 25.0%. The remaining 8.7% of the trade sailed from Port Houston, the Port of Virginia, and the Port of Savannah.

Sourcing Diversification

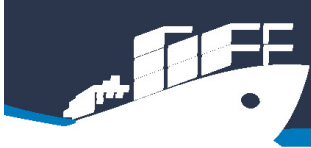
There's been much speculation as to which North American seaports might benefit the most from shippers' efforts to diversify sourcing away from China. Along now comes an interesting report from the San Francisco Bay Area Council's Economic Institute declaring that the "worldwide shift of production is fully underway as companies with global operations diversify their sourcing and work to manage risk. A trend for several years, this has become a flow."

The report attributes the shift to "less hospitable environment in China and tensions in US-China relations" but also a desire to "reduce dependence on any one country (a problem laid bare by China's pandemic shutdowns) and a desire to bring production closer to home."

India, Mexico, and Southeast Asia are cited in the report as the principal beneficiaries of this exercise in resourceful resourcing. According to the Institute, India offers a huge potential market and a deep base of engineers. Vietnam is culturally similar to China, with low costs but a friendlier attitude toward the United States. Mexico features a young working-class population as well as a strong technical workforce. It also enjoys the added benefit of being a partner in the USMCA – the US-Mexico-Canada Agreement – which provides a more secure legal setting for trade and investment. It further has the advantage of the shortest and most secure supply lines possible (a truck across the border) and "a symbiotic binational manufacturing process that also supports jobs in the United States".

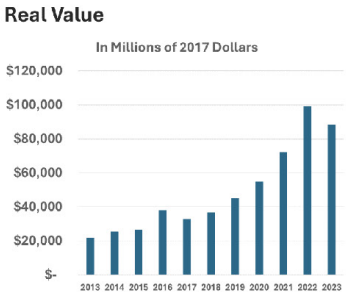
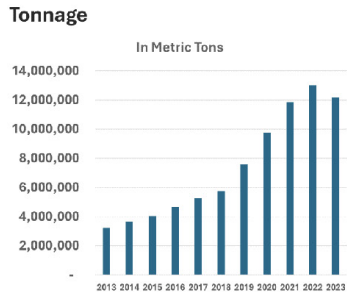
What does this imply for the future of container traffic through those U.S. West Coast





June 2024 TEU Numbers
Continued

Exhibit 9 U.S. Containerized Imports from Vietnam
Source: U.S. Commerce Department



ports which have hitherto served as America's primary gateways for trade with China?

Before calculating which ports will gain or suffer from the diversification of supply chains, a couple of statistics might be in order. Most importantly, while international merchandise trade data are most commonly expressed in dollars, growth in the value of imports from any given do not necessarily correlate with any increase in the number of TEUs used to transport those goods to U.S. markets.

Here are three useful numbers to keep in mind. In dollar terms, 29.0% of America's merchandise imports through the first half of this year came from Mexico and Canada, and 89.8% of that trade was shipped overland in trucks and by rail. Another 26.1% of the U.S. merchandise import trade so far this year was airborne. Ships calling at U.S. seaports brought

in 44.2% of all imported goods, while containerized shipments accounted for 31.7% of all merchandise imports.

Dollar value numbers can be quite misleading when trying to anticipate the number of TEUs that might show up at American ports. Consider, for example, that the ninth largest source of U.S. merchandise imports is – in dollar terms – that industrial behemoth Ireland (population: 5.13 million). The "Old Sod" currently ranks between Taiwan (population: 23.57 million) and India (1.42 billion) as the source of the \$46.579 billion in merchandise the U.S. imported in this year's first half. But the majority of that trade (80.1%) is airborne. Indeed, only China ranks higher than Ireland in terms of the value of airborne shipments to the United States.

Ireland's chief exports are high-value, low-weight pharmaceuticals and medical products. Most of the world's supply of Botox comes from a single

factory in County Mayo. So far this year, 45.0% of all imported artificial joints have come from Ireland.

In case some of you were wondering about other exports for which Ireland is known, we have thrown in **Exhibit 8**, which relates the rise and decline in U.S. imports of Irish beverages in the past decade. COVID-19's impact on bars and social drinking could not be more manifest. But hold on! Presumably because Irish bars and households across the U.S. are stocking up for what promises to be a fairly turbulent presidential election, whiskey imports from Ireland in the first half of this year are up 28.9% over the same period last year, while imports of Irish stouts and lagers have risen 22.3%. *Sláinte!*

Moving back to the original topic, Vietnam is frequently cited as a leading beneficiary of the diversification of manufacturing operations outside of China (although ownership often involves Chinese parties). Let's compare two sets of numbers: the amount of containerized tonnage shipped from Vietnam to U.S. ports over the past ten years and the real dollar value of U.S. imports from Vietnam in that same period. As **Exhibit 9** shows, the run-up in containerized tonnage (and the number of TEUs) shipped to U.S. ports from Vietnam exceeded the pace with which the value of those shipments grew.



JOCK O'CONNELL'S COMMENTARY

Where Did the Export Containers Go?

GDP = Consumption + Investment + Government Spending + Net Exports

That's the basic formula for calculating gross domestic product, the measure by which nations (and states like California) are often ranked economically. For the past 33 years, the number for America's "Net Exports" has been negative because the value of the goods and services (but chiefly goods) we import has far exceeded the value of goods and services we export.

Keep that in mind while I digress.

A few years ago, while addressing a business luncheon in the town of Firebaugh about the virtues of exporting, I was accosted by a woman who was much aggrieved at not being able to water her front lawn every day. Firebaugh is one of those small (2020 population: 8,090) agricultural communities that dot the landscape in Fresno County, America's leading county in terms of the value of its agricultural output.

Farming is on every Firebaugh resident's mind. So, understandably for a region perennially flirting with drought, is water. The challenge hurled at me from the back row was not therefore entirely unexpected: Why should California be growing a crop, over 70% of which is exported, that uses lavish amounts of the local water supply?

The questioner was referring to almonds, long California's most valuable agricultural export and yet a commodity that reportedly slurps

up an extravagant share of the San Joaquin Valley's precious supply of irrigation water.

My answer that day was the answer economists have been giving since, well, forever: Exports – namely goods sold abroad or even in the next county over – result in a transfer of wealth from buyers to sellers, from importers to exporters. Those shiny coins a Babylonian merchant paid for a mina of Egyptian grain increased Egypt's supply of money, which could then be used to build imposing tombs or, more practically, to import wine from Sicily.

That's also why, when determining a nation's gross domestic product, modern accountants add the value of exports but subtract the value of imports.

Now, back before the nation's seaports were swamped by a pandemic-induced surge in consumer imports and before the average American began paying attention to our maritime trade, some economists valued seaports not just as gateways for imported merchandise but as vital conduits for exported goods. In the past few years, though, we seem to have acquired a mindset that prompts us to celebrate what we consume over what we produce. Especially as the COVID-19 plague gave rise to a flood of inbound TEUs, America's mainstream media all but abandoned reporting on the trade that makes us rich in favor of the trade that increases our indebtedness to the rest of the world.

To be sure, the business of exporting does periodically attract the attention of public officials and editorial writers, usually in times of economic turmoil. Recall that toward the end of the Great Recession, President Obama used the 2010 State of the Union message to announce a National Export Initiative to double U.S. exports in five years. More recently, there was that scuffle a couple of years ago over whether U.S. farm exports were being unfairly thwarted because shipping lines were quickly repatriating empty containers to factories overseas, where they could be refilled with the goods American consumers were demanding. That episode, spurred in part by some amazingly bad data coupled with dubious math, led to congressional action to restrict the latitude shipping lines might otherwise enjoy in running their businesses.

However, contrary to popular memory, the volume of containerized shipments from most major U.S. ports had peaked in advance of the plague. Indeed, at the nation's busiest container port, the Port of Los Angeles, outbound loads reached their zenith in 2012 at 2,159,949 TEUs, while the Port of Long Beach hit its highwater mark for outbound loads in 2013 at 1,704,924 TEUs. That same year saw the Port of Oakland record its all-time high in outbound loads at 1,014,792 TEUs. The Northwest Seaport Alliance reached its peak in 2016 at 984,481 TEUs.

Back East, the situation was more mixed, reflecting the rapid rise of



Commentary

Continued

containerized trade through Atlantic Coast ports following the opening of the expanded Panama Canal. Outbound loads at the Port of New York/New Jersey had topped out at 1,621,264 in 2011. The Port of Virginia achieved its best year for outbound loads just last year at 1,101,620. But even that was just a smidge over its previous high of 1,034,526 back in 2014. Savannah saw its highest level of containerized exports at 1,470,372 on the eve of the pandemic in 2019. That was the same year in which the volume of outbound laden TEUs reached its all-time high at 816,962 at the Port of Charleston.

Along the Gulf, Port Houston has been the rare major U.S. port to have seen a near steady increase in its outbound loads, with last year seeing its highest volume ever at 1,888,004 TEUs. (Through the first half of this year, outbound loads from the Texas port are up by 14.4%.) At the other Gulf Coast port that makes its container statistics publicly available, outbound loads at the Port of New Orleans peaked at 254,320 TEUs in 2016. Last year, the port handled 230,906 outbound loads. In the first half of this year, the volume has jumped by 12.3%.

As **Exhibits A** and **Exhibit B** attest, the fall-off in containerized export tonnage has not been equitably distributed across the nation's ports but has been especially pronounced along the West Coast.

The Port of Los Angeles, while reporting a 30.2% year-over-year uptick in outbound loads during the first seven months of this year, remained 15.8%

Exhibit A U.S. Containerized Export Tonnage by Coast: 2003-2023

Source: U.S. Commerce Department

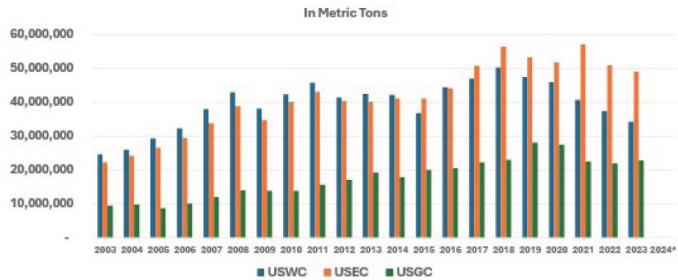
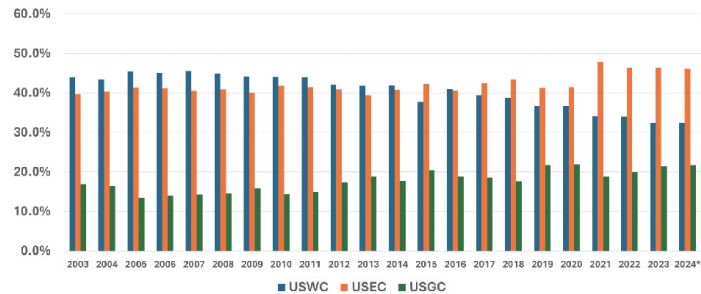


Exhibit B Coastal Shares of U.S. Containerized Export Tonnage

Source: U.S. Commerce Department



below the export volume recorded in the same period in 2019 and 27.0% below the first seven months of 2012, the port's best year for outbound loads. Even with a 15.5% year-over-year bump in outbound loads in the first six months of this year, 33.1% fewer laden TEUs sailed from the Northwest Seaport Alliance Ports of Tacoma and Seattle than in the same period in 2016.

The decline of outbound loads from West Coast ports is clearly reflected in **Exhibit B**, which displays the shift in shares of the U.S. containerized

export trade over the past two decades.

Exhibit C depicts the fall-off of outbound laden TEUs at the principal U.S. West Coast ports.

The Port of Oakland perhaps offers the most curious case of declining exports. For many years, the San Francisco Bay Area's chief maritime trade gateway boasted that it routinely exported more than it imported, largely because its status as a last port-of-call for freighters leaving the U.S. gave shippers of agricultural



Commentary

Continued

commodities and other time-sensitive goods a faster path to Asian markets. However, as **Exhibit D** reveals, the preeminence of outbound loads at Oakland ended almost a decade ago.

To be sure, there has been an uptick in this year's traffic in outbound loads from USWC ports. But those year-over-year gains nonetheless left the ports well short of the volumes they had achieved five years ago. The Ports of Los Angeles and Long Beach collectively show a 7.1% year-over-year increase in outbound laden TEUs during the first seven months of this year. Yet that leaves the two ports 17.4% shy of the volume of outbound loads they handled during the same months in 2019. Similarly, the Port of Oakland reported a 12.2% year-over-year bump in outbound loads during this year's first half. But that was 13.0% below the volume five years earlier. Meanwhile, the Northwest Seaport Alliance recorded a 15.5% year-over-year gain in outbound loads during the first half of this year that still left the Ports of Tacoma and Seattle 22.1% shy of the number of laden outbound TEUs they had shipped in the same months of 2019.

Maintaining that positive momentum in rebuilding the export trade from USWC ports will not be made any easier by tariff increases being imposed by the Biden-Harris administration, not to mention the more draconian tariffs being promised by the Republican presidential candidate.

Exhibit C Outbound Containerized Trade at USWC Ports

Source: Individual Ports

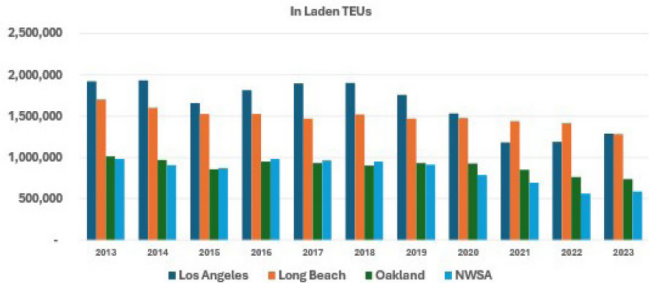
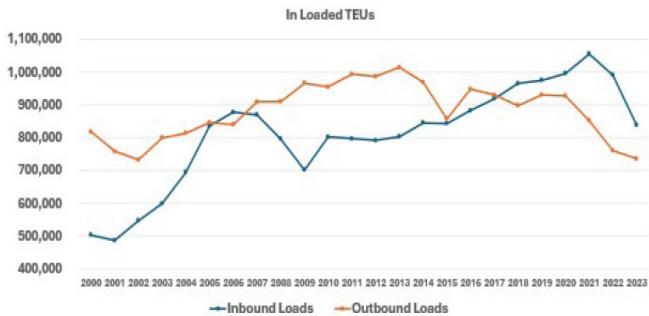


Exhibit D Oakland's Shift from Export Dominance: 2000-2023

Source: Port of Oakland



Recapturing the previous volumes of export TEUs from USWC ports will necessitate a truly herculean effort that does not appear to be the cards the ports have been dealt.

Jock's comments do not necessarily reflect the views of the Pacific Merchant Shipping Association.



West Coast Ports Provide National Supply Chain Resilience, Unless We Allow Cargo Caps to Limit System Capacity

By Mike Jacob, President, Pacific Merchant Shipping Association

The nation's largest port complex – the Ports of Los Angeles and Long Beach – just handled their highest import volumes of any month since the peaks of the pandemic. And, yet despite container totals that looked like some of the all-time monthly highs of 2021, our marine terminal operations in Southern California are working without lines of ships offshore, chassis shortages, spikes in detention and demurrage, and massive jumps in container dwell times at the terminals.

The difference is resilience. And our system's resiliency exists in capacity and flexibility.

The global volatility that has driven this latest surge in containers on the West Coast has its roots in many causes, including the long shadows cast by the rebuilding of long vessel strings avoiding the Red Sea and shippers mitigating the impact of potential labor issues with rail intermodal in Canada and the ILA-USMX in the Atlantic and Gulf by creating an

early peak season. These global risks have made the two San Pedro Bay Ports and the two Northwest Seaport Alliance Ports attractive gateways for discretionary cargoes. As a result, the Ports of Los Angeles and Long Beach saw an incredible 47.4% year-over-year jump in July imports in 2024 to 936,362 TEUs compared to 635,294 in 2023. In the Pacific Northwest, the Ports of Seattle and Tacoma saw a 24.4% jump in year-over-year imports in July 2024 compared to July 2023.

What can we take away from the fact that, despite seeing similar total volumes to 2021 in these dramatic swings from year to year, that in 2024 our marine terminals are handling these volumes without much drama, routinely making these transactions look like any other day at the office?

It's resilience. System resiliency is a measure of how flexible the intermodal supply chain is to these types of shocks – how effectively, how quickly, and how seamlessly disruptions can be absorbed and cargo re-routed.

In 2024, the flexibility of our West Coast Ports to absorb relatively large swings in volumes is a demonstration of total system resiliency. In 2021, the capacity for the system to provide flexibility was practically non-existent.

To optimize our trade economy, where goods flow to end points through the intermodal supply chain, shippers find the "best" pathway that meets their needs in terms of rates, reliability, travel time, and other factors, and typically multiple gateways are available that demonstrate these potential pathways. But add in geo-political uncertainties, like wars, pandemics, or labor issues, and certain gateways might get turned "on" or "off" for shippers in the short-term.

In 2021, we didn't have adequate intermodal relief valves for disruptions.

In 2024, the West Coast marine terminals ARE both the nation's primary trade gateway and our national relief valve.



Making Tracks

Our Pier B On-Dock Rail Support Facility will increase throughput, lower emissions, lessen traffic impacts and move cargo faster and more efficiently.





West Coast Ports

Continued

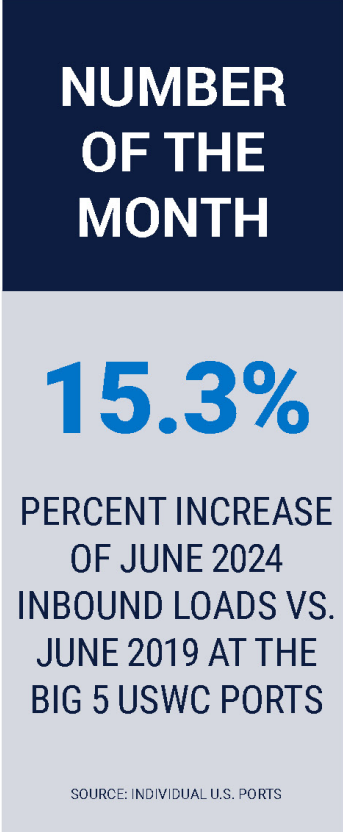
For the national intermodal supply chain to maintain this flexibility, and thus the resiliency to address uncertainty, we need to ensure that US West Coast gateways remain robust and viable alternatives. It does not take much of an imagination to see beyond the Baltimore bridge incident that even one accident can require temporary alterations of freight patterns.

The fact is that West Coast Ports' capacity is what provides gateway flexibility for the intermodal supply chain. This underscores the importance of avoiding any artificial constraints that could hinder trade flexibility and efficiency. The biggest threat to our system's current resiliency in this respect, would be the imposition of cargo caps by air quality regulators on this infrastructure; for example, an Indirect Source Rule imposed on the Ports of Los Angeles and Long Beach, which would take existing physical capacity and render it illegal to utilize at certain emissions thresholds.

In 2021, resiliency suffered for lack of options when resources became constrained during the pandemic; in the crisis carriers and cargo owners were left without the ability to find a secondary available terminal, vessel, chassis, motor carrier, distribution center or warehouse. In 2024, the Ports of Los Angeles and Long Beach are providing resiliency to the entire system by providing carriers and

cargo owners with all of these options in the face of global geopolitical unrest. But, imagine if we had artificially constrained our options here in California with local cargo caps in 2023, as previously proposed (but not adopted) by our air district - we would now be fighting a losing battle for supply chain resiliency in 2024, with one hand tied behind our back, legally prohibited from providing a surge of new terminal capacity for cargo. This would not have just damaged the Southern California economy but sabotaged the resiliency of our national intermodal system in the process.

It is imperative for the health of our supply chain and the economy that relies on it, that we maintain our resiliency, and the flexibility upon which it relies. One key lesson from the pandemic is that our national economy suffers when we underinvest in capacity beyond the daily demands of our supply chain infrastructure. Let's not forget that lesson so soon after the steep price we just paid to learn it.



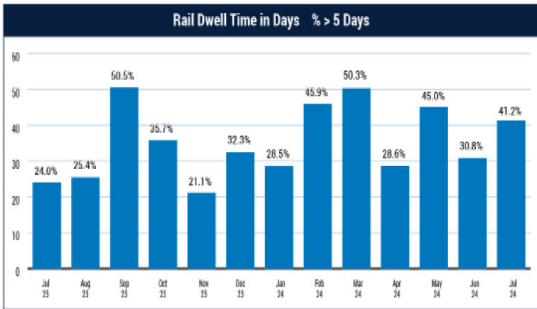
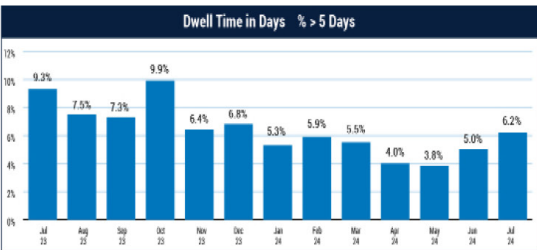
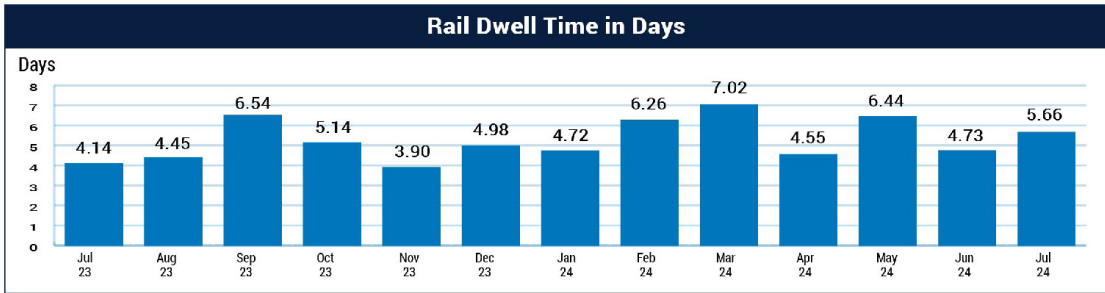
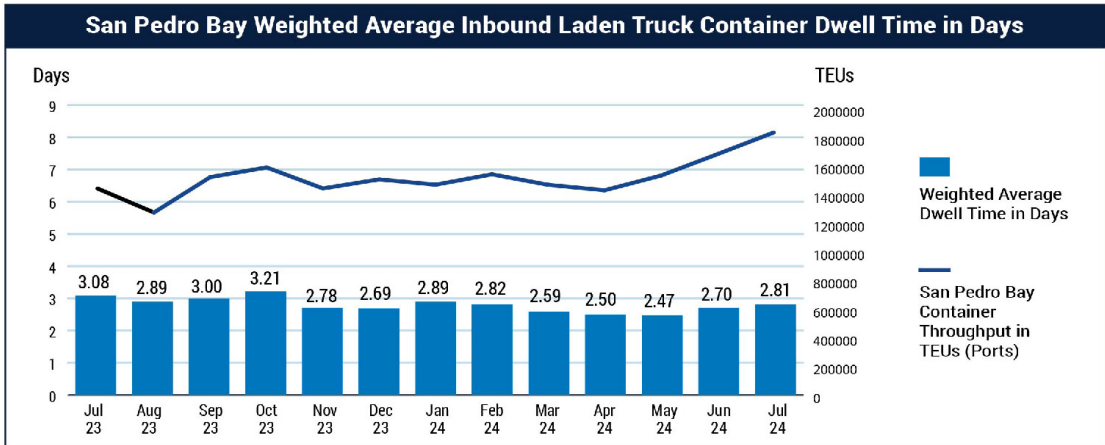
California Assembly Panel's New Report on the State's Ports

This comprehensive 52- page report comes from the State Assembly's Select Committee on Ports and Goods Movement and was released by the panel's chair, Mike A. Gipson, on July 31. In describing the myriad economic benefits of maintaining competitive ports, the report also delves into the numerous challenges the state's ports face. It pretty much covers the waterfront. It is available at: <https://scpgm.assembly.ca.gov/system/files/2024-08/chairs-report-on-the-select-committe-on-ports-and-goods-movement.pdf>





Container Dwell Time for July Remains Steady

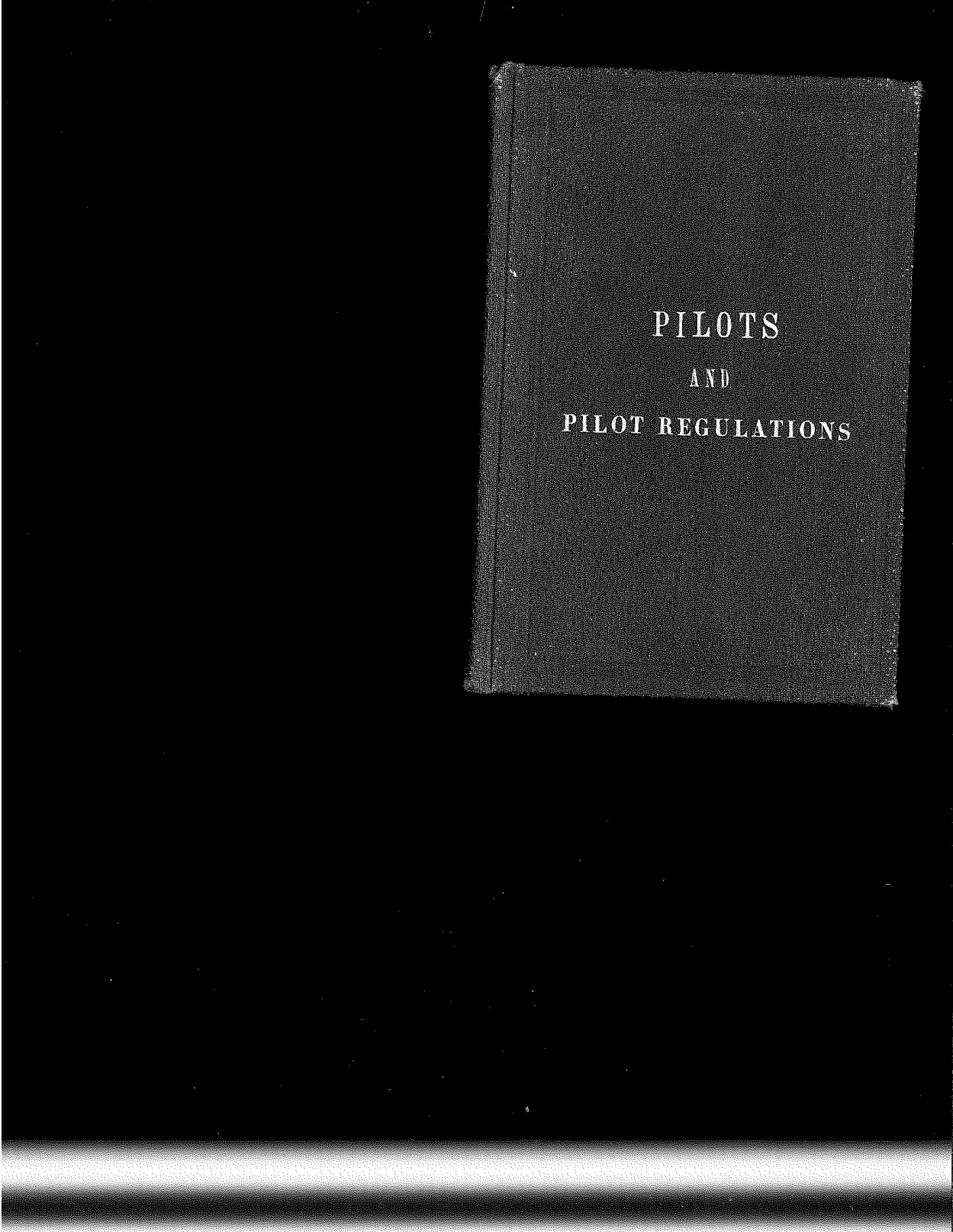


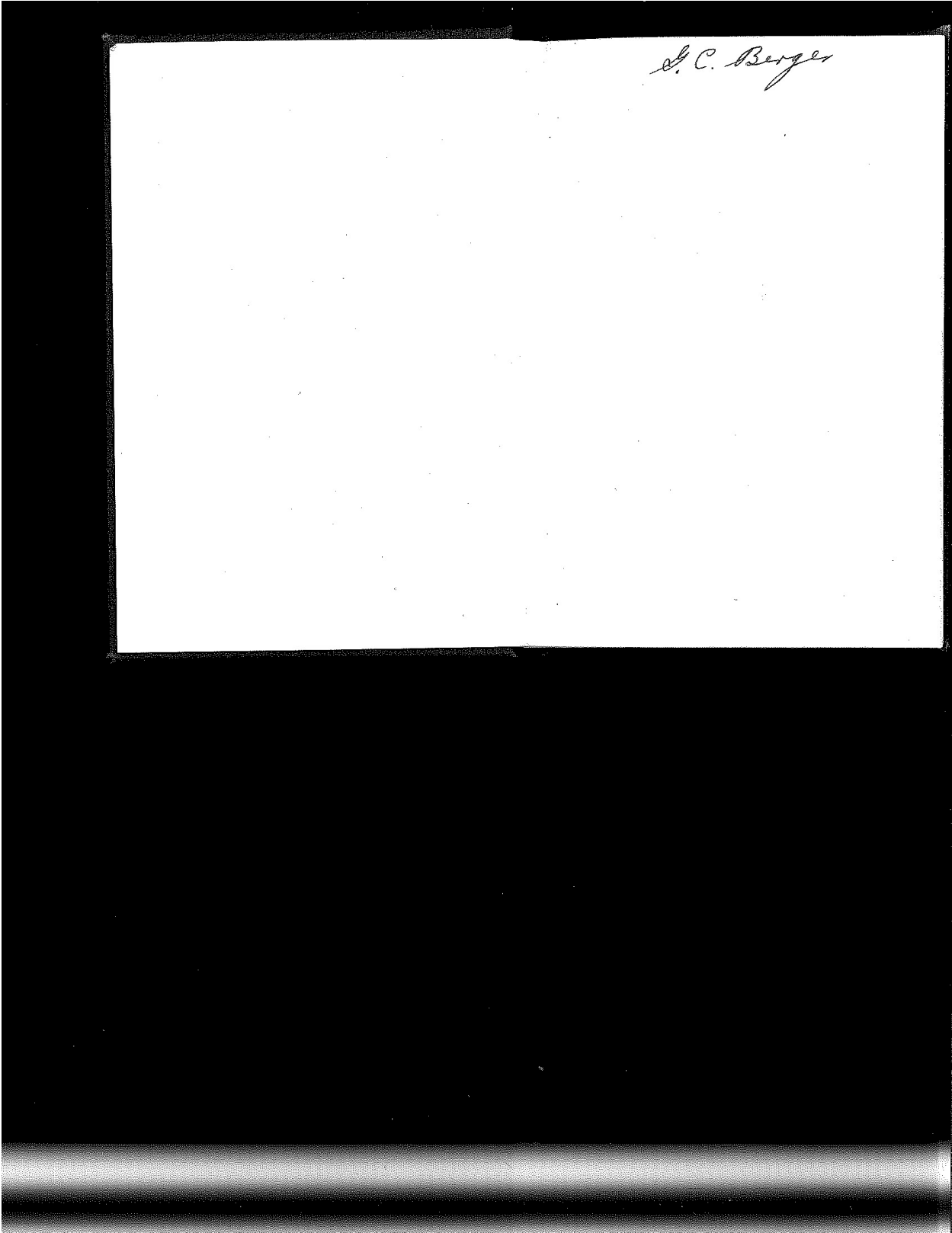
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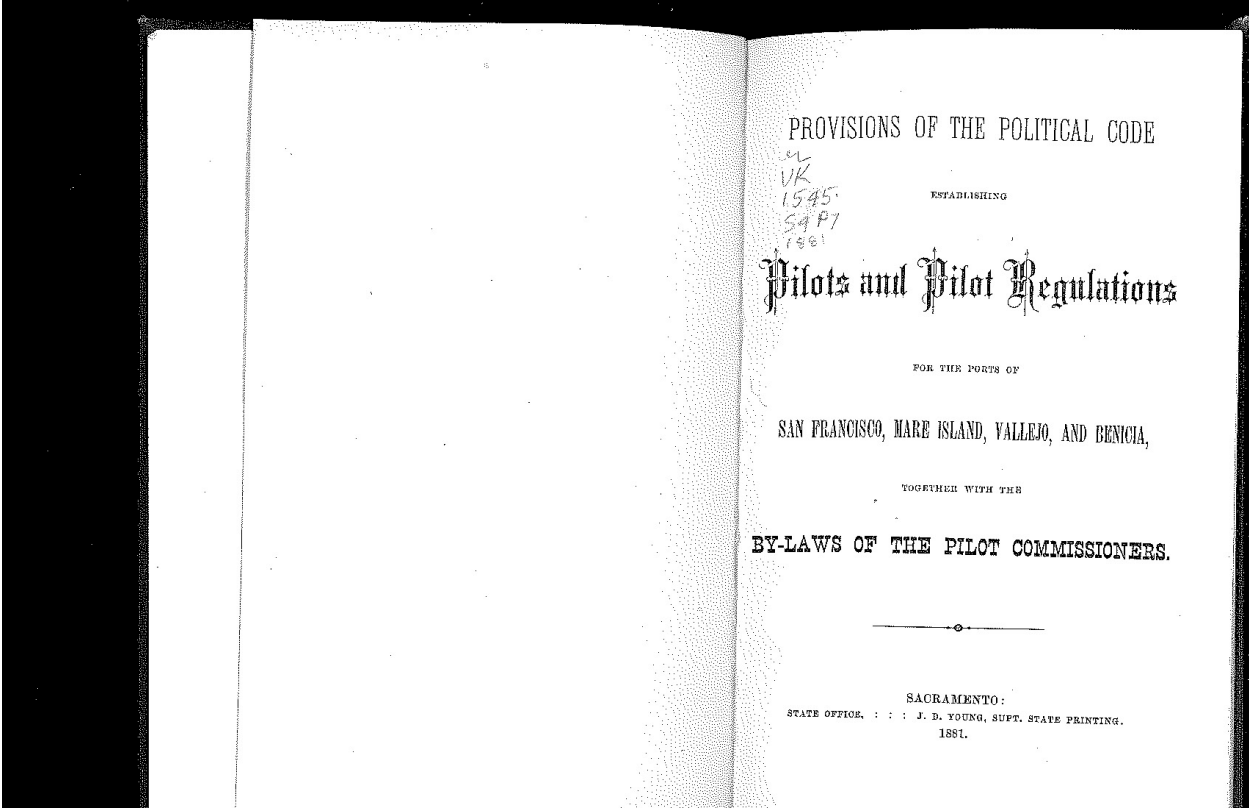
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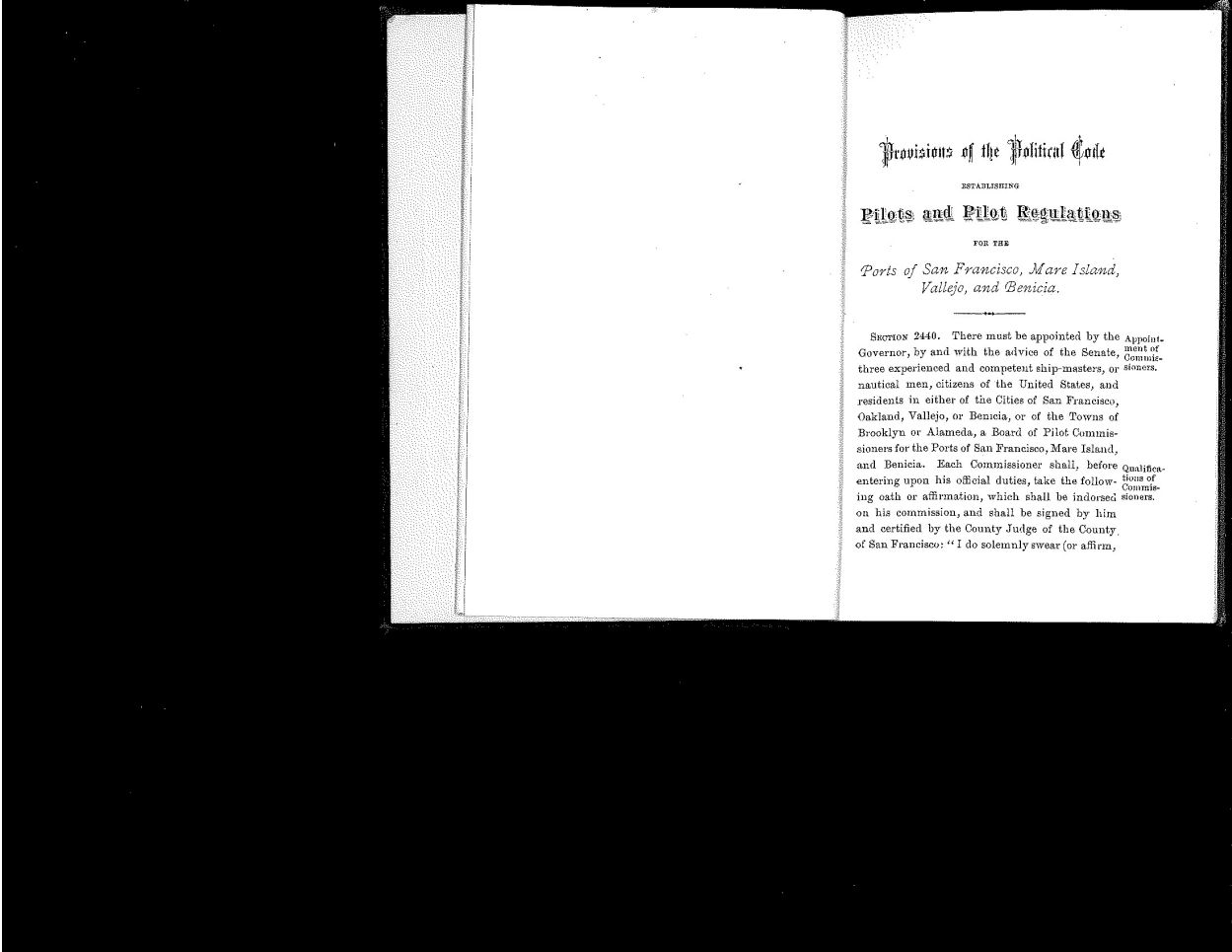


Item 6A-02: Pilots and Regulations (1881)

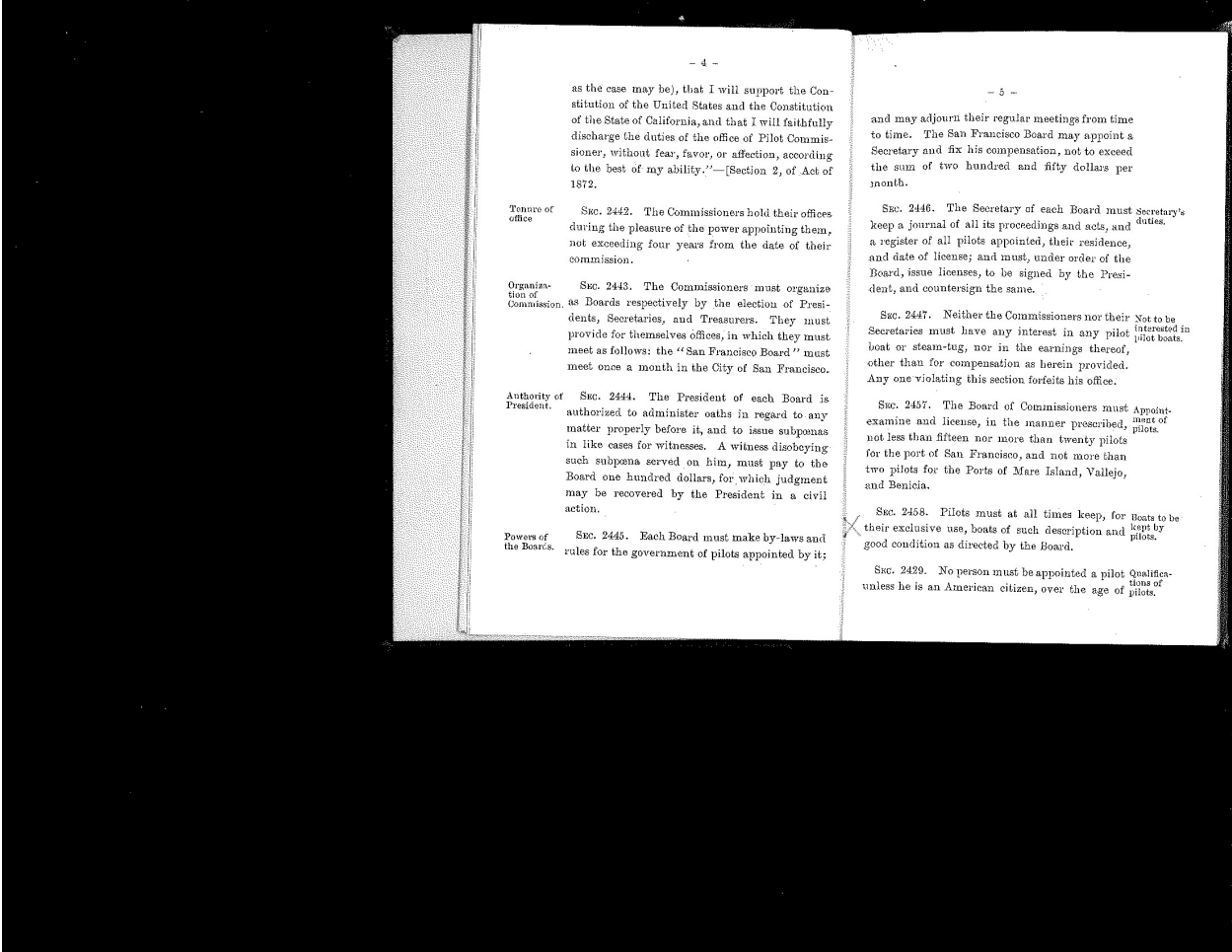








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as the case may be), that I will support the Constitution of the United States and the Constitution of the State of California, and that I will faithfully discharge the duties of the office of Pilot Commissioner, without fear, favor, or affection, according to the best of my ability."—[Section 2, of Act of 1872.

Tenure of office Sec. 2442. The Commissioners hold their offices during the pleasure of the power appointing them, not exceeding four years from the date of their commission.

Organization of Commission Sec. 2443. The Commissioners must organize as Boards respectively by the election of Presidents, Secretaries, and Treasurers. They must provide for themselves offices, in which they must meet as follows: the "San Francisco Board" must meet once a month in the City of San Francisco.

Authority of President Sec. 2444. The President of each Board is authorized to administer oaths in regard to any matter properly before it, and to issue subpoenas in like cases for witnesses. A witness disobeying such subpoena served on him, must pay to the Board one hundred dollars, for which judgment may be recovered by the President in a civil action.

Powers of the Board. Sec. 2445. Each Board must make by-laws and rules for the government of pilots appointed by it;

and may adjourn their regular meetings from time to time. The San Francisco Board may appoint a Secretary and fix his compensation, not to exceed the sum of two hundred and fifty dollars per month.

Sec. 2446. The Secretary of each Board must keep a journal of all its proceedings and acts, and a register of all pilots appointed, their residence, and date of license; and must, under order of the Board, issue licenses, to be signed by the President, and countersign the same.

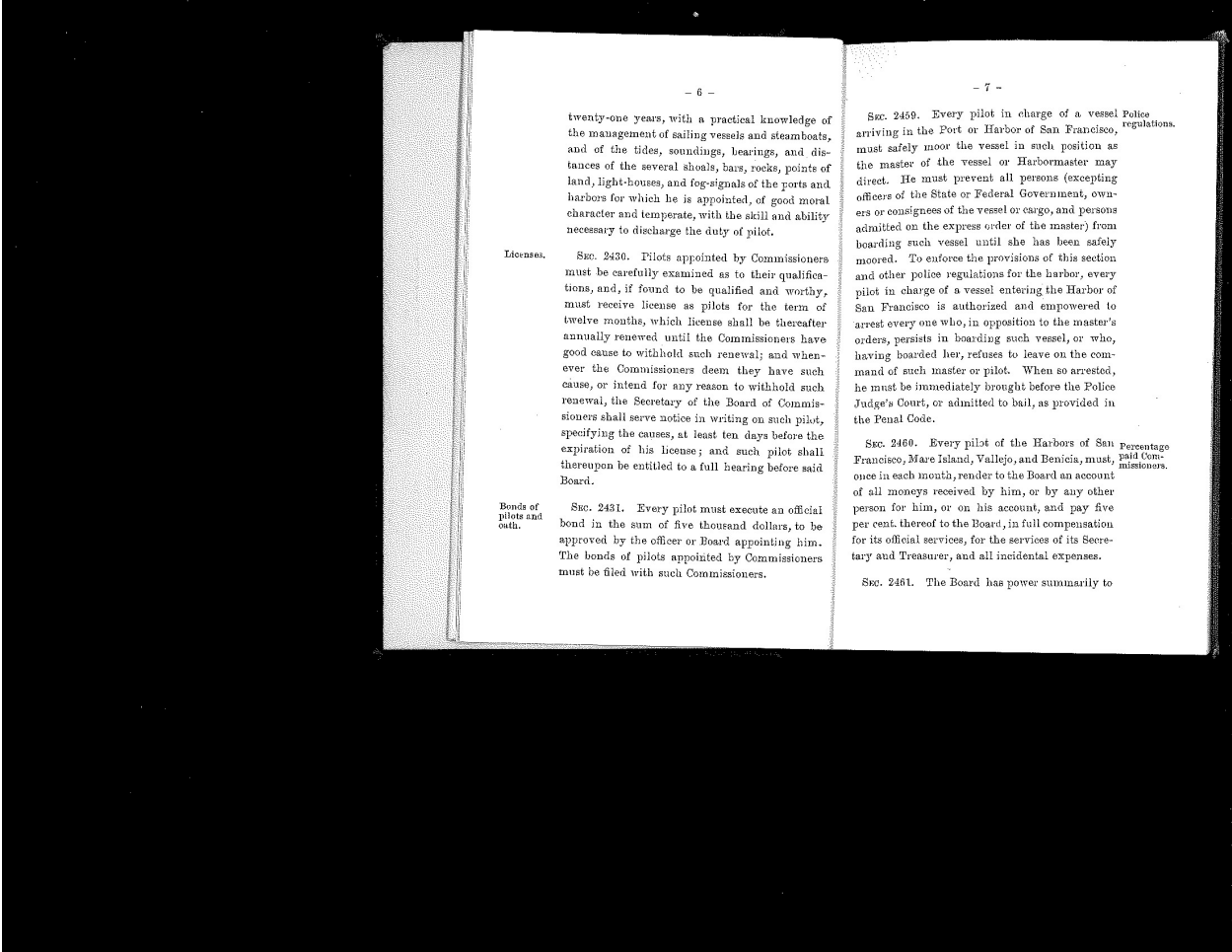
Sec. 2447. Neither the Commissioners nor their Secretaries must have any interest in any boat or steam-tug, nor in the earnings thereof, other than for compensation as herein provided. Any one violating this section forfeits his office.

Sec. 2457. The Board of Commissioners must examine and license, in the manner prescribed, not less than fifteen nor more than twenty pilots for the port of San Francisco, and not more than two pilots for the Ports of Mare Island, Vallejo, and Benicia.

Sec. 2458. Pilots must at all times keep, for their exclusive use, boats of such description and good condition as directed by the Board.

Sec. 2429. No person must be appointed a pilot unless he is an American citizen, over the age of

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twenty-one years, with a practical knowledge of the management of sailing vessels and steamboats, and of the tides, soundings, bearings, and distances of the several shoals, bars, rocks, points of land, light-houses, and fog-signals of the ports and harbors for which he is appointed, of good moral character and temperate, with the skill and ability necessary to discharge the duty of pilot.

Licenses.

SEC. 2430. Pilots appointed by Commissioners must be carefully examined as to their qualifications, and, if found to be qualified and worthy, must receive license as pilots for the term of twelve months, which license shall be thereafter annually renewed until the Commissioners have good cause to withhold such renewal; and whenever the Commissioners deem they have such cause, or intend for any reason to withhold such renewal, the Secretary of the Board of Commissioners shall serve notice in writing on such pilot, specifying the causes, at least ten days before the expiration of his license; and such pilot shall thereupon be entitled to a full hearing before said Board.

Bonds of pilots and oath.

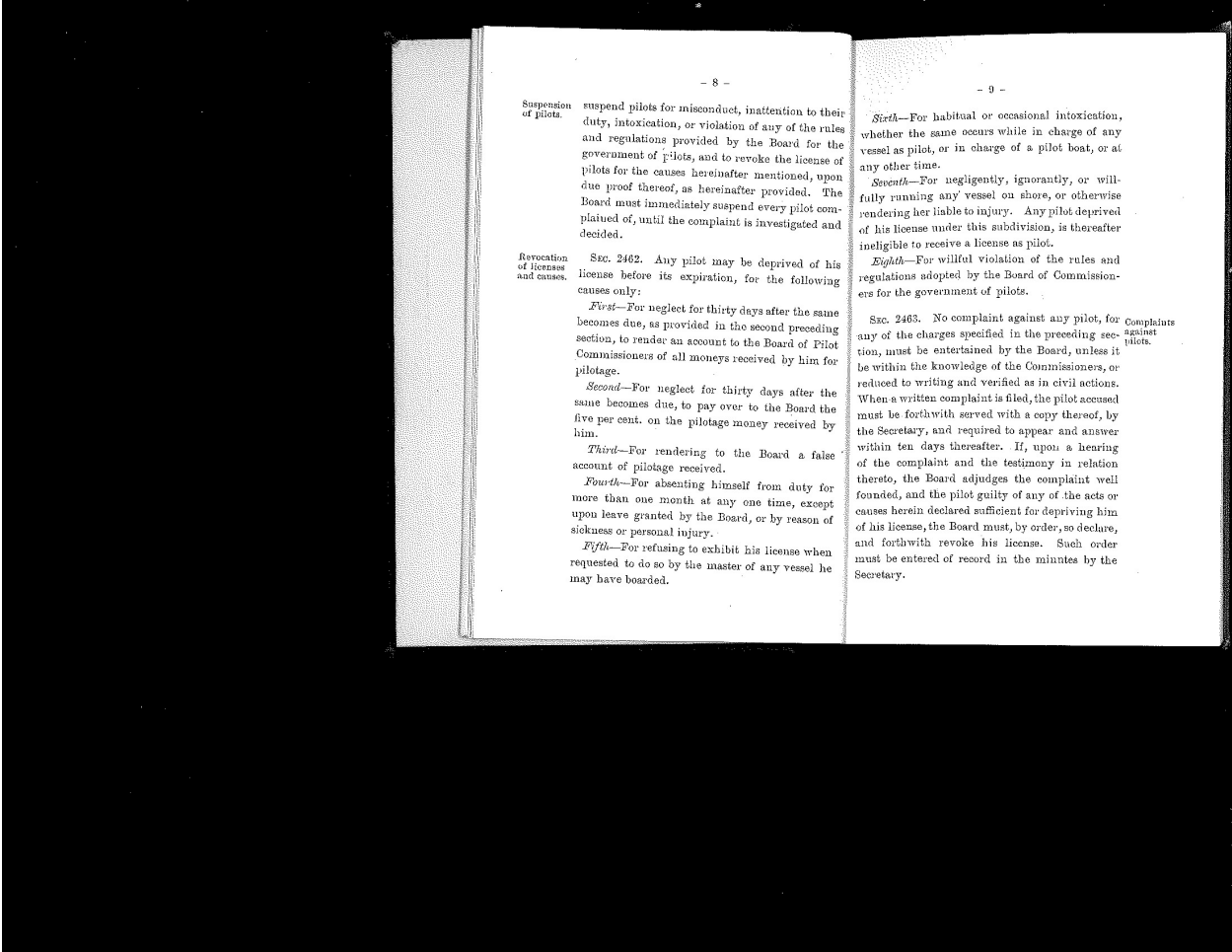
SEC. 2431. Every pilot must execute an official bond in the sum of five thousand dollars, to be approved by the officer or Board appointing him. The bonds of pilots appointed by Commissioners must be filed with such Commissioners.

SEC. 2459. Every pilot in charge of a vessel arriving in the Port or Harbor of San Francisco, must safely moor the vessel in such position as the master of the vessel or Harbormaster may direct. He must prevent all persons (excepting officers of the State or Federal Government, owners or consignees of the vessel or cargo, and persons admitted on the express order of the master) from boarding such vessel until she has been safely moored. To enforce the provisions of this section and other police regulations for the harbor, every pilot in charge of a vessel entering the Harbor of San Francisco is authorized and empowered to arrest every one who, in opposition to the master's orders, persists in boarding such vessel, or who, having boarded her, refuses to leave on the command of such master or pilot. When so arrested, he must be immediately brought before the Police Judge's Court, or admitted to bail, as provided in the Penal Code.

SEC. 2460. Every pilot of the Harbors of San Francisco, Mare Island, Vallejo, and Benicia, must, once in each month, render to the Board an account of all moneys received by him, or by any other person for him, or on his account, and pay five per cent. thereof to the Board, in full compensation for its official services, for the services of its Secretary and Treasurer, and all incidental expenses.

SEC. 2461. The Board has power summarily to

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Suspension of pilots. suspend pilots for misconduct, inattention to their duty, intoxication, or violation of any of the rules and regulations provided by the Board for the government of pilots, and to revoke the license of pilots for the causes hereinafter mentioned, upon due proof thereof, as hereinafter provided. The Board must immediately suspend every pilot complained of, until the complaint is investigated and decided.

Revocation of license and causes. Sec. 2462. Any pilot may be deprived of his license before its expiration, for the following causes only:

First—For neglect for thirty days after the same becomes due, as provided in the second preceding section, to render an account to the Board of Pilot Commissioners of all moneys received by him for pilotage.

Second—For neglect for thirty days after the same becomes due, to pay over to the Board the five per cent. on the pilotage money received by him.

Third—For rendering to the Board a false account of pilotage received.

Fourth—For absenting himself from duty for more than one month at any one time, except upon leave granted by the Board, or by reason of sickness or personal injury.

Fifth—For refusing to exhibit his license when requested to do so by the master of any vessel he may have boarded.

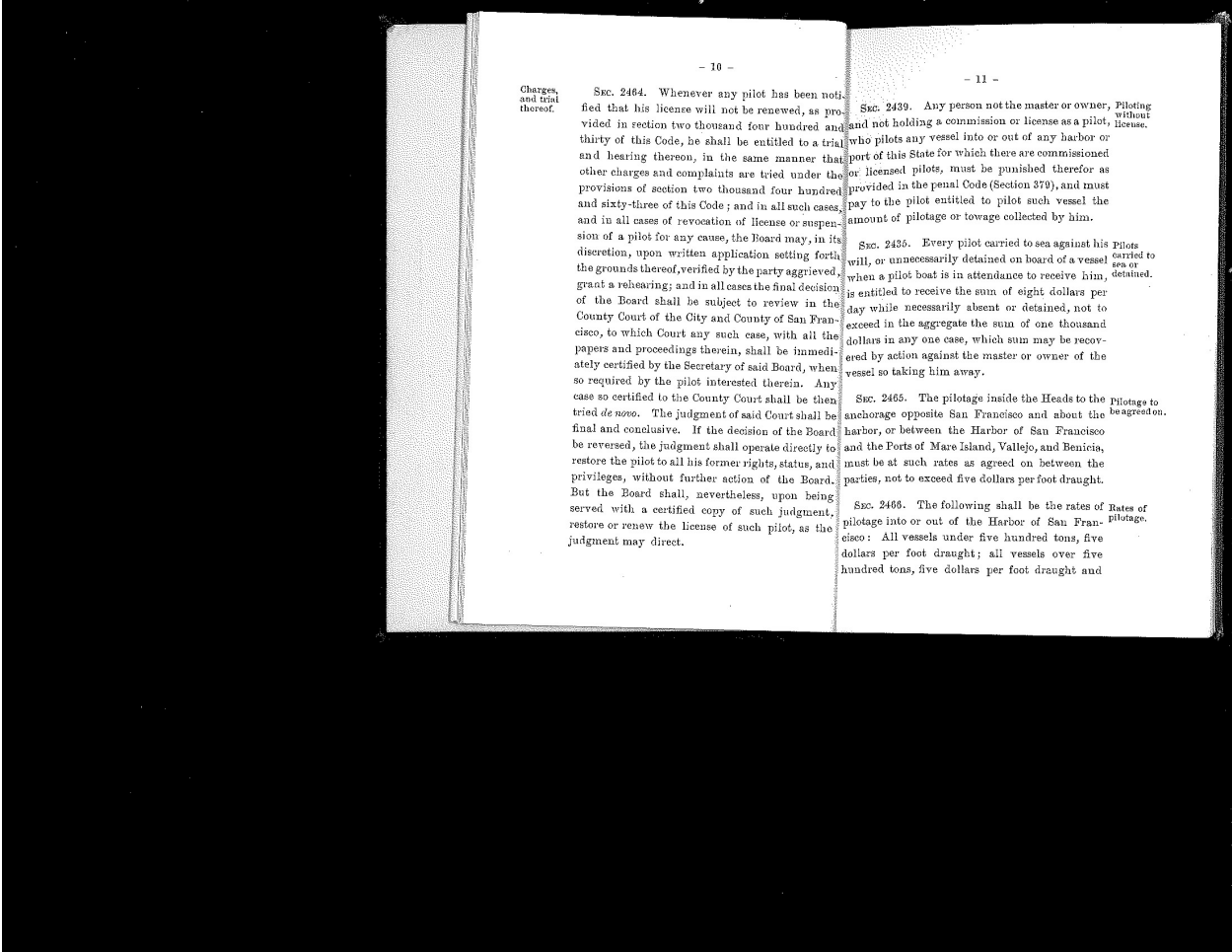
Sixth—For habitual or occasional intoxication, whether the same occurs while in charge of any vessel as pilot, or in charge of a pilot boat, or at any other time.

Seventh—For negligently, ignorantly, or willfully running any vessel on shore, or otherwise rendering her liable to injury. Any pilot deprived of his license under this subdivision, is thereafter ineligible to receive a license as pilot.

Eighth—For willful violation of the rules and regulations adopted by the Board of Commissioners for the government of pilots.

Sec. 2463. No complaint against any pilot, for any of the charges specified in the preceding section, must be entertained by the Board, unless it be within the knowledge of the Commissioners, or reduced to writing and verified as in civil actions. When a written complaint is filed, the pilot accused must be forthwith served with a copy thereof, by the Secretary, and required to appear and answer within ten days thereafter. If, upon a hearing of the complaint and the testimony in relation thereto, the Board adjudges the complaint well founded, and the pilot guilty of any of the acts or causes herein declared sufficient for depriving him of his license, the Board must, by order, so declare, and forthwith revoke his license. Such order must be entered of record in the minutes by the Secretary.

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Charges,
and trial
thereof.

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Sec. 2464. Whenever any pilot has been notified that his license will not be renewed, as provided in section two thousand four hundred and thirty of this Code, he shall be entitled to a trial and hearing thereon, in the same manner that other charges and complaints are tried under the provisions of section two thousand four hundred and sixty-three of this Code; and in all such cases, and in all cases of revocation of license or suspension of a pilot for any cause, the Board may, in its discretion, upon written application setting forth the grounds thereof, verified by the party aggrieved, grant a rehearing; and in all cases the final decision of the Board shall be subject to review in the County Court of the City and County of San Francisco, to which Court any such case, with all the papers and proceedings therein, shall be immediately certified by the Secretary of said Board, when so required by the pilot interested therein. Any case so certified to the County Court shall be then tried *de novo*. The judgment of said Court shall be final and conclusive. If the decision of the Board be reversed, the judgment shall operate directly to restore the pilot to all his former rights, status, and privileges, without further action of the Board. But the Board shall, nevertheless, upon being served with a certified copy of such judgment, restore or renew the license of such pilot, as the judgment may direct.

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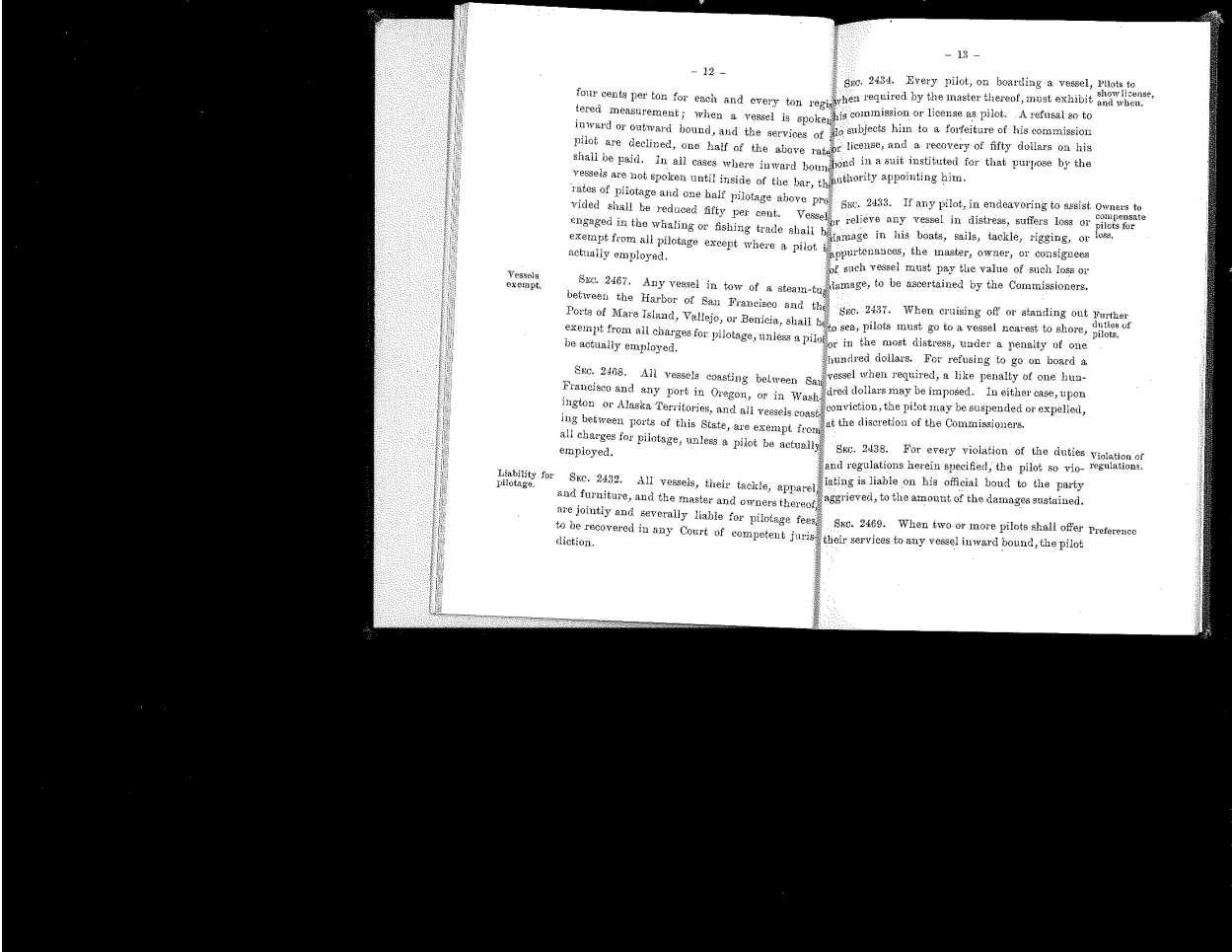
Sec. 2439. Any person not the master or owner, and not holding a commission or license as a pilot, who pilots any vessel into or out of any harbor or port of this State for which there are commissioned or licensed pilots, must be punished therefor as provided in the penal Code (Section 379), and must pay to the pilot entitled to pilot such vessel the amount of pilotage or towage collected by him.

Sec. 2435. Every pilot carried to sea against his will, or unnecessarily detained on board of a vessel when a pilot boat is in attendance to receive him, is entitled to receive the sum of eight dollars per day while necessarily absent or detained, not to exceed in the aggregate the sum of one thousand dollars in any one case, which sum may be recovered by action against the master or owner of the vessel so taking him away.

Sec. 2465. The pilotage inside the Heads to the anchorage opposite San Francisco and about the harbor, or between the Harbor of San Francisco and the Ports of Mare Island, Vallejo, and Benicia, must be at such rates as agreed on between the parties, not to exceed five dollars per foot draught.

Sec. 2466. The following shall be the rates of pilotage into or out of the Harbor of San Francisco: All vessels under five hundred tons, five dollars per foot draught; all vessels over five hundred tons, five dollars per foot draught and

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four cents per ton for each and every ton registered measurement; when a vessel is spoken inward or outward bound, and the services of pilot are declined, one half of the above rate shall be paid. In all cases where inward bound vessels are not spoken until inside of the bar, the rates of pilotage and one half pilotage above provided shall be reduced fifty per cent. Vessels engaged in the whaling or fishing trade shall be exempt from all pilotage except where a pilot actually employed.

Vessels exempt. Sec. 2467. Any vessel in tow of a steam-tug between the Harbor of San Francisco and the Ports of Mare Island, Vallejo, or Benicia, shall be exempt from all charges for pilotage, unless a pilot be actually employed.

Sec. 2468. All vessels coasting between San Francisco and any port in Oregon, or in Washington or Alaska Territories, and all vessels coasting between ports of this State, are exempt from all charges for pilotage, unless a pilot be actually employed.

Liability for pilotage. Sec. 2432. All vessels, their tackle, apparel and furniture, and the master and owners thereof are jointly and severally liable for pilotage fees to be recovered in any Court of competent jurisdiction.

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Sec. 2434. Every pilot, on boarding a vessel, when required by the master thereof, must exhibit his commission or license as pilot. A refusal so to do subjects him to a forfeiture of his commission or license, and a recovery of fifty dollars on his bond in a suit instituted for that purpose by the authority appointing him.

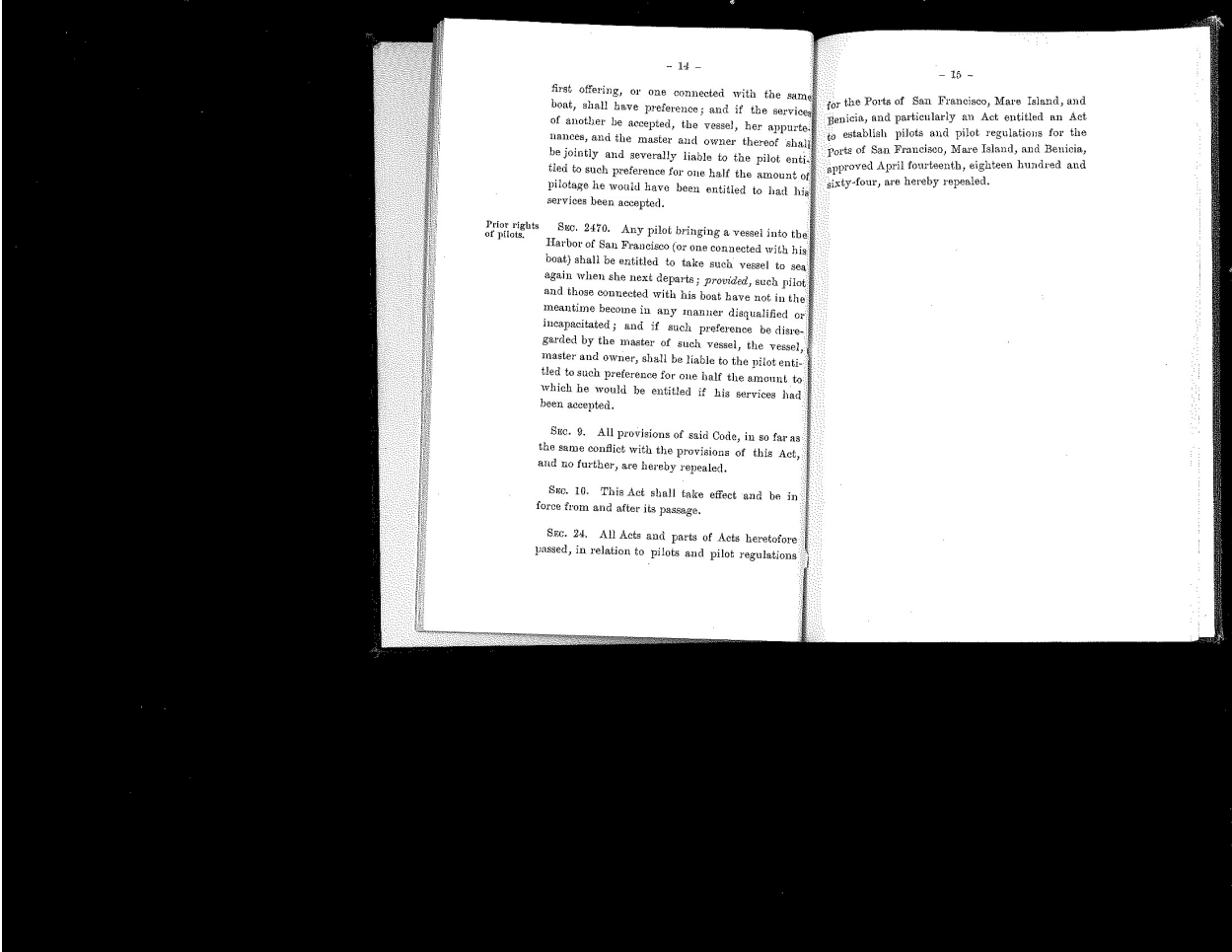
Sec. 2433. If any pilot, in endeavoring to assist or relieve any vessel in distress, suffers loss or damage in his boats, sails, tackle, rigging, or appurtenances; the master, owner, or consignee of such vessel must pay the value of such loss or damage, to be ascertained by the Commissioners.

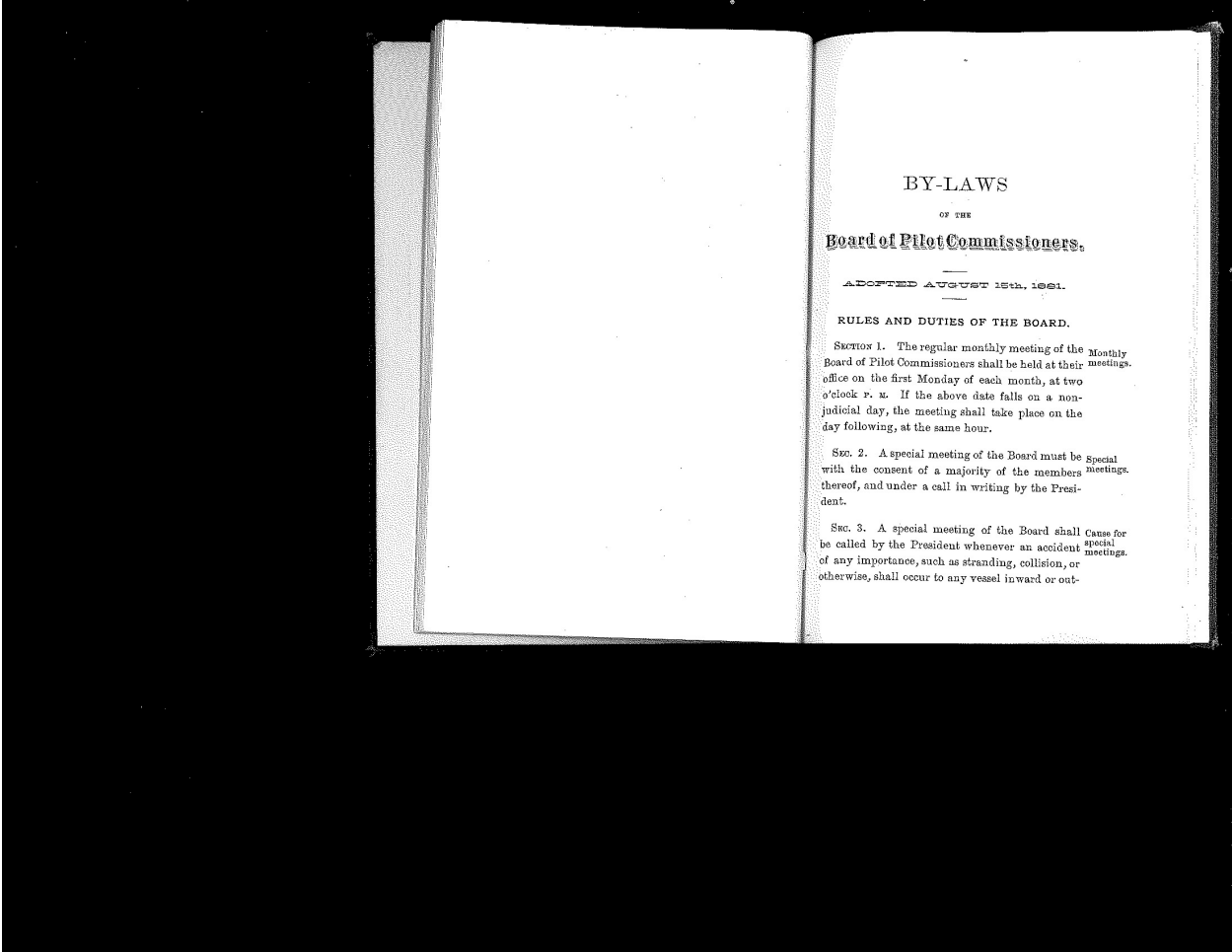
Sec. 2437. When cruising off or standing out to sea, pilots must go to a vessel nearest to shore, or in the most distress, under a penalty of one hundred dollars. For refusing to go on board a vessel when required, a like penalty of one hundred dollars may be imposed. In either case, upon conviction, the pilot may be suspended or expelled, at the discretion of the Commissioners.

Sec. 2438. For every violation of the duties and regulations herein specified, the pilot so violating is liable on his official bond to the party aggrieved, to the amount of the damages sustained.

Sec. 2469. When two or more pilots shall offer their services to any vessel inward bound, the pilot

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ward bound, whilst in charge of a licensed pilot, for the purpose of making the necessary investigation into the cause of such accident.

Quorum. Sec. 4. Two Commissioners shall constitute a quorum for the transaction of business; and no business, except to adjourn, shall be transacted by the Board at any meeting unless a quorum be present.

Secretary. Sec. 5. In the absence of the regular elected Secretary, the President may appoint a Secretary pro tem., with the consent of the majority of the members present at each meeting.

Renewal of Licenses. Sec. 6. The President and Secretary shall have power to renew licenses of pilots for the Ports of San Francisco, Mare Island, Vallejo, and Benicia, provided no legal impediment exists.

Color Blindness. Sec. 7. No person shall be granted a license as pilot for the Ports of San Francisco, Mare Island, Vallejo, and Benicia, until he has passed the examination on color blindness prescribed by the Board; filed the bond required by Section 2431,

Bonds. Political Code; taken the oath for the faithful performance of his duty; and signed these by-laws, pledging his support to them.

Oath. Sec. 8. All petitions for licenses to act as pilots must be signed by the petitioner, and presented to the Secretary of the Board.

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Sec. 9. In any case where a vessel in charge of a licensed pilot shall strike the ground, or shall be damaged from that cause, or by collision, or otherwise, the pilot in charge of said vessel at the time of the accident shall be deemed prima facie guilty of misconduct, and shall immediately be suspended from duty from the time of said accident until an investigation is had before the Board of Pilot Commissioners.

Sec. 10. All testimony taken before the Board of Pilot Commissioners must be subscribed and sworn to by the deponent before the President of the Board.

DUTIES AND RULES GOVERNING PILOTS.

Sec. 11. The pilots shall appoint one of their number to act as Port Agent; said appointment to be subject to the approval of the Board.

Sec. 12. The licensed pilots for the Ports of Mare Island, Vallejo, or Benicia, shall, at each regular meeting of the Board, make a full and complete return of all moneys collected or becoming due for pilotage during the month preceding, as well as the number of vessels liable for pilotage arriving from and leaving for said ports, together with the draught of water and tonnage of each vessel so arriving or leaving. And said pilots shall pay to the Board of Pilot Commissioners

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Commissions five per cent. of the amount so collected or becoming due, as provided in Section 2460 of the Political Code.

Approval of boats. Sec. 13. No pilot shall be permitted to use any vessel which shall not be approved by the Board of Pilot Commissioners as a safe and suitable vessel for such service.

Testimony of pilots. Sec. 14. Pilots and Port Agent, when notified in writing to report in person to the Board of Pilot Commissioners, shall so report at the meeting specified in such notice; and any pilot summoned to testify before the Board, shall appear in accordance with such summons, and shall make answer under oath to any question put to him touching any matter in connection with the pilot service.

Duties of pilots. Sec. 15. Any pilot cruising off the bar, or off shore, shall always take the first vessel spoken desiring the services of a pilot, regardless of class, size, or tonnage, and shall invariably speak vessels in their order of coming, and shall in no case refuse service to a small vessel for the benefit of a larger one at a greater distance; and in all cases, when a pilot has safely moored his vessel in harbor satisfactory to the master, his duty as pilot shall be considered as finished, unless his further attendance is desired by the master.

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Sec. 16. All pilots in port and on duty, shall report for duty at the Pilot Office daily, at not later than ten o'clock A. M., under penalty of suspension.

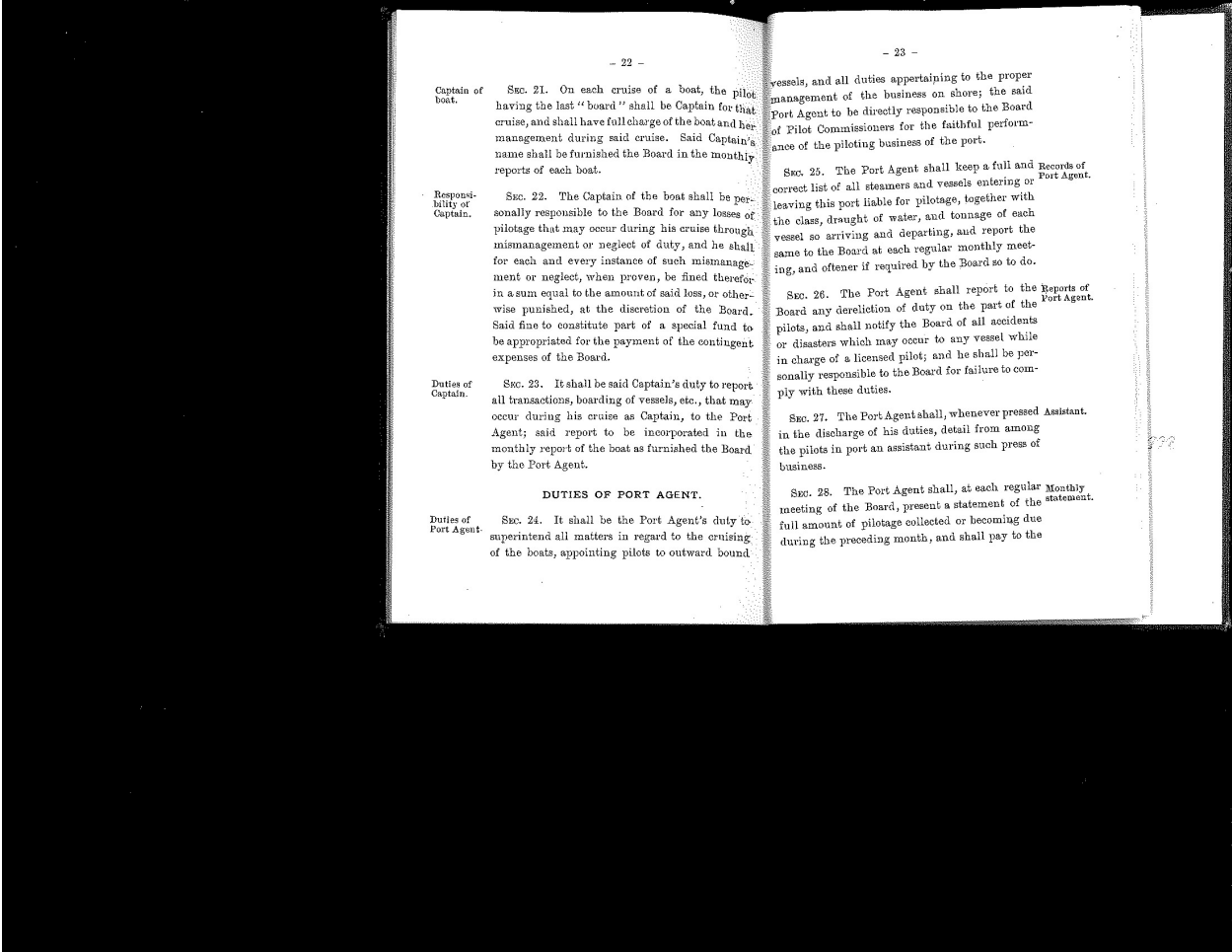
Sec. 17. No pilot shall board a vessel out of his turn, unless it be for the purpose of saving the vessel from coming in without a pilot, or when the outside boat cannot board her, under penalty of suspension; and every pilot so boarding a vessel shall in all cases give up such vessel to the boat on the enter station, when practicable, provided it can be done without detention to the vessel so boarded.

Sec. 18. In case a pilot is carried off to sea in consequence of the non-attendance of the bar boat, after setting the usual signal (except by unavoidable accident), the said boat shall pay him at the rate of eight dollars per day during the time of his necessary absence.

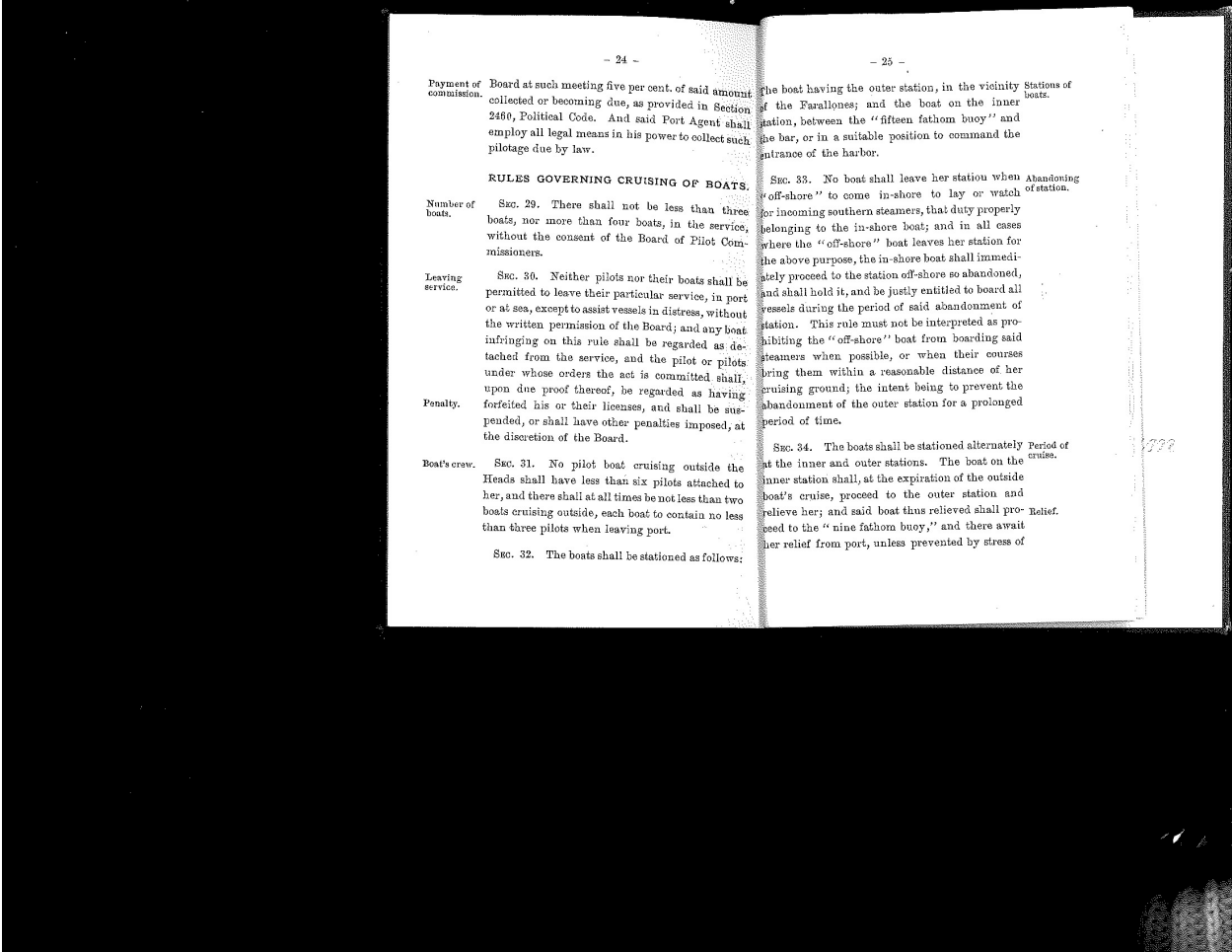
Sec. 19. No pilot shall be allowed to leave a ship outward bound inside the ten fathom curve (outside the bar), without the consent of the master.

Sec. 20. Any pilot carrying a letter containing orders to any vessel of doubtful destination awaiting such orders, shall be entitled to one and one half pilotage for such service.

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Payment of Board at such meeting five per cent. of said amount
commission. collected or becoming due, as provided in Section
2460, Political Code. And said Port Agent shall
employ all legal means in his power to collect such
pilotage due by law.

RULES GOVERNING CRUISING OF BOATS.

Number of Sec. 29. There shall not be less than three
boats. boats, nor more than four boats, in the service,
without the consent of the Board of Pilot Com-
missioners.

Leaving Sec. 30. Neither pilots nor their boats shall be
service. permitted to leave their particular service, in port
or at sea, except to assist vessels in distress, without
the written permission of the Board; and any boat
infringing on this rule shall be regarded as de-
tached from the service, and the pilot or pilots
under whose orders the act is committed shall,
upon due proof thereof, be regarded as having
forfeited his or their licenses, and shall be sus-
pended, or shall have other penalties imposed, at
the discretion of the Board.

Penalty. Sec. 31. No pilot boat cruising outside the
Heads shall have less than six pilots attached to
her, and there shall at all times be not less than two
boats cruising outside, each boat to contain no less
than three pilots when leaving port.

Boat's crew. Sec. 32. The boats shall be stationed as follows:

Sec. 32. The boats shall be stationed as follows:

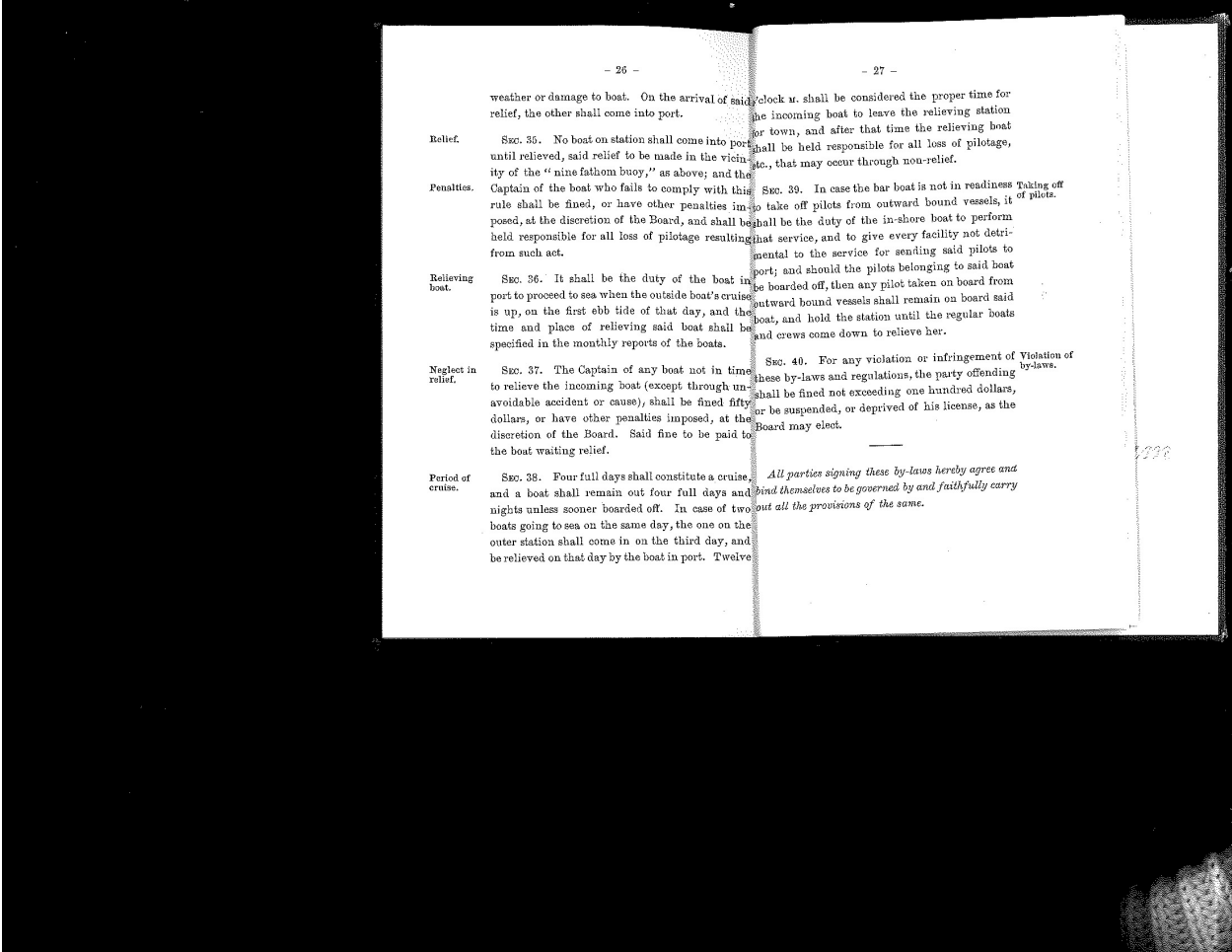
- 25 -
the boat having the outer station, in the vicinity Stations of
of the Farallones; and the boat on the inner boats.
station, between the "fifteen fathom buoy" and
the bar, or in a suitable position to command the
entrance of the harbor.

Sec. 33. No boat shall leave her station when Abandoning
"off-shore" to come in-shore to lay or watch station.
for incoming southern steamers, that duty properly
belonging to the in-shore boat; and in all cases
where the "off-shore" boat leaves her station for
the above purpose, the in-shore boat shall immedi-
ately proceed to the station off-shore so abandoned,
and shall hold it, and be justly entitled to board all
vessels during the period of said abandonment of
station. This rule must not be interpreted as pro-
hibiting the "off-shore" boat from boarding said
steamers when possible, or when their courses
bring them within a reasonable distance of her
cruising ground; the intent being to prevent the
abandonment of the outer station for a prolonged
period of time.

Sec. 34. The boats shall be stationed alternately Period of
at the inner and outer stations. The boat on the cruise.
inner station shall, at the expiration of the outside
boat's cruise, proceed to the outer station and
relieve her; and said boat thus relieved shall pro-
ceed to the "nine fathom buoy," and there await
her relief from port, unless prevented by stress of

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PILOT COMMISSIONERS.
 OLIVER ELDRIDGE, President,
 E. W. TRAVERS, JOS. A. COOLIDGE,
 Treas. K. GRIFFIN, Secretary.

PILOT COMMISSIONERS' OFFICE.
 62 MERCHANTS' EXCHANGE, CALIFORNIA STREET.

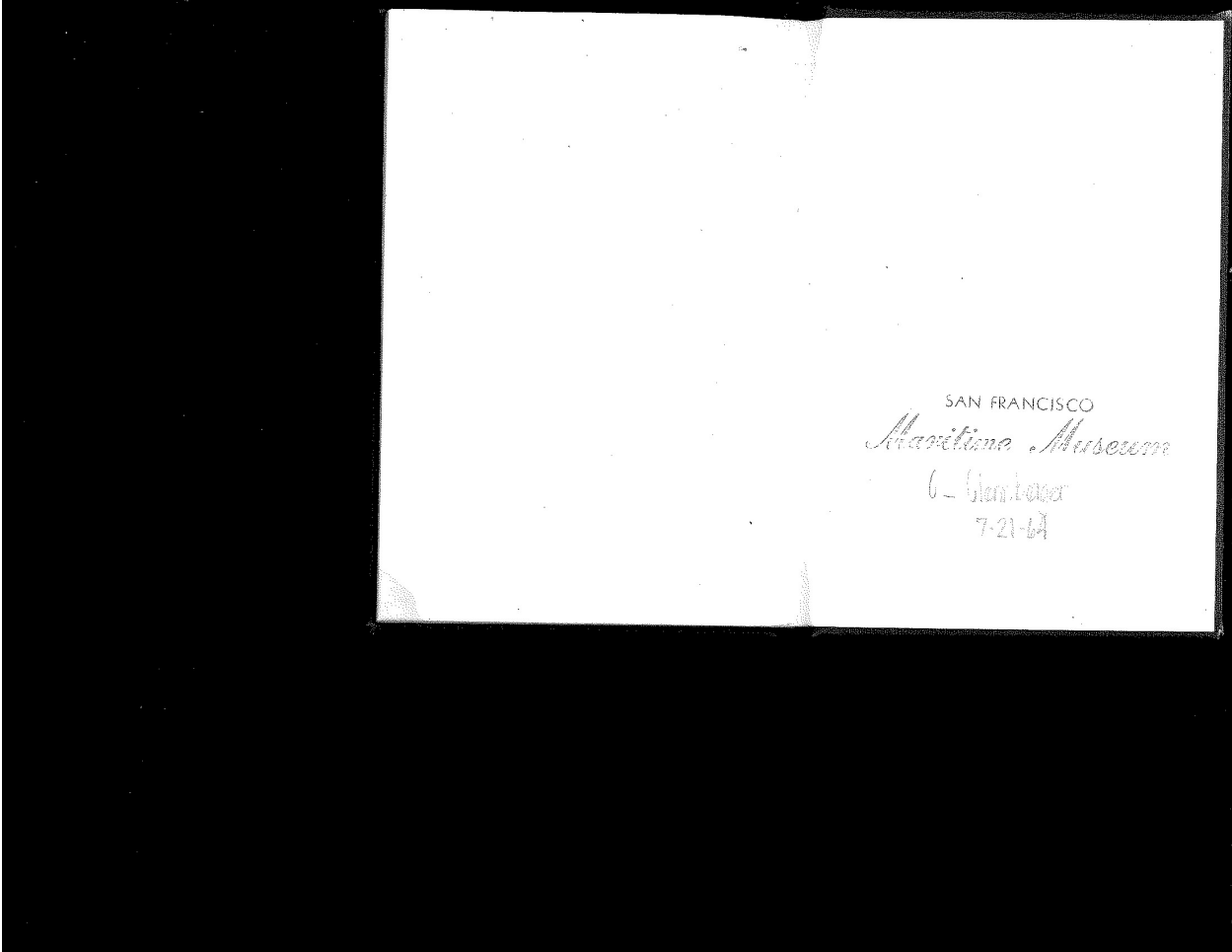
PILOT OFFICE.
 JENNINGS' BUILDING, BATTERY STREET,
 (Opposite Custom-House.)

PILOT BOATS IN SERVICE.
 "Theodore H. Allen"..... No. 1.
 "Calab Curtis"..... No. 2.
 "George Peabody"..... No. 3.
 "Lady Mine"..... No. 9.

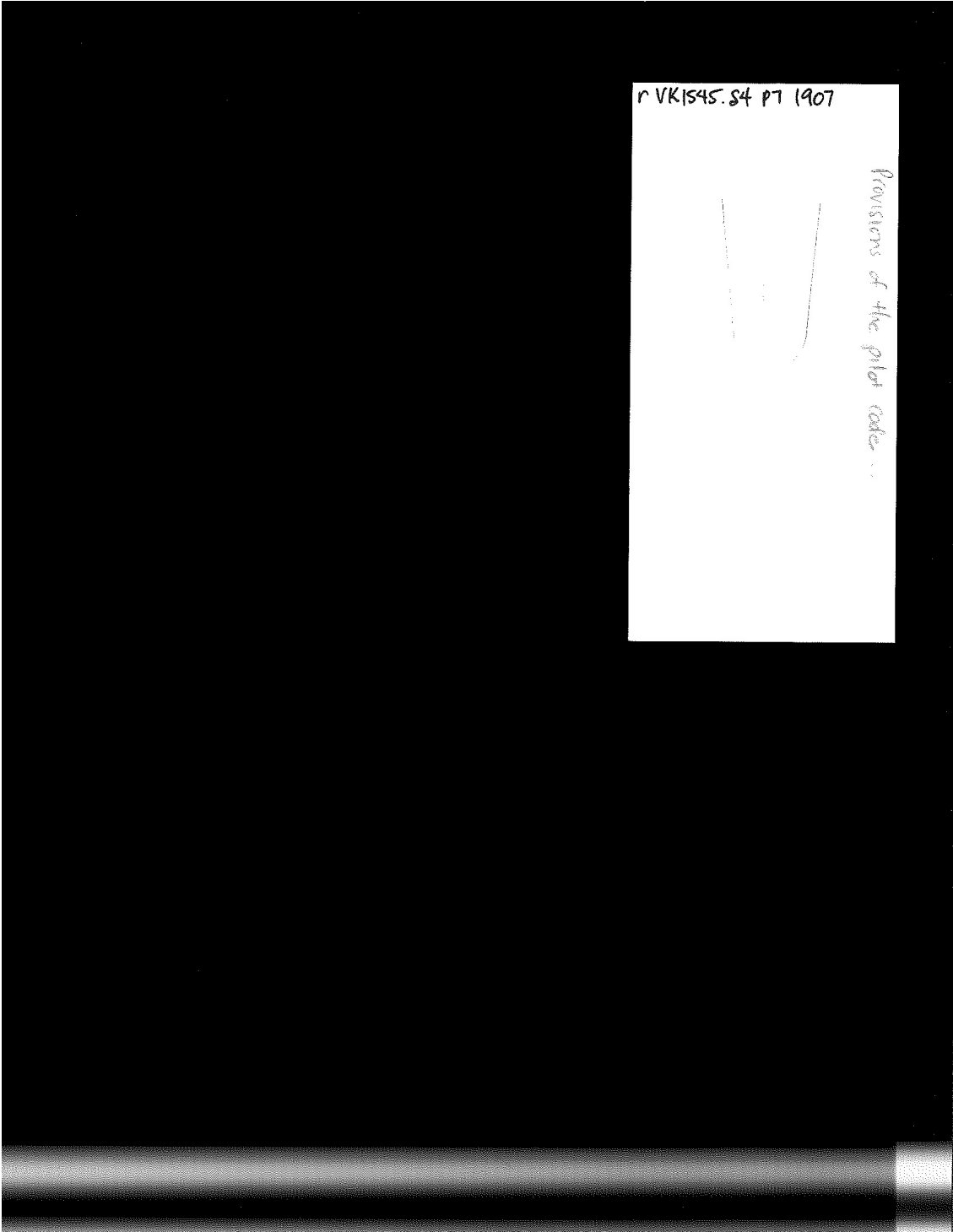
Name.	Residence.	Original Appointment.
Wm. H. Jelliffe.....	1825 Pine Street.....	March 3, 1851.....
Wm. N. Shufley.....	702 Greenwich Street.....	April 8, 1851.....
Wm. E. Barnitt.....	214 Shattuck Street.....	September 20, 1851.....
John S. Doolittle.....	1111 Market Street.....	June 21, 1851.....
John Mahan.....	221 Jackson Street.....	June 21, 1851.....
Frank Murphy.....	1055 Ingham Street.....	July 11, 1852.....
George K. Johnson.....	1232 Taylor Street, West Oakland.....	November 6, 1852.....
Thos. H. Ryder.....	1234 Pacific Street, Avenue.....	November 21, 1852.....
John B. Jones.....	250 Green Street.....	April 15, 1870.....
J. Henry Rogers.....	1234 Second Street, West Oakland.....	April 15, 1871.....
James Bond.....	Corner Mission and Francisco.....	April 15, 1871.....
Stephen Castle.....	128 Chestnut Street.....	May 13, 1871.....
George Johnson.....	732 Shattuck Street.....	November 1, 1880.....
For Mary Bunch, Wife, see Pacific.		
Charles H. Burrows.....	Corner Center and Seventh Streets, Oakland.....	January 6, 1882.....

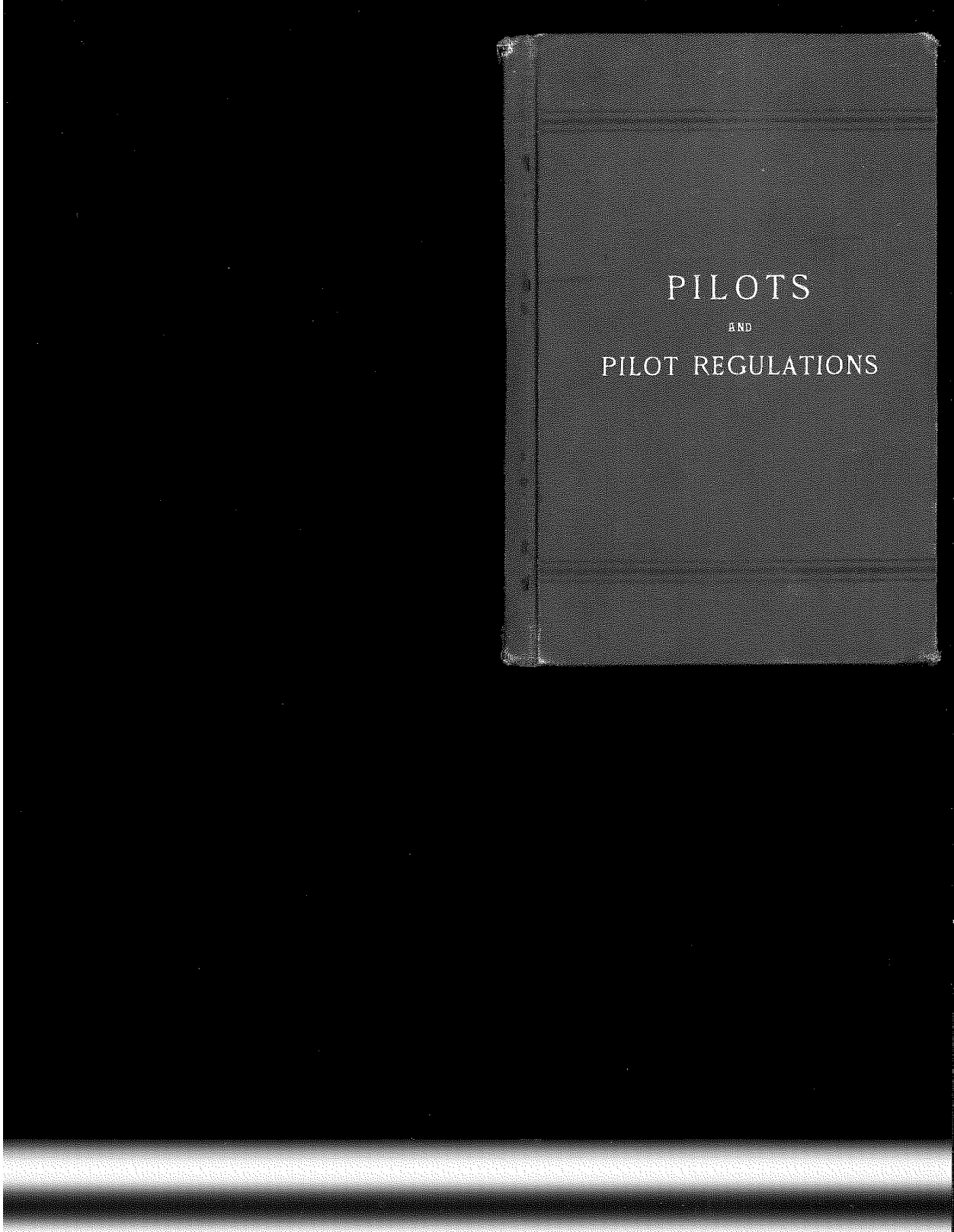
1772

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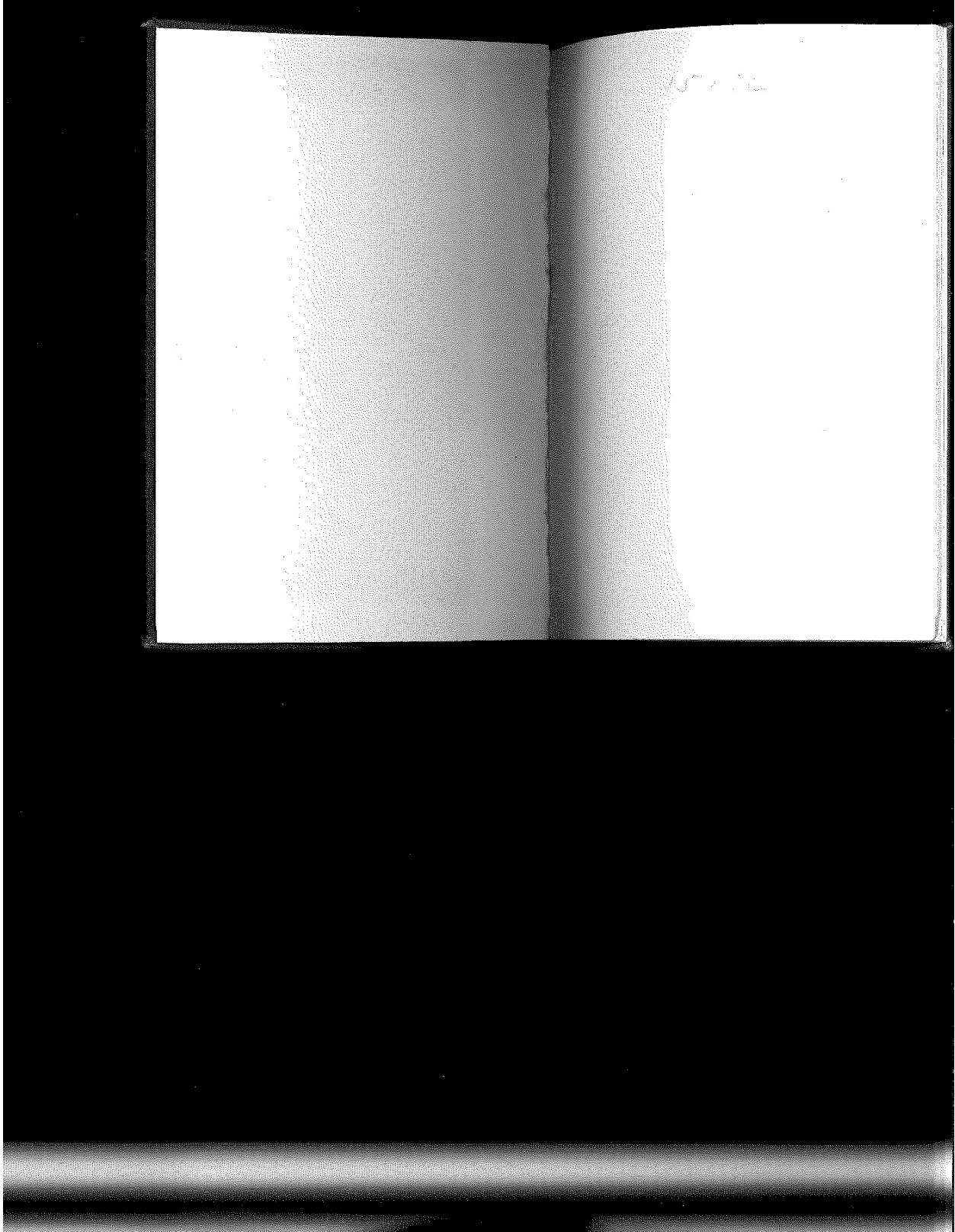


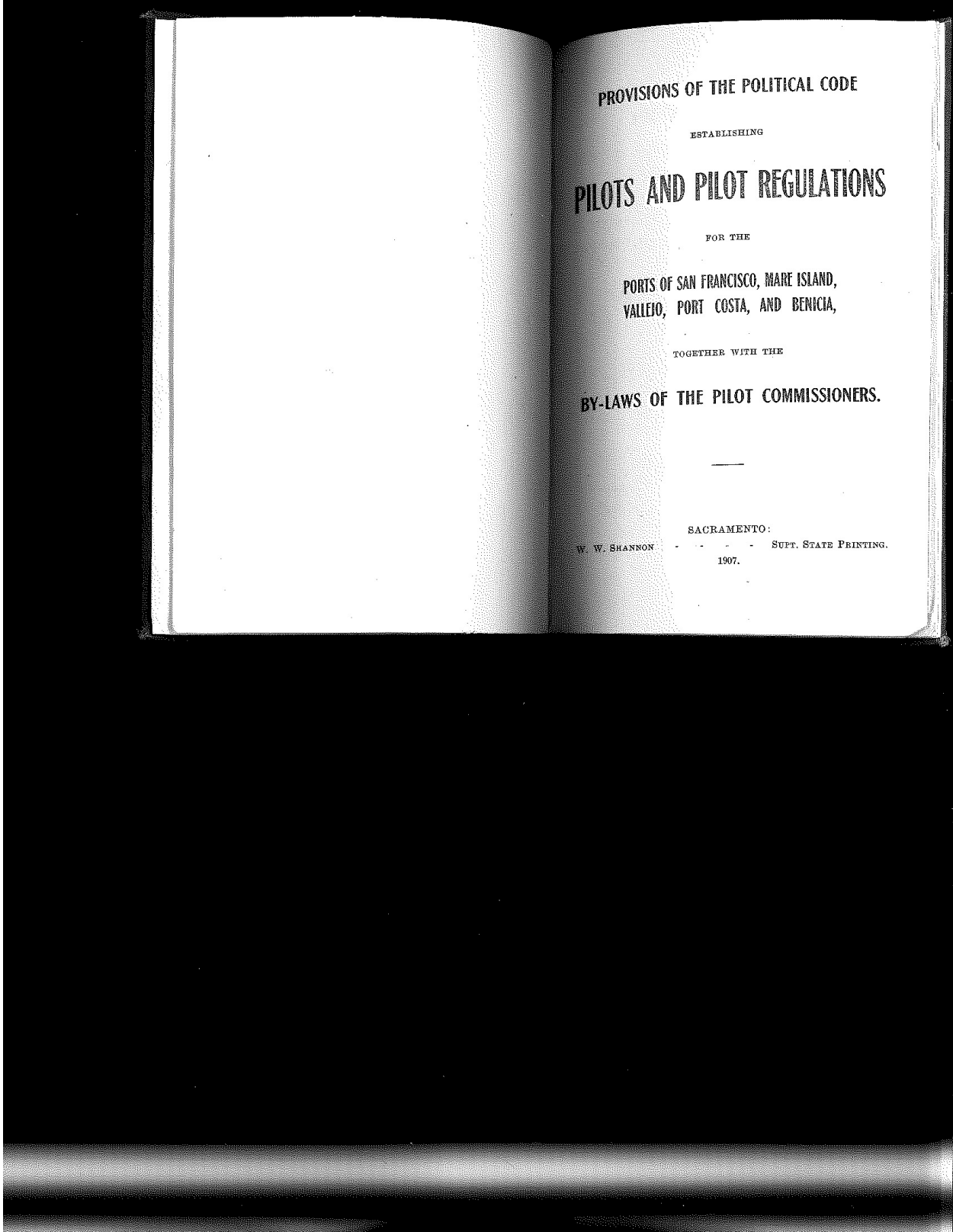
Item 6A-03: Pilots and Regulations (1907)

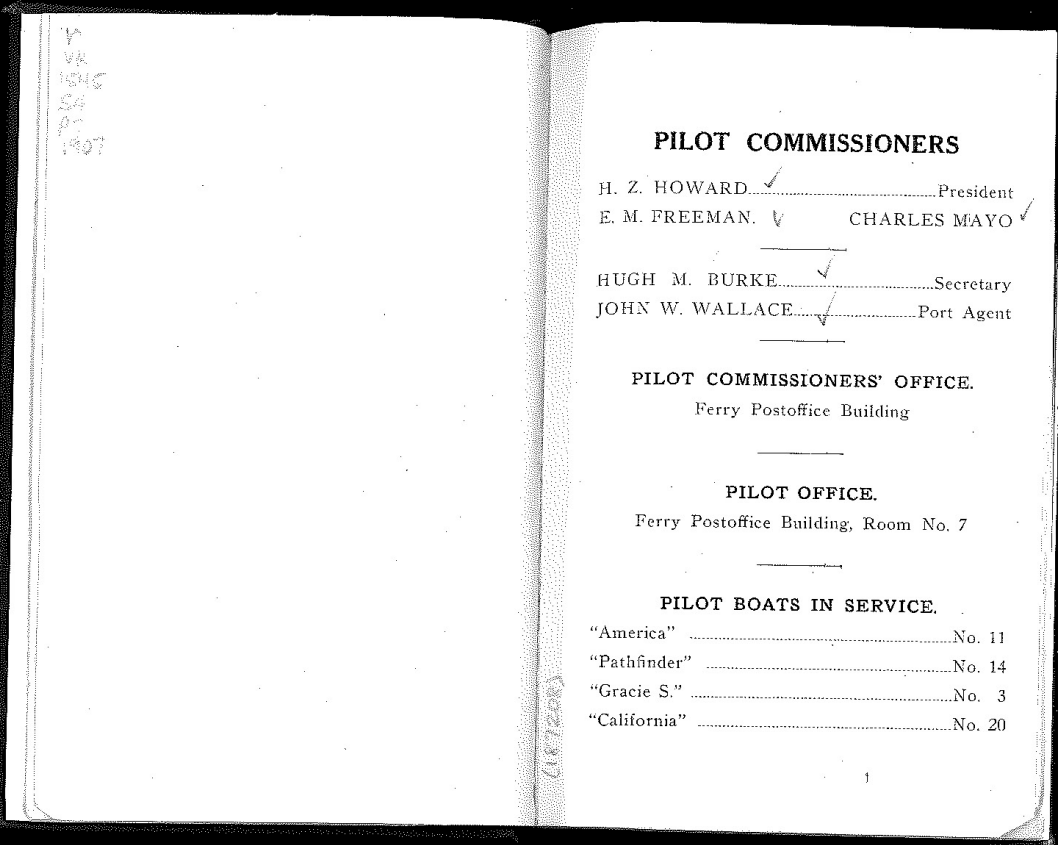




[JUMP TO AGENDA](#)







LIST OF PILOTS

Names	Original Appointment
H. P. Marshal ✓	Dec. 5, 1910
John J. Shea ✓	May 15, 1909
Stephen Castle ✓	May 13, 1879
C. J. Bruguiere ✓	May 15, 1909
Geo. D. Korts ✓	May 12, 1884
James Miller ✓	March 5, 1888
Alex. Swanson ✓	Jan. 6, 1890
F. W. Jordan ✓	April 7, 1890
J. E. McCulloch ✓	May 1, 1893
Geo. Scott ✓	Jan. 2, 1894
E. W. Christiansen ✓	Oct. 1, 1906
G. E. Wallace ✓	Sept. 14, 1894
Frederick E. Mathieson ✓	Jan. 4, 1897
Chas. B. Johnson ✓	May 2, 1899
Mitchell Tyson ✓	June 5, 1899
M. Andersen ✓	July 31, 1901
Jno. Von Helms ✓	July 9, 1902
Jno. W. Wallace ✓	Nov. 24, 1902
J. M. Hays ✓	April 6, 1903
John Silovich ✓	April 6, 1903

For Mare Island, Vallejo and Benicia.

F. H. Cruthers	Oct. 5, 1903
Geo. Wheeler, Jr.	Dec. 5, 1910

PROVISIONS OF THE POLITICAL CODE

ESTABLISHING

PILOTS AND PILOT REGULATIONS

FOR THE

**PORTS OF SAN FRANCISCO, MARE ISLAND, VALLEJO,
PORT COSTA, AND BENICIA.**

SECTION 2429. No person must be appointed a pilot unless he is an American citizen, over the age of twenty-one years, with a practical knowledge of the management of sailing vessels and steamboats, and of the tides, soundings, bearings, and distances of the several shoals, bars, rocks, points of land, light-houses and fog signals of the ports and harbors for which he is appointed, of good moral character and temperate, with the skill and ability necessary to discharge the duty of pilot.

SEC. 2430. Pilots appointed by Commissioners must be carefully examined as to their qualifications, and, if found to be qualified and worthy, must receive license as pilots for the term of twelve months, which license shall be thereafter annually renewed until the Commissioners have good

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cause to withhold such renewal, and whenever the Commissioners deem they have such cause, or intend for any reason to withhold such renewal, the Secretary of the Board of Commissioners shall serve notice in writing on such pilot, specifying the causes, at least ten days before the expiration of his license; and such pilot shall thereupon be entitled to a full hearing before said Board.

Bonds of pilots, and oath.

SEC. 2431. Every pilot must execute an official bond in the sum of five thousand dollars, to be approved by the officer or Board appointing him. The bonds of pilots appointed by Commissioners must be filed with such Commissioners.

Liability for pilotage.

SEC. 2432. All vessels, their tackle, apparel, and furniture, and the masters and owners thereof, are jointly and severally liable for pilotage fees, to be recovered in any court of competent jurisdiction.

Owners to compensate pilots for loss.

SEC. 2433. If any pilot, in endeavoring to assist or relieve any vessel in distress, suffers loss or damage in his boats, sails, tackle, rigging, or appurtenances, the master, owner, or consignees of such vessel must pay the value of such loss or damage, to be ascertained by the Commissioners.

Pilots to show license, and when.

SEC. 2434. Every pilot, on boarding a vessel, when required by the master thereof, must exhibit his commission or license as

pilot. A refusal so to do subjects him to a forfeiture of his commission or license, and a recovery of fifty dollars on his bond in a suit instituted for that purpose by the authority appointing him.

SEC. 2435. Every pilot carried to sea against his will, or unnecessarily detained on board of a vessel when a pilot boat is in attendance to receive him, is entitled to receive the sum of eight dollars per day while necessarily absent or detained, not to exceed in the aggregate the sum of one thousand dollars in any one case, which sum may be recovered by action against the master or owner of the vessel so taking him away.

SEC. 2437. When cruising off or standing out to sea, pilots must go to a vessel nearest to shore, or in the most distress, under a penalty of one hundred dollars. For refusing to go on board a vessel when required, a like penalty of one hundred dollars may be imposed. In either case, upon conviction, the pilot may be suspended or expelled, at the discretion of the Commissioners.

SEC. 2438. For every violation of the duties and regulations herein specified, the pilot so violating is liable on his official bond to the party aggrieved, to the amount of the damages sustained.

Piloting without license.

SEC. 2439. Any person not the master or owner, and not holding a commission or license as a pilot, who pilots any vessel into or out of any harbor or port in this State for which there are commissioned or licensed pilots, must be punished therefor as provided in the Penal Code (Section 379), and must pay to the pilot entitled to pilot such vessel the amount of pilotage or towage collected by him.

Appointment of Commissioners.

SEC. 2440. There must be appointed by the Governor, by and with the advice of the Senate, three experienced and competent shipmasters, or nautical men, citizens of the United States, and residents in either of the cities of San Francisco, Oakland, Vallejo, or Benicia, or of the towns of Brooklyn or Alameda, a Board of Pilot Commissioners for the ports of San Francisco, Mare Island, and Benicia. Each Commissioner shall,

Qualifications of Commissioners.

before entering upon his official duties, take the following oath or affirmation, which shall be indorsed on his commission, and shall be signed by him and certified by the Superior Judge of the county of San Francisco: "I do solemnly swear (or affirm, as the case may be) that I will support the Constitution of the United States and the Constitution of the State of California, and that I will faithfully discharge the duties of the office of Pilot Commissioner without fear, favor, or affection, according to the best of my ability."—Section 2, of Act of 1872.

SEC. 2442. The Commissioners hold their offices during the pleasure of the power of office, appointing them, not exceeding four years from the date of their commission.

SEC. 2443. The Commissioners must organize as Boards, respectively, by the election of Presidents, Secretaries, and Treasurers. They must provide for themselves offices, in which they must meet as follows: the "San Francisco Board" must meet once a month in the city of San Francisco.

SEC. 2444. The President of each Board is authorized to administer oaths in regard to any matter properly before it, and to issue subpoenas in like cases for witnesses. A witness disobeying such subpoena served on him must pay to the Board one hundred dollars, for which judgment may be recovered by the President in a civil action.

SEC. 2445. Each Board must make by-laws and rules for the government of pilots appointed by it; and may adjourn their regular meetings from time to time. The San Francisco Board may appoint a Secretary and fix his compensation, not to exceed the sum of two hundred and fifty dollars per month.

SEC. 2446. The Secretary of each Board must keep a journal of all its proceedings.

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and acts, and a register of all pilots appointed, their residence, and date of license; and must, under order of the Board, issue licenses, to be signed by the President, and countersign the same.

Not to be interested in pilot boats.

SEC. 2447. Neither the Commissioners nor their Secretaries must have any interest in any pilot boat or steam-tug, nor in the earnings thereof, other than for compensation as herein provided. Any one violating this section forfeits his office.

Appointment of pilots.

SEC. 2457. The Board of Commissioners must examine and license, in the manner prescribed, not less than fifteen nor more than twenty pilots for the port of San Francisco, and not more than two pilots for the ports of Mare Island, Vallejo, and Benicia.

Boats to be kept by pilots.

SEC. 2458. Pilots must at all times keep, for their exclusive use, boats of such description and good condition as directed by the Board.

Police regulations.

SEC. 2459. Every pilot in charge of a vessel arriving in the port or harbor of San Francisco must safely moor the vessel in such position as the master of the vessel or Harbormaster may direct. He must prevent all persons (excepting officers of the State or Federal Government, owners or consignees of the vessel or cargo, and persons

admitted on the express order of the master) from boarding such vessel until she has been safely moored. To enforce the provisions of this section and other police regulations for the harbor, every pilot in charge of a vessel entering the harbor of San Francisco is authorized and empowered to arrest every one who, in opposition to the master's orders, persists in boarding such vessel, or who, having boarded her, refuses to leave on the command of such master or pilot. When so arrested, he must be immediately brought before the Police Judge's Court, or admitted to bail, as provided in the Penal Code.

SEC. 2460. Every pilot of the harbor of San Francisco, Mare Island, Vallejo, and Benicia must once in each month, upon blanks to be furnished to them by the Board of Pilot Commissioners, render a verified account to the Board of all moneys received by him, or by any other person for him, or on his account, and pay five per cent thereof to the Board, in full compensation for its official services, for the services of its secretary and treasurer, and all incidental expenses. Such account shall give the name of each vessel piloted, and the master thereof, and of each vessel for which pilotage has been charged or collected, and the amount charged to, or collected from each, and any rebates made and allowed and the amounts thereof, where the same is registered, the depth of its draught, its tonnage,

whether inward or outward bound, and whether the amount so received, collected, or charged is for full pilotage or half pilotage, and the secretary shall record such account in full detail in a book prepared for that purpose, which book shall at all times be open to public inspection. [As amended February 14, 1890.]

Suspension of pilots. Sec. 2461. The Board has power summarily to suspend pilots for misconduct, inattention to their duty, intoxication, or violation of any of the rules and regulations provided by the Board for the government of pilots, and to revoke the license of pilots for the causes hereinafter mentioned, upon due proof thereof, as hereinafter provided. The Board must immediately suspend every pilot complained of, until the complaint is investigated and decided.

Revocation of licenses, and causes. Sec. 2462. Any pilot may be deprived of his license before its expiration, for the following causes only:

First—For neglect for thirty days after the same becomes due, as provided in the second preceding section, to render an account to the Board of Pilot Commissioners of all moneys received by him for pilotage.

Second—For neglect for thirty days after the same becomes due, to pay over to the Board the five per cent on the pilotage money received by him.

Third—For rendering to the Board a false account of pilotage received.

Fourth—For absenting himself from duty for more than one month at any one time, except upon leave granted by the Board, or by reason of sickness or personal injury.

Fifth—For refusing to exhibit his license when requested to do so by the master of any vessel he may have boarded.

Sixth—For habitual or occasional intoxication, whether the same occurs while in charge of any vessel as pilot, or in charge of a pilot boat, or at any other time.

Seventh—For negligently, ignorantly, or willfully running any vessel on shore, or otherwise rendering her liable to injury. Any pilot deprived of his license under this subdivision is thereafter ineligible to receive a license as pilot.

Eighth—For willful violation of the rules and regulations adopted by the Board of Commissioners for the government of pilots.

SEC. 2463. No complaint against any Com-pilot, for any of the charges specified in the preceding section, must be entertained by the Board, unless it be within the knowledge of the Commissioners, or reduced to writing and verified as in civil actions. When a written complaint is filed, the pilot accused must be forthwith served with a copy thereof, by the Secretary, and required to appear and answer within ten days thereafter. If, upon

a hearing of the complaint and the testimony in relation thereto, the Board adjudges the complaint well founded, and the pilot guilty of any of the acts or causes herein declared sufficient for depriving him of his license, the Board must, by order, so declare, and forthwith revoke his license. Such order must be entered of record in the minutes by the Secretary.

Charges,
and trial
thereof.

SEC. 2464. Whenever any pilot has been notified that his license will not be renewed, as provided in section two thousand four hundred and thirty of this Code, he shall be entitled to a trial and hearing thereon, in the same manner that other charges and complaints are tried under the provisions of section two thousand four hundred and sixty-three of this Code; and in all such cases, and in all cases of revocation of license or suspension of a pilot for any cause, the Board may, in its discretion, upon written application setting forth the grounds thereof, verified by the party aggrieved, grant a rehearing; and in all cases the final decision of the Board shall be subject to review in the Superior Court of the City and County of San Francisco, to which court any such case, with all the papers and proceedings therein, shall be immediately certified by the Secretary of said Board, when so required by the pilot interested therein. Any case so certified to the Superior Court shall be then

tried *de novo*. The judgment of said court shall be final and conclusive. If the decision of the Board be reversed, the judgment shall operate directly to restore the pilot to all his former rights, status, and privileges, without further action of the Board. But the Board shall, nevertheless, upon being served with a certified copy of such judgment, restore or renew the license of such pilot, as the judgment may direct.

SEC. 2465. The pilotage inside the Heads Pilotage to the anchorage opposite San Francisco and about the harbor, or between the harbor of San Francisco and the ports of Mare Island, Vallejo, and Benicia, must be at such rates as agreed on between the parties, not to exceed five dollars per foot draught.

SEC. 2466. The following shall be the Rates of pilotage into and out of the harbor of San Francisco: All vessels under five hundred (500) tons, three (\$3.00) dollars per foot draught; all vessels over five hundred (500) tons, three (\$3.00) dollars per foot draught and three (3c) cents per ton for each and every ton registered measurement; and every vessel spoken inward or outward bound, except as hereinafter provided, shall pay the said rates. A vessel is spoken by day by a pilot boat displaying a union jack, or by night displaying a torch or flare up within a distance of three (3) miles of the

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vessel. In all cases where inward bound vessels are not spoken until inside of the bar, the rates of pilotage herein provided shall be reduced fifty (50) per cent. Vessels engaged in the whaling or fishing trades shall be exempt from all pilotage except where a pilot is actually employed.

Vessels exempt.

SEC. 2467. Any vessel in tow of a steam-tug between the harbor of San Francisco and the ports of Mare Island, Vallejo, or Benicia, shall be exempt from all charges for pilotage, unless a pilot be actually employed.

Same.

Exemption and reduction of pilotage.

SEC. 2468. All vessels sailing under an enrollment, and licensed and engaged in the coasting trade between the port of San Francisco and any other port of the United States shall be exempt from all pilotage unless a pilot be actually employed. All foreign vessels and all vessels from a foreign port or bound thereto, and all vessels sailing under a register between the port of San Francisco and any other port of the United States shall be liable for pilotage as provided in section twenty-four hundred and sixty-six (2466) of this Code.

Preference

SEC. 2469. When two or more pilots shall offer their services to any vessel inward bound, the pilot first offering, or one connected with the same boat, shall have preference; and if the services of another be accepted, the vessel, her appurtenances, and

the master and owner thereof, shall be jointly and severally liable to the pilot entitled to such preference for one half the amount of pilotage he would have been entitled to had his services been accepted.

SEC. 2470. Any pilot bringing a vessel into the harbor of San Francisco (or one connected with his boat) shall be entitled to take such vessel to sea again when she next departs; provided, such pilot and those connected with his boat have not in the meantime become in any manner disqualified or incapacitated; and if such preference be disregarded by the master of such vessel, the vessel, master, and owner shall be liable to the pilot entitled to such preference for one half the amount to which he would be entitled if his services had been accepted.

SEC. 3014. No captain or other officer in command of any vessel sailing under a register, arriving at the port of San Francisco, nor any owner, consignee, agent, or other person having charge of such vessel, must, under a penalty of not less than one hundred dollars nor more than one thousand dollars, land, or permit to be landed, any freight, passengers, or other persons, from such vessels, until he has reported to the Quarantine Officer, presented his bill of health, and received a permit from that officer to land freight, passengers, or other persons.

Duties
of pilots,

SEC. 3015. Every pilot who conducts into the port of San Francisco any vessel subject to quarantine, or examination by the Quarantine Officer, must:

1. Bring the vessel no nearer to the city than is allowed by law.
2. Prevent any person from leaving, and any communication being made with the vessel under his charge, until the Quarantine Officer has boarded her, and given the necessary orders and directions.
3. Be vigilant in preventing any violation of the quarantine laws, and report, without delay, all such violations that come to his knowledge to the Quarantine Officer.
4. Present the master with a printed copy of the quarantine laws, unless he has one.
5. If the vessel is subject to quarantine, by reason of infection, place at the mast-head a small yellow flag.

PROVISIONS OF UNITED STATES STATUTES.

An Act concerning pilots.

Act of 1789, 1 U. S. Statutes at Large, Chap. IX, p. 53.

SECTION 4. *And be it further enacted,* 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 provisions shall be made by Congress.

An Act relating to pilots and pilot regulations.

[Approved July 13, 1866.]

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That no regulations or provisions shall be adopted by any State of the United States of America which shall make any discrimination in the rate of pilotage, or half-pilotage, between vessels sailing between the ports of one State and vessels sailing between the ports of different States, or any discrimination

against vessels propelled, in whole or in part, by steam, or against national vessels of the United States; and all existing regulations or provisions making any such discrimination as herein mentioned are hereby annulled and abrogated.

An Act to amend the Act entitled "An Act further to provide for the safety of the lives of passengers on board of vessels propelled, in whole or in part, by steam; to regulate the salaries of steamboat inspectors, and for other purposes," approved July 25, 1866.

[Approved February 25, 1867.]

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That section nine of the Act entitled "An Act to amend the Act entitled an Act further to provide for the safety of the lives of passengers on board of vessels propelled, in whole or in part, by steam; to regulate the salaries of steamboat inspectors, and for other purposes," approved July 25, 1866, be and the same is hereby amended so as to read as follows:

Section 9. And be it further enacted, that all vessels navigating the bays, inlets, rivers, harbors, and other waters of the United States, except vessels subject to the jurisdic-

*tion of a foreign power, and engaged in foreign trade, and not owned in whole or in part by a citizen of the United States, shall be subject to the navigation laws of the United States; and all vessels propelled, in whole or in part, by steam, and navigating as aforesaid, shall also be subject to all rules and regulations consistent therewith, established for the government of steam vessels in passing as provided in the twenty-ninth section of an Act relating to steam vessels, approved the thirtieth day of August, 1852. And every sea-going steam vessel now subject, or hereby made subject, to the navigation laws of the United States, and to the rules and regulations aforesaid, shall, when under way, except upon the high seas, be under the control and direction of pilots licensed by the inspectors of steam vessels; vessels of other countries and public vessels of the United States only excepted; *provided, however,* that nothing in this Act, or in the Act of which it is amendatory, shall be construed to annul or affect any regulation established by the existing laws of any State requiring vessels entering or leaving a port in such State to take a pilot duly licensed or authorized by such State or of a State situate upon the waters of the same port.*

BY-LAWS
OF THE
BOARD OF PILOT COMMISSIONERS

ADOPTED MAY 12, 1891.

Monthly meetings. SECTION 1. The regular monthly meeting of the Board of Pilot Commissioners shall be held at their office on the first Monday of each month, at two o'clock P. M. If the above date falls on a non-judicial day, the meeting shall take place on the day following, at the same hour.

Special meetings. SEC. 2. A special meeting of the Board must be with the consent of a majority of the members thereof, and under a call, in writing, by the President.

Bonds of pilots. SEC. 3. No person shall receive a license as pilot for the ports of San Francisco, Mare Island, Vallejo, and Benicia, until he has filed the bond required by section two thousand four hundred and thirty-one of the

Political Code, approved by the Board, and has passed the examination for color blindness prescribed by the Board.

SEC. 4. A special meeting of the Board Cause for shall be called by the President whenever an accident of any importance, such as stranding, collision, or otherwise, shall occur to any vessel inward or outward bound, whilst in charge of a pilot, for the purpose of making the necessary investigation into the cause of such accident.

SEC. 5. Two Commissioners shall constitute a quorum for the transaction of business; and no business shall be transacted by the Board at any meeting unless a quorum be present, except as provided by section twenty-eight of these by-laws.

SEC. 6. In the absence of the regularly elected Secretary, the President may appoint a Secretary pro tem., with the consent of the majority of the members present at each meeting. The President shall also act as Treasurer, and shall keep a faithful and accurate account of the finances of the Board.

SEC. 7. The pilots may appoint one of their number to act as Port Agent, to carry out the orders of the Board of Pilot Commissioners, said appointment to be subject

Duties of Port Agent. to the confirmation of the Board. He shall have the general supervision of matters relating to the boats, appointing pilots to outward bound vessels, and all duties appertaining to the proper management of the business on shore; the said Port Agent to be directly responsible to the Board of Pilot Commissioners for the faithful performance of the business of the port. It shall also be the duty of the said Port Agent to keep a full and correct list of all steamers and vessels coming into and leaving this port liable for pilotage, with the class, draught of water, and tonnage of each vessel so arriving and departing, and report the same to the Board of Pilot Commissioners at each regular meeting of the Board, and oftener, when required by the Board so to do. It shall also be the duty of said Port Agent to report to the Board any dereliction of duty on the part of the pilots, and all accidents or disasters which may occur to any vessel whilst in the charge of any of said pilots. The Port Agent shall, in addition to his other duties, appoint one bar or relief boat, to take off pilots from outward bound vessels; thereby avoiding the detention of such vessels; each boat to act alternately as such bar or relief boat for the period of five days and six nights, or longer, as may be deemed necessary by the Board of Pilot Commissioners. Such bar boat shall use all diligence in taking off outward bound pilots.

SEC. 8. Every pilot for the port of San Francisco, either in person or by the Port Agent, shall make a full and complete report of all moneys collected or becoming due for pilotage during the month preceding, at each regular meeting of the Board, and shall report the number of vessels arriving and departing by the way of the "Heads," with the dates of such arrivals and departures, and the number of tons registered measurement of said vessels so arriving and departing, with the draught of water of each vessel, and said pilots, either in person or by the Port Agent, shall, at each regular meeting of the Board of Pilot Commissioners, pay to the Board five per cent of the amount collected or becoming due, as provided in section two thousand four hundred and sixty of the Political Code. And furthermore, said Port Agent shall employ all legal means in his power to collect such pilotage due by law.

SEC. 9. The licensed pilot or pilots for the ports of Mare Island, Vallejo, and Benicia shall, at each regular meeting of the Board, make a full and complete report of all moneys collected or becoming due for pilotage during the month preceding, and the number of vessels arriving from and leaving for Mare Island, Vallejo, and Benicia, with the draught of water and tonnage of each vessel so arriving and leaving; and said pilot or pilots shall pay to the Board of Pilot reports.

Commissioners five per cent of the amount so collected or becoming due, as provided in section two thousand four hundred and sixty of the Political Code.

Approval of boats. SEC. 10. No pilot shall be permitted to use any vessel which shall not be approved by the Board of Pilot Commissioners as a safe and suitable vessel for such service. The pilot boats shall undergo survey annually, by a surveyor appointed by the Board from one or more of their own number, and a certificate obtained that such boats are in a good and seaworthy condition, both with respect to hull and apparel.

Reports to the Board. SEC. 11. Pilots and the Port Agent when notified, in writing, to report in person to the Board of Pilot Commissioners, shall so report at the meeting specified in such notice.

Petitions for license. SEC. 12. All petitions for licenses to act as pilots must be signed by the petitioner and presented to the Secretary of the Board.

Pilots on each boat. SEC. 13. No pilot boat cruising outside the Heads shall have more than six pilots attached to her.

Regulations of boats. SEC. 14. It shall be the duty of the pilots of each pilot boat, once in each month, to elect from their own number a Captain, who shall have the management of said boat and

its affairs, under the general supervision of the Port Agent; and the name of such Captain shall be communicated to the Board upon the first Monday of each month, at the regular meeting of the Board. Said Captain to have such control of the boat for one month, or until his successor be elected. It shall be the duty of said Captain to report monthly to the Board an account of the movements and employment of his boat, specifying the service in which she has been engaged, the number of days she has laid in port, the number of vessels piloted in or out, and by whom piloted; and for each and every neglect to comply with this rule, the said Captain may be fined, not to exceed the sum of fifty dollars, and otherwise punished at the discretion of the Board.

SEC. 15. It shall be the duty of pilots at all times to keep two boats, in addition to the bar boat, cruising outside the bar; and any vessel liable for pilotage entering this port without a pilot, in consequence of the neglect of the pilots in either of the boats cruising outside the bar, upon due proof of such neglect, the pilots of the boat by whose neglect of duty said vessel shall have entered without pilot, shall be fined the amount of pilotage of such vessel entering without a pilot; which fine shall constitute a part of a special fund to be appropriated for the payment of the contingent expenses of the Board.

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**Restric-
tion
of service** SEC. 16. Neither pilots nor their boats shall be permitted to leave their particular service in port or at sea, except to assist vessels in distress not more than thirty miles seaward from the Farallones, Pigeon Point, or Point Reyes, without the written permission of this Board; and any boat infringing this rule shall be regarded as detached from the service, and the pilots attached thereto, unless especially engaged in piloting in or out of vessels, upon due proof, shall be regarded as having forfeited their licenses, and be otherwise punished, at the discretion of the Board.

**Suspension
of pilots.** SEC. 17. In any case where a vessel in charge of a pilot shall sustain injury by going ashore, or by collision, or otherwise, the pilot in charge of said vessel at the time of the accident shall be deemed prima facie guilty of misconduct, and shall, immediately from the time of said accident, be suspended from duty until an investigation be had by the Board of Pilot Commissioners.

**Sworn
testimony.** SEC. 18. All testimony taken before the Board of Pilot Commissioners must be subscribed and sworn to by the deponent before the President of the Board.

**Pilots to
answer
summons.** SEC. 19. Any pilot summoned to testify before this Board shall appear in accordance with such summons, and shall make answer,

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under oath, to any question put to him touching any matter connected with the pilot service.

SEC. 20. Any pilot cruising shall always Boarding take the first vessel spoken desiring the inward services of a pilot, regardless of class, size, bound vessels, or tonnage, and shall invariably speak vessels in their order of coming, and shall in no case refuse service to a small vessel for the benefit of a larger one at a greater distance.

SEC. 21. There shall not be less than four Boats in boats in commission, without the consent of service. the Board of Pilot Commissioners.

SEC. 22. There shall at all times be three Boats boats cruising, each boat to contain no less cruising than three pilots when leaving port; pilots attending ships ready for sea to be considered as attached to their respective boats on leaving port.

SEC. 23. In case a pilot is carried off to Neglect sea in consequence of the non-attendance of of relief the relief boat, after setting the usual signal boat. (except by unavoidable accident), the said boat shall pay him at the rate of eight dollars per day during the time of his necessary absence. The boat nearest to the ship with the usual signal, ready to discharge a pilot, shall be considered the relief boat,

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and the boat neglecting to so relieve such pilot shall pay the sum of eight dollars per day in the event of his being carried to sea.

Duty on outward bound vessels. SEC. 24. No pilot shall be allowed to leave a ship outward bound inside the ten-fathom curve without the consent of the Captain of the ship.

Violation of by-laws. SEC. 25. For any violation or infringement of these by-laws and regulations, the party offending shall be fined not exceeding one hundred dollars, or be suspended, or deprived of his license, as the Board may elect.

Carriage of letters. SEC. 26. Any pilot carrying a letter containing orders to any vessel of doubtful destination, awaiting such orders, shall be entitled to one and one half pilotage for such service.

Pilots to report for duty daily. SEC. 27. All pilots in port and on duty shall report for duty at the pilot office daily at not later than ten o'clock A. M., under penalty of suspension. Any pilot absenting himself from duty without permission of the Board is liable to suspension and forfeiture of his pro rata earnings for the time he is so absent. The pilot whose turn it is to take a ship to sea shall remain at the pilot office during Custom House hours.

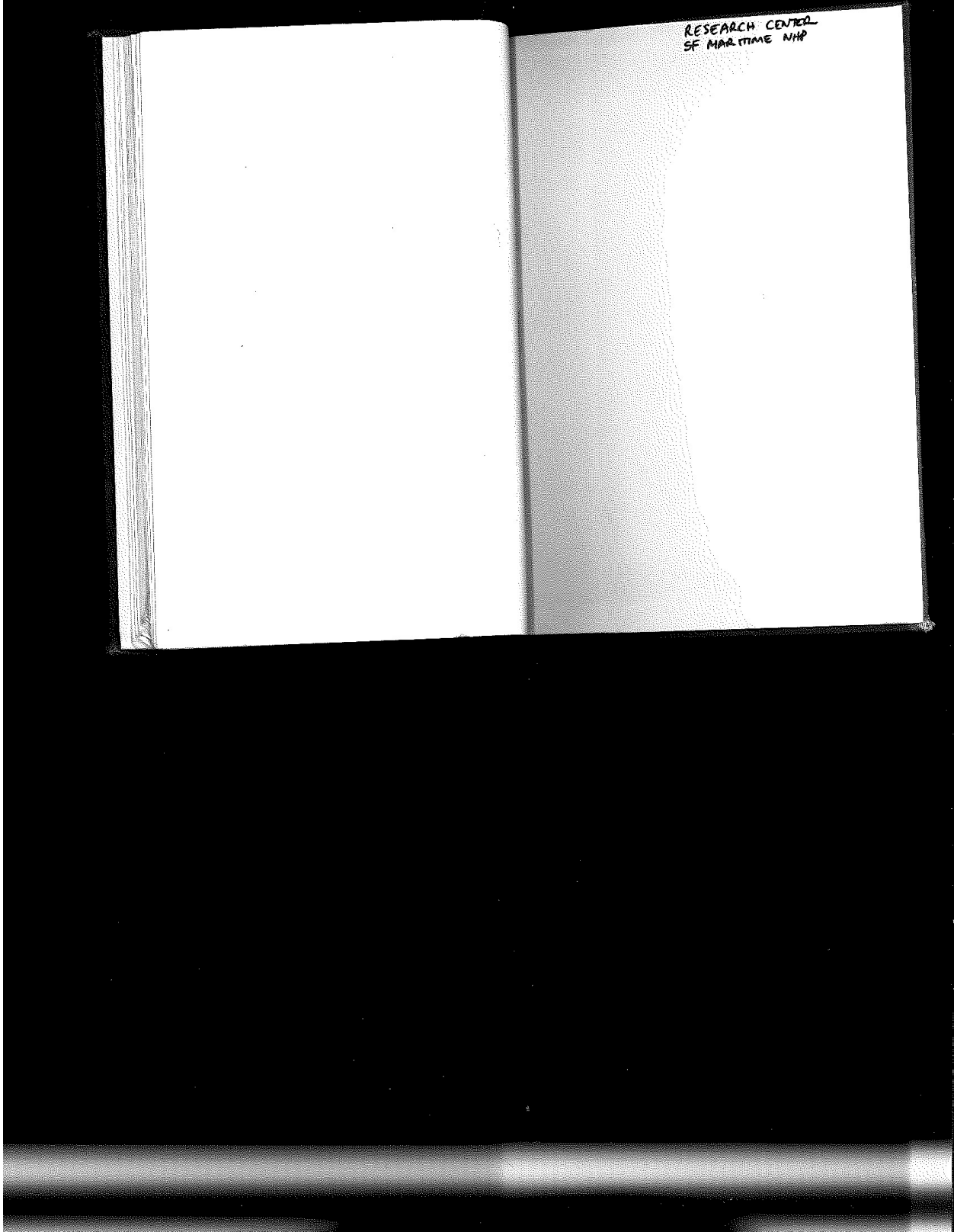
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SEC. 28. The President and Secretary Renewal shall have power to renew licenses of pilots of license for the ports of San Francisco, Mare Island, Vallejo, Port Costa, and Benicia, where no legal impediment exists.

SEC. 29. When a boat is due at sea and it is not high water until after twelve o'clock (noon), she shall start to sea on the morning tide.

SEC. 30. When a boat's cruise is up she shall not, unless sooner relieved, leave the outer station until ten o'clock A. M., from April first to November first. Any pilot neglecting to observe this section shall be liable to suspension.

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Item 6A-04: Chair's Report on the Select Committee on Ports and Goods Movement

Assembly
Select Committee on
Ports and Goods Movement

Chair's Interim Report



July 31, 2024

Mike A. Gipson (D-Carson), Chair

Introduction

Dear Colleagues,

As Chair of the Select Committee on Ports and Goods Movement, I have had the honor of working hand-in-hand with California's public ports, industry stakeholders, and community organizations focused on helping our state's supply chain thrive. Through this work, I have collected invaluable data and insight on public policy actions we can take to improve the global supply chain.

My extensive experience touring California's 11 public ports and hosting numerous Select Committee hearings on the state of our supply chain has informed this report's recommendations and observations. While the issues facing the ports and goods movement are daunting and complex, this report provides a snapshot of the most pressing policy challenges within the maritime industry.

I would like to express my gratitude to Speaker Emeritus Anthony Rendon for appointing me to be the Chair of the Select Committee and Ports Movement. Additionally, I would like to thank Speaker of the Assembly Robert Rivas for allowing me to retain my position as well as hold hearings and tours to examine each port in this great state.

This report would not be possible without the hard work of our ports, industry stakeholders, and community based organizations that came together to educate the Select Committee on the most pressing issues facing our supply chain. I would also like to thank my core Select Committee staff, Mitchell Mattos and Ryan Drover. Lastly, I would like to thank the members of the Select Committee, and their staff, who joined us on these tours. In doing so, they helped bring the perspective of their districts into this report.

Sincerely,



Assemblymember Mike A. Gipson
Chair of the Select Committee on Ports and Goods Movement

California Seaports: America's Trade Gateways at a Crossroads

Over the past year, the Select Committee on Ports and Goods Movement toured California's 11 public ports and hosted numerous hearings on the state of our ports. This report highlights California ports' crucial role in the state and national economy, includes a thorough policy analysis of the most pressing issues facing the goods movement sector, and outlines a roadmap to keep California ports competitive in a challenging and complex environment.

We must protect and celebrate California's Port assets through sound regulation, fiscal and infrastructure investments, and leadership at local, state, and federal levels. Failure to maintain competitiveness will result in an inability to afford climate and modernization investments or sustain regional and national economic benefits.

The most significant findings and policy recommendations are summarized below.

Understanding California's Ports

- **Economic Engine:** California ports drive trade and tourism, supporting millions of good paying jobs and playing a critical role in the national economy as a global gateway. The ports provide essential access to foreign markets by driving agricultural exports and importing critical components for manufacturing and retail goods. California ports consistently facilitate billions of dollars of commerce and generate hundreds of millions of dollars in state and local tax revenues.
- **Strong Environmental Stewards:** California's seaports are the cleanest in the nation and, by many measures, in the world. The public ports and their partners in the maritime industry have made major investments and operational changes to support cleaner operations that address air pollution and climate change. The innovations they have piloted and policies they have executed have resulted in billions of dollars in investments and substantial improvements in water quality, carbon emissions, and air quality. Ports are also on the forefront of combating sea-level rise, one of the most pressing environmental challenges facing California.
- **Emergency Preparedness & Response:** California ports play a key role in local, regional and national emergency readiness. From designations as strategic ports, FEMA-designated disaster preparedness sites, supporting naval logistics, to helping local communities respond to the COVID-19 pandemic, ports are critical for emergency readiness and response.

Key Issues

- **Maintaining California's Market Share:** The market share of California ports has steadily eroded since 2006, the peak of our facilitation of discretionary containerized cargo destined for the rest of the country. Since then competitors on the Atlantic and Gulf coasts, as well as ports in Canada and Mexico, have steadily absorbed California's market share, attracting the jobs, income, and tax revenues associated with cargo growth.
- **California's Fair Share of Funding:** Despite the outsized role of California's ports in the domestic economy and international trade, the federal funding received by Californian ports is disproportionately low. Instead, this federal funding goes towards Gulf and East Coast ports which act as competitors to California and take market share as they grow.
- **State & Local Investment:** State and local fiscal investments can be improved by:
 - Dedicating state resources to meet need and sustain competitiveness, including in freight transportation assets.
 - Protecting funds to support zero-emission goals, specifically \$315M in state funding previously allocated to the California Air Resources Board (CARB) and California Energy Commission (CEC) in prior budget cycles but delayed due to current fiscal constraints.
 - Providing incentives for early adoption of clean technologies, for the creation of alternative fuels usage, storage, production, and transfer, and for system efficiency improvements.
 - A continued priority will be to secure continued matching funds for projects established through the Infrastructure Investment and Jobs Act (IIJA).
- **Reducing Environmental Impacts while Operating in a Complex Regulatory Environment:** The environmental challenges of decarbonization, reducing localized air pollution impacts, and maintaining clean water are being met head on by California ports. Public-private coordination, facilitated by California's ports, is critical to maintaining the momentum of California's environmental leadership. Collaboration, coupled with a sound regulatory approach is preferable to complicated and costly regulatory schemes that lead to cargo diversion elsewhere, resulting in higher costs, increased carbon emissions, and shifting of localized public health impacts to other communities. Regulators must be challenged to balance costs, feasibility, technological availability, scale of impacts, differing business models and institutional forms (one size does not fit all), a systems view, and the need to provide funding to support innovation and infrastructure investments.
- **Elevating Supply Chain Coordination:** The nation's supply chains depend on California's ports and freight industry. California needs a state leader focused on identifying and addressing the needs of users of the goods movement and ports system. This position should be tasked with coordinating a multi-agency response to address the most urgent

needs of the goods movement and freight industry.

- **Reducing Barriers in the Supply Chain:** We must reduce barriers that prevent ports and the goods movement industry from operating at their full potential. This includes streamlining permitting, making investments in technology and data for improved supply chain coordination, and avoiding costly California-only regulations that put ports, cargo owners, agriculture exporters, and other port users and beneficiaries at an unfair disadvantage. Additionally, as we experienced in the global supply chain crisis that took place during the COVID-19 pandemic, California must encourage better visibility, equipment availability, and asset utilization.
- **Ensuring Adequate Investment in Off-Port Truck & Rail Infrastructure:** In addition to investing in infrastructure at California's ports, it is imperative to support port access investments. Cargo cannot move off or around a marine terminal without adequate supplies of trucks or trains to meet these demands. It is essential that the state begin protecting and reinforcing truck and rail infrastructure investments.
- **Offshore Wind:** California's success in meeting its ambitious offshore wind generation goals of up to 5 gigawatts in 2030 and up to 25 gigawatts by 2045 is contingent upon employing a multi-port strategy of development of port infrastructure to support this new industry. Wind generation support operations will benefit from California ports' extensive experience and expertise in building, operating, and maintaining large waterfront infrastructure projects.
- **Promoting Workforce Development:** Our state must support workforce development programs to ensure a robust, reliable workforce is available for optimal performance. Investment in such workforce will make California's supply chain more resilient, effective, and responsive to economic needs.

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Exploring California's Ports: Our Economic Engine

From the Port of Humboldt Bay in the north to the Port of San Diego in the south, California's public ports are known for their diversity, ranging from serving as vital hubs for trade to vibrant centers for tourism. California's ports are the heart of the state and nation's economy – driving critical trade, boosting the economy, providing millions of jobs, and advancing environmentally sustainable practices.

There are 12 major seaports in California – eleven of these are publicly owned, and one, the Port of Benicia, is privately owned. These ports process about 38% of all containerized imports and 28% of all exports in the United States.

California's ports handle a variety of cargo and each port is unique in its geographic location, capacity, and cargo type.

Overview

At the most basic level, ports are facilities where goods and commodities are loaded and unloaded from ships, and then processed and prepared for further distribution to retailers and consumers. However, as this report demonstrates, ports have an outsized impact on the economy, labor market, and environment.

In addition to the 11 publicly owned deep-water seaports, California has several privately owned and operated port and terminal facilities. These private freight facilities, including the Port of Benicia, handle a variety of cargo that include dry bulk materials, metals, bulk liquids, construction materials, vehicles, electronics, crude oil, petroleum products, and many others.

International Trade

California has become a leading global trade center because of its world-class infrastructure and a massive local market, which results in more favorable costs for delivering cargo through these ports to the rest of the nation. Additionally, the region has evolved into a distribution center for U.S. trade with Pacific Rim nations partly because of its geographic location, but also because such a large portion of the trade is consumed locally. California is the most populous state and will demand ever more imported goods and the region's manufacturing sector – one of the largest in the nation – will continue to require components, parts and other inputs.

Accordingly, California's ports are vital for international trade and are considered essential to the global economy. Cargo owners – from manufacturers to farmers – rely on California's ports to facilitate trade for a diverse array of commodities.

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Port	Operating Entity	Highest-Value Exports	Highest-Value Imports
Port of Long Beach	City of Long Beach Harbor Department	Petroleum Coke, Waste Paper, Chemicals, Scrap Metal	Crude Oil, Electronics, Plastics, Furniture,
Port of Los Angeles	City of Los Angeles Harbor Department	Wastepaper, Animal Feeds, Scrap Metal, Fabric, Soybeans	Furniture, Clothing, Automobile Parts, Electronic Products
Port of Richmond	City of Richmond	Vegetable Oils, Scrap Metal, Coke, Coal	Autos, Petroleum, Minerals, Vegetable Oils
Port of Oakland	Oakland Board of Port Commissioners	Fruits and Nuts, Meats, Machinery, Wine and Spirits	Machinery, Electronics, Furniture, Plastics
Port of Stockton	Stockton Port District	Iron Ore, Sulfur, Coal, Wheat, Rice	Liquid Fertilizer, Molasses, Bulk Fertilizer, Cement

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Port of San Francisco	City and County of San Francisco	Tallow, Vegetable Oil	Steel Products, Boats, Wind Turbines, Aggregate
Port of Redwood City	City of Redwood City	Iron Scrap	Aggregates, Sand, Gypsum
Port of Hueneme	Oxnard Harbor District	Autos, Produce, General Cargo	Autos, Produce, Liquid Fertilizer, Bulk Liquid
Port of San Diego	San Diego Unified Port District	Machinery, Metals, Autos, Heavy Equipment	Vehicles, Perishables, Construction Materials, Heavy Equipment
Port of West Sacramento	City of West Sacramento	Agricultural and Industrial Products	Agricultural and Industrial Products
Humboldt Bay Harbor District	Humboldt Bay Harbor, Recreation and Conservation District	Logs, Wood Chips	Logs, Petroleum, Wood Chips
Port of Benicia	Amports	Petroleum Coke	Automobiles

Sources: U.S. Army Corps of Engineers Waterborne Commerce Statistics Center, California Freight Mobility Plan 2020. Pacific Merchant Shipping Association, West Coast Trade Report February 2024.

Economic Impact

California ports' contributions to the global economy range from tourism to agriculture. The following is an overview of the economic contributions of California's ports:

- **Port of Hueneme:** The Port of Hueneme is the nation's 6th largest auto port and the 5th largest refrigerated cargo port in the U.S. importing more than 5 billion bananas annually. Trade through the Port of Hueneme generates more than \$236 million in direct and related state and local taxes, which fund vital community services. Port operations at the Port of Hueneme support the community by bringing \$2.8 billion in economic activity annually, according to the Port of Hueneme.
- **Humboldt Bay Harbor District:** The District oversees and promotes many port development projects and programs. These include dredging, retention and improvement of commercial fishing facilities, improvement of transportation and maritime facilities, pilotage licensing, Oil Spill Co-op coordination, erosion control, shoreline protection projects, port marketing, mariculture, aquaculture, and permitting for development.
- **Port of Long Beach:** The Port of Long Beach, a key gateway for trans-Pacific trade and a trailblazer in innovative goods movement, safety, environmental stewardship, and sustainability, has built a model of supporting a green economy. The Port of Long Beach handles trade valued at \$200 billion annually and supports 2.6 million trade related jobs across the nation, including 575,000 jobs in Southern California.
- **Port of Los Angeles:** The busiest container port in the Western Hemisphere, the Port of Los Angeles has built record volumes for containerized trade over the past two decades. Trade through the Port of Los Angeles runs from every corner of the United States to over 160 countries across the globe. Every year, this cargo generates over \$200 billion in economic activity and nearly 3 million jobs in the United States. The Port maintains an efficient, sustainable supply chain, adopting new technologies to improve the reliability, predictability, and efficiency of the flow of cargo across global seaborne trade.
- **Port of Oakland:** The Port of Oakland is unique among California ports by serving an equal balance of export and import container cargo. It is the preferred export gateway to the world for agricultural goods grown in the state's Central Valley and the nation's Heartland. The Port handles nearly all containerized cargo in and out of Northern California.
- **Port of Redwood City:** The Port of Redwood City, the only deepwater port near Silicon Valley, provides essential building materials and large-scale recycling services throughout the region.
- **Port of Richmond:** More than 80,000 cars arrive annually at the Auto Warehousing Company at the Port of Richmond. The Port also supports the broader Northern California

commerce, as it is home to dredging companies, tugboat companies, marine engineering operations, and other critical service providers that keep ships moving.

- **Port of San Diego:** The Port of San Diego is the nation's specialty cargo gateway to the Pacific with regular trade routes to Latin America, Asia, and beyond. In fiscal year 2023, the port handled approximately 400,000 autos, 640,000 MT of dry bulk cargo like sugar, sand, soda ash, and more; 144,000 MT of break bulk cargo like windmill components and yachts; 101,000 MT liquid bulk cargo like jet fuel, and 159,000 containers of refrigerated cargo like bananas, pineapples, and other fruits and vegetables.

The Port of San Diego supports a total economic impact of \$20.9 billion and manages a diverse portfolio that generates revenues to support vital public services, critical infrastructure, and unrivaled amenities.

- **Port of San Francisco:** The Port of San Francisco manages one of the most diverse maritime portfolios in the nation, along with water recreation activities in San Francisco Bay. The Port of San Francisco has historically been one of California's most visited waterfronts. It is the City of San Francisco's global appeal and the Port of San Francisco's ability to provide a safe and clean visitor destination that continues to support economic recovery and ongoing vitality to California.
- **Port of Stockton:** Being situated in the heart of California's Central Valley— one of the most agriculturally productive regions in the world— the Port of Stockton serves as a crucial gateway for the import and export of goods. The Port of Stockton is the 4th largest employer in the Central Valley, providing nearly 11,000 living wage jobs.
- **Port of West Sacramento:** The Port of West Sacramento supports regional agriculture, specifically through its rice exports, and Northern California's construction by importing cement.

Workforce Development & Job Creation

Ports support millions of trade-related jobs across the nation. More than 3 million jobs are supported by California's ports, including more than 800,000 jobs related to exports and nearly 2.3 million jobs related to imports. Dockworkers, construction workers, import-export businesses, insurance, retailers, warehouse workers, manufacturers, growers, among others are all jobs related to the maritime supply chain.

In 2020, Governor Newsom signed AB 639 (Cervantes) into law that required the Labor and Workforce Development Agency and the California Workforce Development Board to oversee a stakeholder process to support the development of findings and recommendations on ways to mitigate the employment impacts of automation and the transition to low- or zero-emission operations at the Los Angeles and Long Beach ports.

The State can support workforce development programs to ensure ports and the broader supply chain have access to a skilled and trained workforce. This is especially critical for new and emerging technology (i.e., operation, maintenance and repair for zero-emission equipment). In recognition of this, the ports of Los Angeles and Long Beach received state funding to develop a workforce training facility to support workforce transition, as well as reskilling and upskilling to accelerate the deployment of zero-emission equipment and technologies. This investment will build on existing programs and ensure the future competitiveness of our ports and the goods movement sector.

In March 2023, the Port of Los Angeles and Port of Long Beach announced the establishment of their joint Port of Los Angeles and Port of Long Beach Goods Movement Training Campus to provide a single and centralized location aimed at attracting, recruiting, and retaining workers in the goods movement sector. The \$110 million allocation has been spread across three fiscal years, starting with the 2022-23 state budget with additional installments in 2023-24 and 2024-25.

Centrally located in the San Pedro Bay ports complex, the training center will provide new job opportunities for residents of nearby communities while strengthening skills for the existing logistics workforce.

Dockworkers, truck drivers, warehouse employees and other essential logistics workers will have an opportunity to learn how to operate the cutting-edge equipment, creating and maintaining jobs as the San Pedro Bay ports improve air quality, combat climate change and transition to zero-emissions operations by 2035.

The 20-acre campus, expected to open by 2029, is a partnership between the Port of Los Angeles, the Port of Long Beach, the California Workforce Development Board, the ILWU and the Pacific Maritime Association. The ports will equally split the balance of the project cost while working with partners to secure additional funding for training equipment and curriculum.

Agriculture

California's agricultural sector is a cornerstone of both California's economy and the broader U.S. agricultural landscape, playing a crucial role in domestic and international markets. The state leads the nation in agricultural production, with over \$50 billion in annual output – accounting for more than a third of the country's vegetables and two-thirds of the fruits and nuts. Key products include almonds, grapes, strawberries, and dairy, which are integral to both national food supply and export markets.

The significance of California agriculture extends beyond its economic contributions. It is vital for food security and supply chain stability in the United States. Internationally, California's agricultural exports bolster trade relationships and economic partnerships. The state's produce is

renowned for its quality and diversity – making it a preferred choice in global markets. California almonds and wines are among the top agricultural exports, finding markets in Europe, Asia, and the Middle East.

To maintain and enhance its competitive edge, it is crucial that California produced agriculture have efficient, reliable access to transportation and ports so that products can reach foreign markets quickly and retain quality. California must continue to foster strong relationships with international trade partners by not only ensuring consistent quality and supply, but also engaging in active diplomacy to mitigate trade barriers and tariffs. Programs like the [California Department of Food and Agriculture's \(CDFA\) International Trade Program](#) can play a pivotal role in this regard, helping to open new markets and strengthen existing ones through trade missions, partnerships, and regulatory alignment.

California's Ports: Beyond Containers

Tourism

California's ports not only stimulate jobs and bring financial benefits to cities and their economies through goods movement, but also by serving as entertainment destinations in cities such as San Francisco, Los Angeles, and San Diego.

In Los Angeles, set against the backdrop of the nation's busiest port, the LA Waterfront features expansive marinas and museums, historical landmarks, award-winning open spaces and a flourishing downtown art scene. A 42-acre visitor-serving commercial development called West Harbor will open in 2025, featuring a mix of dining, retail, fresh, recreation and entertainment. Since 2004, the Port of Los Angeles has invested \$1B in public access infrastructure, connected by promenades, bike paths and parks along its 16-mile community-adjacent waterfront.

With approximately 200 sailings annually the Port of Los Angeles is another popular embarkation point for a host of cruise destinations including Mexico, Alaska, Hawaii, Baja California, the Panama Canal, and California's world-famous Wine Country. With each cruise call generating over \$1 million in local economic activity, the cruise business is a critical part of the local economy.

The Port of San Diego manages a robust waterfront real estate portfolio, promoting mixed-use developments that include water-dependent commercial, visitor-serving, and world-class recreational spaces. Additionally, the Port of San Diego is a prominent player in the cruise ship industry averaging around 100 calls per season. San Diego serves as a home port and port of call for numerous destinations including Hawaii and the South Pacific, the Mexican Riviera and beyond, South America, the Panama Canal, and up and down the Pacific Coast. Partner cruise lines include Holland America Line, Disney Cruise Line, Princess Cruises, Norwegian Cruise Line, and Celebrity Cruise line, each bringing significant tourism revenue to the region.

Additionally, the Port of San Diego is a prominent player in the cruise ship industry; it serves as a home port and port of call for numerous cruise lines, bringing significant tourism revenue to the region.

The Port of San Francisco manages 7.5 miles of waterfront that includes maritime and industrial uses, offices, transit facilities, and some of the city's most popular visitor attractions such as the Ferry Building, Oracle Park, the Exploratorium, Pier 39, Fisherman's Wharf, and the Hyde Street Pier. Over 10,000 passengers travel to and from San Francisco daily by ferry, while the cruise industry draws over 300,000 visitors and over \$27 million tourism revenue to the region annually.

Emergency Readiness, Safety & Security

In addition to their commercial operations, California's ports serve critical roles in disaster preparedness and emergency response.

- In 2002, the Port of Hueneme and the Department of the Navy entered into a Joint Use Agreement (replacing the 1994 Memorandum of Understanding) which authorizes commercial use of Wharf 3 onboard Naval Base Ventura County, including approximately 21 acres of contiguous land, buildings 546 and 548, and up to an additional 10 acres of industrial land located outside of the Wharf 3 area. A standing Joint Use Agreement with Naval Base Ventura County and the Oxnard Harbor District/Port of Hueneme allows the Navy to support commercial supply chain logistics when activated.
- The ports of Long Beach, Oakland, and San Diego are three of 18 strategic ports in the United States designated by the U.S. Department of Defense as critical to national security response and providing capability to support military operations and logistics. These ports provide flexible cargo handling capability and vessel loading and discharge in support of military deployments around the globe. The Port of Redwood City is a FEMA-designated disaster preparedness site for the South Bay, a crucial staging area for cargo and personnel in the event of an earthquake or other event that damages bridges and roadways. The Port regularly conducts multi-agency simulations and drills.
- In 2014, the Port of Los Angeles was the first seaport in the nation to establish a Cyber Security Operations Center (CSOC) and staff it with a dedicated cybersecurity team. The CSOC currently serves as a centralized hub for proactively monitoring the Port's own technology environment to prevent and detect cyber incidents. In 2021, the Port was the first seaport in the world to establish a Cyber Resilience Center (CRC), which is an automated port community cyber defense solution. Focused on detecting and protecting against malicious cyber incidents potentially impacting cargo flow, this first-of-its-kind system also greatly improves the quality, quantity and speed of cyber information sharing, as well as the collective knowledge of threats within the Port's ecosystem. The Port of Richmond is home to the Marine Spill Response Corporation (MSRC), which has responsibility throughout the Bay Area for comprehensive oil spill response, exercise and

training support, spill prevention and mitigation as well as disaster recovery emergency services.

Environmental Impacts & Opportunities

The international trade activities which are undertaken at California's ports are of critical importance to the national, state, and regional economies, but they also create local negative externalities including transportation congestion and environmental impacts. These impacts need to continually be acknowledged, addressed, and managed by ports, industry partners, policymakers, and regulators. Doing so in a manner that is balanced is imperative for maintaining California's competitiveness and economic benefits without unduly burdening communities and residents which are impacted by port activities.

Reducing Port Emissions

The U.S. Environmental Protection Agency (U.S. EPA) is tasked with enforcing the Clean Air Act (CAA), a comprehensive federal statute designed to regulate air emissions from both stationary and mobile sources. The CAA's primary objective is to ensure that air quality meets the health-based National Ambient Air Quality Standards (NAAQS). These standards encompass criteria pollutants including ozone (O₃), particulate matter (PM₁₀ and PM_{2.5}), carbon monoxide (CO), sulfur dioxide (SO₂), nitrogen dioxide (NO₂), and lead (Pb), and has been expanded to include air toxics, as significantly expanded under the 1990 CAA Amendments to enhance requirements for the National Emission Standards for Hazardous Air Pollutants (NESHAPs). The EPA sets these standards and oversees state and local efforts to achieve and maintain them. Areas failing to meet NAAQS are designated as nonattainment areas, requiring the development of State Implementation Plans (developed in California by CARB) and Air Quality Management Plans (AQMPs) by local agencies (air districts in California), to outline strategies for emission reductions and compliance.

Emissions reductions targets in California are driven by a set of legislative actions creating both emissions reduction and clean energy generation goals. California Assembly Bill 32 (AB 32, Nunez, 2006) created the foundation of many of these since-developed regulations, programs, and goals. AB 32 required California to reduce GHG emissions to 1990 levels by 2020, and requires the California Air Resources Board (CARB) to develop and update a Scoping Plan (currently the 2022 Scoping Plan) that assesses progress and delineates strategies for achieving emission reduction goals. The emissions reduction target has since been expanded under Senate Bill 32 (SB 32, Pavley, 2016), establishing the target of a 40% reduction in emissions from 1990 levels to be achieved by 2030. Executive Order (EO) B-55-18 established the current carbon neutrality goal of 2045, with the goal to achieve net-negative emissions beyond 2045, establishing the first state standard and guidance for carbon sequestration targets to achieve negative emissions. The 2045 carbon neutrality and net-negative target was expanded under AB 1279 (Muratsuchi, 2022), affirming the 2045 neutrality and post-2045 net-negative targets, while further developing the 2045 requirements to include an emissions reduction of 85% below 1990 levels, ensuring that direct

emissions reductions are emphasized as opposed to the overdevelopment of carbon removal technologies.

The State Scoping Plan, as established under AB 32, guided by more recent legislation and developed by CARB, is designed to outline a pathway for California to achieve carbon neutrality by 2045, with the inclusion of technology feasibility, cost-effectiveness, and equity in the pathway design. The initial scoping plan was released in 2008, with following versions finalized in 2013, 2017, and the current Plan in 2022. The 2022 Scoping Plan identifies pathways to meet these ambitious statewide targets, and incorporates modern scientific and technological developments in order to address climate change. It incorporates a multi-sectoral approach, addressing emissions from energy, transportation, industry, agriculture, and natural and working lands, and reflects California's commitment to leading global efforts in combating climate change, emphasizing the integration of innovative technologies.

In partnership with CARB, local air quality management districts, federal agencies, local jurisdictions, regional communities, and industry partners, ports have been particularly focused on air quality improvement efforts over the last decade – a focus that has led to significant emissions reductions and lasting transformations in our goods movement system.

California has reduced its large ports report emissions reductions by:

- 80% in particulate matter reductions;
- 90% in SO_x reductions; and
- 50% in NO_x reductions; and significant GHG reductions.

These achievements are the result of concerted, comprehensive, and on-going air quality improvement efforts and significant investment at California's ports.

Examples of programs and technologies mitigating environmental impacts at California's Ports include:

- In 2017, the Port of Hueneme became the first port in California to become Green Marine certified and was voted the Greenest Port in the U.S. at the Green Shipping Summit. The Port of San Diego and Port of Stockton were also certified in 2018.
- The Port of Long Beach has been a leader in reducing greenhouse gas emissions and implementing environmentally sustainable practices. The Port adopted its award-winning Green Port Policy - the first of its kind - in 2005 and, together with the Port of Los Angeles, its Clean Air Action Plan in 2006. The Port of Long Beach has set a goal of achieving zero emission cargo handling equipment by 2030 and zero emission on-road trucks by 2035. A 2022 emissions inventory at the Port of Long Beach found that sulfur oxides were reduced by 97%, diesel soot fell by 91%, and nitrogen oxides fell by 63% compared to 2005 levels. These improvements occurred as container cargo jumped by 36%.

- The Port of Los Angeles became a pioneer in emission reductions dating back to 2001 and the creation of the No Net Increase Task Force, which produced a final report in 2005 that laid the groundwork for the San Pedro Bay Ports Clean Air Action Plan (CAAP) in 2006. As of its most recent (2022) air quality report card, the Port has reduced diesel particulate matter (DPM) by 77%, nitrogen oxides (NOx) by 59%, and sulfur oxides (SOx) by 93%. Moving forward, the latest version of the CAAP has set the Port on a course to pursue zero-emissions operations by 2030, zero-emission drayage by 2035, and decarbonization of ocean transport via Green Shipping Corridors.
- Similarly, the Port of Oakland has continued to make significant progress towards its goal of zero emissions. In 2020, 83.1% of the Port's energy was carbon-free and 70.3% was renewable.
- The Port of San Diego has reduced energy use by 40% and cut greenhouse gas emissions by 39% compared to 2008 levels. One of the Port of San Diego's biggest environmental focus areas has been reducing emissions and improving air quality in and around the Port. In support of its Maritime Clean Air Strategy (MCAS), adopted by the Board of Port Commissioners in 2021, the Port is improving environmental and public health while also supporting efficient, modern, and sustainable maritime operations. The MCAS includes ambitious goals to reduce emissions from port sources like cargo trucks and handling equipment, along with commercial harbor craft, ocean-going vessels and more. Notable achievements in 2024 include:
 - becoming the first port in North America to have fully electric mobile harbor cranes;
 - being the first port in the U.S. to have an electric tug, which is operated by Crowley;
 - advancing development of a zero-emissions truck stop; and
 - receiving recertification by Green Marine.
- The Port of Stockton is located adjacent to an AB617 community, and continually looks for avenues to reduce emissions, explore and implement alternative energy sources, maintain and improve water quality, and engage the local community and stakeholders to raise awareness about environmental issues and initiatives.

Environmental Technology

California ports are demonstrating their strong commitment to environmental sustainability and stewardship by implementing initiatives to reduce emissions, improve water quality, and enhance marine habitats.

- As part of a multi-stakeholder collaborative project to introduce hydrogen fuel into the Southern California drayage truck market, the Port of Los Angeles and with several partners demonstrated near-commercial heavy-duty hydrogen fuel cell electric trucks at and between freight facilities. The "Shore to Store" project will lay the groundwork to help realize their vision of zero-emission freight operations in the future.

An additional part of this project was hosted at the Port of Hueneme, which demonstrated two battery-electric yard tractors, and demonstrated two zero-emission forklifts at their warehouse facilities providing a model by which freight facilities can structure their operations and what a zero-emission supply chain will look like in the future.

- The Ports of Los Angeles and Long Beach set goals of transitioning to zero emissions cargo handling equipment in marine terminals by 2030 and zero emissions drayage trucks by 2035. The Port of Los Angeles is engaged in more than a dozen separate demonstration projects to test and accelerate the feasibility and commercial availability of zero emissions equipment. In June of 2024, the Port of Los Angeles began using the first commercially available electric top handlers at Yusen Terminals.
- Additionally, AltaSea at the Port of Los Angeles is a unique public-private innovation center that convenes and nurtures the best and brightest pioneers and organizations in ocean-focused science, business, and education. Located on the water's edge, AltaSea at the Port of Los Angeles is advancing an emerging Blue Economy through business innovation and job creation.
- The Port of Long Beach has pioneered and funded technologies and policies that allow massive cargo ships to switch off diesel engines at berth, launched hybrid diesel-electric tugboats in the harbor, replaced a 15,000-vehicle drayage truck fleet in a few short years, and convinced the world's ocean carriers to slow down for clean air near Long Beach.
- The Port of Redwood City invests in the dredging or removal of sediment from our waterways. The dredged materials are transported to nearby sites in need of sediment to help protect, restore and create wetlands and marshes. The transported sediment helps reduce potential storm damage and enhances our region's shorelines by building resilient wetlands to accommodate sea level rise.
- For many years, the Port of Oakland has implemented various programs to reduce emissions and improve air quality. More recently, the Port's focus has transitioned to achieving zero-emissions operations. To advance our bold objectives, to date the Port has applied for (and received) multiple grants, contributed its own funds, and partnered with its tenants and customers to leverage private funding for zero-emissions projects.
- The Port of San Diego is actively driving the sustainable development of California's blue economy with its Blue Economy Incubator (BEI) - a portfolio of businesses and partnerships that deliver multiple social, environmental, and economic benefits to the Port and the region by removing barriers to entrepreneurs and providing funding, key assets, support services including entitlement and permitting assistance, and pilot project facilitation to its partners. By supporting entrepreneurship and partnering with leaders in research and

innovation, the Port brings cutting edge solutions to San Diego Bay, advancing its reputation as Blue Tech Bay.

There are, however, challenges to advancing these new technologies. Additional energy capacity and resilience will be critical to meeting the Ports' future electrical needs that are driven by the transition to zero emissions operations. [A 2021 study conducted on behalf of the Pacific Merchant Shipping Association \(PMSA\)](#) estimated that by 2040 demand for power at California ports will equal approximately 600 megawatts, or approximately what is necessary to fund 390,000 households with a population of about 1 million residents. This is roughly the equivalent of the current power generated by the Diablo Canyon nuclear power station.

In addition to ensuring that adequate energy is available to support increased electrical demands, it is also crucial that regulations embrace investments in new technology so that costly investments do not become stranded assets or are deemed non-compliant with near-future regulations.

Green Shipping Corridors

During the United Nations Climate Change Conference (COP26) several countries signed the Clydebank Declaration to promote the creation of green shipping corridors. The Clydebank Declaration is a set of intentions to promote the creation of green shipping corridors through cooperation between countries. The Declaration's main objective is to [reduce the environmental impact of maritime activities worldwide](#).

Further, the International Maritime Organization's (IMO) revised greenhouse gas emissions strategy sets critical targets that will require a significant and accelerated shift to zero-emission fuels. A [key objective of the IMO's strategy](#) to reduce emissions was to establish [green shipping corridors](#) through collaborations between industry and public authorities as well as researchers in paving the way for shipping's energy transition.

California's international leadership in port decarbonization is second to none, as evidenced by the State of California's Letter of Intent with the Japanese Ministry of Land, Infrastructure, Transport, and Tourism, as well as recently signed Green Shipping Corridor partnership agreements. California ports have inked numerous different agreements with ports throughout the Asia-Pacific region to establish [green shipping corridors](#) in China, Japan, Vietnam, and Singapore.

- In November 2023, the ports of Los Angeles, Long Beach and Shanghai, and some of the largest carriers in the world, unveiled the LA-Long Beach Shanghai Green Shipping Corridor Implementation Plan Outline to accelerate emissions reductions on one of the world's busiest container shipping routes across the Pacific Ocean. The plan was the first of its kind and was developed with support from C40 Cities as part of its effort to reduce carbon emissions from the largest cities in the world.

- The Port of Oakland also signed a Green Trade MOU with the Port of Yokohama in October 2023. It paved the way to share best practices on implementation of green initiatives to transform operations all along the supply chain.
- The Port of Hueneme is now the first U.S. port to sign green automotive shipping corridor agreements with ports in both Japan and South Korea, whose markets represent a majority of the transpacific automobile trade between the three nations. These agreements with the Port of Yokohama and Wallenius Wilhelmsen Pyeongtaek International Ro-Ro Terminal, a WWL automotive terminal located in the Port of Pyeongtaek, South Korea, will help promote cooperation and collaboration regarding environmentally sustainable port development initiatives and automotive logistics at both ports, aiming to transition to a zero-emission future.

Alternative Fuels & Hydrogen

As California pursues GHG reduction targets, there has been a significant focus on adopting zero-carbon fuels, with a focus on hydrogen, methanol, and ammonia. These fuels are considered "zero-carbon" because they do not emit carbon dioxide (CO₂) during combustion (or in the case of methanol, can be produced to be CO₂-neutral in their lifecycle). However, they are not zero-emission fuels, as their use in combustion processes still produces air pollutants such as NO_x, PM, and air toxics. Due to the emissions released at the point of use, CARB and the air districts have emphasized zero-emission electric and fuel cell technologies for on-road and off-road equipment.

The Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) is the statewide Public Private Partnership (PPP) built on California's hydrogen and energy leadership. ARCHES developed as California's applicant to the Infrastructure Investment and Jobs Act (IIJA) funded regional Hydrogen Hub. Composed of state agencies, the legislature, local governments, the University of California and its two affiliated national laboratories, ARCHES was awarded \$1.2 billion as a Hydrogen Hub in October 2023. This alignment of organizations and visions brings the leadership and vision necessary to execute on these projects, the advocacy to support community engagement, environmental justice, and workforce development, and the matching funding to be awarded and fully leverage this funding. While the funding has not yet been disbursed, the award enabled the progression of project planning which included whitepapers to be completed in summer 2024 by various working groups, including on ports. As these projects are initiated, ARCHES is anticipated to act as a strong example of effective PPPs for large-scale development and projects, and is expected to include projects developing and deploying hydrogen within the goods movement ecosystem.

Offshore Wind

California's success in meeting its ambitious offshore wind generation goals of up to 5 gigawatts in 2030 and up to 25 gigawatts by 2045 is contingent on employing a multi-port strategy benefiting from California ports' extensive experience and expertise in building, operating, and maintaining

large infrastructure projects. Several of California's ports will have a role to play in investing in infrastructure to support a domestic offshore wind industry and meet the state's clean energy goals, [requiring adaptability as the industry develops](#).

At the Port of Humboldt, plans for a high-tech marine terminal to support the building and operation of offshore wind turbines are moving forward. The Humboldt Bay Harbor District has received a \$426,719,810 grant from the U.S. Department of Transportation, funded in part by the Infrastructure Investment and Jobs act of 2021 for its project.

The Port of Long Beach is leading on the transition to 100% renewable energy through its Pier Wind project, which would position California to build an entire offshore wind economy on the West Coast. Pier Wind is a proposed 400-acre, deep sea facility, capable of housing the staging and integration of large offshore wind turbines larger than the Eiffel Tower.

The Port of Los Angeles has been identified by the California Energy Commission as a prime location for staging and integration activities. This includes a project at "Pier 500", a 160-acre site that could support the development of an offshore wind terminal or an early activation project using floating dock technology.

The Port of San Diego has increased its laydown capacity for project cargoes including wind turbine components like blades and towers. Additionally, the Port of San Diego now has the heaviest cargo lift capacity on the West Coast with its new all-electric mobile harbor cranes. When used in tandem, they can lift cargoes as heavy as 400 metric tons – most of the heavy-lift cargoes destined for this region weigh more than 200 MT. The cranes further enable the Port of San Diego to support the Ports of Long Beach and Los Angeles with their offshore wind projects.

The Port of San Francisco's location, infrastructure and business plans all contribute to it being an excellent candidate to support California's ambitious offshore wind development goals. The Port's southern waterfront has multiple maritime terminals with deepwater berths and available workspace to be an essential fabrication hub.

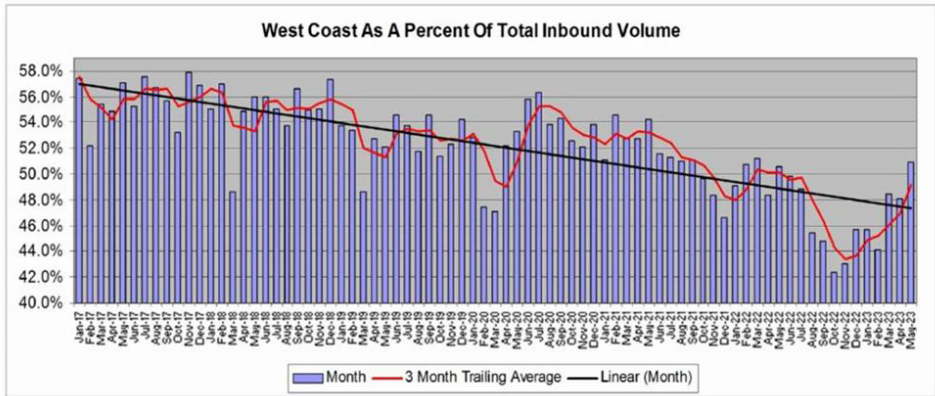
Key Issues

Maintaining California's Market Share

Historically, California's ports have been the preferred destination for containerized cargo entering the U.S. Yet, over the past decade, California Ports have faced intense competition from Eastern and Gulf Coast Ports and have lost market share. A comprehensive economic and trade analysis conducted by international trade economist Jock O'Connell, highlighted a continuous loss of cargo from ports along the Western United States to East Coast and Gulf Coast Ports:

"The deterioration in the U.S. West Coast ports' collective market share has been almost relentless since the years immediately prior to the Great Recession. The trend has been

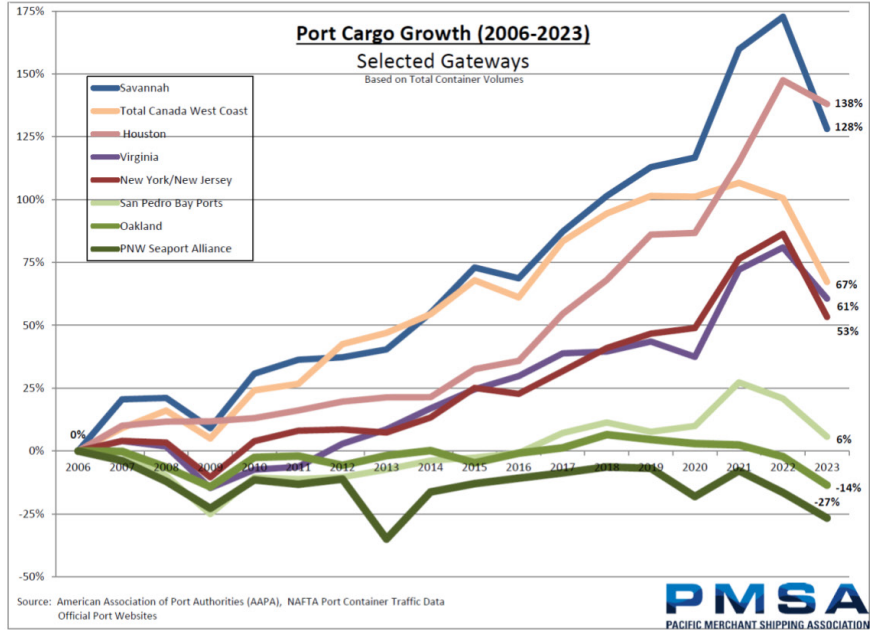
especially evident with respect to the all-important eastbound transpacific container trade. Typically, containerized imports from East Asia have accounted for approximately half of all containerized import and export tonnage handled at the five major U.S. West Coast ports and between 70% and 75% of the declared dollar value of those ports' two-way container trade."



Since 2006, the West Coast ports' market share - measured by the percentage of containers with consumer goods coming in and out of American ports - has declined almost 20 percent. During that same period, market share at both East Coast and Gulf Coast ports has increased. The loss has been attributed to high California-only costs, excessive regulation, and lack of infrastructure investment. This trend accelerated over the last 6 years where the West Coast has seen a 10 percentage point shift away from the West Coast.

As California loses market share to out-of-state ports, it experiences job losses and business flight. These losses not only impact California's Ports, but the state's general economy. Amidst the pandemic, trade emerged as the sole blue-collar sector sustaining middle-class wages, particularly in Southern California, and has since continued to generate such employment opportunities. Keeping California ports competitive is a vital component to the strength of our state's labor market.

The following graph shows how the San Pedro Bay Ports (Los Angeles and Long Beach) and the Port of Oakland have struggled to keep up with East Coast competitors.



Federal Funding Gap

Despite the outsized role of California’s ports in the domestic economy and international trade, the federal funding received by Californian ports is disproportionately low. Even as total federal ports spending has increased, West Coast ports, including the San Pedro Bay complex, which handles about 36% of U.S. imports, have lagged behind in federal investment as compared to East and Gulf Coast facilities.

The tide has changed slightly in California with the most recent allocation of Inflation Reduction Act (IRA) awards, specifically ARCHES, increased Harbor Maintenance Trust Fund (HMTF) eligibility, and associated HMTF donor port allocations. The EPA Clean Ports Awards have not been yet announced.

The enhanced federal investments are due in large part to being able to leverage the State's investments through the Port & Freight Infrastructure Program (PFIP), as well as having members of the Governor's administration travel to Washington, DC, with California port leaders to advocate for federal funding. Continued state funding, combined with enhanced advocacy efforts in Washington, DC, is critical to achieving a more equitable distribution of federal dollars to California ports.

Four of California's Ports—Los Angeles, Long Beach, Hueneme and San Diego—are HMTF "Donor Ports" and receive only a fraction, less than 3%, of funding that they contribute to the federal Harbor Maintenance Trust Fund (HMTF). Last year, for the first time, the US Army Corps of Engineers distributed HMTF funds to donor ports in accordance with provisions of the Water Resources Development Act (WRDA) of 2020. This will allow donor ports to make critical investments in their water infrastructure. This appropriation must be maintained in future federal budget years to sustain these investments and give California port users a return on their HMTF tax dollars.

Federal funding is being infused in Gulf and East Coast ports, which act as competitors to California and take the state's market share as they grow. Since the pandemic, historic levels of federal funding have been made available, through IJJA and IRA. To date, California has received approximately 16% in IJJA funding.

By passage of AJR 30 (Gipson)(Chap. 149, Statutes of 2022), the California State Legislature has called on the federal government "to provide a fair allocation of federal transportation funding for freight projects in California, specifically, and on the Pacific Coast of the United States, generally, based on the volume of containerized freight moved." With the continuous increase in cargo volumes moving through California's ports, the need for infrastructure improvements, and the costs of adoption of environmentally sustainable technologies, California should continue to advocate for the receipt of its fair share of federal funding.

Maritime Oversight

While California's State government does not directly operate, own, or manage seaports, it maintains a high-level of involvement with ports through policymaking, regulation, and generalized transportation infrastructure development. Currently, the state lacks a lead coordinator of supply chain and maritime operations in California. Instead, these responsibilities are distributed across several agencies, including:

- California Coastal Commission,
- California Department of Food and Agriculture (CDFA),
- California Energy Commission (CEC),
- State Lands Commission (SLC),
- California Department of Transportation (Caltrans),
- California State Transportation Agency (CalSTA),

- California Workforce Development Board (CWDB),
- California State Water Resources Control Board,
- California Office of Emergency Services (CalOES),
- Office of Spill Prevention and Response (OSPR),
- California Air Resources Board (CARB), and
- Governor’s Office of Business and Economic Development (GO-Biz).

Each entity has different responsibilities regarding both ports as well as goods movement in general. The State Lands Commission oversees land use for conformity with state law and manages the state’s ballast water programs for ships. Caltrans and CalSTA lead the state planning processes for freight transportation, which includes ports, and hosts the California Freight Advisory Committee (CFAC). CARB is a direct regulator of the emissions from mobile sources, including the trucks, trains, and equipment that operate at seaports and enforces state goals for ports to transition to zero-emission technologies. GO-Biz hosts an economic competitiveness working group to address issues impacting California’s freight movement and is administering a new program for the introduction of new digital technology at California’s ports.

Additionally, California agencies have promulgated various major policy making documents to govern these activities over the past several Administrations, these include:

- California Freight Mobility Plan (2017, 2020, 2023)
- California Sustainable Freight Action Plan (2016)
- California Goods Movement Emissions Reduction Program (2008)
- California Goods Movement Action Plan (2007)

This framework is not only disparate at the jurisdictional level, but also within the levels of government; multiple agencies, each with distinct roles and responsibilities oversee varying aspects of operations and environmental compliance. *See Appendix 5: California’s Ports Regulatory Landscape.*

To support the success of California’s ports – in addition to increased infrastructure investment – California needs to find a more efficient way for various agencies to exist as a system.

CARB

California ports are at the crossroads of implementing CARB’s clean air rules. These include the Ocean Going Vessels at Berth Rule (At-Berth Rule), the Commercial Harbor Craft Rule, the Advanced Clean Fleets Rule, the Cargo Handling Equipment Rule, the Drayage Truck Rule, the Ocean Going Vessel Fuel Rule, and the Advanced Clean Fleet Regulations. California’s ports play a critical role in implementing and administering these rules. While California ports and industry partners are working diligently to comply with all regulations, there remains significant cost and risk to our ports in meeting the deadlines set in each of these rules. As early adopters of new technologies,

California ports face the headwinds of high costs, grant fund availability, and access to market solutions.

Through the implementation of the At-Berth Rule, California's ports have played a key role in port electrification to provide shore power. At present, California's ports plug-in more container ships and cruise ships to shoreside power than any other ports in the world. However, there are still significant funding, technological and supply chain constraints that are barriers to meeting implementation deadlines in CARB's At-Berth Rule for additional fleets. These barriers may have substantial economic impacts for "Roll On/Roll Off" ("ro-ro") vessels, tankers, and other types of vessels where technologies are not readily implemented – especially where the originating markets have not developed products that can meet operational needs.

The lack of a CARB-approved emissions control strategy (CAECS) for ro-ro and tanker vessels is creating difficulties in meeting the 2025 deadline to treat emissions from these vessel categories with an alternative technology (such as emission capture systems). Many ships are not capable of using shoreside power and wharves have not yet been equipped with shoreside power infrastructure (due to cost recovery, permitting timelines, feasibility of operations, and lack of vessel adoption of this technology versus CAECS compliance). Accordingly, the only compliance option will be paying into the remediation fund until a CAECS for these vessel types is certified as shore power installation on enough of these vessel types will take several years.

In addition to technological constraints, infrastructure and resources for full electrification remains challenging. To date, the Ports of Los Angeles and Long Beach, for example, have each invested more than \$200 million worth of electrical infrastructure to provide shore power. However, significant additional funding is needed for further build-out.

The Port of Hueneme experienced a "once in a 1,000-years" storm event in 2023 and sustained catastrophic storm damage to its shoreside power system that is used to plug in its ships. The Port of Hueneme incurred between \$14M - \$38M in damages and it is anticipated to take almost a year to come back online – thus, despite being an early adopter of shore power, there are potential difficulties in regulatory compliance as the remediation from the storm occur.

Ports must also implement reporting systems to ensure compliance with regulations. The Port of San Diego has spent two years developing a technology solution to facilitate CARB reporting. The ports of Los Angeles and Long Beach have been regularly meeting with CARB staff since 2023 in order to ensure proper communication between CARB and port systems to meet compliance.

Further, how regulators define terms and apply rules is a potential challenge for California's ports. CARB appears to have delegated regulatory enforcement to local agencies for high priority fleets, creating uncertainty. A specific example is the application of the drayage truck rules to the Port of Redwood City. No drayage vehicles (those that move only within the port) operate at the Port of Redwood City; however, regulators are asserting that new requirements to monitor drayage truck emissions apply to all trucks entering the facility.

As ports seek to comply with the CARB At-Berth Rule, they must also contend with limited power supply and immense infrastructure expense.

Indirect Source Rules

An indirect source rule (ISR) is an environmental strategy that aims to reduce emissions by regulating locations where mobile sources operate, such as buildings, facilities and structures. Beginning in March of 2018, the South Coast Air Quality Management District (SCAQMD) began development of facility-based mobile source measures on airports, rail, warehouses, and ports due to the contribution of mobile sources to regional emissions, contributing towards air quality nonattainment and [elevated health risks](#). In May 2021 the South Coast Air Quality Management District (SCAQMD) developed Rule 2305, known as the Warehouse ISR, to curtail emissions stemming from sources associated with the activity at warehouses such as heavy-duty trucks, tractor-trailers, and diesel backup generators. Under Rule 2305, warehouses larger than 100,000 have a compliance obligation based on truck activity; however, warehouses can earn credits by implementing various emission-reducing measures, such as using cleaner trucks, installing zero-emission vehicle infrastructure, or deploying advanced technologies to reduce onsite emissions. These requirements are intended to decrease NO_x, PM, and other pollutants, thereby improving air quality in the region, especially in communities disproportionately affected by pollution from freight activities. Rule 2305 has faced significant pushback and legal challenges from industry stakeholders.

Following the warehouse ISR, SCAQMD shifted its focus towards rail and ports ISRs in hopes of further reducing emissions, especially NO_x, given the South Coast air basin's sustained non-attainment with federal air quality standards. These efforts have been met with ongoing questions of SCAQMD's authority and the effectiveness of these untested measures given the potential negative impacts to industry, port operations, and the regional and national goods movement economy. SCAQMD [voted to approve a rail ISR \(Rule 2306\)](#) on August 2, 2024 and is expected to vote on a port ISR in 2025.

The San Diego Air Pollution Control District is currently evaluating the implementation of an ISR to reduce emissions from freight-related activities such as warehouses, distribution centers, and logistics operations. This initiative mirrors regulations adopted by the SCAQMD, indicating a regulatory trend with potential state and nationwide impacts.

Given the importance of both the economic importance of goods movement and the preservation of improvements of air quality to the state of California, it is critical that all regulatory tools be employed in a manner which ensures that significant environmental improvements and economic growth and competitiveness are not at cross-purposes, and that we are avoiding unintended consequences to one or the other or both in the deployment of our regulatory initiatives. It remains unknown at this time whether indirect source rules ultimately achieve reduced emissions in a manner which also supports growth in employment, competitiveness, and revenues, all of which

are essential to deploying future infrastructure for cargo and the transition to zero-emissions operations in this essential industry.

Public Policy Solutions & Initiatives

Supply Chain Coordination

In 2020, during the start of the global pandemic, California ports saw significant decreases in trade with record breaking impacts. But demand rose for medical equipment, along with home improvement items, exercise equipment, and office furniture as consumers endured shelter-in-place orders and worked from home. The surge in cargo made for some of the busiest years overall in the history of California ports – but it has also created an unprecedented challenge for the global supply chain. California ports are continuing to step up to address the supply chain disruptions.

Operationally, California member ports have proactively taken steps to alleviate supply chain congestion. These steps included:

- Creating policies that incentivize reduced trucking turn times and increased dual transactions.
- Implementing best practices to ensure there is better use of current terminal capacity and existing truck gate appointments.
- Coordinating gate activity, providing greater information transparency, and improving cargo velocity for cargo owners.
- Extending gate hours at certain Port terminals where needed, to evaluate its impact on relieving congestion.
- Activating nearby properties surrounding Ports to serve as cargo support facilities to free up equipment.

Accordingly, the California Ports recognize the significance of the California State Transportation Agency (CalSTA) designating a Deputy Secretary to oversee freight policy and the Governor’s Office of Business and Economic Development (GO-Biz) for their involvement in supporting ports’ needs.

There is still a need for the establishment of a key executive official in the Governor’s Office or an office focused on ports and goods movement would ensure the continued success of California’s ports. A key recommendation made by the California Supply Chain SUCCESS initiative was to establish roles for statewide agencies with regard to freight, and continuing to explore options for a statewide freight policy coordinator that works with industry on a regular basis to address short term and long term challenges.

The State should be coordinating a multi-port strategy for goods movement to ensure a more efficient supply chain. This includes direct collaboration with industry stakeholders in each aspect of the economy, including agriculture, manufacturing, retail, and energy. A California-coordinated

freight policy would not only maximize the space and geographic strengths of each port, but also create a more efficient supply chain system to benefit California's economy. Having a statewide plan of investment needs would also better advise the state of under-invested facilities. The supply chain network can more effectively compete for federal investment where the needs and operational improvement are needed the most to improve the supply chain.

During the pandemic, when the global supply chain faced severe bottlenecks and congestion, California ports worked closely with the White House and state policymakers to develop policy recommendations on how to improve the supply chain. While the public policy discussion surrounding the supply chain has since evolved, in October 2021, the White House Port Envoy John Porcari visited California ports to discuss the latest developments in the supply chain challenges being faced nationwide. California ports made the following policy recommendations to address challenges facing the supply chain:

- **Incentivize Use of All Trade Gateways:** Encourage and incentivize all the supply chain partners to utilize and maximize capacity in all trade gateways. For example, Oakland has experienced a recent reduction in shipping and cargo activity due to global shipping delays.
- **Secure Properties for Container Storage:** Identify and secure state surplus properties for temporary container storage, in addition to loosening restrictions that might hinder use of off-site temporary storage locations.
- **Incentivize Equipment Manufacturers:** Support tariff exemptions for the purchase of foreign-made chassis and create incentives for component parts to increase the supply of critical equipment used in the supply chain.
- **Establish Advisory Group:** Convene a Supply Chain Advisory Group with third party stakeholders and a dedicated point person within state leadership to develop and implement a California Freight Policy that can identify additional levers to ease congestion in times of crisis.
- **Workforce Training Initiatives:** Continue efforts to develop and roll out workforce training initiatives that increase the pipeline for skilled labor and supply chain workforce jobs.

State Freight Policy

A comprehensive statewide freight policy is essential for the coherent and strategic development of ports and goods movement operations. The state legislature is instrumental in crafting and enacting such a policy, which should encompass key areas such as infrastructure investment, environmental sustainability, and economic competitiveness. The policy should be developed through a collaborative process involving stakeholders from across the freight and logistics sectors, including port authorities, transportation agencies, industry representatives, and community groups. This inclusive approach ensures that the policy addresses diverse needs and perspectives, fostering broad support and effective implementation.

In 2013, Assemblymember Bonnie Lowenthal introduced AB 14, which established an advisory committee to help the state create a freight plan to boost the competitiveness of California's ports.

To build on this report, a next step would be to codify a freight mobility plan. Key components of the policy may include the prioritization of critical infrastructure projects, the adoption of advanced technologies to enhance efficiency and reduce environmental impact, and the promotion of workforce development initiatives to ensure a skilled labor force. By establishing a clear and cohesive statewide freight policy, the state legislature can provide a strategic framework that guides the development of ports and goods movement operations, ensuring that they remain competitive and resilient.

Infrastructure Investment

Developing California's ports to maintain or grow their competitiveness requires significant and regular capital investment. Californian ports are not directly managed by state or federal agencies or supported by recurring infrastructure investment for development or operation. The ports must undertake the critical work of managing, operating, and developing the gateways of global trade. The decentralized and varied approach to investments, policy, and operations of the supply chain continues to impact the goods movement sector.

Many of California's ports face aging and deteriorating infrastructure. Wharves and piers were not built to withstand the weight of current heavy cargo equipment or cargo. Additionally, upgrades to utility systems are needed to meet the demands of the adoption of zero emission equipment. There is no consistent source of State or Federal resources to address the infrastructure needs of California's ports. According to recent reports from industry analysts, California ports require an estimated \$2.3 billion in investments over the next decade to address infrastructure deficiencies and maintain competitiveness in global trade markets. This includes investments in technologies that improve operational efficiency and environmental sustainability.

In recent years, there have been several competitive opportunities for ports to receive one-time funding. For example, California's historic \$1.2 billion Port and Freight Infrastructure Program (PFIP) seeks to improve the capacity, safety, efficiency, and resilience of goods movement to, from, and through California's ports. These funds will also help to reduce greenhouse gas emissions, air pollution, and negative impacts to the public's health.

These improvements are critical to enhancing and modernizing the multimodal freight transportation system, transitioning to zero-emission freight transportation, and growing the economic competitiveness of California's ports and freight sector. However, these are one time investments in California's ports and even for these funds the demand exceeded the budget allocation.

California's ports have made great strides to address deferred maintenance and growth with these investments; however, continued funding is needed to keep California ports competitive.

Data Sharing & Information Logistics

New technology has the potential to improve operational capacity as it becomes commercially available, affordable to owners, and supportable by appropriate infrastructure.

In 2024, California made a groundbreaking \$27 million investment in California's goods movement and supply chain. The California Containerized Ports Interoperability Grant Program will fund ten critical data interoperability projects at the Port of Los Angeles, Port of Long Beach, Port of Oakland, Port of San Diego, and Port of Hueneme. The projects funded under the program will drive statewide economic, supply chain, and environmental benefits.

The projects funded through this program incorporate artificial intelligence (AI), climate resiliency and emissions reduction measures, data infrastructure expansion, small business integration, and new data standard development.

The program will revolutionize interoperability across the five California ports, meeting the unique needs of each location while prioritizing cross-facility engagement and knowledge sharing. Importantly, this program will serve as a replicable model for similar investments in port data interoperability across the United States, demonstrating achievable efficiency improvements and emissions reductions associated with comprehensive data management.

Government Funding

Consistent State Investment

Several states, including Texas and Georgia, have made substantial state allocations for port infrastructure and expansion. Many other states like Florida, Minnesota, Missouri and Virginia have dedicated annual funding for ports. One example is the nearly \$1 billion state investment at the Port of Savannah to complete deepening of its waterway and raising of the restrictively low Eugene Talmadge Memorial Bridge, as part of the Savannah Harbor Expansion Project.

Similar state-level efforts, combined with federal funding for dredging or deepening of harbor channels, have developed the Port of Houston, Port of New York and New Jersey, and the Port of Charleston have improved capacity and led to increased business.

In addition to receiving outsized federal investment, as well as state resources, these competing ports, particularly in the Gulf and Southern U.S., also typically operate under less stringent environmental regulations, reducing their compliance costs and enabling the ports to invest in growth in a manner different from California's ports.

Notably, Governor Ron DeSantis has expressed that Florida has capacity to take cargo originally slated for California ports, we will continue to see more of this as those ports who have received public funding show strength in their infrastructure. In October 2021, DeSantis [said](#):

"Florida is here. We've got capacity, and we also have incentive packages to make it worth your while to be able to bring your business to our ports."

In November 2021, Governor Greg Abbott released a marketing video that intended to attract cargo to Texas ports. In a video posted to his social media profile, he [claimed](#):

"Port delays are up to 100 days in California. In less than two weeks your cargo can set sail from California and be at one of our 24/7 functioning Texas cargo ports, unloaded and on their way to shelves near you. Choose a state that doesn't see inflation and America's supply chain backlog as a good thing. Escape California. Everyone's doing it. Choose Texas."

In April 2024, Georgia Ports Authority CEO Griff Lynch [proclaimed](#) that his state would continue to gain market share and compete with West Coast ports:

"We are always focused on growth. We want to go above and beyond to build a port that handles both future growth and supply chain disruption. We are creating a safe, trusted harbor for your cargo. Leadership is being able to see what's coming and staying ahead of it. At the Georgia Ports, we are building a resilient link in the global logistics chain, one that is ready to withstand any future challenges."

To maintain California's competitiveness as other ports expand and grow due to outsized state and federal investment, California must develop opportunities for continuous funding.

Federal Advocacy

The state legislature can directly support investments in the goods movement environment by effectively leveraging state funds to secure additional federal support by demonstrating a strong commitment to the development and maintenance of ports and goods movement infrastructure. By allocating state funds as matching funds for federal grants and programs, the legislature can enhance the attractiveness of state projects to federal agencies. This strategic use of state resources can act as a catalyst, encouraging federal investment and amplifying the impact of available funds, as well as creating opportunities to leverage additional private funds.

Environmental Initiatives

Incentivizing Early Adoption of Clean Technologies

California should continue to offer competitive and incentive funding for electric cargo handling equipment and infrastructure adoption and expand access to those funds even after regulations are in place to incentivize compliance and maximize technology adoption. Similar support for upgrading stormwater capture and treatment infrastructure at terminals, piers, and shoreline facilities is helpful to improving underlying infrastructure and environmental protection.

Funding for terminal equipment and facility upgrades can significantly reduce environmental impacts by accelerating a shift to zero-emission equipment, and by improving efficiency at facilities. Examples include investing in electric or zero-emission vehicles, which eliminate the risk of leaking fluids, installing enclosed conveyor systems that protect products from outdoor elements, and improving terminal ingress/egress operations for trucks and rail. Implementing water capture systems to treat runoff before it reaches our bays and ocean can further enhance environmental protection.

The Oxnard Harbor District/Port of Hueneme made the historic announcement at its World Oceans Day event held on June 11, 2024 to aim for zero emissions operations by 2030. Becoming zero emissions with grid power requires a huge investment in electrical charging infrastructure and equipment and will cost tens of millions of dollars. However, the Port is well on its way having invested tens of millions to date with another \$100+ million in investments and grants in queue to continue this transition away from fossil fuels. The Port has already made significant progress in reducing emissions by using low and zero emissions vehicles and equipment over the years, and by working with Port partners to use better, cleaner technology.

Through its MCAS, and with approximately \$120 million spent or allocated in recent years, the Port of San Diego and its tenants are in a competitive position to acquire additional state and federal funding as it becomes available to accelerate emission reductions by electrifying as much as it can as fast as it can. In just the past couple of years, the port has committed \$14.7 million to its electric crane system, another \$11.5 million for an emissions capture and control system (bonnet), \$9.6 million for a microgrid, \$10.7 million in shore power, and \$3 million for heavy and light duty truck electrification.

Transitioning to Zero Emissions

California's ports are market leaders in the deployment of low emission and zero-emission trucks and terminal equipment. Substantial investments are being made in new and promising technologies as ports play an essential role in goods movement decarbonization that can yield [outsized benefits](#). However, reaching these ambitious goals is constrained by the lack of available funding and the lack of commercially available technology and/or equipment that is cost competitive with conventional equipment.

Port tenants, including shippers and marine terminal operators should be supported in their investments and assured that adequate electrical power will be made available and that investments will not be rendered obsolete or non-compliant before the equipment's useful life. These new innovation investments are fiscal risks for companies and California should reduce risk for these businesses and their efforts.

Ports across California have set aggressive goals to reduce their on-terminal emissions, including the ports of Los Angeles, Long Beach, and San Diego's goals of transitioning to 100% zero emission cargo handling equipment by 2030. These port goals are among the most aggressive zero-emission

targets for any sector of the economy in the world, going above and beyond both state and federal regulations and achieving zero emissions before other sectors, including trucking.

The immense scale of the energy transition required for the ports and goods movement sector to make these changes requires expanded electrical generation and infrastructure expansion. The total cost for equipment and infrastructure to transition California's port terminal operations will likely exceed \$5 billion.

Because of the many demonstration projects, California ports are making strides to achieve their goals. However, these projects represent less than 2% of the equipment needed to transition to all zero emission. California Ports have partnered with various stakeholders, including agencies, equipment manufacturers, and equipment owners and operators on human-operated zero emissions demonstration projects, including:

- At the Ports of Hueneme and Los Angeles, the "Shore to Store" project funded by CARB developed and tested 10 Class 8 hydrogen fuel cell electric trucks, 2 hydrogen fueling stations, 2 zero-emission yard tractors and 2 zero-emission forklifts.
- At the Port of Long Beach, the SWIFT project, funded by the California State Transportation Agency, will replace nearly 65 pieces of cargo handling equipment with zero-emission, deploy ship-to-shore power at three terminals, and build out new incentive programs targeting emission reductions from cargo handling equipment and harbor craft and advancement of zero-emission locomotive technology.
- At the Port of Oakland, a PFIP funded project, will convert all cargo handling equipment at the Port's Matson Terminal to zero emissions technology, including the procurement and installation of 22 electric yard tractors, 8 hydrogen fuel cell top handlers, chargers and a stationary hydrogen storage/fueling site.
- At the Port of San Diego, a grant from the California Energy Commission allowed for a demonstration project with electric yard tractors, heavy lifts, and drayage trucks.

Conclusion

California's seaports play a critical role in the state's economy, facilitating international trade and generating significant employment and revenue. However, the erosion of California's market share since 2006 due to increased competition from Eastern and Gulf Coast ports is a pressing concern. To maintain California's market share, it is essential to enhance competitiveness through strategic investments, particularly in state and local infrastructure. Moreover, ensuring California receives its fair share of federal funding is vital to support the ports' development and innovation, preventing further diversion of cargo and associated economic costs.

Investing in port infrastructure and technology is crucial for maintaining operational efficiency and environmental sustainability. California's ports have made significant strides in addressing environmental challenges, but ongoing efforts are needed to balance regulatory requirements with

practical feasibility. Protecting funds allocated for zero-emission goals and providing incentives for clean technology adoption will support the state's environmental objectives without compromising competitiveness. Additionally, reducing supply chain barriers through streamlined permitting and improved data coordination will enhance the efficiency of port operations and maintain California's competitive edge.

To ensure the long-term success of California's ports, a comprehensive strategy involving state leadership, coordinated goods movement, and workforce development is necessary. A dedicated state leader for goods movement can advocate for public investment in freight infrastructure and environmental improvements, fostering a more efficient supply chain. Supporting workforce development programs will ensure a reliable labor force capable of meeting future demands. Finally, developing port infrastructure for emerging industries, such as offshore wind generation, will position California as a leader in new energy sectors, driving economic growth and sustainability.

Appendix 1: Agendas and Materials from Select Committee on Ports and Goods Movement Hearings/Tours

Sacramento Hearing: To begin the hearings and tours for the Select Committee, a hearing in Sacramento California was held on August 17th. The goal of this hearing was to uncover the complexity of all of the industries in the supply chain and how they operated within and around each other. In this hearing, Panelists included representatives from the governor’s office and state agencies to give the Select Committee an overview of their jurisdiction and how they collaborate with ports to optimize efficiency. Hearing from leaders in the industry was also essential as they were able to provide the Select Committee with their unique perspective of their part in the supply chain and how the Legislature could assist industry and workers to improve supply chain safety and resilience.

Panelists: Rachel Ehlers (Deputy Legislative Analyst, Legislative Analyst Office), Trelynd Bradley (Deputy Director of Sustainable Freight and Supply Chain Development, Governor’s Office of Business and Economic Development), Eric Fredericks (Freight Policy Manager, California State Transportation Agency), Kristine Zortman (Vice President, California Association of Port Authorities), Mike Jacob (Vice President and General Counsel, Pacific Merchant Shipping Association), Rudy Gonzalez (State Building and Construction Trades Council of California), Matthew Hargrove (President, CA Business Property Association), Juan Acosta (State Government Affairs, Burlington Northern Santa Fe Railroad), Chris Shimoda (Senior Vice President, California Trucking Association), Rachel Michelin (President, California Retailers Association)

Port of Los Angeles Hearing: The second hearing for the Select Committee was held on September 26th at the Port of Los Angeles. This was a collaborative hearing that included the Port of Long Beach as well and assisted in providing a tour of the San Pedro Port Complex. For this hearing, the perspective of the local ports were essential as we could gain a better understanding of the needs of some of the biggest ports in our nation as well as strategic ports in Hueneme and San Diego. As a Select Committee, it was essential that we heard from industry regulators that assist in implementing regulations that were enacted by the Legislature. This is a key partnership and it was a priority for the Select Committee to hear what these agencies had to say. Testimony from the California Energy Commission, California Air Resources Board, and the South Coast Air Quality Management District were essential in learning how we are progressing towards our environmental goals and helped highlight the rigorous work the ports have been doing to meet or exceed these goals. The Final panel showed this work in action as we had industry leaders who created and manufactured reusable equipment that could be used in the ports to reduce their carbon footprint.

Panelists: Gene Seroka (Executive Director, Port of Los Angeles), Mario Cordero (Executive Director, Port of Long Beach), Kristin Decas (CEO & Port Director, Port of Hueneme), Mike LaFleur (Vice President, Port of San Diego), Patty Monahan (Commissioner, California Energy Commission), Cari Anderson (Chief - Freight Transport Branch, California Air Resources Board), Derrick Alatorre (Deputy Executive Officer - Legislative, Public Affairs & Media, South Coast Air Quality Management District), Sal Dicostanzo (ILWU Local 13 Port Liaison - LRC Representative), Michele Grubbs (Vice President, Pacific Maritime Shipping Association), Matt Hillyer (Director of Engineering, Taylor Equipment Manufacturing), Matt Schrap (Chief Executive Officer, Harbor Trucking Association), Otis Claitt (President, Pacific Harbor Line), Mitchell Ponce (Business Agent, Vice President, Ironworkers Local 433)

Port of San Francisco Hearing: The third, and last hearing, was located at the Port of San Francisco on November 2nd. This hearing was also a collaborative effort with the Port of Oakland who assisted in providing a tour of each port for the Select Committee. For this hearing, the Select Committee once again heard from Executive Directors of each four local ports to hear the biggest issues facing the region. In this hearing the Select Committee wanted to highlight the need for California ports to be competitive and spent an extended time having conversations with industry leaders in the Agricultural sector to highlight the importance of this industry and the economic development that comes from our exports.

Panelists: Danny Wan (Executive Director, Port of Oakland), Elaine Forbes (Executive Director, Port of San Francisco), Jason Katindoy (Deputy Port Director, Maritime & Real Estate, Port of Stockton), Kristine Zortman (Executive Director, Port of Redwood City), Aubrey Bettencourt (Chief Executive Officer, Almond Alliance), James Johansson (President, the California Farm Bureau), Rayne Thompson (VP for Govt. Relations & Public Policy, Sunkist Growers and Fruit Growers Supply Company), Captain Ezra "Sly" Hunter (Regional Representative, International Organization of Masters, Mates, and Pilots), Kyle T. Burleson (Director, State Advocacy, The American Waterways Operators), Dan Jacobson (Legislative Director, Environment California), Alex Podolsky (Senior Director of CA Business Development, Ameresco), Beverly Yu (Legislative Director, State Building and Construction Trades Council)

Appendix 2: Grant Funding within California and the United States

Generally, California's seaports are owned by public port authorities who develop port facilities which are then leased to private marine terminal operators and stevedoring companies who load and unload cargo from ships. This requires efficient interaction between the public and private sectors to meet the needs of the ports, and by extension the cargo needs of the entire country. All parties must work together toward improvements in efficiency and productivity to minimize delays

in the supply chain, stay competitive in both the national and global economies, and to reduce and eliminate the environmental and community impacts of freight from these critical freight facilities.

California's seaports are extraordinarily complex business operations that support a mix of public and private operations. Additionally, within California, each port has a unique governance structure.

Further, unlike other ports in other jurisdictions, California's ports are not consistently funded through the state's general fund or local tax base. Accordingly, operations of these key economic engines depend on a complex and varied approach for maintenance and investment in both capital and operational improvements. The capital and operational expenses must also include the costs of compliance with the nation's leading environmental and safety regulations.

The current state and federal grant funding programs involve (at differing scales) complementary programs, offering one-time funds for projects ranging from critical infrastructure, pilot or pre-commercial deployment of less mature technologies, and large-scale deployment of more mature technologies. An array of funding opportunities and the complete grant landscape that individual programs create will direct the potential development for ports and the overall supply chain. A suite of available funding sources which complement each other can lead to transformative developments, but the existing system of one-time large-value grants can also lead to inflexible results if funding is not awarded for a project. Recent shifts in funding programs that include awarding agency and applicant feedback and improvement and the overall availability of funding and total programs have provided considerations for the model of one-time funding, while developing recurring and known funding pathways could be considered.

One of the largest challenges with the existing funding system in the U.S. is the risk of an application not being awarded. Other funding structures, as in Europe, are composed of multiple smaller funding opportunities that can be awarded independently. The U.S. system of fewer large funding opportunities can lead to binary outcomes if an application is not funded, particularly in the context of supply chain competitiveness where the funding may be awarded to competing ports. This can be further challenged by each port being unique - within the state and throughout the country. The structure of each funding opportunity, including focuses on pilot-scale or commercial deployment of mature technology, may advantage different ports or otherwise be less suitable to the critical needs of a given port.

Additional considerations towards grants may include the technology or energy resource emphasis and potential for longer-term market development of immature applications. The range of energy resources to power the ports of the future include electric, hydrogen, e-fuels derived from hydrogen, among other potentially later maturing energy resources, each requiring different infrastructure to implement at-scale, and will require market development of both the technology/application and the infrastructure component. The large-scale deployment of zero-emission technology through one-time funding (e.g., the EPA's Clean Ports program) could be expected to grow the demand for the necessary energy resource, prompting market development

for the supply and infrastructure. In these one-time funding sources developed under the IRA and IIJA, California has thus far performed well. This notable includes the [July 2024 announcement of \\$500 million awarded to SCAQMD](#)'s transportation and goods movement focused application to the IRA-funded Climate Pollution Reduction Grant, and the July 2024 announcement that California's Hydrogen Hub (ARCHES) became the [first to be awarded its initial funding as part of \\$1.2 billion in federal funding as part of a \\$12.6 billion agreement](#).

Current State Funding Opportunities

Seaports may be eligible to receive funding through state and federal funding programs designed primarily for developing and maintaining infrastructure or environmental improvements. These state and federal funds typically make up a relatively small share of ports' budgets.

Recent State programs have included:

- Trade Corridor Enhancement Program (TCEP) administered by the California Transportation Commission (about \$400 million in state funds and \$120 million in federal funds available annually), several programs administered by the California Air Resources Board (funding varies annually), and a couple of programs administered by the California Energy Commission for charging infrastructure. Private businesses that operate within ports may also be eligible for some competitive state grants, for instance making drayage truck drivers eligible to purchase zero-emission vehicles. Some of these state air quality programs are funded with special funds, such as the Greenhouse Gas Reduction Fund which receives revenues from the state's cap-and-trade program. The state's approach to port system support and funding in California is one of many different approaches; other states have direct State investment and ownership in Port infrastructure, including through a State-administered Port Authority, while others have special districts set up for their ports to be subsidized by local property tax levies.

In addition to these one-time state grant programs, the seaports are also eligible for several federal grants. Similar to state funding, federal funding for Ports is one-time and limited in nature, and is not dedicated to funding California's port operations or any ongoing overhead at ports. While there is ongoing federal funding for some harbor maintenance and navigational improvements, these are also not revenue streams for California ports. Port projects are eligible to receive funding from several competitive federal programs, including the Port Infrastructure Development Program (PIDP), Harbor Maintenance Trust Fund, and the Marine Highway Program. In 2021, PIDP provided \$241 million in grants and the Marine Highway Program awarded \$12.6 million in grants, nationwide. These programs have also been augmented by the federal Infrastructure and Investment Jobs Act (IIJA). California projects have regularly received funding through PIDP in the last several years, including \$32.7 million in 2019, \$10 million in 2020, and \$57.5 million in 2021. To become eligible for these and other freight funding sources California must file a state freight plan.

Appendix 3: Regulatory Structure

The regulatory landscape governing California's ports and overall freight and goods movement industry is composed of a complex overlap of federal, state, and local jurisdictions with regulations aimed at managing air pollution, energy use, land and coastal resources, and climate impacts. This multifaceted regulatory framework involves multiple agencies, each with distinct roles and responsibilities in overseeing aspects of operations and environmental compliance.

At the federal level, the U.S. Environmental Protection Agency (U.S. EPA) sets nationwide standards for air quality under the Clean Air Act, regulating emissions from mobile sources that travel beyond state or national boundaries, including marine vessels, aircraft, and locomotives. The EPA's jurisdiction includes setting and enforcing the National Ambient Air Quality Standards (NAAQS) for pollutants such as particulate matter (PM) and nitrogen oxides (NO_x), of which ports and goods movement operations are significant contributors and lead to local and regional attainment challenges.

At the state level, CARB is responsible for controlling emissions from mobile sources and consumer products (except where federal law preempts CARB's authority), controlling GHGs and toxic emissions from mobile and stationary sources, developing fuel specifications, and coordinating state-level air quality planning strategies with other agencies. Beyond air quality, California ports and goods movement industries and operators are subject to regulations from various state agencies governing energy use, transportation, coastal resources, and climate change mitigation.

Regionally, air districts are primarily responsible for controlling emissions from stationary sources within their regions, and further tailoring regulations to meet regional air quality goals. These districts develop and enforce rules specific to their jurisdictions, often focusing on the industrial and transportation activities that create environments unique to their regions.

This complex regulatory framework requires port authorities, terminal operators, fleet operators, and associated industries to navigate a diverse array of compliance requirements, balancing priorities of California's ports contributing to the state's ambitious environmental and public health objectives while maintaining their critical role in global trade and logistics.

United States Environmental Protection Agency (U.S. EPA)

The U.S. EPA serves as the federal authority responsible for regulating air quality across the nation. [Established in 1970 in order to implement](#) requirements of the Clean Air Act of 1970, the EPA's mission is to protect human health and the environment by setting and enforcing standards for air quality, water quality, and hazardous waste management. The Clean Air Act (CAA) is the comprehensive federal law that regulates air emissions from stationary and mobile sources. The primary goal of the CAA is to ensure that air quality meets health-based standards, known as the National Ambient Air Quality Standards (NAAQS), for the pollutants: ozone (O₃, colloquially referred to as smog), particulate matter (coarse; PM₁₀, and fine; PM_{2.5}), carbon monoxide (CO),

sulfur dioxide (SO₂), nitrogen dioxide (NO₂), and lead (Pb). The EPA sets these standards and oversees state and local efforts to attain and maintain them.

Under the CAA, areas that do not meet the NAAQS are designated as nonattainment areas. The South Coast Air Basin, managed by the South Coast Air Quality Management District (SCAQMD) and including the San Pedro Bay Ports, is one of the most severe nonattainment areas in the United States, particularly for ozone and PM_{2.5}. To address nonattainment, SCAQMD is required to develop Air Quality Management Plans (AQMPs) that outline strategies and measures to reduce emissions and achieve compliance with the NAAQS. These plans must be submitted to the EPA for approval and are subject to periodic revisions to ensure progress toward attainment.

One of the key aspects of the multi-level regulatory and policy collaboration between the EPA and state and local air districts is the provision of technical assistance and funding while providing regulatory oversight. The EPA supports state and local air quality programs by providing grants for monitoring air quality, developing control strategies, and implementing emissions reduction measures. This financial and technical support enhances the capacity of state and local agencies to address air quality challenges effectively.

The agency reviews and approves Air Quality Management Plans (AQMPs) and State Implementation Plans (SIPs) to ensure they meet federal requirements. These ensure that regulations are effectively enforced under federal requirements, although can add challenges to regions non in attainment of the NAAQS.

California Air Resources Board (CARB)

The California Air Resources Board (CARB) is the state's premier agency for air pollution control and climate change mitigation. Established in 1967, CARB is tasked with promoting and protecting public health, welfare, and ecological resources through the effective reduction of air pollutants. CARB operates under the authority of both state and federal laws, including the California Clean Air Act and the federal Clean Air Act. The agency's broad mandate encompasses setting air quality standards, developing regulations to reduce emissions from mobile and stationary sources, and implementing comprehensive climate change programs.

CARB regulatory programs are designed to reduce emissions to protect public health, achieve air quality standards, reduce GHG emissions, and reduce exposure to toxic air contaminants (TACs). CARB establishes regulatory requirements for reduced-emission technologies (zero- and near-zero emissions) and their deployment into the fleet, for cleaner fuels, and to ensure in-use performance. CARB's regulatory programs are broad - impacting stationary sources, mobile sources, and multiple points within product supply chains, from manufacturers to distributors, retailers, and end-users. CARB's regulations affect cars (otherwise referred to as light-duty or passenger vehicles), trucks (medium or heavy-duty vehicles), ships, off-road equipment, consumer products, fuels, and stationary sources.

CARB has adopted a number of comprehensive air quality and climate plans over the last several years that lay out emissions reduction actions and proposed strategies. These plans include the State Strategy for the State Implementation Plan, the California Sustainable Freight Action Plan, California's 2017 Climate Change Scoping Plan, and the Short-Lived Climate Pollutants Reduction Strategy, along with a suite of targeted regulations and incentive programs. The CAPP Blueprint identified additional actions to reduce the air pollution burden in heavily impacted communities throughout the state.

One important and relevant regulatory authority of CARB's is to adopt measures to reduce emissions of toxic air contaminants from mobile and stationary sources, known as Airborne Toxic Control Measures (ATCM). These regulatory measures include process requirements, emissions limits, or technology requirements. Additionally, CARB implements the Statewide Air Toxics Hot Spots Program (developed under the Air Toxics Hot Spots Information and Assessment Act, AB 2588, Connelly, 1987) to address the health risk from toxic air contaminants at individual facilities across the state. The Air Toxics Hot Spots Program includes several components to collect emissions data, identify facilities having localized impacts, ascertain health risks, notify nearby residents of significant risks, and reduce those significant risks to acceptable levels.

Under the Air Toxics Hot Spots Program, air districts are required to set a threshold for facilities that pose a significant health risk and prioritize facilities for health risk assessments. Air districts also establish a risk value above which facilities must conduct a risk reduction audit and emissions reduction plan. Facilities must develop these health risk assessments, risk reductions audits, and emissions reduction plans, with CARB providing technical guidance to support smaller businesses in these actions.

Additionally, CARB has pursued enforceable agreements with industry that result in voluntary but enforceable adoption of the cleanest technologies or practices and provide assurance that emissions reductions will be realized. CARB's 1998 MOU (Memorandum of Mutual Understandings and Agreements) with the Union Pacific Railroad Company and BNSF Railway Company to accelerate the introduction of cleaner locomotives in the South Coast Air Basin is an example of an enforceable agreement.

Air Quality Management Districts in California

California's 35 Air Districts (Air Quality Management Districts, AQMDs, or Air Pollution Control Districts, APCDs) are integral components of the state's operations to regulate and enhance air quality. These districts are responsible for the development and implementation of comprehensive air quality management plans, the enforcement of air pollution regulations, and ensuring adherence to both state and federal air quality standards. Air quality management districts in California are established pursuant to the California Clean Air Act of 1988 and are tasked with regulating air pollution from stationary sources within their respective jurisdictions. These districts are responsible for developing air quality management plans, adopting and enforcing rules and regulations, issuing permits, monitoring air quality, and conducting public education and outreach

programs. Each district operates independently within the framework of state and federal air quality laws, tailoring its programs to address the specific air quality challenges of its region.

The Ports of Oakland, San Francisco, Redwood City, and Richmond are overseen by the Bay Area AQMD (BAAQMD), the Port of San Diego by the San Diego APCD (SDAPCD), the Port of Hueneme (Oxnard) by the Ventura County APCD (VCAPCD), the Port of Stockton by the San Joaquin Valley APCD (SJAPCD), the Port of West Sacramento by the Sacramento Metropolitan AQMD (SMAQMD), and the Port of Humboldt Bay by the North Coast Unified AQMD (NCUAQMD). The South Coast Air Quality Management District (SCAQMD), with jurisdiction over the San Pedro Bay Ports, is particularly noteworthy due to the severe air quality challenges faced by the South Coast Air Basin, a region that consistently experiences some of the highest levels of air pollution in the United States.

SCAQMD and Non-Attainment

The SCAQMD is the air pollution control agency for the South Coast Air Basin, which includes all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties. This region, home to approximately 17 million people, is one of the most densely populated and industrialized areas in the United States, including California's largest ports and the distribution network supporting the flow of goods movement. The SCAQMD region has the highest levels of smog (ozone) in the nation, being in extreme nonattainment of the ozone and serious nonattainment of the fine particulate matter (PM_{2.5}) NAAQS. In response to this, the SCAQMD prepared an Air Quality Management Plan (AQMP), last revised in 2022, providing proposed emissions reductions and the pathways proposed to meet these ambient air quality standards.

Due to the high population density and industrialization, combined with smog formation-promoting sunlight, meteorology, and topography of the basin, the South Coast Air Basin faces complex and significant air quality challenges. Under the Clean Air Act, regions that do not meet the NAAQS for pollutants such as ozone and particulate matter are classified into various nonattainment categories: marginal, moderate, serious, severe, and extreme. The South Coast Air Basin's designation as an area of "extreme nonattainment" signifies the highest level of pollution severity, requiring the most stringent control measures and longer timeframes for attainment.

Regions in extreme nonattainment are subject to increasingly stringent federal regulations and oversight. The U.S.EPA requires these regions to develop comprehensive SIPs detailing how they will achieve and maintain compliance with NAAQS. Failure to demonstrate adequate progress can result in federal sanctions, including the imposition of Federal Implementation Plans (FIPs) that supersede local control.

Another major risk of remaining in elevated levels of nonattainment is the potential loss of federal highway funds. However, this is not tied directly to nonattainment status; under the Clean Air Act, highway funds are only withheld if states do not submit any plans or do not submit acceptable plans to achieve the NAAQS. Highway fund sanctions have been enacted 11 times nationally since 1980, and with an air plan disapproval from the EPA on SCAQMD's plan to meet the 1997 federal

ozone standard those penalties are an active risk. While the South Coast region has not been in attainment of these standards since its inception, the disapproval of the attainment plan is currently past the June 15, 2024 compliance deadline while determinations to defer sanctions by the EPA are active.

Due to the challenges of jurisdiction in controlling air pollution within the region, SCAQMD statement in response to the air plan disapproval that “[m]ore than 80% of the smog-forming emissions in the South Coast region are from mobile sources – the trucks, ships, trains, planes, and equipment that make up the thriving goods movement industry. Meeting national air quality standards is impossible unless these emissions are substantially reduced.” In both SCAQMD’s AQMP and CARB’s SIP, requests have been made with regard to the necessity of federal regulatory action by the U.S.EPA in controlling sources understood to not be under the local and state jurisdiction, making attainment plans otherwise unfeasible for the stationary and mobile sources regulated by SCAQMD and CARB. This complex regulatory environment has been criticized for a lack of predictability, and a need for both stability and flexibility in regulatory approaches to accommodate technological advancements and economic realities, particularly with the goods movement and related industries in California which carry significant weight for the U.S. supply chain and economy as a whole.

Other State Agencies Impacting California Ports and Supply Chain

California’s ambitious environmental regulations are administered primarily by CARB with support from the CEC and CalSTA. These agencies are responsible for the development, implementation, and enforcement of stringent emission reduction mandates affecting ports and associated industries.

While CARB and other state agencies conduct public hearings, workshops, and advisory committees to gather input from industry stakeholders, these efforts have been criticized for being insufficient. Ports and associated industries have reported that their unique operational challenges are often not adequately considered, leading to a perception of exclusion from the regulatory process. The current regulatory landscape and engagement has resulted in extensive litigation, further complicating the regulatory environment in California.

Appendix 4: Key Environmental Regulations

A. Sustainable Freight Action Plan (Executive Order B-32-15)

The Sustainable Freight Action Plan, established by Executive Order B-32-15 (Brown, 2015), provides a comprehensive strategy for transforming California’s freight system to be more efficient, economically competitive, and environmentally sustainable. The plan sets ambitious targets for reducing emissions, increasing the adoption of zero-emission technologies, and enhancing the efficiency of the freight system, including ports. Key components of the plan include developing advanced technology demonstration projects, optimizing freight routes, and improving freight infrastructure. The plan involves multiple state agencies, including CARB, CalSTA, and the CEC, working with industry stakeholders to achieve these goals.

B. Low Carbon Fuel Standard (LCFS) (Executive Order S-01-07)

The Low Carbon Fuel Standard (LCFS), introduced by Executive Order S-01-07 (Schwarzenegger, 2007), aims to reduce the carbon intensity of transportation fuels used in California. The LCFS requires fuel providers to decrease the carbon intensity of their fuels by at least 10% by 2020, and by 20% by 2030, from the 2010 baseline, through the use of biofuels or cleaner alternative fuels.

C. Cap-and-Trade Program (Assembly Bill 32, Global Warming Solutions Act of 2006)

The Cap-and-Trade Program, established under AB 32 (Nunez), the Global Warming Solutions Act of 2006, developed a market-based program to set a statewide cap on GHG emissions from major industrial sources and allows entities to buy and sell emission allowances. The cap is designed to decrease over time, ensuring a gradual reduction in overall emissions. The program credits are intended to incentivize businesses to adopt cleaner technologies and practices by making it economically advantageous to reduce emissions.

D. California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA), mandates state and local agencies to assess and disclose the environmental impacts of their proposed projects. CEQA aims to ensure the inclusion of environmental factors and impacts of a project in decision-making processes, including requirements for public participation and environmental impact assessments (with the result of an environmental impact report (EIR)).

E. Community Air Protection Program (AB 617, C. Garcia, 2017)

On July 26, 2017, Governor Jerry Brown signed into law AB 617, an act to amend and add sections regarding air pollution to California's Health and Safety Code. The bill directs CARB and local air districts throughout the state to enact measures to promote public health and welfare by reducing air pollution on a local scale, particularly in communities that are disproportionately burdened by air pollution. AB 617 was designed to accomplish this through CARB's [Community Air Protection Program Blueprint](#), developed with input from communities and air districts, and involving five central components:

- Community-level air monitoring
- A state-level strategy and specific community emission reduction plans (CERPs)
- Accelerated review of retrofit pollution control technologies on industrial facilities subject to Cap and Trade
- Enhanced emission reporting requirements
- Increased penalty provisions for polluters

The communities included under AB 617 are disproportionately located near the ports and major goods movement operations in California, making them a critical focus of environmental justice, air pollution, and emissions control efforts in the state.

F. Advanced Clean Trucks Regulation (CARB)

The Advanced Clean Trucks Regulation was adopted in 2020 to accelerate the market for zero-emission trucks. This regulation requires truck manufacturers to increase the percentage of zero-emission trucks sold in California annually, with the ultimate goal of achieving a fully zero-emission truck fleet by 2045. Advanced Clean Trucks, furthered when paired with Advanced Clean Fleets, was intended to contribute holistically to the market development and industry implementation of electric trucks through the manufacturer requirements.

G. Advanced Clean Fleets Regulation (CARB)

The Advanced Clean Fleets Regulation, administered by CARB, was enacted to mandate the transition of heavy-duty vehicle fleets to zero-emission technologies. Passed in 2021, this regulation sets a series of progressive targets to achieve a fully zero-emission truck and bus fleet by 2045. This regulation applies to fleet operators, including those servicing ports in drayage operations, which must gradually replace their vehicles with zero-emission models. The regulation aims to significantly cut emissions from heavy-duty vehicles, which are substantial contributors to air pollution in port areas. However, the regulation has faced significant backlash from goods movement operations due to the cost, availability, and operation of existing compliant (zero-emission) trucks, particularly drayage fleets which service the ports and face the earliest compliance timeline.

Critically relevant for drayage trucks, the deadline to register new combustion-powered (i.e., diesel fueled) trucks for drayage operation was December 31, 2023. On December 28, 2023, [CARB issued an Enforcement Notice](#) stating that: “CARB has decided to exercise its enforcement discretion and will not take enforcement action as to the drayage or high priority fleet reporting requirements or registration prohibitions until U.S. EPA grants a preemption waiver applicable to those regulatory provisions or determines a waiver is not necessary.” However, for drayage trucks this enforcement notice included that fleets adding internal combustion engine vehicles after the December 31, 2023 deadline may receive enforcement actions (restriction drayage services) once the USEPA grants the waiver or determines that no waiver is necessary.

H. At-Berth Regulation (CARB)

[The At-Berth Regulation](#), administered by CARB, was first adopted in 2007 and later updated to strengthen its requirements, most recently as the Control Measure for Ocean-Going Vessels At Berth (2020 At Berth Regulation). This regulation mandates that container ships, passenger ships, and refrigerated cargo vessels plug into shore power, also known as Alternative Maritime Power (AMP), while docked at California ports. By connecting to the electrical grid, ships can turn off their auxiliary engines, significantly reducing emissions of NO_x, SO_x, and PM. The regulation applies to fleets that make multiple annual visits to California ports, requiring them to reduce their emissions at berth by specific percentages.

The regulation has broadly reduced emissions from ships while docked, addressing a significant source of pollution in port areas. However, a challenge exists for older vessels that are not designed to operate off of shore power and must use emissions control/capture systems (ECS), commonly implemented through the use of barges. These barges accompany the vessels while docked, capturing and treating the exhaust from the operation of auxiliary engines. This method does enable older vessels to meet at-berth compliance requirements through emission controls, however, their utilization does come with additional operational and compliance costs for vessel owner/operators.

I. Commercial Harbor Craft Regulation (CARB)

The Commercial Harbor Craft Regulation, originally adopted by CARB in 2008 and updated in subsequent years, targets emissions from various types of commercial harbor craft, including tugboats, ferries, and fishing vessels. The regulation aims to improve air quality in and around port areas by addressing one of the significant sources of state-regulatable maritime emissions. [The 2022 Amendments](#) introduced requirements that began as early as January 1, 2023, and include the first zero-emission compliance timelines for some vessel applications while other CHC have timelines to meet the most stringent emission standards (Tier 4 + Diesel Particulate Filter (DPF)). This regulation mandates the adoption of cleaner technologies and the use of alternative fuels to reduce emissions of NO_x, SO_x, and PM. Owners and operators of commercial harbor craft are required to comply with stringent emission standards and retrofit existing vessels with cleaner engines or install emission control technologies based on their vessel application.

J. Transport Refrigeration Unit (TRU) Regulation (CARB)

The California Air Resources Board (CARB) has [implemented regulations for Transport Refrigeration Units \(TRUs\)](#) to address significant emissions from these mobile sources. TRUs, or reefers, are refrigeration systems powered by internal combustion engines used in trucks, trailers, railcars, and shipping containers for transporting perishable goods. These units contribute to emissions of NO_x, PM, and GHGs, impacting air quality, particularly in communities near distribution centers and freight corridors. While each TRU is a small emission source, commonly only 9-36 hp, their air pollution contributions become significant at the large scale of their usage, particularly in dense goods movement pathways such as at ports and distribution centers.

Initially adopted in 2004 and updated subsequently, the TRU regulation mandates stringent emissions standards and operational requirements. The regulation requires TRU engines to meet Ultra-Low Emission TRU (ULETRU) standards by specific compliance dates, significantly reducing NO_x and PM emissions. New TRUs must comply with the most recent standards at the time of manufacture, and existing TRUs must be retrofitted or replaced within seven to ten years of their model year to meet ULETRU standards.

The regulation promotes, with [current update activities planning enforced conversion timelines](#), the adoption of zero-emission TRU technologies, such as electric-powered units. CARB offers incentives and funding opportunities to support the transition to these advanced technologies,

helping to offset the associated costs. TRU owners and operators are required to maintain detailed records and report compliance status to CARB, including documentation of retrofits, replacements, and maintenance activities.

K. In-Use Locomotive Regulation (CARB)

[CARB has introduced stringent regulations](#) aimed at reducing emissions from rail operations, targeting locomotives as a significant source of NOx, PM, and other air pollutants. The new rail rule mandates the adoption of cleaner technologies and stricter operational practices to meet the state's ambitious air quality and climate goals. Key components of the rule include requirements for the gradual transition to zero-emission locomotives, enhanced maintenance standards to reduce emissions from existing fleets, and the installation of emission control systems.

While the rule aims to take a critical step towards reducing pollution from rail operations, it has faced substantial opposition from major rail operators. These stakeholders argue that the rule imposes unrealistic technological and financial burdens. The costs associated with upgrading locomotives to meet zero-emission standards and installing necessary infrastructure are cited as significant challenges. Additionally, the availability and reliability of zero-emission locomotive technology are still evolving, making compliance within the proposed timelines daunting.

Legal and jurisdictional challenges have also been raised, questioning CARB's authority to regulate interstate rail operations. Rail operators contend that such regulations fall under federal jurisdiction, specifically the Surface Transportation Board and the Federal Railroad Administration. The conflict centers on the preemption of state regulations by federal law, with rail companies arguing that CARB's rule oversteps its regulatory bounds and could lead to a fragmented regulatory landscape, complicating operations across state lines.

The pushback highlights the broader tension between state-led environmental initiatives and the operational and economic realities of industries with significant interstate activities. As CARB seeks to implement its rail rule, ongoing litigation and negotiations will likely shape its final form and enforcement.

L. SCAQMD Rule 2305 (Warehouse Indirect Source Rule)

The SCAQMD implemented the Warehouse Indirect Source Rule (ISR) in May 2021 as part of its broader efforts to address air pollution from freight facilities. This rule requires warehouses larger than 100,000 square feet to take specific actions to reduce emissions associated with their operations, particularly from diesel trucks. The ISR aims to mitigate pollution from indirect sources, which are not directly regulated but contribute significantly to local air quality issues through related activities.

Under the ISR, warehouses must earn points by implementing various emission-reducing measures such as using cleaner trucks, installing zero-emission vehicle infrastructure, or deploying advanced technologies to reduce onsite emissions. These requirements are intended to decrease NOx, PM,

and other pollutants, thereby improving air quality in the region, especially in communities disproportionately affected by pollution from freight activities.

Despite its environmental objectives, the ISR has faced significant pushback and legal challenges. Industry stakeholders, including warehouse operators and logistics companies, argue that the rule imposes excessive costs and logistical burdens. They contend that compliance with the ISR could increase operational expenses and disrupt supply chain efficiencies, potentially leading to economic repercussions for the region.

Legal challenges to the ISR have also emerged, focusing on issues of jurisdiction and authority. Opponents claim that SCAQMD overstepped its regulatory authority by imposing requirements on indirect sources of pollution, which they argue should fall under state or federal jurisdiction. The legal disputes highlight the complexities of regulating emissions from sources that are not directly controlled by a single entity but are integral to the broader logistics and transportation network.

M. SCAQMD Proposed Rule 2304 (“ports ISR”)

While the San Pedro Bay Ports CAAP has yielded significant success in emissions reductions of all pollutants targeted, activities at the ports remain as major contributors of DPM and NO_x in the South Coast Air Basin. This includes 0.59 tons/day of DPM (48%) from OGVs) and 36 tons/day of NO_x (63% from OGVs), contributing an estimated 13-20% of the total NO_x emissions in the South Coast Air Basin. These emissions contributions also lead to the communities adjacent to the ports (also established as AB 617 communities) being in the [96th percentile for air toxics cancer risk](#) within the South Coast Air Basin.

These immediate health risks and significant pollutant contributions, leading to further challenges in the SCAQMD proposing a path to the federal NAAQS attainment, have driven CARB’s suggestion of and SCAQMD’s consideration of Proposed Rule 2304: an ISR for the Commercial Marine Ports - Container Terminals. In the aim of achieving air quality standards and protecting public health, SCAQMD has held working group meetings beginning February 2022 in order to consider the balance of industry business models and port operations, the limitations of ISR authority, the technology availability and feasibility of measures, the impact on jobs associated with these activities, and input from the communities.

SCAQMD has stated that the proposed rule is not finalized, and so the impacts of the rule cannot be fully assessed or predicted. However, following the implementation of the warehouse ISR major concerns exist on the potential disruptions or limitations of operations due to increased port activity leading to emissions beyond a prescribed limit. The rulemaking process has included a range of potential levers, including potential mechanisms for annual cargo caps or the jurisdictional boundaries of emissions from vessels, trucks, and rail, each pathway raising different concerns on the practical implementation of a rule. Clarity is also needed on how ports or terminal operators may be held accountable for emissions from the range of trucks, locomotives, ships, and harbor craft that operate within the port ecosystem, each with roles in supporting efficient and safe operations in goods movement.

N. San Diego APCD Consideration of an Indirect Source Rule

The [SDAPCD is currently evaluating the implementation of an ISR](#) to reduce emissions from freight-related activities such as warehouses, distribution centers, and logistics operations. This initiative mirrors regulations adopted by the SCAQMD, targeting emissions from indirect sources contributing to regional air quality issues. Based on the 2019 passing of AB 423, the amendment to the California Health and Safety Code directed the SDAPCD to consider an ISR to address stationary source-related mobile sources of pollution. The working group is actively holding public meetings through 2024 in order to assess regulatory and non-regulatory strategies to further reduce emissions from these indirect sources.

As with the SCAQMD ISRs, supporters of the ISR argue that it is essential for protecting public health and achieving environmental goals. Conversely, industry groups have voiced concerns about the financial and logistical burdens of the rule, noting that compliance costs could be substantial and potentially disrupt supply chain operations.

The Port of San Diego, which encompasses a diverse range of activities including maritime trade, tourism, and recreation, risks significant impacts by this rule. The port's operations involve a substantial amount of freight movement and associated emissions. Implementing the ISR could necessitate substantial changes in how the port and its tenants manage transportation logistics, potentially increasing operational costs and requiring investments in new technologies and infrastructure to meet new emission standards.

O. SCAQMD Rule 2306 (Freight Rail Yards)

Rule 2306 by the SCAQMD, passed on August 2, 2024, aims to reduce emissions of NOx from freight rail yards and the mobile sources they attract. The rule is designed to help meet state and federal air quality standards for ozone and fine particulate matter (PM2.5). Given that the San Pedro Bay ports, including the Port of Los Angeles and the Port of Long Beach, are major hubs for freight rail operations, this rule could have significant impacts on rail activities in and around these ports. Criticism of the proposed rule have been raised, [including by PMSA stating](#) that this rule would be duplicative of existing CARB regulation.

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Item 6A-05: USCG Harbor Safety Committee Report, July 31, 2024

SIGNIFICANT PORT SAFETY AND SECURITY CASES (JULY 2024)
MARINE CASUALTIES
Loss of Propulsion (15JUL2024): A foreign flag tank vessel experienced a black out and loss of propulsion caused by a clogged seachest. A COTP Order was issued requiring repairs to satisfaction of flag or class surveyor. Class surveyor report received attesting to repairs on 22JUL2024, COTP lifted. Loss of Propulsion not attributed to fuel switching. Case closed.
Equipment Failure (23JUL2024): A foreign flag bulk carrier experienced a loss of main engine control from the pilothouse. The vessel was transiting to San Francisco Bay using engine room control. A COTP Order was issued requiring repairs to satisfaction of flag or class surveyor. Class survey report received attesting to repairs on 20JUL2024, COTP lifted. Case closed.
Equipment Failure (29JUL2024): A U.S. flag vehicle carrier experienced an equipment failure while departing San Francisco Bay. The vessel discovered a steam leak on starboard bulkhead-stop bypass piping. Vessel was issued a Form 835 requiring the deficiency to be rectified prior to departure to satisfaction of class surveyor. Class witnessed satisfactory dye pen and hydro test. Crew reinstalled piping and noted no issues. Following operation of both boilers, crew noted no. 2 boiler gauge line was leaking due to a wasted gasket. Crew replaced gasket with satisfactory operation of no. 2 boiler. Form 835 and operational control were lifted. Case closed.
Allision (31JUL2024): A U.S. flag sailing vessel allided with Blossom Rock buoy on their port bow while sailing through the San Francisco Bay. The vessel operator noted interior damage to fiberglass tabbing and forward plywood bulkhead and notified OCMI. Vessel was issued Form 835 and operational control. Marine inspector attended vessel and conducted damage assessment. Bulkhead repairs were completed the following day, to the satisfaction of the marine inspector. 835 and operational control cleared. Case closed.
VESSEL SAFETY CONDITIONS
Operational Control (15JUL2024): A U.S. flag passenger vessel was issued a Code 701 (Rectify prior to carriage of passengers/cargo) due to vessel's heat exchanger failure, resulting in an accidental oil discharge. Code 701 Operational Control required explanation of the root cause of the issue and repairs to the satisfaction of the USCG. Heat exchanger was replaced, and functionality was verified on 15JUL2024. Case closed.
Operational Control (15JUL2024): A foreign flag tank vessel was issued a COTP Order due to a black out and loss of propulsion caused by a clogged seachest. COTP Order was issued requiring repairs to satisfaction of flag or class surveyor. Class surveyor report received attesting to repairs on 22JUL2024, COTP lifted. Case closed.
Operational Control (23JUL2024): A foreign flag bulk carrier was issued a COTP Order due to loss of main engine control from the pilothouse and was transiting to San Francisco Bay using engine room control. COTP Order was issued requiring repairs to satisfaction of flag or class surveyor. Class survey report received attesting to repairs on 20JUL2024, COTP lifted. Case closed.
Operational Control (29JUL2024): A U.S. flag vehicle carrier was issued a Code 17 (rectify prior to departure) due to steam leak on the starboard bulkhead-stop bypass piping. Crew reinstalled piping and reported no issues noted, class surveyor witnessed satisfactory dye pen and hydro test. Crew noted no. 2 boiler gauge line was leaking due to a wasted gasket. Crew replaced gasket with spare on board. Operational control was lifted. Case Closed.
Operational Control (31JUL2024): A U.S. flag sailing vessel was issued a Code 701 (Rectify prior to carriage of passengers) due to allision with Blossom Rock buoy on the port bow. Marine inspector attended vessel moored at Sausalito Shipyard, met with owner, and conducted damage assessment. Bulkhead repairs were completed satisfactorily. Operational control cleared. Case closed.
NAVIGATIONAL SAFETY
Letter of Deviation (LOD), Inop S-Band Radar (03JUL24): A foreign flag chemical tank ship was issued an inbound LOD for inoperable S-Band Radar. Repairs completed, received technician report on 15JUL2024. LOD lifted. Case closed.
Letter of Deviation (LOD), Inop S-Band Radar (11JUL2024): A foreign flag ro-ro ship was issued an inbound LOD for inoperable S-Band Radar. Repairs completed, received technician and class reports attesting to repairs on 16JUL2024. LOD Lifted. Case closed.
SIGNIFICANT INCIDENT MANAGEMENT DIVISION CASES
Letter of Warning (LOW) 14JUL2024: IMD received a report of a sunken recreational vessel discharging 7 gal of gasoline and oil into Oyster Point Marina causing a sheen. IMD conducted a preliminary investigation and was notified that the owner hired contractors to deploy boom and conduct salvage operations. IMD issued a Notice of Federal Interest and a Letter of Warning to the vessel owner/responsible party. Case CLOSED.
Federal Case 27JUN2024 - TBD: IMD received a report of an abandoned and submerged vessel that was discharging an unknown amount of oil into the navigable waterway of Little Potato Slough. The City of Stockton maintains a drinking water siphon close to the incident and have subsequently stopped siphoning water from the affected area while pollution removal operations continue. IMD was unable to get a hold of the owner and thus assumed federal responsibility for the vessel. IMD opened the OSTLF fund and hired contractors to deploy boom around the submerged vessel and conduct pollution removal. IMD is awaiting approval of a destruction memo before operations to safely and effectively remove the vessel begin. IMD issued a Notice of Federal Interest and a Letter of Warning to the vessel owner/responsible party. CASE PENDING.

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PREVENTION / RESPONSE - SAN FRANCISCO HARBOR SAFETY STATISTICS			
July 2024			
PORT SAFETY CATEGORIES*	Jul-2024	Jul-2023	**3yr Avg
Total Number of Port State Control Detentions:	0	0	0.03
SOLAS (0), STCW (0), MARPOL (0), ISM (0), ISPS (0)			
Total Number of COTP Orders:	2	0	3.28
Navigation Safety (2), Port Safety & Security (0), ANOA (0)			
Marine Casualties (reportable CG 2692) within SF Bay:	10	5	6.56
Allision (1), Collision (0), Fire (1), Capsize (0), Grounding (0), Sinking (1)			
Steering (0), Propulsion (2), Personnel (4), Other (1), Power (0)			
Total Number of (routine) Navigation Safety issues/Letters of Deviation:	2	1	2.08
Radar (2), Gyro (0), Steering (0), Echo Sounder (0), AIS (0)			
ARPA (0), Speed Log (0), R.C. (0), Other (0)			
Reported or Verified "Rule 9" or other Navigational Rule Violations:	0	0	0.08
Significant Waterway events/Navigation related Cases:	0	0	0.00
Total Port Safety (PS) Cases opened	14	6	12.03
MARINE POLLUTION RESPONSE			
Pollution Discharge Sources (Vessels)	Jul-2024	Jul-2023	**3yr Avg
U.S. Commercial Vessels	1	0	0.64
Foreign Freight Vessels	0	0	0.14
Public Vessels	0	1	0.94
Commercial Fishing Vessels	1	2	0.78
Recreational Vessels	12	16	7.78
Pollution Discharge Sources (Facilities)	Jul-2024	Jul-2023	**3yr Avg
Regulated Waterfront Facilities	0	0	0.22
Regulated Waterfront Facilities - Fuel Transfer	0	1	0.08
Other Land Sources	0	7	4.28
Mystery Spills - Unknown Sources	6	4	6.14
Number of Pollution Incidents (By Spill Size)	Jul-2024	Jul-2023	**3yr Avg
Spills < 10 gallons	20	15	10.94
Spills 10 - 100 gallons	0	6	2.00
Spills 100 - 1000 gallons	0	1	0.31
Spills > 1000 gallons	0	0	0.00
Spills - Unknown Size	0	9	7.28
Total Pollution Incidents	20	31	20.53
Oil Discharge/Hazardous Materials Release Volumes by Spill Size	Jul-2024	Jul-2023	**3yr Avg
Estimated spill amount from U.S. Commercial Vessels	2.00	0.00	6.21
Estimated spill amount from Foreign Freight Vessels	0.00	0.00	0.28
Estimated spill amount from Public Vessels	0.00	0.75	17.95
Estimated spill amount from Commercial Fishing Vessels	1.00	3.00	10.96
Estimated spill amount from Recreational Vessels	13.00	150.00	56.01
Estimated spill amount from Regulated Waterfront Facilities	0.00	0.00	1.70
Estimated spill amount from Regulated Waterfront Facilities - Fuel Transfer	0.00	1.00	0.18
Estimated spill amount from Other Land Sources	0.00	160.00	48.92
Estimated spill amount from Unknown Sources (Mystery Sheens)	6.00	4.00	6.06
Total Oil Discharge and/or Hazardous Materials Release (Gallons)	22.00	318.75	148.26
Penalty Actions	Jul-2024	Jul-2023	**3yr Avg
Civil Penalty Cases	0	0	0.03
Notice of Violations	0	0	0.22
Letters of Warning	9	8	4.36
Total Penalty Actions	9	8	4.61
* NOTE: Values represent all cases within the HSC jurisdiction during the period. Significant cases are detailed in the narrative.			
** NOTE: Values represent an average month over a 36 month period for the specified category of information.			

Item 6A-06: Comment Letter Re. Pilot Boat Regulations, September 13, 2024



September 13, 2024

Allen Garfinkle, Executive Director
Board of Pilot Commissioners
State of California
660 Davis St.
San Francisco, CA 94111
Delivered via email to bopc@bopc.ca.gov

COMMENTS: Proposed Rulemaking – Amendments to §236.1. Pilot Boat Surcharge

Dear Executive Director Garfinkle,

On behalf of the members of the Pacific Merchant Shipping Association (PMSA), which includes ocean carriers and marine terminal operators conducting business at California’s public seaports, we respectfully submit these comments regarding the Board of Pilot Commissioners (BOPC) proposed amendments to 7 CCR §236.1 regarding Pilot Boat Surcharges.

PMSA is supportive of these proposed changes.

The proposed amendments reflect and put into operation a number of statutory changes to the Harbors and Navigation Code that were made effective upon the passage of AB 2056 (Chap. 769, Statutes of 2022). This bill was co-sponsored by PMSA along with the San Francisco Bar Pilots (SFBP). We believe that these proposed amendments to these regulations effectively implement the changes enacted by AB 2056 consistent with the intent of that legislation.

These amendments to §236.1 reflect the creation of the new Pilot Boat Surcharge Account to be managed by the Board and further update and revises the very successful system of necessity, preliminary authorization, and final authorization determinations by the BOPC to further reflect statutory changes and lessons learned from utilization of this process.

PMSA does not suggest any changes to the draft language, nor do we believe that amendments and a 15-day process are necessary, however we do have one observation to make. We respectfully request that the BOPC Final Statement of Reasons affirmatively address this observation per the below and clarify the intent as stated herein.

Under the prior statutes and current §236.1, the pilot boat surcharge was only collected and then allocated to cover already spent sums, and therefore a pilot boat surcharge rate was always retrospective and authorized for recovery only. Under proposed §236.1 (h), this language is retained. We believe that this is proper, in that the surcharge rate can only generate revenues sufficient to recover costs authorized by the Board for recovery as a matter

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of law. However, if one were to potentially adopt an alternative reading of this language, it could be inferred that since this rule language has not been changed, it therefore would continue to disallow the use of prospective boat surcharge adjustments to generate the revenues sufficient to cover future cost recovery.

In response to this issue, we respectfully request that the FSOR clarify that, under AB 2056 and these regulations as applied, that the BOPC can review and adjust the pilot boat surcharge prospectively with the understanding that the proceeds of the surcharge generated would then be available to be used to recover Board-authorized expenses.

PMSA does not request a public hearing for this proposed rule or to discuss the FSOR.

Sincerely,

A black rectangular redaction box covers the signature of Mike Jacob.

Mike Jacob
President

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Item 6A-07: Comment Letter Re. Pilot Boat Regulations, September 9, 2024

From: [Millspaugh, Matthew@BOPC](mailto:Millspaugh.Matthew@BOPC)
To: [Garfinkle, Allen@BOPC](mailto:Garfinkle.Allen@BOPC)
Subject: FW: Proposed Regs Comment Period
Date: Monday, September 9, 2024 2:09:20 PM

FYI

From: Anne McIntyre [REDACTED]
Sent: Monday, September 9, 2024 1:48 PM
To: Millspaugh, Matthew@BOPC [REDACTED]; Mike Jacob [REDACTED]
Cc: Kevin Baldwin [REDACTED]
Subject: Proposed Regs Comment Period

EXTERNAL EMAIL. Links/attachments may not be safe.

Hi Guys,

Kevin has completed a review of the regs that are out for public comment. He raised the below point.....It seems this is something we should review to make sure that the regs are aligned so that we can prospectively collect funds?

The only thing I see that might be an issue is that the rules don't allow for prospective mill rate adjustment—the finance committee can only review the currently authorized costs and projected income. They cannot, for example, raise the mill rate in anticipation of the need to build new boats for which final authorization has not yet been given. Seems like it might be advantageous to be able to plan ahead with mill rate adjustments.

Capt. Anne L. McIntyre
Business Director
San Francisco Bar Pilots

Agenda Item 6C: Report on Board surcharges

From: [BOPC Board of Pilot Commissioners](#)
To: [Julie Jones](#)
Cc: [Lukban, Josephine@CHP](#); [Muniz, Clara@CHP](#); [Millspaugh, Matthew@BOPC](#); [Wong, Alethea@BOPC](#); [Shepherd, Greg@BOPC](#); [McNeill, Mari@BOPC](#)
Subject: FW: 08_Aug'24 Monthly Surcharge Payment
Date: Wednesday, September 11, 2024 11:52:20 AM
Attachments: [08_AUG'24 BOPC MONTHLY SURCHARGE REVENUES.pdf](#)
[SUMMARY_CASH_2024-08-31_09042024-161509.pdf](#)

Good day Julie,

I approve the wire transfer of the August 2024 surcharges collected in the amount of \$810,150.00.

Thank you.

Respectfully,

Allen G.

Allen Garfinkle
Executive Director

Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
660 Davis Street, San Francisco, California 94111

Phone: 415-397-2253

Fax: 415-397-9463

From: Julie Jones
Sent: Monday, September 9, 2024 5:55 PM
To: BOPC Board of Pilot Commissioners <bopc@bopc.ca.gov>
Cc: Millspaugh, Matthew@BOPC
Subject: 08_Aug'24 Monthly Surcharge Payment

EXTERNAL EMAIL. Links/attachments may not be safe.

Hi Allen,

Please review and approve.

Thank you!

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SAN FRANCISCO BAR PILOTS ASSOCIATION
Pier 9 East End
San Francisco, CA 94111

August 10, 2024

Re: Monthly Pilot Accounts for August 2024; H&N 1136(b) and Civil Code 2015.5

Dear Executive Director Garfinkle:

I intend to wire funds to the Board of Pilot Commissioners representing Board surcharges collected for the Month of August 2024, in the amount of \$810,150.00 comprising the following surcharge amounts:

- Pilot Commission Fees (4172500001) \$ 194,333.89
- Pilot Training Surcharge (4172500002) \$ 20,560.00
- Trainee Surcharge (4172500003) \$ 29,450.00
- Pilot Boat Surcharge (4172500005) \$ 565,806.11

I certify under penalty of perjury under the laws of the State of California that the foregoing accounts of all monies or other compensation received by the San Francisco Bar Pilots Association as a result of pilotage services, and all surcharges received by the San Francisco Bar Pilots Association pursuant to the mandates of the California Harbors and Navigation Code, are true and correct.


Please provide approval to wire the above-referenced funds.



Controller
San Francisco Bar Pilots
Pier 9 East End
San Francisco, CA 94111

enc. August 2024 Cash Summary Report

JUMP TO AGENDA



SAN FRANCISCO BAR PILOTS

PIER 9 EAST END, SAN FRANCISCO, CA 94111

Dispatcher: [REDACTED] Accounts: [REDACTED] Email: [REDACTED]

From 08/01/2024 to 08/31/2024

09/04/2024 Summary Cash Applied Report

Status: Deposited

Moves	Descr	Tons	Draft Ft	Total Cash
219	INWARD PILOTAGE	13,738,128.00	7,230.87	1,387,782.80
215	OUTWARD PILOTAGE	13,255,988.00	6,682.18	1,343,165.00
434	TOTAL PILOTAGES	26,994,116.00	13,913.05	2,730,947.80
114	BAY MOVES			290,000.00
0	MISCELLANEOUS CHARGES			233,689.99
50	RIVER MOVES			250,000.00
598	TOTAL GROSS PILOTAGES	26,994,116.00	13,913.05	3,504,637.79
0	NAV TECH SURCHARGE			0.00
589	PILOT COMMISSION CHARGE			194,333.89
579	PILOT TRAINING SURCHARGE			20,560.00
438	STATUTORY PENSION RATE			1,202,143.65
579	TRAINEE SURCHARGE			29,450.00
0	PILOT BOAT MAINTENANCE			0.00
0	PILOT DISPATCH SYSTEM			0.00
140	TEMPORARY TRANSIT FEE - BAY MOVE			119,000.00
222	TEMPORARY TRANSIT FEE - INBOUND			188,700.00
216	TEMPORARY TRANSIT FEE - OUTBOUND			183,600.00
438	PILOT VESSEL CONSTRUCTION SURCHARGE			565,806.11
TOTAL				6,008,231.44

Agenda Item 7A: Monthly report on San Francisco Bar Pilots (SFBP) pilot availability and absences

Port Agent Report to BOPC September 26, 2024

ABSENT FOR MEDICAL REASONS (AFMR) REPORT:

- Captain Teague since February 14, 2024
- Captain Ruff since May 8, 2024

RECOMMENDED MINIMUM REST PERIOD EXCEPTIONS:

We continually monitor the dispatch list for possible 12 h MRP exceptions. If the potential exception is likely to result in a rest period of less than 10 hours mitigating measures are employed. These measures include, but are not limited to, suspending continuing professional development protocols, cancelling scheduled meetings or committee assignments, cancelling previously granted comp time requests, deferring scheduled training sessions, or calling in off-watch pilots.

There are currently 52 licensees on the SFBP Roster.

There were 10 MRPs in August. The shortest rest period was 10 hours.

PILOT BOAT REPORT:

PV California:

Ops Normal

PV Drake:

Ops Normal.

PV Golden Gate:

7/19/24 – 8/16/24 vessel in shipyard for scheduled warranty and maintenance work.

PV Pittsburg:

Ops Normal.

PV San Francisco:

Ops normal.


BILLED VESSEL MOVES FOR August 2024:

Bar X's: 475 Bay Moves: 116

- River Moves: 60
- Total Moves: 651
- GRT: 28.3M

When comparing 2024 vessel move data with the same period in 2023, total moves were up 0.14% and GRT is up 7.6%.

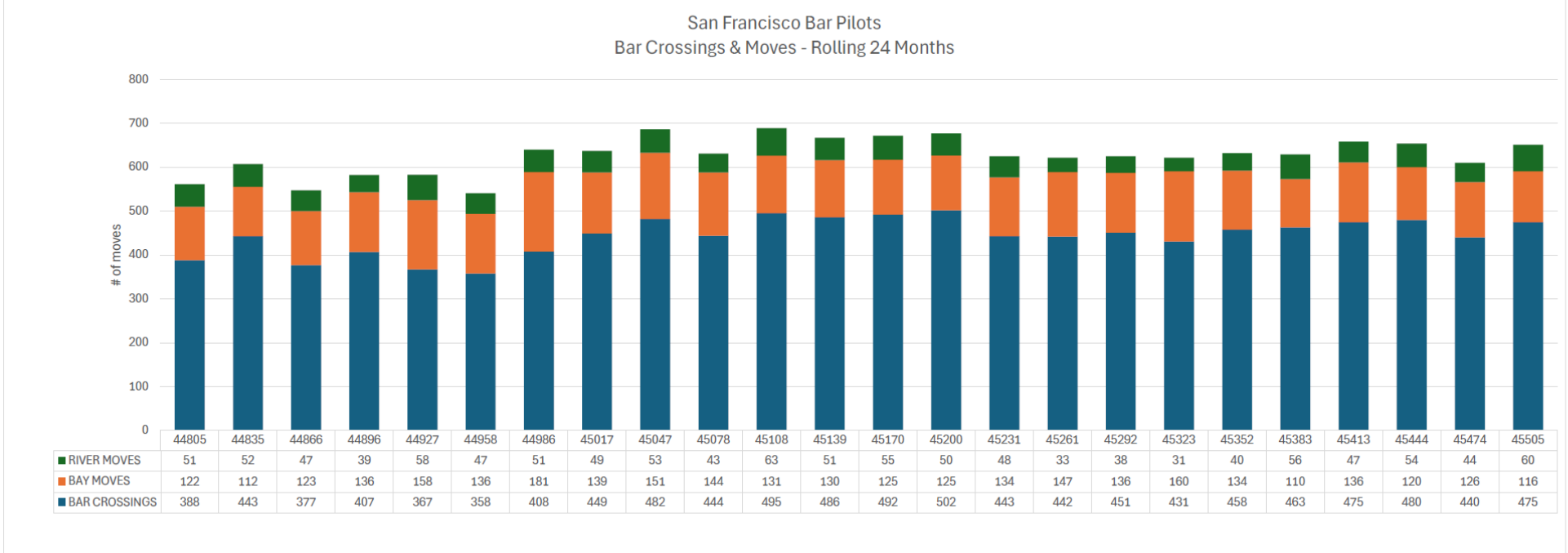
Respectfully Submitted,


Captain John Carlier
Port Agent

Agenda Item 7B: Monthly report on SFBP ship piloting business activity

SAN FRANCISCO BAR PILOTS SHIP MOVEMENTS

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	TOTAL Rolling 12 MOS	%
BAR CROSSINGS	388	443	377	407	367	358	408	449	482	444	495	486	492	502	443	442	451	431	458	463	475	480	440	475	5,552	72%
BAY MOVES	122	112	123	136	158	136	181	139	151	144	131	130	125	125	134	147	136	160	134	110	136	120	126	116	1,569	20%
RIVER MOVES	51	52	47	39	58	47	51	49	53	43	63	51	55	50	48	33	38	31	40	56	47	54	44	60	556	7%
TOTAL	561	607	547	582	583	541	640	637	686	631	689	667	672	677	625	622	625	622	632	629	658	654	610	651	7,677	100%



[JUMP TO AGENDA](#)

Agenda Item 7C: Monthly confidential written report of licensed pilots who have been Absent for Medical Reasons (AFMR)

CONFIDENTIAL

Agenda Item 8: Pilot Evaluation Committee

BOPC Received
9/18/2024

PEC (Pilot Evaluation Committee) Chairman's Report to the BOPC (Board of Pilot Commissioners)

September 18, 2024

The Pilot Evaluation Committee met on September 18, 2024. The members present were Captains Wher, Slack, Stultz, Bridgman and Ruff. Captain Garfinkle joined us in an open session. We discussed Captain Ben Ajax resigning his appointment as trainee. We talked about doing an official exit interview going forward. The interview would be very similar to the questions asked when he informed us of his decision. Any information we get, if applicable, could be used to amend something in our program. We all acknowledge the strain of the [training program](#) and this job isn't for everyone. Allen also mentioned starting two more trainees, bringing us to six active trainees.

Agenda item A:

There are four active trainees including Gallo, Barron, Johnson, and Johnston. The trainee's range of time in the program ranges from 4 months to 12.9 months. All getting trips to obtain their first-class pilotage endorsement for unlimited tonnage upon San Francisco Bay. They are observing, part handling and handling ship under direct supervision of a licensed pilot. Trainees Gallo and Barron have completed testing for their federal pilotage with the US Coast Guard and have a few trips to and from Sacramento to raise their pilotage licenses to unlimited [first class](#) pilot. In closed session, all trainees were individually interviewed and counseled on their progress in the training program. Time was spent answering their questions and concerns they had. As of now, all trainees are meeting recommended benchmarks and are progressing at their own rate.

The next PEC meeting is scheduled for Wednesday, October 16, 2024, at 0730 in this office.

Agenda item B: Probation or dismissal

No action currently

Agenda item C: Completing training program

No action currently

Agenda item D: Issue state license

No action currently

Respectfully given, Captain Paul Ruff

Agenda Item 11: Incident Review Committee report on the event of September 1, 2023, involving the M/V BOHOL which made unintended contact with the pier in Sacramento, CA

Page: 1 of 7



**BOARD OF PILOT COMMISSIONERS FOR THE
BAYS OF
SAN FRANCISCO, SAN PABLO, AND SUISUN**

**INCIDENT REVIEW COMMITTEE
INVESTIGATION REPORT**

**REPORT OF THE DOCKING OF THE M/V BOHOL ISLAND AT
THE PORT OF WEST SACRAMENTO, BERTH 2, ON SEPTEMBER 1, 2023
PILOT: CAPTAIN DANIEL LARWOOD**

IRC Report on M/V BOHOL ISLAND

**INCIDENT REVIEW COMMITTEE
INVESTIGATION REPORT**

**REPORT OF THE DOCKING OF THE M/V BOHOL ISLAND AT
THE PORT OF WEST SACRAMENTO, BERTH 2, ON SEPTEMBER 1, 2023
PILOT: CAPTAIN DANIEL LARWOOD**

I. INTRODUCTION

1. On the morning of September 1, 2023, the M/V BOHOL ISLAND (hereinafter BOHOL ISLAND) was transiting from sea to the Port of West Sacramento. The BOHOL ISLAND is a 591-foot-long bulk carrier. A pilot change took place off the city front, where Captain Daniel Larwood relieved the pilot who brought the ship from the sea buoy. Captain Larwood would take the ship the remaining distance to West Sacramento.
2. The ship proceeded to West Sacramento with no incidents.
3. At approximately 1515 hours, in the vicinity of navigation lights 81 and 82, the tug BELINDA BRUSCO was made fast on the port bow, and the tug MIKE BRUSCO was made fast on the starboard bow.
4. At approximately 1522 hours, the ship entered the West Sacramento turning basin. Captain Larwood commenced to turn the ship to port to initially head northeast (from an easterly heading), followed by a turn to starboard to head southeast. He then commenced a turn to starboard to head the ship westerly in preparation for backing into Berth 2.
5. After completing the turn, with the bow of the ship facing generally WNW, he commenced to back into the 250-foot-wide channel, where Berth 2 is located, and dock starboard side to the pier.
6. At approximately 1547 hours, as the ship proceeded to back into the channel, the vessel made unintended contact with the west corner of the pier, resulting in a dent in the starboard side of the ship.
7. Following the unintended contact with the pier, the ship proceeded to its final position in Berth 2 without further incident.
8. The Incident Review Committee consists of Commission Vice President Joanne Hayes-White as Chairperson and Executive Director Allen Garfinkle. The IRC prepared this report pursuant to California Harbors and Navigation Code Section 1180.3 and Title 7, California Code of Regulations Section 210.
9. **Abbreviations in the report refer to the following:**
 - I. **IRC** – Incident Review Committee
 - II. **SFBP** – San Francisco Bar Pilots
 - III. **Lt. or Lts.** – Light or Lights
 - IV. **USCG or CG** – United States Coast Guard or Coast Guard

IRC Report on M/V BOHOL ISLAND

II. FINDINGS OF FACTS

1. Vessel Identification and Description

BOHOL ISLAND is a bulk carrier registered in Panama. It was built in 2022.

Vessel Particulars:

Length: 591 feet Beam: 98 feet
Tonnage: 23,602 gross tons
Operator: Toko Kaiun Kaisha, Ltd, Kobe, Japan



2. Date of vessel movement

Date and Time: September 1, 2023, approximately 1547 hours
Location: Port of West Sacramento, California

3. Identification of Pilot

San Francisco Bar Pilot: Captain Daniel Larwood

4. Weather and Sea Conditions

A. Weather Conditions

The weather conditions in Stockton at the time of the transit were as follows:

Wind: SSW winds, 20 knots
Visibility: good
Weather: clear

B. Tidal Information

Calculated under keel clearance at Port of West Sacramento, Berth 2:

- o Controlling depth = 29' 04"
- o Height of tide at 1545 = + 0 00"
- o Depth at 1500 = 29' 04"
- o Deep Draft (aft) 21' 05"
- o UKC at docking at 1545 08' 11"

5. Statement of the Pilot

- a. Captain Larwood stated that he boarded on the city front, bound for Sacramento, with a maximum ebb current. He further stated the passage to the Port of West Sacramento was without incident.
- b. Adjacent to Lights. 81 and 82, he instructed the crew to make fast the tugs BELINDA BRUSCO on the port bow and the MIKE BRUSCO on the starboard bow.

IRC Report on M/V BOHOL ISLAND

- c. When the ship was abeam Light 85 and entering Sacramento Turning Basin, it commenced a turn to port to a heading of northeast, followed by a starboard turn to the southeast. Captain Larwood then continued the turn to starboard to the west in preparation to back into the 250-foot (wide) channel to moor starboard side to the pier at Berth 2.
- d. At 1547 hours, the starboard side of the vessel (just forward of amidship) allided with the west corner of the pier. Following the unintended contact, he proceeded to back the ship into final position with no further incident.
- e. Captain Larwood concluded that, due to the strong winds (SSW'ly, 20 knots) onto the port side of the ship, combined with the high freeboard (large sail area), he was not able to prevent the ship from setting onto the berth with the available tugboats.

6. Statements of Witnesses

Ship Master

- a. On September 1, 2023, while the vessel was alongside at Sacramento Berth 2, vessel made contact with berth corner and sustained a dent on the starboard side of the ship's hull, due to mishandling/calculation by pilot during berthing maneuver.
- b. At the time of the vessel movement astern, the pilot ordered the tug MIKE BRUSCO to shift to the port quarter. The vessel motion continued swinging to starboard due to southerly wind of about 20 knots toward the corner of the berth.
- c. The pilot ordered the tug BELINDA BRUSCO to pull back and tug MIKE BRUSCO to shift back to the starboard bow to push on the vessels bow in an attempt to avoid contact with the berth, but was unable to hold (the ship) back due to the strong wind.

7. Estimate of Damages

- a. The vessels hull was dented on the starboard side. The dent was approximately 14 inches in length horizontally, 16 inches in height vertically, and approximately 2 inches deep.
- b. On September 20, 2023, Shimamura Co., LTD, supplied an estimate for paint of \$356.00 USD. On September 28, 2023, Onomichi Dockyard Co., LTD, supplied an estimate for the dent repair of \$2,832.00 USD, for a total of \$3,188.00 USD. This was later revised (by email from the ship's agent, without supplying a revised estimate from the dockyard) to a total of \$4,661.00 USD. No reason was provided for the revised estimate.
- c. Communication with the ship's agent did not produce any evidence of significant damage to the pier.

IRC Report on M/V BOHOL ISLAND

8. Names of Witnesses

The written statements of witnesses included are as follows:

Captain Daniel Larwood	Pilot of the BOHOL ISLAND
Captain Edward T. Caballero	Master of the BOHOL ISLAND

9. Nature and Extent of Injuries

There were no injuries to persons in this event.

10. Relevant Records from U.S. Coast Guard

This event did not meet the requirements for a serious marine incident, therefore no report to the U.S. Coast Guard was made and no information was sought from them.

11. Pilot Licensee Background Information

- a. Captain Larwood was first licensed as a pilot in 1998.
- b. Captain Larwood has one prior incident: In 2019, while supervising a trainee on the M.V. WASHINGTON that was mooring at the Valero pier (BNC4), the ship landed hard, resulting in minor damage to a catwalk adjacent to the pier structure. The Board found for no misconduct on the part of the pilot and the investigation was closed with no further action.

III. ANALYSIS AND CONCLUSIONS BY THE IRC

Jurisdiction

The Legislature has delegated authority to the Board to establish an incident review committee to review all reports of misconduct or navigational incidents involving pilots or other such matters for which a license issued by the board may be revoked or suspended. The Harbors and Navigation Code §1181 defines misconduct, in part, as (g) negligently, ignorantly, or willfully running a vessel on shore, or otherwise rendering it liable to damage, or otherwise causing injury to persons or damage to property. After reviewing the evidence and ruling out ignorance or willfulness as the cause of any damage in this event, the IRC has limited its analysis and conclusion to a consideration of negligence.

Standard of care

The negligence standard of care calls for an evaluation of whether a particular pilot exercised that degree of care and skill possessed by “the average pilot”. The pilot must exercise the degree of skill commonly possessed by others in the same employment, and although they are not liable for mere errors in judgment, they are liable for damage caused by their failure to exercise the diligence which other pilots similarly situated would ordinarily have exercised. This is a fairly high standard of care one would expect of an expert, such as a maritime pilot.

IRC Report on M/V BOHOL ISLAND

Analysis

The issue presented in this event is whether the damage to the BOHOL ISLAND was the result of a failure of the pilot to exercise reasonable care, that is, the skill and care of the average San Francisco Bar Pilot.

There appears to be ample evidence and no dispute that the BOHOL ISLAND hull was dented when the hull of the BOHOL ISLAND made unintended contact with the corner of the pier during the docking evolution on September 1, 2023. An estimate of repair was provided in which the cost of repair was quoted as being \$4,661.00.

Based on the statements provided by the pilot, Captain Larwood, and the vessel's master, Captain Caballero, the evidence indicates that during the docking evolution, the wind overpowered the tugs, allowing the ship to make unintended contact with the corner of the pier.

Captain Larwood's statement detailed the elements of his turning the vessel from an easterly heading to a westerly heading in order to moor starboard side to the dock at Berth 2, but only mentioned the initial position of the tugboats on each bow.

The master's statements are more detailed on the placement of the tugs, both through the Statement of Facts he prepared and in a letter to his company describing the contact. In the Statement of Facts, he listed the MIKE BRUSCO as fast on the starboard bow at 1510 hours, and the BELINDA BRUSCO fast on the port bow at 1512 hours. Following that, he showed the MIKE BRUSCO letting go from the starboard bow at 1530 hours, to shift to the starboard quarter. It then shows the MIKE BRUSCO shifting back to the starboard bow five minutes later, apparently to halt the movement toward the corner of the berth. In his letter to his company, Captain Caballero described the sequence of events as follows: "Vessel motion continue [sic] swinging to starboard due to southerly wind (of) about 20 knots toward the berth corner. Pilot order [sic] tug BELINDA to pull back and tug MIKE BRUSCO to shift back to starboard bow to push vessel bow to avoid contact to berth but unable to hold back due to strong wind." He described the cause of the allision as due to "mishandling/calculation by pilot during berthing maneuver."

Based on the evidence, it appears that Captain Larwood shifted the MIKE BRUSCO four times in the seventeen minutes leading up to the allision. The MIKE BRUSCO was on the starboard bow at 1510 hours, then shifted to the starboard quarter at 1530 hours, then back to the starboard bow at 1535 hours. The Statement of Facts then lists the tug MIKE BRUSCO as "being ordered to the port quarter" at 1544, and one minute later "being ordered" to the starboard bow. It is unclear from the evidence whether the MIKE BRUSCO ever left the port quarter, since at 1550 hours, the MIKE BRUSCO is made fast on the port quarter. The allision occurred at 1547 hours.

Conclusion

The standard of care is whether the actions of the pilot were reasonable under the circumstances. In this event, Captain Larwood's planned maneuver was reasonable, but did not account for the strong winds that were pushing the ship towards the corner of the berth.

During the maneuver, Captain Larwood attempted to counter the wind by shifting the tug MIKE BRUSCO from the starboard quarter to the starboard bow, but he eventually ordered the tug to shift to the port quarter for docking. The BELINDA BRUSCO alone, with her 1,500 horsepower¹, could not hold the ship

¹ For comparison, an American Navigation tractor tug, REVOLUTION, has 4,730 horsepower.

up against the wind.

It might have been possible to hold the ship off the pier with both tugs working together, but Captain Larwood needed to shift the MIKE BRUSCO to the port quarter if he was going to safely dock the ship.

As stated earlier, when reviewing the standard of care, while a pilot is liable for damage caused by their failure to exercise the diligence which other pilots similarly situated would ordinarily have exercised, a pilot is not liable for mere errors in judgment. After examining the evidence in this instance, we feel that Captain Larwood exercised the diligence which other pilots similarly situated would ordinarily have exercised. While there may have been judgment errors in the timing of the shifting of the tug MIKE BRUSCO, those errors do not amount to misconduct. It is also important to note the relatively small estimate for the repair of the damage, estimated at \$4,661.00 USD.

We conclude that Captain Larwood acted reasonably when docking the BOHOL ISLAND on September 1, 2023, and recommend a finding of no misconduct.

IV. IRC RECOMMENDATIONS TO THE BOARD

Based on the above analysis and conclusions the IRC recommends:

1. That the Board find for no pilot error.
2. That this investigation be closed without further action.

Date: September 26, 2024

Joanne Hayes-White, Chairperson

Allen Garfinkle, Executive Director

List of Enclosures (one page each unless otherwise indicated):

- Attachment 1** – Initial Incident Report from the Port Agent dated September 1, 2023.
- Attachment 2** – BOHOL ISLAND Ship’s Particulars and Pilot Card. (3 pages)
- Attachment 3** – Chartlet of the Port of West Sacramento.
- Attachment 4** – BOHOL ISLAND ECDIS screen shots of allision. (3 pages)
- Attachment 5** – Photos of damage to hull and possible damage to pier. (3 pages)
- Attachment 6** – Report from Captain Caballero to his company on allision.
- Attachment 7** – Statement of Facts prepared by Captain Caballero for his company. (2 pages)
- Attachment 8** – Estimate for repairs to dent in BOHOL ISLAND hull. (2 pages)
- Attachment 9** – Photos of damage (with measurements) taken by ship’s crew. (3 pages)
- Attachment 10** – Email communication with General Steamship agent about damages. (5 pages)
- Attachment 11** – Email communication with General Steamship agent about increase in damages. (6 pages)
- Attachment 12** – Statement by pilot, Captain Larwood (CONFIDENTIAL)

IRC Report on M/V BOHOL ISLAND

Item 11-01: Attachment 1 – Initial Incident Report from the Port Agent dated September 1, 2023

ATTACHMENT 1

Garfinkle, Allen@BOPC

From: John Carlier <portagent@sfbarpilots.com>
Sent: Friday, September 1, 2023 5:23 PM
To: BOPC Board of Pilot Commissioners
Subject: M/V Bohol Island

EXTERNAL EMAIL. Links/attachments may not be safe.

Allen,

At 1550 this afternoon, while backing into Sacramento Berth #2, the M/V Bohol Island allided with the corner of the pier. The pilot was Dan Larwood. There were no trainees aboard. The ship's agent is Tony Brower with SGS. His cell is 209-986-4171.

There is a small dent in the ship and no apparent damage to the pier. Captain Larwood is presently enroute to drug testing.

Best regards,
John

Captain John Carlier
Port Agent
San Francisco Bar Pilots

Sent from [Mail](#) for Windows

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Item 11-02: Attachment 2 – BOHOL ISLAND Ship’s Particulars and Pilot Card (3 pages)

ATTACHMENT 2

SHIP’S PARTICULARS

Name of Vessel	M. V. "BOHOL ISLAND"
Call Sign	3 E 4 0 1 0
Nationality	Panama
Port of Registry	Panama
Class notation/ Vessel Type	NKK / Other Cargo Ship
IMO number	9926025
MMSI Number	352001262
Official Number	53182-22
Name of Owner	LEYTE NAVIGATION, S. A.
Ship builder	OSHIMA SHIPBUILDING CO., LTD.
Main Engine (Type & Number)	J-ENG 6UEC42LSH-Eco-D3-EGR
	OUTPUT (MCO) 5,400 kw x 106.0 RPM
	NORMAL OUTPUT 4,270 kw x 98.0 RPM
Service Speed	Abt. 14.0 Kts
Date of Keel Laid	01-Nov-21
Date of Launching	28-Feb-22
Date of Delivery	27-Apr-22
Deadweight	(SUMMER) 39,260T
	(WINTER) 38,166T
Light Ship	8,045T
Gross Tonnage	23,602 T
Net Tonnage	12,867 T
Length	(L. O. A.) 179.99 M (BOW TO BRIDGE: 154.94 M)
	(L. B. P.) 175.60 M (STERN TO BRIDGE: 25.05M)
Breadth	(Moulded) 30.00 M
Depth	(Moulded) 11.00 M
Full Load Draft	(Summer) 11.00 M / Displacement: 47,305 MT / Dwt: 39,260 MT
	(Winter) 10.50 M / Displacement: 46,211 MT / Dwt: 38,166 MT
Cargo Gears	DECK CRANE: 30T X 19.0m/ min x 26mR x 4 SETS
Total Complement	22 Crew
Name of Master	Capt. Edward T. Caballero
Iridium	8816-771-214-33 (main)/ 8816-771-214-09 (sub)
Japan Coastal Phone	Tel: 090-9133-7233
E-mail	boholisland22@tokoline.co.jp
Inm C No	437401429 BOHO X
Charterer	Toko Kaiun Kaisha, Ltd
	Toko Bldg, 1-8-10 Nihonbashi-Muromachi
	Chuo-Ku, Tokyo 103-0022:03-3281-6663
	Tel: Fax: 03-3271-3908
Company/Operator	Toko Kaiun Kaisha, Ltd
Address	Meikai Bldg., 32 Akashimachi, Chuo-ku Kobe, 650-0037 Japan
	Tel: 81-078-331-1511 Fax:81-078-331-6444
Name of DPA	Toshiyuki Suemune (Mobile No. 090-7220-1410)
Name of CSO	Sadashichi Fujisaki (Mobile No. 090-4560-0574)
Name Of P & I / NO	Britannia Steam Ship (0768000)
Name of Emergency QI	Gallagher Marine Systems / Tel: 1-703-683-4700
	Alternate QI 1-215-492-5473
Name of OSRO	NRC 1-631-224-9141 or 1-800-899-4672/ (24H)+1-202-267-2675
	MSRC 1-732-417-0175
Name of Salvor:	T&T Salvage LLC 1-713-534-0700

PILOT CARD

SHIP'S PARTICULARS

Name Call sign

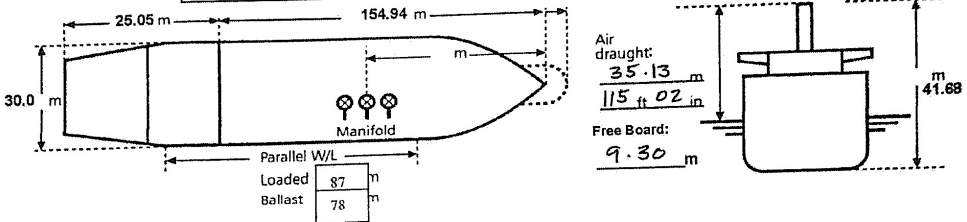
Displacement (tonnes) Deadweight (tonnes) Year built

Length OA (m) Breadth (m) Bulbous bow: yes no

Draught fwd (m) Draught aft (m) Draught amidships (m) *19 ft 08 in*
18 ft 00 in *21 ft 05 in* **TRIM: 1.05 (m) 03 ft 05 in**

Port anchor (shackles) Stbd anchor (shackles) (1 shackle=27.4 m/15 fathoms)

GROSS TONNAGE



ENGINE

Type of engine Maximum power (kW) (HP)

	rpm/pitch	loaded speed	ballast speed
Full ahead	<input type="text" value="81"/>	<input type="text" value="11.5"/> (kts)	<input type="text" value="12.2"/> (kts)
Half ahead	<input type="text" value="67"/>	<input type="text" value="9.8"/> (kts)	<input type="text" value="10.4"/> (kts)
Slow ahead	<input type="text" value="50"/>	<input type="text" value="6.9"/> (kts)	<input type="text" value="7.4"/> (kts)
Dead slow ahead	<input type="text" value="36"/>	<input type="text" value="5.6"/> (kts)	<input type="text" value="6.0"/> (kts)
Dead slow astern	<input type="text" value="36"/>		
Slow astern	<input type="text" value="50"/>		
Half astern	<input type="text" value="67"/>		
Full astern	<input type="text" value="81"/>	<input type="text" value="45 %"/> (% of full ahead power)	

Engine critical rpm Maximum number of consecutive starts

Time full ahead to full astern (sec) Time limit astern (min)

JUMP TO AGENDA

STEERING

Rudders (number) (type) (maximum angle)

Time hard-over to hard-over (sec) Rudder angle for neutral effect (STBD. 0.5)

Propellers (number) Direction of turn Controllable pitch

Thrusters (number) Bow power (kW/HP) Stern power (kW/HP)

Steering idiosyncrasies

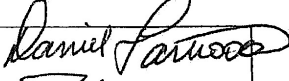
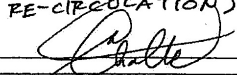
EQUIPMENT CHECKED AND READY FOR USE

Anchors	<input checked="" type="checkbox"/>	Cleared away	<input checked="" type="checkbox"/> (yes/no)
Whistle	<input checked="" type="checkbox"/>		
Flags	<input checked="" type="checkbox"/>		
X-Band radar	<input checked="" type="checkbox"/>	ARPA	<input checked="" type="checkbox"/> (yes/no)
S-Band radar	<input checked="" type="checkbox"/>	ARPA	<input checked="" type="checkbox"/> (yes/no)
Speed log	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> (Water/Ground)	<input checked="" type="checkbox"/> (single axis/dual axis)
Echo sounder	<input checked="" type="checkbox"/>		
Electronic position-fixing	<input checked="" type="checkbox"/>	Type	<input type="text" value="G.P.S = 2 SETS"/>
Compass system	<input checked="" type="checkbox"/>	Gyro compass error	<input type="text" value="NIL"/>
Steering gear	<input checked="" type="checkbox"/>	Number of power units in use	<input type="text" value="1"/>
Rudder/RPM/ROT indicators	<input checked="" type="checkbox"/>	Engine telegraphs	<input checked="" type="checkbox"/>
VHF	<input checked="" type="checkbox"/>		
Mooring winches and lines	<input checked="" type="checkbox"/>		

EQUIPMENT OPERATIONAL DEFECTS

OTHER IMPORTANT DETAILS

ARRIVAL SACRAMENTO, CA., USA
 FITTED WITH EGR
 (EXHAUST GAS RE-CIRCULATION)



 PILOT

Master's name Date

Reference: IMO Resolution A.601(15) Provision and display of manoeuvring information on board ships

JUMP TO AGENDA

Item 11-04: Attachment 4 – BOHOL ISLAND ECDIS screen shots of allision (3 pages)

The screenshot displays an ECDIS interface with a map of the Sacramento River Deep Water Ship Channel. A vessel track is visible, showing a path through the channel. The interface includes several data panels and controls:

- Top Panel:** Shows UTC (2023/09/01 22:46:45), GPSI (38°33.680'N, 121°32.680'W), HDG (286.2°), STW (-0.4kn), COG (066.4°), SOG (0.7kn), UKC (5.1m), and MAN (Steer).
- Message Panel:** Displays a message from EBLVRM(1) at 320.0°(T) S 50.5°(R) with a distance of 115.200NM and a depth of 213351.2m.
- Navigation Record Panel:** Shows details for the selected file, including the replay time (2023/08/23 - 2023/09/02) and start/end times in UTC.
- System Data Table:** A table with columns for No., Time (LOC), LAT, LON, HDG, STW, COG, SOG, UKC, Wind Dir, and Wtr. It contains four rows of data for different time points.
- Bottom Panel:** Includes controls for OwnShip, AIS, Alerts, System, POSN Fix, Orientation, Motion, STAR, VECT, Radar, TT, AIS, Target Filter, Train, DIST, and POSN Offset.

CPA/TCPA alarm is disabled! Please see "ALERTS->Limit" tab.

Sacramento River Deep Water Ship Channel

Barge Canal

Barge C

EBLVRM(1) 320.0°(T) S 50.5°(R)
115.200NM 213351.2m

UTC (R) 2023/09/01 22:47:10 GPST
 POSN (R) 38°33.684'N 121°32.675'W
 HDG (R) 281.1° GYRO1
 STW (R) -0.1kn LOG
 COG (R) 038.2° GPST
 SOG (R) 0.7kn GPST
 UKC (R) 5.0m ECHO

Steer: MAN

Set HDG: R 350.0° Leg: R ***.°
 CRS diff: R * **.*° LIM ***.°
 Rud Ord: R S 1.8° LIM ***.°
 ROT: R * **.*°/min LIM ***.°/min
 XTD: R * **.*°m LIM ***.°m
 To: R *** TWOL ***.°:hms
 Next *** DWOL ***.°:hms

Message
 38°33.819'N 121°32.611'W WGS84
 357.5° 0.126NM ***.°:hms
 (R) ***** Edition 0 Update 0

Navigation Record
 Log File Archive Replay File Up
 Selected File Detail Log Archive
 Detail Log and History
 Replay Time 2023/08/23 - 2023/09/02
 Start (UTC) 2023/09/01 00:00:00
 End (UTC) 2023/09/01 23:30:00

Time 2023/09/01 22:47:10

ALERTS ACK 0 3 0
 [40260] Timeout TTI Timeout

Log Book (Replay)

OwnShip TT AIS Alerts System POSN Fix

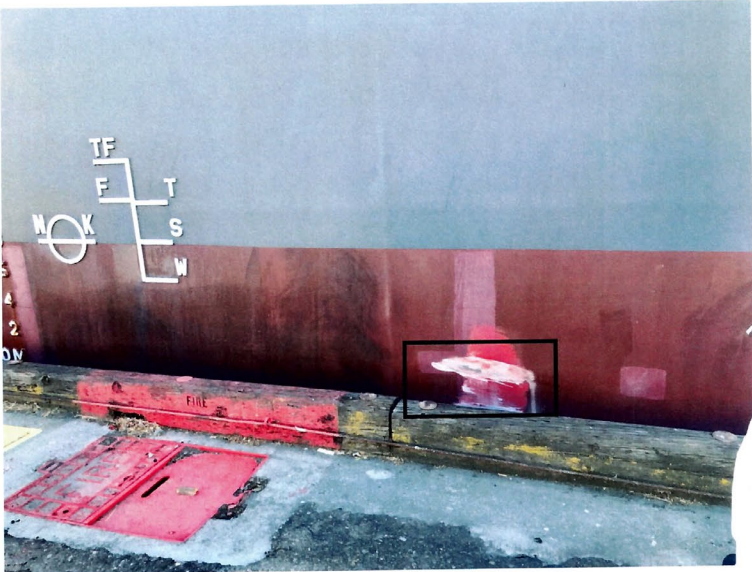
		System Data									
No.	Time (LOC)	LAT	Lon	HDG (°)	STW (kn)	COG (°)	SOG (kn)	UKC (m)	Wind Dir (°)	Wir (tr)	Total DIST
26156	2023/09/01 15:46:40	38°33.680'N	121°32.680'W	285.2	-0.4	66.4	0.7	5.1	200.2		POSN Offset
26160	2023/09/01 15:46:50	38°33.681'N	121°32.678'W	285.0	-0.3	59.2	0.7	5.1	208.9		
26163	2023/09/01 15:47:00	38°33.682'N	121°32.676'W	283.2	0.0	47.6	0.7	5.0	211.2		
26167	2023/09/01 15:47:10	38°33.684'N	121°32.675'W	281.1	-0.1	38.2	0.7	5.0	215.0		
26171	2023/09/01 15:47:20	38°33.686'N	121°32.674'W	278.6	-0.1	30.9	0.6	4.9	209.6		

Orientation Motion STAR VECT Radar TT AIS Target Filter

JUMP TO AGENDA

Item 11-05: Attachment 5 – Photos of damage to hull and possible damage to pier (3 pages)

ATTACHMENT 5







JUMP TO AGENDA

Item 11-06: Attachment 6 – Report from Captain Caballero to his company on allision

ATTACHMENT 6

TOKO-SM-06-01
Revision: 2
Page: 1 of 1
Date: 28 Sep. 1999

TOKO KAIUN KAISHA, LTD.

MEIKAI BLDG., 32 AKASHIMACHI, CHUO-KU, KOBE, 650-0037, JAPAN
TEL: 81-78-331-1511 FAX: 81-78-331-6444 E-mail: shipmanage@tokoline.co.jp

TO: Toko Shipmanage Kobe DATE: 01 Sept 2023
FROM: Master of Bohol Island
SUBJECT: Vessel made contact to berth

Dear Sir's,

Good day!

Regret to inform you that on 01 Sept 2023, while vessel alongside at Sacramento Berth No. 2 vessel made contact to berth corner and sustained dent on starboard side ship's hull. Approximately between frame no. 115-120 due to mis-handling/calculation by pilot during berthing maneuver. At the time of vessel movement astern pilot order tug Mike Brusco to shift to port quarter. Vessel motion continue swinging to starboard due to southerly wind about 20knots towards to berth corner. Pilot order tug Belinda to pull back and Tug Mike Brusco to shift back to starboard bow to push vessel bow to avoid contact to berth but unable to hold back due to strong wind.

Please see attached photo and ECDIS screenshot.

SIGNATURE: Capt. Edward T. Caballero

Toko Kaiun Kaisha, Ltd.

JUMP TO AGENDA

Item 11-07: Attachment 7 – Statement of Facts prepared by Captain Caballero for his company (2 pages)

ATTACHMENT 7

TOKO-SM-08-01
Revision: 2
Page: 1 of 2
Date: 28 Sep. 1999

TOKO KAIUN KAISHA, LTD.
MEIKAI BLDG., 32 AKASHIMACHI, CHUO-KU, KOBE, 650-0037, JAPAN
TEL: 81-78-331-1511 FAX: 81-78-331-6444 E-mail: shipmanage@tokoline.co.jp

TO: Toko Shipmanage Kobe DATE: 01 Sept 2023
FROM: Master of Bohol Island
SUBJECT: Vessel made contact to berth

Port: West Sacramento Berth No. 2
Wind direction/ Speed: S'y / 20 Kts
Current: Slack

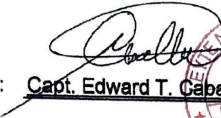

STATEMENT OF FACTS


31 Sept 2023	
2100H	EOSP
01 Sept 2023	
0510H	SF Bar Pilot Onboard
0617H	River Pilot Onboard Capt. Daniel Larwood
0624H	Bar Pilot disembarked
1510H	Tug line made fast starboard bow (Mike Brusco)
1512H	Tug line made fast port bow (Belinda Brusco)
1526H	Arrive at turning Basin
1527H	Start turning to starboard followed by various command
1530H	Tug line cleared starboard bow (Mike Brusco) shift to starboard quarter to push.
1535H	Tug Mike Brusco shift to starboard bow but not secured
1544H	Pilot ordered Mike Brusco to shift at port quarter.
1545H	Pilot ordered Mike Brusco to shift back to Starboard bow
1547H	Vessel made contact to berth corner.
1550H	Tug Mike Brusco made fast at port quarter
1600H	First Line
1614H	All lines made fast
1615H	Tug's line cleared fwd and Aft
1616H	Finished with Engine
1620H	Master and Pilot check for any damage of vessel and berth.

Toko Kaiun Kaisha, Ltd.

JUMP TO AGENDA

TOKO-SM-06-01
Revision: 2
Page: 2 of 2
Date: 28 Sep. 1999

SIGNATURE:  ~~Capt. Edward T. Caballero~~


CAPT. Daniel Farwood pilot


Toko Kaiun Kaisha, Ltd.

Item 11-08: Attachment 8 – Estimate for repairs to dent in BOHOL ISLAND hull (2 pages)

ATTACHMENT 8

ONOMICHI DOCKYARD CO., LTD.

Kobe Head Office
104, Edomachi, Chuo-ku, Kobe, JAPAN
TEL : +81-78-391-3424

ESTIMATE

Date : 28th September, 2023

To : LEYTE NAVIGATION, S.A.
c/o TOKO KAIUN KAISHA, LTD.


Vessel Name : MV"BOHOL ISLAND"

Subject : Repair fee for the damage

Total : ¥646,000

ITEM	DESCRIPTION	PRICE
		Japanese Yen
	<u>Repair for the dented steel plate</u>	
A 1	To be renewed the dented steel plate as follows.	425,000
	Location: Hull shell plate and inside No.3 side ballast tank Fr.No.111-112/Starboard Side	
	Hull shell plate: 14.5m/m x abt.1,000m/m x abt.1,000m/m x 1pc	
	Inner longitudinal plate: 9m/m x abt.500m/m x abt.2,000m/m x 1pc	
	*The above could be the minimum necessary size for repair.	
	Included accessory works as follows:	
	- Crane service,	20,000
	- To be arranged necessary stagings,	35,000
	- To be open/closed the manholes of ballast tank,	15,000
	- Gas free inside ballast tank,	10,000
	- Portable fans inside ballast tank,	18,000
	- Necessary lights inside ballast tank,	18,000
	- To be checked leaking for the welding area,	40,000
	- To be cleaned the repaired area,	50,000
	- To be painted after repair.	15,000
	Note:	
	- Class survey fee to be extra.	
	- Docking fee and/or wharfage to be extra.	
	- Any works not listed above to be extra.	
	- Necessary paint shall be supplied by owner.	

ONOMICHI DOCKYARD CO., LTD.



 T. Zaizen
 Deputy Section Manager
 Sales Division

SHIMAMURA CO., LTD.

MARINE SUPPLIERS
2-18, 4-CHOME, OGAWA-DORI,
HYOGO-KU, KOBE, JAPAN
TEL. (078)681-3452
TELFAX. (078)681-0581

ESTIMATE

To : Messrs. LEYTE NAVIGATION SA

No. 22nd.Sep.2023

Name of Vessel M/V "BOHOL ISLAND"

Date _____

DECK DEPARTMENT

Item	Description	Quantity	Unit Price	Amount
1	CMP SEAFLO NEO Z/Red N2 (Shell Plate Antifouling Paint) 20kg (No Small Can)	1 tin	39,600	39,600
2	CMP CR/ACRI THINNER A (Shell Plate Antifouling Paint) 4	1 can	1,700	1,700
3	CMP BANNOH 1500R Z (Shell Plate Primer Paint) 5kg	1 can	4,600	4,600
4	CMP EPOXY THINNER A (Shell Plate Primer Paint) 4L	1 can	2,000	2,000
5	CMP NOVA 5000 BARRIER/Grey (for Ballast Tank) 3kg	1 can	5,400	5,400
	////////// Last Item //////////			
	Sub Total:			53,300

Cont'd page No. _____

53,300

JUMP TO AGENDA

Item 11-09: Attachment 9 – Photos of damage (with measurements) taken by ship’s crew. (3 pages)

ATTACHMENT 9

TOKO-SM-06-01
Revision: 2
Page: 1 of 3
Date: 28 Sep. 1999

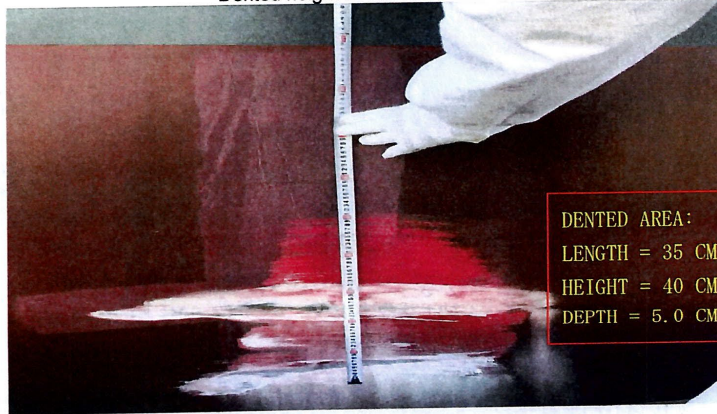
TOKO KAIUN KAISHA, LTD.

MEIKAI BLDG., 32 AKASHIMACHI, CHUO-KU, KOBE, 650-0037, JAPAN
TEL: 81-78-331-1511 FAX: 81-78-331-6444 E-mail: shipmanage@tokoline.co.jp

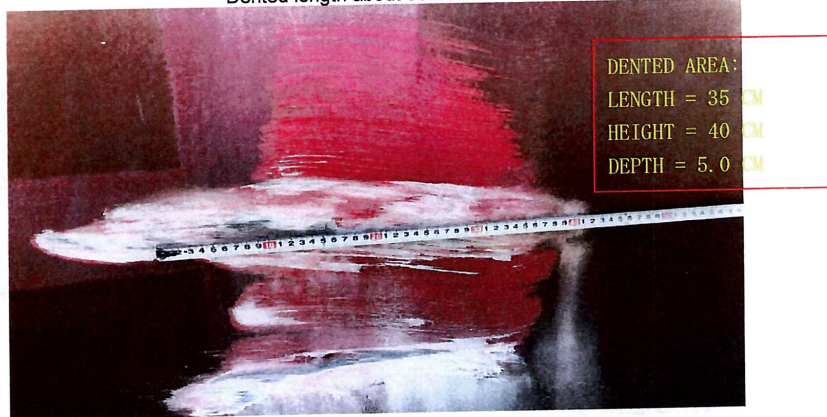
TO: TOKO SHIPMANAGE DATE: 01 September 2023
TO: _____
FM: Master of MV Bohol Island
SUBJECT: Dented Ship’s hull starboard side

Dear Sir,
Good day.

Dented height about 40.0cm



Dented length about 35.0 cm

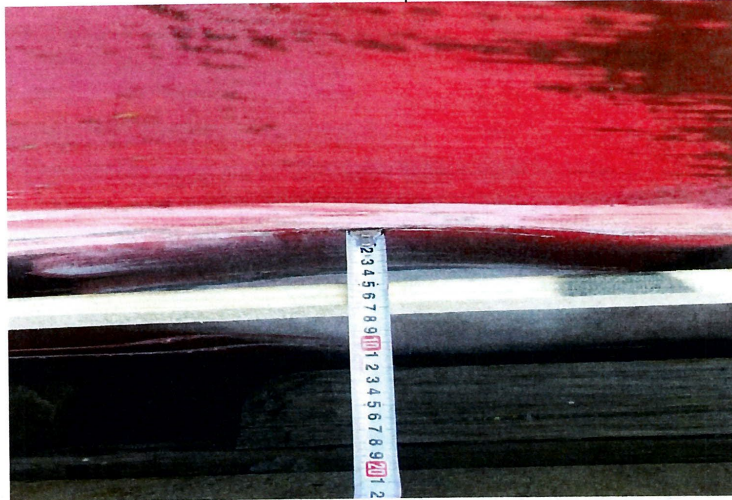


Toko Kaiun Kaisha, Ltd.

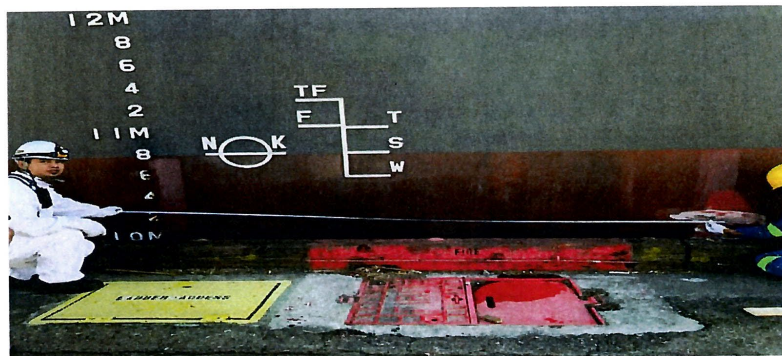
JUMP TO AGENDA

TOKO-SM-06-01
Revision: 2
Page: 2 of 3
Date: 28 Sep. 1999

Dented depth about 5.0 cm



NOTE: UNABLE TO KNOW THE EXTENT OF DAMAGE INSIDE, CREW DON'T HAVE PERMISSION TO WORK AT BERTH. WE WILL CHECK THE CONDITION INSIDE WBT NO. 3 ONCE VESSEL CLEAR AT BERTH DURING UNDERWAY TO JAPAN.



Length from load line mark to dented part about 320.0 cm.

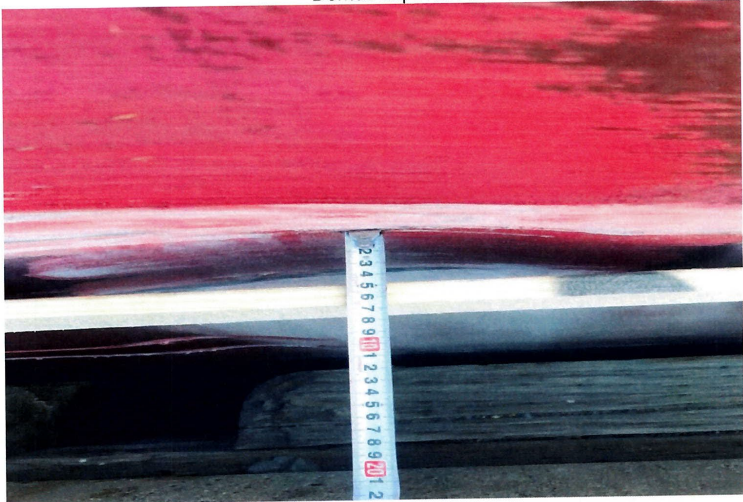
SIGNATURE: Capt. Edward T. Caballero

Toko Kaiun Kaisha, Ltd.

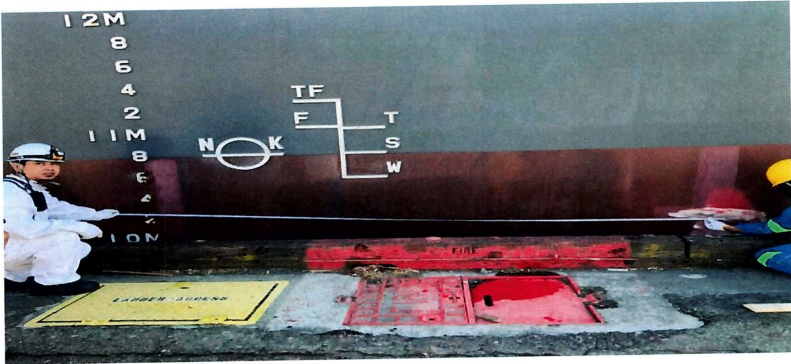
JUMP TO AGENDA

TOKO-SM-06-01
Revision: 2
Page: 2 of 3
Date: 28 Sep. 1999

Dented depth about 5.0 cm



NOTE: UNABLE TO KNOW THE EXTENT OF DAMAGE INSIDE, CREW DON'T HAVE PERMISSION TO WORK AT BERTH. WE WILL CHECK THE CONDITION INSIDE WBT NO. 3 ONCE VESSEL CLEAR AT BERTH DURING UNDERWAY TO JAPAN.



Length from load line mark to dented part about 320.0 cm.

SIGNATURE: Capt. Edward T. Caballero

Toko Kaiun Kaisha, Ltd.

Item 11-10: Attachment 10 – **Email communication with General Steamship agent about damages (5 pages)**

Garfinkle, Allen@BOPC

From: Tony Brower <tony.brower@gensteam.com>
Sent: Wednesday, February 21, 2024 6:41 AM
To: Garfinkle, Allen@BOPC
Cc: Evan Jones
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023
Attachments: ESTIMATE Chugoku Marine Paint (Bolol Island).pdf; ESTIMATE Onomichi Dockyard Repair Work (Bolol Island).pdf

EXTERNAL EMAIL. Links/attachments may not be safe.

Good Day Allen,

Please find below msg received from Toko Line. Please advise if Pilots can accept invoice for repair costs, est. \$3,188.00 per attached vendor quotes (conversion calculation below).

/////
TO: GENERAL STEAMSHIP CORPORATION, LTD.
FM: TOKO KAIUN KAISHA, LTD./ PACIFIC TRAMP TEAM
FEB. 21ST , 2024

Dear Tony san,

Good day.

Regarding to the subject, please be noted we are considering drydocking the vessel and repair the dent part as early as this year.
Please kindly advise if there is any comment from Pilot Commissioners such as the burden of the cost.

Looking forward to hearing from you.

Thank you and best regards.

Y.Sugioka

//////

Est. costs:

Shimamura paints jpy 53,300 / est.usd \$ 356
Onomichi Dockyard jpy 425,000 / est.usd \$2,832

Total: jpy 478,300 / est. usd \$3,188

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Sent: Thursday, September 28, 2023 09:24
To: Tony Brower <tony.brower@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

Good day Tony,

Received.

Thank you.

Respectfully,

Allen G.

From: Tony Brower <tony.brower@gensteam.com>
Sent: Thursday, September 28, 2023 9:02 AM
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

EXTERNAL EMAIL. Links/attachments may not be safe.

Good Day Allen,

Toko Line advises quote for repairing vessel damage:

JUMP TO AGENDA

///

Good day.

Please kindly note that cost estimation of fixing the dent part in next dry-dock (basically her next period/regular dry-dock schedule is end of 2024) with Japanese dry(repair)-dock is about JPY700,000 / USD 4,500-5,000 (current ex. rate basis) as attached.

Best Regards.,

Toko Pacific Tramp Team

///

Thanks / Best Regards,

Tony Brower

Vessel Operations

Stockton - Sacramento Office

General Steamship Corporation Ltd.

(As Agents Only)



777 N. Pershing Avenue, Suite 2-C

Stockton, CA 95203

24 hour Office: +1 (209) 942-2960

24 hour Mobile: +1 (209) 986-4171

General E-mail: stkops@gensteam.com

From: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>

Sent: Thursday, September 21, 2023 1:35 PM

To: Tony Brower <tony.brower@gensteam.com>

Cc: Gensteam Stockton Operations <stkops@gensteam.com>

Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

Thank you!

Sorry for the last email. I had not seen these documents when I (hastily) replied.

Respectfully,

Allen G.

Allen Garfinkle

Executive Director

Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun

660 Davis Street, San Francisco, California 94111

allen.garfinkle@bopc.ca.gov

JUMP TO AGENDA

Phone: 415-397-2253
Fax: 415-397-9463

From: Tony Brower <tony.brower@gensteam.com>
Sent: Thursday, September 21, 2023 8:23 AM
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

EXTERNAL EMAIL. Links/attachments may not be safe.

Good Day Alan,

Please find ship reports attached.

Owners Toko Line advise, "checking cost estimation of fixing the dent part in next dry-dock (basically her next period/regular dry-dock schedule is end of 2024) with Japanese dry(repair)-dock, will revert it once available."

Port of West Sacramento (marine terminal operator SSA Marine) advised verbal confirmation on 01-Sep of no damage to dock. We have now requested a brief written confirmation, for reference.

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Tony Brower <tony.brower@gensteam.com>
Sent: Wednesday, September 20, 2023 12:36 PM
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND

Good day Alan,

Thanks for call and email.

4

Checking requested items, reverting soonest.

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Sent: Wednesday, September 20, 2023 12:31 PM
To: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: MV BOHOL ISLAND

Good day Tony,

I am the Executive Director at the Board of Pilot Commissioners, and I am charged with investigating all events where a pilot may have been involved in damage.

I am following up on a phone conversation we had on September 1, 2023 concerning the MV BOHOL ISLAND making unintended contact with Berth #2 in Sacramento on the same day. At the time, no one appeared to be aware of any damage to the terminal or the berth, but perhaps there was a dent in the ship as a result. I am wondering if you have or can obtain a statement from the ship's master regarding the unintended contact, how it occurred and was there any damage (if so, monetary value)? Also, was there any follow up from the Port of Sacramento?

Thank you.

Respectfully,

Allen G.

Allen Garfinkle
Executive Director
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
660 Davis Street, San Francisco, California 94111
allen.garfinkle@bopc.ca.gov
Phone: 415-397-2253
Fax: 415-397-9463

Item 11-11: Attachment 11 – Email communication with General Steamship agent about increase in damages (6 pages)

ATTACHMENT 11

Garfinkle, Allen@BOPC

From: Tony Brower <tony.brower@gensteam.com>
Sent: Wednesday, February 21, 2024 10:21 AM
To: Garfinkle, Allen@BOPC
Cc: Gensteam Stockton Operations
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

EXTERNAL EMAIL. Links/attachments may not be safe.

Hello Allen,

Correction to calculation:

Shimamura paints jpy 53,300 / est.usd \$ 356
Onomichi Dockyard jpy 646,000 / est.usd \$4,305

Total: jpy 699,300 / est. usd \$4,661 (150 jpy = 1 usd)

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Tony Brower
Sent: Wednesday, February 21, 2024 06:41
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Evan Jones <evan.jones@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

Good Day Allen,

Please find below msge received from Toko Line. Please advise if Pilots can accept invoice for repair costs, est. \$3,188.00 per attached vendor quotes (conversion calculation below).

JUMP TO AGENDA

////

TO: GENERAL STEAMSHIP CORPORATION, LTD.
FM: TOKO KAIUN KAISHA, LTD./ PACIFIC TRAMP TEAM
FEB. 21ST , 2024

Dear Tony san,

Good day.

Regarding to the subject, please be noted we are considering drydocking the vessel and repair the dent part as early as this year.
Please kindly advise if there is any comment from Pilot Commissioners such as the burden of the cost.

Looking forward to hearing from you.

Thank you and best regards.

Y.Sugioka

////

Est. costs:

Shimamura paints	ipy 53,300 / est.usd \$ 356
Onomichi Dockyard	ipy 425,000 / est.usd \$2,832

Total:	ipy 478,300 / est. usd \$3,188

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



JUMP TO AGENDA

777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Sent: Thursday, September 28, 2023 09:24
To: Tony Brower <tony.brower@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

Good day Tony,

Received.

Thank you.

Respectfully,

Allen G.

From: Tony Brower <tony.brower@gensteam.com>
Sent: Thursday, September 28, 2023 9:02 AM
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

EXTERNAL EMAIL. Links/attachments may not be safe.

Good Day Allen,

Toko Line advises quote for repairing vessel damage:

///

Good day.

Please kindly note that cost estimation of fixing the dent part in next dry-dock (basically her next period/regular dry-dock schedule is end of 2024) with Japanese dry(repair)-dock is about JPY700,000 / USD 4,500-5,000 (current ex. rate basis) as attached.

Best Regards.,
Toko Pacific Tramp Team

///

Thanks / Best Regards,
Tony Brower

3

JUMP TO AGENDA

Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Sent: Thursday, September 21, 2023 1:35 PM
To: Tony Brower <tony.brower@gensteam.com>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

Thank you!

Sorry for the last email. I had not seen these documents when I (hastily) replied.

Respectfully,

Allen G.

Allen Garfinkle
Executive Director
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
660 Davis Street, San Francisco, California 94111
allen.garfinkle@bopc.ca.gov
Phone: 415-397-2253
Fax: 415-397-9463

From: Tony Brower <tony.brower@gensteam.com>
Sent: Thursday, September 21, 2023 8:23 AM
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND / DOCK ACCIDENT / PORT OF SACRAMENTO / 01-SEP-2023

EXTERNAL EMAIL. Links/attachments may not be safe.

Good Day Alan,

Please find ship reports attached.

JUMP TO AGENDA

Owners Toko Line advise, "checking cost estimation of fixing the dent part in next dry-dock (basically her next period/regular dry-dock schedule is end of 2024) with Japanese dry(repair)-dock, will revert it once available."

Port of West Sacramento (marine terminal operator SSA Marine) advised verbal confirmation on 01-Sep of no damage to dock. We have now requested a brief written confirmation, for reference.

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Tony Brower <tony.brower@gensteam.com>
Sent: Wednesday, September 20, 2023 12:36 PM
To: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Cc: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: RE: MV BOHOL ISLAND

Good day Alan,

Thanks for call and email.

Checking requested items, reverting soonest.

Thanks / Best Regards,
Tony Brower
Vessel Operations
Stockton - Sacramento Office
General Steamship Corporation Ltd.
(As Agents Only)



JUMP TO AGENDA

777 N. Pershing Avenue, Suite 2-C
Stockton, CA 95203
24 hour Office: +1 (209) 942-2960
24 hour Mobile: +1 (209) 986-4171
General E-mail: stkops@gensteam.com

From: Garfinkle, Allen@BOPC <Allen.Garfinkle@bopc.ca.gov>
Sent: Wednesday, September 20, 2023 12:31 PM
To: Gensteam Stockton Operations <stkops@gensteam.com>
Subject: MV BOHOL ISLAND

Good day Tony,

I am the Executive Director at the Board of Pilot Commissioners, and I am charged with investigating all events where a pilot may have been involved in damage.

I am following up on a phone conversation we had on September 1, 2023 concerning the MV BOHOL ISLAND making unintended contact with Berth #2 in Sacramento on the same day. At the time, no one appeared to be aware of any damage to the terminal or the berth, but perhaps there was a dent in the ship as a result. I am wondering if you have or can obtain a statement from the ship's master regarding the unintended contact, how it occurred and was there any damage (if so, monetary value)? Also, was there any follow up from the Port of Sacramento?

Thank you.

Respectfully,

Allen G.

Allen Garfinkle
Executive Director
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
660 Davis Street, San Francisco, California 94111
allen.garfinkle@bopc.ca.gov
Phone: 415-397-2253
Fax: 415-397-9463

Item 11-12: Attachment 12 – Statement by pilot, Captain Larwood (CONFIDENTIAL)

CONFIDENTIAL

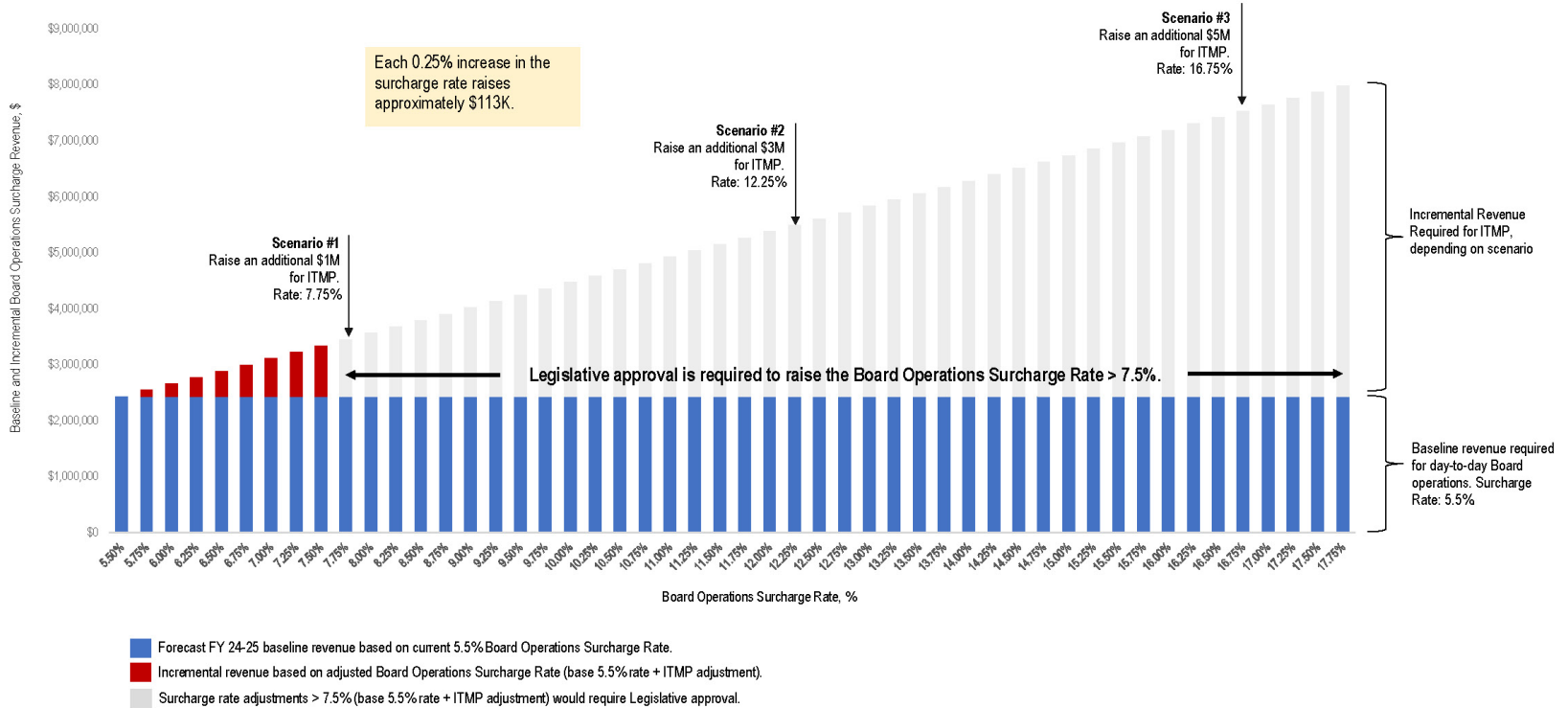
Agenda Item 13: Finance Committee

Item 13-01: Information Technology Modernization Project (ITMP) Funding/Surcharge Scenarios

Information Technology Modernization Project (ITMP): Funding/Surcharge Scenarios

Baseline Board Operations Surcharge Rate: 5.5% (Effective July 1, 2024)
 Actual FY 23-24 Board Operations Surcharge Revenue: \$2,869,526
 Forecast FY 24-25 Board Operations Surcharge Revenue: \$2,492,725 (Adjusted to reflect July 1, 2024 surcharge rate change.)
 Model assumes a 12-month collection period.

**Information Technology Modernization Project (ITMP):
 Funding/Surcharge Scenarios for FY 24-25**



JUMP TO AGENDA

Information Technology Modernization Project (ITMP): Funding/Surcharge Scenarios

Baseline Board Operations Surcharge Rate: 5.5% (Effective July 1, 2024)
 Actual FY 23-24 Board Operations Surcharge Revenue: \$2,889,528
 Forecast FY 24-25 Board Operations Surcharge Revenue: \$2,492,725 (Adjusted to reflect July 1, 2024's surcharge rate change)
 Model assumes a 12-month collection period.

Index	Forecast FY 24-25 Baseline Revenue (5.5% Surcharge Rate)	Surcharge Rate	Variance to Base Surcharge Rate (Rate Adjustment Req'd to Achieve Funding Goal)	Surcharge Rate Percentage Rate Change, %	Forecast Board Ops Revenue, \$	Variance to Baseline Revenue, \$ (Incremental to Baseline)
1	\$2,492,725	5.50%	0.00%	0.00%	\$2,492,725	\$0
2	\$2,492,725	5.75%	0.25%	4.55%	\$2,606,030	\$113,306
3	\$2,492,725	6.00%	0.50%	9.09%	\$2,719,336	\$226,611
4	\$2,492,725	6.25%	0.75%	13.64%	\$2,832,642	\$339,917
5	\$2,492,725	6.50%	1.00%	18.18%	\$2,945,947	\$453,223
6	\$2,492,725	6.75%	1.25%	22.73%	\$3,059,253	\$566,528
7	\$2,492,725	7.00%	1.50%	27.27%	\$3,172,559	\$679,834
8	\$2,492,725	7.25%	1.75%	31.82%	\$3,285,864	\$793,140
9	\$2,492,725	7.50%	2.00%	36.36%	\$3,399,170	\$906,445
10	\$2,492,725	7.75%	2.25%	40.91%	\$3,512,476	\$1,019,751
11	\$2,492,725	8.00%	2.50%	45.45%	\$3,625,781	\$1,133,057
12	\$2,492,725	8.25%	2.75%	50.00%	\$3,739,087	\$1,246,362
13	\$2,492,725	8.50%	3.00%	54.55%	\$3,852,393	\$1,359,668
14	\$2,492,725	8.75%	3.25%	59.09%	\$3,965,698	\$1,472,974
15	\$2,492,725	9.00%	3.50%	63.64%	\$4,079,004	\$1,586,279
16	\$2,492,725	9.25%	3.75%	68.18%	\$4,192,310	\$1,699,585
17	\$2,492,725	9.50%	4.00%	72.73%	\$4,305,615	\$1,812,891
18	\$2,492,725	9.75%	4.25%	77.27%	\$4,418,921	\$1,926,196
19	\$2,492,725	10.00%	4.50%	81.82%	\$4,532,227	\$2,039,502
20	\$2,492,725	10.25%	4.75%	86.36%	\$4,645,532	\$2,152,808
21	\$2,492,725	10.50%	5.00%	90.91%	\$4,758,838	\$2,266,113
22	\$2,492,725	10.75%	5.25%	95.45%	\$4,872,144	\$2,379,419
23	\$2,492,725	11.00%	5.50%	100.00%	\$4,985,449	\$2,492,725
24	\$2,492,725	11.25%	5.75%	104.55%	\$5,098,755	\$2,606,030
25	\$2,492,725	11.50%	6.00%	109.09%	\$5,212,061	\$2,719,336
26	\$2,492,725	11.75%	6.25%	113.64%	\$5,325,366	\$2,832,642
27	\$2,492,725	12.00%	6.50%	118.18%	\$5,438,672	\$2,945,947
28	\$2,492,725	12.25%	6.75%	122.73%	\$5,551,978	\$3,059,253
29	\$2,492,725	12.50%	7.00%	127.27%	\$5,665,283	\$3,172,559
30	\$2,492,725	12.75%	7.25%	131.82%	\$5,778,589	\$3,285,864
31	\$2,492,725	13.00%	7.50%	136.36%	\$5,891,895	\$3,399,170
32	\$2,492,725	13.25%	7.75%	140.91%	\$6,005,200	\$3,512,476
33	\$2,492,725	13.50%	8.00%	145.45%	\$6,118,506	\$3,625,781
34	\$2,492,725	13.75%	8.25%	150.00%	\$6,231,812	\$3,739,087
35	\$2,492,725	14.00%	8.50%	154.55%	\$6,345,117	\$3,852,393
36	\$2,492,725	14.25%	8.75%	159.09%	\$6,458,423	\$3,965,698
37	\$2,492,725	14.50%	9.00%	163.64%	\$6,571,729	\$4,079,004
38	\$2,492,725	14.75%	9.25%	168.18%	\$6,685,034	\$4,192,310
39	\$2,492,725	15.00%	9.50%	172.73%	\$6,798,340	\$4,305,615
40	\$2,492,725	15.25%	9.75%	177.27%	\$6,911,646	\$4,418,921
41	\$2,492,725	15.50%	10.00%	181.82%	\$7,024,951	\$4,532,227
42	\$2,492,725	15.75%	10.25%	186.36%	\$7,138,257	\$4,645,532
43	\$2,492,725	16.00%	10.50%	190.91%	\$7,251,563	\$4,758,838
44	\$2,492,725	16.25%	10.75%	195.45%	\$7,364,868	\$4,872,144
45	\$2,492,725	16.50%	11.00%	200.00%	\$7,478,174	\$4,985,449
46	\$2,492,725	16.75%	11.25%	204.55%	\$7,591,480	\$5,098,755
47	\$2,492,725	17.00%	11.50%	209.09%	\$7,704,785	\$5,212,061
48	\$2,492,725	17.25%	11.75%	213.64%	\$7,818,091	\$5,325,366
49	\$2,492,725	17.50%	12.00%	218.18%	\$7,931,397	\$5,438,672
50	\$2,492,725	17.75%	12.25%	222.73%	\$8,044,702	\$5,551,978

Legislative Approval Req'd > 7.0%
Scenario #1: Raise an additional \$1M for ITMP
 Board Operations Surcharge Rate: 7.75%
 Incremental Revenue: \$1,019,751
 Total Revenue: \$3,512,476

Scenario #2: Raise an additional \$3M for ITMP
 Board Operations Surcharge Rate: 12.25%
 Incremental Revenue: \$3,059,253
 Total Revenue: \$5,551,978

Scenario #3: Raise an additional \$5M for ITMP
 Board Operations Surcharge Rate: 16.75%
 Incremental Revenue: \$5,098,755
 Total Revenue: \$7,591,480

Notes & Assumptions:
 1. Model assumes FY 24-25 drafts, moves, and tonnage is flat to FY 23-24.
 2. Actual FY 23-24 revenue does not include interest, escheats, and other administrative adjustments.
 3. Surcharge Rates effective July 1, 2024 used as baseline surcharge rates; Board Operations Surcharge Rate adjusted from 6.5% to 5.5%.
 4. Adjusted Actual FY 22-23 revenue used as baseline to calculate forecast FY 24-25. Revenue adjusted based on surcharge rate changes effective on 7/1/2024.

Item 13-02: FY 24-25 Budget Galley

TRANSPORTATION

2024-25 STATE BUDGET — TRN 1

2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun is the oversight body that licenses and regulates the maritime pilots who navigate certain large vessels entering or leaving those bays, Monterey Bay, and on tributaries to Sacramento and Stockton.

The Board's responsibilities include training and licensing maritime pilots, establishing standards for pilot fitness, incident investigation, approval of pilot boat acquisitions and improvements, oversight of the San Francisco Bar Pilot Pension Plan, and approving pilotage rates set by an administrative law judge via a hearing process. The seven members of the Board are appointed by the Governor with the consent of the Senate, and the Secretary of the Transportation Agency is an ex-officio member. The Board was established in California's first Legislative Session, and has been in continuous existence since 1850.

All of the operational and program expenses of the Board are funded by various surcharges set by the Board, and are paid by the shipping companies that utilize services of Board-licensed maritime pilots. The Board Operations Surcharge funds the cost of Board operations and is set as a percentage of pilotage fees. Two separate surcharges are based upon ship movements and fund a continuing education program for pilots, and a pilot trainee training program. Two separate surcharges are based on the tonnage of the vessel that arrives or leaves the San Francisco Bay and fund pilot boat acquisitions and improvements, and the San Francisco Bar Pilot Pension Plan.

3-YEAR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
2030	Board of Pilot Commissioners	2.9	5.0	5.0	\$2,641	\$9,458	\$8,778
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		2.9	5.0	5.0	\$2,641	\$9,458	\$8,778
FUNDING					2022-23*	2023-24*	2024-25*
0290	Board of Pilot Commissioners Special Fund				\$2,641	\$4,458	\$3,778
3439	Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund				-	5,000	5,000
TOTALS, EXPENDITURES, ALL FUNDS					\$2,641	\$9,458	\$8,778

LEGAL CITATIONS AND AUTHORITY

Harbors and Navigation Code, Section 1150 et seq.

DETAILED BUDGET ADJUSTMENTS

	2023-24*			2024-25*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Board of Pilot Commissioners' Business Modernization	\$-	\$-	-	\$-	\$139	-
Totals, Workload Budget Change Proposals	\$-	\$-	-	\$-	\$139	-
Other Workload Budget Adjustments						
• Pilot Boat Program Expenditure Update	-	-	-	-	-	-
• Other Post-Employment Benefit Adjustments	-	-2	-	-	-3	-
• Salary Adjustments	-	25	-	-	29	-
• Benefit Adjustments	-	10	-	-	11	-
Totals, Other Workload Budget Adjustments	\$-	\$33	-	\$-	\$37	-
Totals, Workload Budget Adjustments	\$-	\$33	-	\$-	\$176	-
Totals, Budget Adjustments	\$-	\$33	-	\$-	\$176	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

JUMP TO AGENDA

2024-25 STATE BUDGET — TRN 2

TRANSPORTATION

2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun - Continued

DETAILED EXPENDITURES BY PROGRAM

		2022-23*	2023-24*	2024-25*
	PROGRAM REQUIREMENTS			
2030	BOARD OF PILOT COMMISSIONERS			
	State Operations:			
0290	Board of Pilot Commissioners Special Fund	\$2,641	\$4,458	\$3,778
3439	Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund	-	5,000	5,000
	Totals, State Operations	\$2,641	\$9,458	\$8,778
	SUBPROGRAM REQUIREMENTS			
2030010	Support			
	State Operations:			
0290	Board of Pilot Commissioners Special Fund	\$1,509	\$3,033	\$2,353
	Totals, State Operations	\$1,509	\$3,033	\$2,353
	SUBPROGRAM REQUIREMENTS			
2030019	Training			
	State Operations:			
0290	Board of Pilot Commissioners Special Fund	\$1,132	\$1,425	\$1,425
	Totals, State Operations	\$1,132	\$1,425	\$1,425
	SUBPROGRAM REQUIREMENTS			
2030026	Pilot Boats			
	State Operations:			
3439	Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund	-	5,000	5,000
	Totals, State Operations	\$-	\$5,000	\$5,000
	TOTALS, EXPENDITURES			
	State Operations	2,641	9,458	8,778
	Totals, Expenditures	\$2,641	\$9,458	\$8,778

EXPENDITURES BY CATEGORY

	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
1 State Operations						
PERSONAL SERVICES						
Baseline Positions	4.0	5.0	5.0	\$646	\$846	\$846
Other Adjustments	-1.1	-	-	-204	25	29
Net Totals, Salaries and Wages	2.9	5.0	5.0	\$442	\$871	\$875
Staff Benefits	-	-	-	199	336	336
Totals, Personal Services	2.9	5.0	5.0	\$641	\$1,207	\$1,211
OPERATING EXPENSES AND EQUIPMENT				\$1,458	\$2,733	\$2,049
SPECIAL ITEMS OF EXPENSES				542	5,518	5,518
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$2,641	\$9,458	\$8,778

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

	2022-23*	2023-24*	2024-25*
1 STATE OPERATIONS			
0290 Board of Pilot Commissioners Special Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$141	\$4,425	\$3,778
Allocation for Other Post-Employment Benefits	-	-2	-
Allocation for Staff Benefits	-	10	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

JUMP TO AGENDA

TRANSPORTATION

2024-25 STATE BUDGET — TRN 3

2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun - Continued

	2022-23*	2023-24*	2024-25*
1 STATE OPERATIONS			
Allocations for Employee Compensation	-	25	-
Harbors and Navigation Code section 1159.1	2,500	5,000	-
Pilot Boat Program Expenditure Update	-	-5,000	-
Totals Available	\$2,641	\$4,458	\$3,778
TOTALS, EXPENDITURES	\$2,641	\$4,458	\$3,778
3439 Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund			
APPROPRIATIONS			
Harbors and Navigation Code 1159.1 (b)	-	-	\$5,000
Prior Year Balances Available:			
Harbors and Navigation Code 1159.1 (b)	-	5,000	-
TOTALS, EXPENDITURES	-	\$5,000	\$5,000
Total Expenditures, All Funds, (State Operations)	\$2,641	\$9,458	\$8,778

FUND CONDITION STATEMENTS

	2022-23*	2023-24*	2024-25*
<u>0290 Board of Pilot Commissioners Special Fund⁵</u>			
BEGINNING BALANCE	\$3,757	\$9,693	\$11,249
Prior Year Adjustments	60	-	-
Adjusted Beginning Balance	\$3,817	\$9,693	\$11,249
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129200 Other Regulatory Fees	-	25	-25
4163000 Investment Income - Surplus Money Investments	113	25	25
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	43	-	-
4172500 Miscellaneous Revenue	8,530	13,790	8,820
Transfers and Other Adjustments			
Revenue Transfer from the Board of Pilot Commissioners' Special Fund (0290) to the Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund (3439) pursuant to Chapter 769, Statute of 2022 (AB 2056).	-	-7,619	-
Total Revenues, Transfers, and Other Adjustments	\$8,686	\$6,221	\$8,820
Total Resources	\$12,503	\$15,914	\$20,069
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun (State Operations)	2,641	4,458	3,778
9892 Supplemental Pension Payments (State Operations)	20	20	14
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	149	187	82
Total Expenditures and Expenditure Adjustments	\$2,810	\$4,665	\$3,874
FUND BALANCE	\$9,693	\$11,249	\$16,195
Reserve for economic uncertainties	9,693	11,249	16,195
<u>3439 Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund⁵</u>			
BEGINNING BALANCE	-	-	2,619
Adjusted Beginning Balance	-	-	\$2,619
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172500 Miscellaneous Revenue	-	-	5,000
Transfers and Other Adjustments			
Revenue Transfer from the Board of Pilot Commissioners' Special Fund (0290) to the Pilot Boat Surcharge Account, Board of Pilot Commissioners' Special Fund (3439) pursuant to Chapter 769, Statute of 2022 (AB 2056).	-	7,619	-
Total Revenues, Transfers, and Other Adjustments	-	\$7,619	\$5,000
Total Resources	-	\$7,619	\$7,619

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

JUMP TO AGENDA

2024-25 STATE BUDGET — TRN 4

TRANSPORTATION

2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun - Continued

	2022-23*	2023-24*	2024-25*
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun (State Operations)	-	5,000	5,000
Total Expenditures and Expenditure Adjustments	-	\$5,000	\$5,000
FUND BALANCE	-	\$2,619	\$2,619
Reserve for economic uncertainties	-	2,619	2,619

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
Baseline Positions	4.0	5.0	5.0	\$646	\$846	\$846
Salary and Other Adjustments	-1.1	-	-	-204	25	29
Totals, Adjustments	-1.1	-	-	\$-204	\$25	\$29
TOTALS, SALARIES AND WAGES	2.9	5.0	5.0	\$442	\$871	\$875

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

JUMP TO AGENDA

TRANSPORTATION

2024-25 STATE BUDGET — TRN 5

**2670 Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and
Budget Components**

Data Component	Upload Status
Mission Statement	11/09/2023 12:08 PM by fikmcclo
Legal Citations and Authorities	11/09/2023 12:08 PM by fikmcclo
Major Program Changes	Not loaded
Budget-Balancing Reductions	Not loaded
Program Objectives Statement	Not loaded
3-YR Expenditures and Positions (Char 5)	06/25/2024 01:07 PM by DES
Detailed Budget Adjustments	06/25/2024 01:07 PM by DES
Program Budget Detail	06/25/2024 01:07 PM by DES
Expenditures by Category	06/25/2024 01:07 PM by DES
Changes In Authorized Positions	06/25/2024 01:07 PM by DES
Appropriations - Support	06/25/2024 01:07 PM by DES
Fund Condition	06/25/2024 01:07 PM by DES
Infrastructure Overview	Not loaded
Major Project Changes	Not loaded
Summary of Projects (Char 3)	Not loaded
Appropriations - Capital Outlay	Not loaded
3-Yr End Notes	Not loaded

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

Item 13-03: FY 23-24 Fund Condition Statement for June 30, 2024, and Budget Analysis

BOARD OF PILOT COMMISSIONERS
Fund Condition Statement
Fiscal Year 2023-24
For Fiscal Period 12 - June 30, 2024

FUND CONDITION STATEMENT					
	Board Operations (Fund 0290) 2030010	Trainee Training (Fund 0290) 2030019291	Continuing Education (Fund 0290) 2030019292	Pilot Boat Program (Fund 0290 & 3439) 2030026	Total
Beginning Fund Balance 7/1/2023	2,206,547	1,714,572	621,269	2,652,111	7,194,499
Prior Year Revenue Adjustments					0
Prior Year Expenditure Adjustments ^{/1}	-42,996	-64,894	0	0	-107,890
Adjusted Beginning Fund Balance	2,163,551	1,649,678	621,269	2,652,111	7,086,609
Actual Revenues to Date	2,987,781	444,371	405,003	7,201,691	11,038,846
Actual Expenditures to Date	-1,364,013	-369,281	-213,500	0	-1,946,794
Direct Fund Transfers Out ^{/2}	-68,972	0	0	0	-68,972
Total Revenues	1,554,796	75,090	191,503	7,201,691	9,023,080
Ending Fund Balance 6/30/2024	3,718,347	1,724,768	812,772	9,853,802	16,109,690
Future Revenue Projection	0	0	0	0	0
Future Expenditure Projection	0	0	0	0	0
Actual Encumbrances to Date	-1,167,512	-135,791	-189,990	0	-1,493,293
Projected Fund Balance 6/30/2024	2,550,835	1,588,977	622,782	9,853,802	14,616,397

BUDGET AUTHORITY STATEMENT					
	Board Operations 2030010	Trainee Training 2030019291	Continuing Education 2030019292	Pilot Boat Program 2030026	Total
Budget Authority	3,033,000	1,017,620	407,380	5,000,000	9,458,000
Actual Expenditures to Date	-1,364,013	-369,281	-213,500	0	-1,946,794
Encumbrances to Date	-1,167,512	-135,791	-189,990	0	-1,493,293
Estimated Future Expenditures	0	0	0	0	0
Total Projected Expenditures	-2,531,525	-505,072	-403,490	0	-3,440,087
Savings/Deficit	501,475	512,548	3,890	5,000,000	6,017,913

^{/1} Prior Year encumbrance reductions

^{/2} Charge for Pro Rata

NOTE: Non-material typographical changes made for clarity.

NOTE: Following the September 11, 2024, meeting of the Finance Committee, the CHP Finance team corrected the Fund Condition Statement for Fiscal Year 2023-24, updating the “Actual Expenditures to Date” value for the Pilot Boat Program. The revised amount is \$1,461,814. Consequently, the net fund balance as of June 30, 2024, is \$8,402,333.

JUMP TO AGENDA

BOARD OF PILOT COMMISSIONERS
 Summary
 Fiscal Year 2023-24
 For FISCAL Period 12

Comparison of Budget Authority with Forecasted Expenditures									
Support - Fund 0290 - 2030010									
	FY 22/23	FY 23/24							
Category	Expenditures	YTD Expenditures	YTD Encumbrance	YTD Totals	Budget Act	Budget Act Adjustments	Adjusted Budget Act Totals	Previous Projected Expenditures	
01. Salaries	426,767	480,537		480,537	480,000	25,000	505,000		
02. Board Fee	21,600	19,200		19,200	22,000	-	22,000		
05. OASDI	18,264	26,670		26,670	28,000	-	28,000		
06. Hlth/Dtal/Vsion	6,485	11,557		11,557	12,000	-	15,000		
07. Retirement	115,275	165,788		165,788	182,100	-	179,100		
08. Workers Comp	1,840	1,017		1,017	3,000	-	3,000		
09. Medicare	6,082	6,809		6,809	8,000	-	8,000		
10. Other Benefits	31,311	40,253		40,253	35,000	8,000	73,000		
11. General Exp	1,189	3,360	6,027	9,387	1,500	-	1,500		
12. Printing	8,005	4,172	1,530	5,703	8,500	-	8,500		
13. Communications	4,591	4,109		4,109	5,000	-	4,500		
14. Postage	597	569	182	751	1,000	-	1,000		
15. Insurance	6	9		9	300	-	300		
16. Travel In	-	182		182	5,500	-	500		
17. Travel Out	-	-		-	-	-	-		
18. Training	3,560	119		119	4,001	-	500		
19. Facilities	284,750	293,723	0	293,723	363,000	-	363,000		
20. Attorney General (DOJ)	86,268	103,598		103,598	118,000	-	103,000		
21. Consulting	441,418	133,843	980,128	1,113,971	1,500,000	-	1,481,001		
22. Data Ctrs	3,411	19,615		19,615	19,000	-	23,000		
23. Info Tech	38,487	48,882	117,658	166,540	188,000	-	188,000		
25. Equipment	9,352		60,593	60,593	10,000	-	23,000		
27. Other Items of Expense	0	0	1,394	1,394	6,099	-	2,099		
Support Total	1,509,258	1,364,013	1,167,512	2,531,525	3,000,000	33,000	3,083,000		-

Trainee Training - Fund 0290 - 2030019 - 291									
	FY 22/23	FY 23/24							
Category	Expenditures	YTD Expenditures	YTD Encumbrance	YTD Totals	Budget Act	Budget Act Adjustments	Adjusted Budget Act Totals	Previous Projected Expenditures	
08. Workers Comp	17,764	12,592		12,592	17,763		17,763		
20. Attorney General (DOJ)	58,080	29,049		29,049	30,000		30,000		
21. Consulting	106,267	5,636	135,791	141,427	477,857		477,857		
26. Other (Stipend)	542,511	322,004		322,004	492,000		492,000		
Trainee Training Total	724,622	369,281	135,791	505,072	1,017,620	-	1,017,620		-

Pilot Cont Ed - Fund 0290 - 2030019 - 292									
	FY 22/23	FY 23/24							
Category	Expenditures	YTD Expenditures	YTD Encumbrance	YTD Totals	Budget Act	Budget Act Adjustments	Adjusted Budget Act Totals	Previous Projected Expenditures	
16. Travel In	-			-			-		
17. Travel Out	-		50,790	50,790	51,000		51,000		
18. Training	256,000			-			-		
21. Consulting	151,380	213,500	139,200	352,700	356,380		356,380		
Trainee Training Total	407,380	213,500	189,990	403,490	407,380	-	407,380		-

Pilot Boats - Fund 3439 - 2030026									
	FY 22/23	FY 23/24							
Category	Expenditures	YTD Expenditures	YTD Encumbrance	YTD Totals	Budget Act	Budget Act Adjustments	Adjusted Budget Act Totals	Previous Projected Expenditures	
25. Equipment	1,106,984			-	5,000,000		5,000,000		
Trainee Training Total	1,106,984			-	5,000,000	-	5,000,000		-

JUMP TO AGENDA

BOARD OF PILOT COMMISSIONERS
 Revenue
 Fiscal Year 2023-24
 For FISCAL Period 12

BOPC Monthly Analysis Revenue								
FY 2022-23 Revenue								
Source: SFBP Wire Transfers	FY	FM	AA - Operations 4172500001	AB - Pilot Trainee (Trainee Trng) 4172500003	AC - Serving Pilot (Con't) Educj 4172500002	AD - Pilot Boat Surcharge 4172500005	125600-01 Pilot Trainee Training Application Fee	Totals
FM01 @ 6% (AA) - Actuals	22-23	July	128,729	84,795	27,185	-	-	240,709
FM02 @ 6% (AA) - Actuals	22-23	Aug	165,606	102,861	38,000	-	-	306,468
FM03 @ 6% (AA) - Actuals	22-23	Sept	151,401	90,464	33,892	-	-	275,757
FM04 @ 6% (AA) - Actuals	22-23	Oct	158,796	94,642	35,479	-	-	288,917
FM05 @ 6% (AA) - Actuals	22-23	Nov	164,541	82,338	30,914	-	-	277,793
FM06 @ 6% (AA) - Actuals	22-23	Dec	188,416	85,254	35,522	-	-	309,192
FM07 @ 6% (AA) - Actuals	22-23	Jan	154,122	66,099	31,697	43,313	-	295,231
FM08 @ 6% (AA) - Actuals	22-23	Feb	172,280	64,537	33,483	411,535	-	681,835
FM09 @ 6% (AA) - Actuals	22-23	Mar	186,076	61,781	36,357	514,982	-	799,196
FM10 @ 6% (AA) - Actuals	22-23	Apr	181,456	59,177	35,338	478,485	-	754,456
FM11 @ 6% (AA) - Actuals	22-23	May	206,134	59,503	37,382	609,920	-	912,938
FM12 @ 6% (AA) - Actuals	22-23	Jun	204,111	51,405	38,014	593,877	-	887,407
Trainee Application Fees Refund	22-23		-	-	-	-	-	-
Escheat-Unclaimed Check/Warrant	22-23		42,958	-	-	-	-	42,958
Interest To-Date - Actuals	22-23		112,638	-	-	-	-	112,638
Total YTD Revenue/Interest			2,217,264	902,856	413,263	2,652,111	-	6,185,495
Projected Future Revenue			-	-	-	-	-	-
Adjustments/Escheat/Unclaimed			42,958	-	-	-	-	42,958
Projected Future Interest			-	-	-	-	-	-
Total Revenue (not incl. escheat)			2,174,306	902,856	413,263	2,652,111	-	6,142,536

FY 2023-24 Revenue								
Source: SFBP Wire Transfers	FY	FM	AA - Operations 4172500001	AB - Pilot Trainee (Trainee Trng) 4172500003	AC - Serving Pilot (Con't) Educj 4172500002	AD - Pilot Boat Surcharge 4172500005	125600-01 Pilot Trainee Training Application Fee	Totals
FM01 @ 6.5% (AA) - Actuals	23-24	July	239,411	39,674	31,296	681,685	-	992,066
FM02 @ 6.5% (AA) - Actuals	23-24	Aug	245,993	59,500	43,256	667,899	-	1,016,648
FM03 @ 6.5% (AA) - Actuals	23-24	Sept	181,299	41,770	29,973	544,236	-	797,279
FM04 @ 6.5% (AA) - Actuals	23-24	Oct	281,010	61,387	49,909	753,449	-	1,145,755
FM05 @ 6.5% (AA) - Actuals	23-24	Nov	259,648	31,936	35,459	579,780	-	906,823
FM06 @ 6.5% (AA) - Actuals	23-24	Dec	214,956	19,446	28,348	512,998	-	775,748
FM07 @ 6.5% (AA) - Actuals	23-24	Jan	235,697	20,293	31,809	527,401	1,000	816,200
FM08 @ 6.5% (AA) - Actuals	23-24	Feb	244,830	34,306	32,190	546,087	-	857,413
FM09 @ 6.5% (AA) - Actuals	23-24	Mar	225,904	33,426	28,301	514,672	-	802,303
FM10 @ 6.5% (AA) - Actuals	23-24	Apr	270,489	32,849	34,094	632,600	-	970,032
FM11 @ 6.5% (AA) - Actuals	23-24	May	266,955	33,019	34,118	602,978	-	937,070
FM12 @ 6.5% (AA) - Actual/Projections	23-24	Jun	203,333	36,765	26,250	470,682	-	737,030
Trainee Application Fees Refund	23-24		-	-	-	-	-	-
Escheat-Unclaimed Check/Warrant	23-24		1,092.60	-	-	-	-	1,093
Interest To-Date - Actuals *	23-24		117,162	-	-	167,224	-	284,386
Total YTD Revenue/Interest			2,987,781	444,371	405,003	7,201,691	1,000	11,039,846
Projected Future Revenue			-	-	-	-	-	-
Projected Future Interest			-	-	-	-	-	-
Total Revenue			2,987,781	444,371	405,003	7,201,691	1,000	11,039,846

Notes:

* SMIF Interest prorated between Operations/Support and the Pilot Boat Program based upon net total resources after expenditures.
 AA - Board Operations Surcharge is a percentage of Pilotage fees charged, and does not include temporary transit fees. Pilotage fees are determined by the depth and weight of the vessel and driven by the # of ships coming in/out. Board Operations Surcharge rate was changed from 6% to 6.5% of all pilotage fees not including temporary transit fees effective 10/1/2023.
 AB - Trainee Training Surcharge is based on the # of ship moves and the number of trainees in training. The surcharge rate was changed from \$20/trainee/move to \$15/trainee/move effective 10/1/2023.
 AC - Continued Education Surcharge is a fixed fee per ship move that uses pilot service. Pilot Continuing Education Surcharge was changed to from \$60/move to \$50/move effective 10/1/2023.
 AD - Pilot Boat Surcharge is based upon the gross registered tons of a vessel. The Pilot Boat Surcharge was changed from \$0.0225 per gross registered ton to \$0.0200 per gross registered ton effective 10/1/2023.

JUMP TO AGENDA

BOARD OF PILOT COMMISSIONERS

Contracts

Fiscal Year 2023-24

For Fiscal Period 12

Program	Category 2	FY 23/24 PO No.	Contact No.	Supplier Name	Account	Line Item Description	Sum of Encumbered Amount	Sum of Expensed Amount	Encumbrance Balance
Support	12. Printing	110	direct PO for BOPC kf	SMILE BUSINESS PRODUCTS IN	5302300	Printing	5,703	4,172	1,530
Support	12. Printing Total						5,703	4,172	1,530
Support	14. Postage	104	21M900006 Kellie A.	FEDEX CORPORATION SERVICE	5304400	Delivery Services	450	268	182
Support	14. Postage Total						450	268	182
Support	19. Facilities	100	LSE6256-001	BPP EMBARCADERO SQ PROP	5324450	Lease	163,140	163,140	0
Support	19. Facilities	115	LSE6256-001	GC EM CUBE LLC	5324450	LEASE 6256-001 - 600 DAVIS ST, SF, CA 94111	95,610	95,610	0
Support	19. Facilities Total						258,749	258,749	0
Support	21. Consulting	102	21M900001 Kellie A.	DEPT OF THE CA HIGHWAY PAT	5340220	Administrative Services	148,000	135,667	12,333
Support	21. Consulting	103	21M900004 Michelle M.	REGENTS OF THE UNIV OF CA S	5340290	Pilot	147,932	30,987	116,945
Support	21. Consulting	105	21M900007 Kellie A.	MICHAEL J OCALLAGHAN	5340580	Investigative Services	4,700	0	4,700
Support	21. Consulting	106	21M900008 Kellie A.	JEFFREY HILL	5340580	Investigative Services	5,285	768	4,517
Support	21. Consulting	109	22M900003 Kellie A.	STATE CONTROLLER	5342600	Warrant Release Service	333	0	333
Support	21. Consulting	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5340420	Surcharges_0010	7,500	0	7,500
Support	21. Consulting	119	23M900002 SRI	GARTNER INC	5340490	IT MANAGEMENT PROJ	799,004	0	799,004
Support	21. Consulting Total						1,112,754	167,422	945,332
Support	23. Info Tech	111	22M900004 Kellie A.	CALIFORNIA DEPT OF TRANS	5346390	Information Technology Services	38,410	32,009	6,402
Support	23. Info Tech	112	23M900000 Kellie A.	CALIFORNIA DEPT OF TRANS	5346390	Information Technology Services	108,100	0	108,100
Support	23. Info Tech Total						146,510	32,009	114,502
Support	25. Equipment	120	(blank)	ACCUGOV INC	5362290	Magicard 300 Dual Sided ID Card Printer & Supplies Bundle Badge Maker Machine	0	0	2,058
Support	25. Equipment Total						0	0	2,058
Support Total							1,524,166	462,620	1,063,605
Training	21. Consulting	103	21M900004 Michelle M.	REGENTS OF THE UNIV OF CA S	5340290	Medical Fitness Exam	22,718	8,312	14,406
Training	21. Consulting	108	22M900002 Kellie A.	AMERICAN MARITIME SAFETY	5340480	Drug Testing (Trainee)	3,333	0	3,333
Training	21. Consulting	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5340420	Admin Support_19291	2,400	0	2,400
Training	21. Consulting	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5340420	Dispatch_Servis_19291	45,696	0	45,696
Training	21. Consulting	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5340420	Meal Servie_19291	67,200	0	67,200
Training	21. Consulting	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5340420	Internet_19291	80	0	80
Training	21. Consulting Total						141,427	8,312	133,115
Training Total							141,427	8,312	133,115
Cont Ed	21. Consulting	101	20M900000 Kellie A.	CSU MARITIME ACADEMY	5340330	Pilot Training Services	93,500	85,500	8,000
Cont Ed	21. Consulting	107	22M900000 Kellie A.	ARTELIA	5340580	Manned Model Training	256,000	128,000	128,000
Cont Ed	21. Consulting	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5340420	Travel_19292	3,200	0	3,200
Cont Ed	21. Consulting Total						352,700	213,500	139,200
Cont Ed	17. Travel Out	113	23M900005 Kellie A.	SAN FRANCISCO BAR PILOTS	5320800	Pilot Out-of-State Travel	9,990	0	9,990
Cont Ed	17. Travel Out	114	23M900001 Sri	SAN FRANCISCO BAR PILOTS	5320800	Transportation_19292	40,800	0	40,800
Cont Ed	17. Travel Out Total						50,790	0	50,790
Cont Ed Total							403,490	213,500	189,990
Grand Total							2,069,084	684,432	1,386,710

JUMP TO AGENDA

BOARD OF PILOT COMMISSIONERS
Trainee Stipends
Fiscal Year 2023-24
For FISCAL Period 12

Trainee Stipends: Multi 3-Year Agreements
 \$8,000 per month per trainee

FY 2022-23

#	Trainee Name and Start Date	Exp. / Graduation Date	New/Remaining Contract Amount	Actuals												FY 2022-23 Total Expenditures (est.)	Remaining Funds for FY 2022-23	
				Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
1	Adams - 10/1/19	Exp. 11/7/2022	12,003	7,000	7,000	7,000	7,000	1,633	-	-	-	-	-	-	-	-	29,633	(17,630)
2	Olmsted - 10/1/20	Exp. 9/30/2023	168,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	8,000	8,000	8,000	8,000	8,000	8,000	89,000	79,000
3	Barnum - 3/15/21	Exp. 12/8/2022	168,000	7,000	7,000	7,000	7,000	7,000	1,806	-	-	-	-	-	-	-	36,806	131,194
4	Snapp - 3/15/21	Exp. 1/26/2023	168,000	7,000	7,000	7,000	7,000	7,000	7,000	5,871	-	-	-	-	-	-	47,871	120,129
5	Supplington - 3/15/21	Exp. 4/27/2023	168,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	8,000	8,000	7,200	-	-	-	72,200	95,800
6	Pascucci - 5/10/21	Exp. 5/09/2024	168,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	8,000	8,000	8,000	8,000	8,000	8,000	89,000	79,000
7	Burns - 11/2/21	Exp. 11/2/2024	196,233	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	8,000	8,000	8,000	8,000	8,000	89,000	107,233
8	Meyer - 4/22/22	Exp. 4/21/2025	235,900	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	8,000	8,000	8,000	8,000	8,000	89,000	146,900
9	TBD	TBD	252,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,000
10	TBD	TBD	252,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,000
TOTAL				-	56,000	56,000	56,000	56,000	50,633	43,806	40,871	40,000	40,000	39,200	32,000	32,000	542,511	1,245,626

As of January 1, 2023, there are six trainees.

Do not include April in expenditures on the FCS

FY 2023-24

#	Trainee Name and Start Date	Exp. / Graduation Date	New/Remaining Contract Amount	Actuals												Actual-Projection	Actual	YTD Totals	Projected Totals	Remaining Funds for FY 2023-24
				Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun					
1	Olmsted - 10/1/20	Exp. 9/21/2023		8,000	8,000	5,600	-	-	-	-	-	-	-	-	-	-	21,600	-	(21,600)	
2	Pascucci - 5/10/21	Exp. 8/24/2023		8,000	6,194	-	-	-	-	-	-	-	-	-	-	-	14,194	-	(14,194)	
3	Burns - 11/2/21	Exp. 8/24/2023		8,000	6,194	-	-	-	-	-	-	-	-	-	-	-	14,194	-	(14,194)	
4	Meyer - 4/22/22	Exp. 11/02/2023		8,000	8,000	8,000	8,000	533	-	-	-	-	-	-	-	-	32,533	-	(32,533)	
5	Gallo - 8/22/23	Exp. 8/21/2026	288,000	-	2,581	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	82,581	-	205,420	
6	Barron - 8/22/23	Exp. 8/21/2026	288,000	-	2,581	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	82,581	-	205,420	
7	Johnson - 01/09/2024	Exp. 01/08/2027	288,000	-	-	-	-	-	-	-	5,935	8,000	8,000	8,000	8,000	8,000	45,935	-	242,065	
8	Shuler - 01/09/2024	Exp. 01/08/2027		-	-	-	-	-	-	-	Resigned	-	-	-	-	-	-	-	-	
9	Johnston - 05/08/2024	Exp. 05/07/2027	288,000	-	-	-	-	-	-	-	-	-	-	6,194	8,000	8,000	14,194	8,000	265,806	
10	Ajax - 05/08/2024	Exp. 05/07/2027	288,000	-	-	-	-	-	-	-	-	-	-	6,194	8,000	8,000	14,194	8,000	265,806	
11																	-	-	-	
12																	-	-	-	
13																	-	-	-	
TOTAL				-	32,000	33,548	29,600	24,000	16,533	16,000	21,935	24,000	24,000	36,388	40,000	40,000	322,005	16,000	1,101,995	

JUMP TO AGENDA

BOARD OF PILOT COMMISSIONERS
Pilot Boat Program
Pilot Boat Program - 3439 - 501 - 2030026
For FISCAL Period 12

FY 22/23 - Appropriation	2,500,000
Year-end Projected Total	1,461,814
Remaining Balance	1,038,186

Actuals															
Category	July	August	September	October	November	December	January	February	March	April	May	June	FY 22/23 YTD Expenditures	YTD Encumbrance	YTD Total
25. Equipment					1,036,018	70,966				212,898	141,932		1,461,814		0
FY 22/23 YTD Expenditures					1,036,018	70,966				212,898	141,932		1,461,814		0

FY 23/24 - Appropriation	5,000,000
Year-end Projected Total	0
Remaining Balance	5,000,000

Actuals														Pilot Boats	
Category	July	August	September	October	November	December	January	February	March	April	May	June	FY 23/24 YTD Expenditures	YTD Encumbrance	Year-End Total
25. Equipment															0
FY 23/24 YTD Expenditures															0

JUMP TO AGENDA

Item 13-04: Board Operations Surcharge Report for Fiscal Year 23-24

Board of Pilot Commissioners Finance Committee, Wednesday, September 11, 2024

Board Operations Surcharge Report for Fiscal Year 23-24 (Full Year)

Prepared on 9/9/2024

Black Print = Actual Data from SFBP Summary Cash Report and Monthly Fiscal Report
Blue Print = Projected Data (where applicable)

2023-2024 BOARD OPERATIONS SURCHARGE DATA														
Month	Actual												Total Fiscal Year	
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June		
Mill Rate--High Gross Reg Ton	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	\$ 0.09243	N/A
+ /Draft Foot	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	\$ 10.26	N/A
Moves:														
Inward Moves	232	229	195	306	229	205	221	226	193	251	257	195		2,739
Outward Moves	229	221	185	304	237	206	219	226	199	243	257	198		2,724
Bay Moves	139	125	83	181	133	122	164	145	142	140	138	114		1,626
River Moves	51	44	35	73	73	37	40	38	35	49	56	30		561
TOTAL MOVES	651	619	498	864	672	570	644	635	569	683	708	537		7,650
Tons (GRT):														
Inward Pilotage Tons	15,217,699	14,957,784	12,315,038	16,897,827	14,457,754	13,020,919	13,134,925	13,831,729	12,529,194	15,731,464	14,867,791	11,725,119		168,687,243
Outward Pilotage Tons	15,170,798	14,756,688	11,888,344	17,200,545	14,413,771	12,583,847	13,289,569	13,472,456	13,204,406	15,926,152	15,285,585	11,808,995		169,001,156
TOTAL TONS	30,388,497	29,714,472	24,203,382	34,098,372	28,871,525	25,604,766	26,424,494	27,304,185	25,733,600	31,657,616	30,153,376	23,534,114		337,688,399
Draft:														
Inward Pilotage Draft	10,233	8,565	6,405	9,718	8,459	6,709	7,434	7,588	6,502	8,452	8,377	6,349		94,792
Outward Pilotage Draft	11,770	8,399	5,920	9,398	8,598	6,482	7,073	7,361	6,571	8,051	8,019	6,108		93,751
TOTAL DRAFT	22,003	16,964	12,324	19,117	17,057	13,191	14,507	14,949	13,073	16,503	16,396	12,458		188,543
Amounts:														
Inward Pilotage Amount	1,503,377	1,468,883	1,218,200	1,713,303	1,460,648	1,297,712	1,324,909	1,407,988	1,257,947	1,601,267	1,530,617	1,205,409		16,990,261
Outward Pilotage Amount	1,499,231	1,442,957	1,174,425	1,733,493	1,453,292	1,257,220	1,325,544	1,374,966	1,325,382	1,601,735	1,569,756	1,205,301		16,963,302
Bay Moves Amount	43,756	513,782	214,951	427,045	339,049	287,880	385,704	362,723	352,290	350,532	347,500	290,000		3,915,211
Misc Charges	738,616	449,913	244,527	422,658	421,664	313,476	404,857	431,716	365,652	364,421	379,356	277,562		4,814,419
River Moves Amount	175,752	224,346	169,550	331,416	340,891	166,500	189,043	190,000	175,000	245,000	280,000	150,000		2,637,500
TOTAL 2023-24 GROSS PILOTAGE REVENUE	3,960,732	4,099,882	3,021,653	4,627,915	4,015,546	3,322,788	3,630,057	3,767,393	3,476,272	4,162,954	4,107,228	3,128,273		45,320,693
Temporary Transit Fees (not in Gross Pilotage)	470,950	628,636	442,042	754,740	623,535	499,175	566,841	551,339	479,506	576,494	579,700	559,326		6,732,283
<i>FY 2022-23 Surcharge Rate</i>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		6.0%
<i>FY 2022-23 Actual Gross Pilotage</i>	2,322,228	2,788,745	2,524,626	2,652,302	2,742,350	3,140,379	2,600,804	2,890,439	3,102,445	3,024,264	3,435,558	3,403,576		34,627,717
<i>FY 2022-23 Actual Temp Transit Fees</i>	87,400	393,457	87,400	87,400	393,457	522,911	401,333	489,986	531,589	517,071	542,929	567,670		4,054,355
<i>FY 2022-23 Actual Bd Ops Revenues</i>	\$ 128,729	\$ 165,606	\$ 151,401	\$ 158,796	\$ 164,541	\$ 188,416	\$ 154,122	\$ 172,280	\$ 186,076	\$ 181,456	\$ 206,134	\$ 204,111		\$ 2,061,668
Board Operations Surcharge Rate ¹	6.0%	6.0%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%		6.5%
Expected Cash Received Amount	\$ 237,644	\$ 245,993	\$ 181,299	\$ 300,814	\$ 261,010	\$ 215,981	\$ 235,954	\$ 244,881	\$ 225,958	\$ 270,592	\$ 266,970	\$ 203,338		2,890,434
SFBP Cash Paid Amount	\$ 239,411	\$ 245,993	\$ 181,299	\$ 280,910	\$ 259,648	\$ 214,956	\$ 235,697	\$ 244,830	\$ 225,905	\$ 270,489	\$ 266,955	\$ 203,333		2,869,426

¹ Board Operations Surcharge adjusted from 6.5% to 5.5%, effective 7/1/2024. Prior adjustment from 6% to 6.5%, effective 10/1/2023.

JUMP TO AGENDA

Other Assumptions and Notes:

FY 23-24 Actuals shown for Gross Pilotage and Temporary Transit Fee revenue; total revenue approximately \$52.1M for FY 23-24.

² FY 23-24 revenue includes misc. items: 1) \$100 settlement, and 2) \$1,093 escheat.

SENSITIVITY ANALYSIS				
Board Ops Surcharge Rate	5.50%	6.00%	6.5%	7.00%
Projected FY 2024-25 Pilotage Revenue	\$ 45,320,693	\$ 45,320,693	\$ 45,320,693	\$ 45,320,693
Projected FY 2024-25 Total Revenue	\$ 2,492,638	\$ 2,719,242	\$ 2,945,845	\$ 3,172,449
FY 24-25 Beginning Fund Balance	2,550,835	2,550,835	2,550,835	2,550,835
FY 2024-25 Budget	\$ (2,353,000)	\$ (2,353,000)	\$ (2,353,000)	\$ (2,353,000)
Projected Ending Fund Balance	\$ 2,690,473	\$ 2,917,077	\$ 3,143,680	\$ 3,370,284

FISCAL ACTIVITY	
Actual Surcharge Revenues	\$ 2,869,426
SMIF Interest Earnings	\$ 117,162
Total Revenues ²	\$ 2,987,781
Actual Expenditures/Encumbrances	\$ (1,364,013)
Projected Expenditures	\$ (1,167,512)
Total Expenditures/Encumbrances	\$ (2,531,525)

BUDGET	
Budget Authority	\$ 3,033,000
Total Projected Expenditures/Encumbrances	\$ (2,531,525)
Budget Savings	\$ 501,475

FUND BALANCE	
Adj Beginning Fund Balance	\$ 2,163,551
Direct Funds Transfers Out	(68,972)
Addl Direct Funds Transfers Out (Pro Rata)	-
Total Revenues	\$ 2,987,781
Total Expenditures/Encumbrances	\$ (2,531,525)
Ending Fund Balance 6/30/2024	2,550,835

FY 2024-25 Budget	\$ 2,353,000
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HNC Section 1159.2.

(a) The vessel shall pay a board operations surcharge, the purpose of which is to fully compensate the board and the Transportation Agency for the official services, staff services, and incidental expenses of the board and agency. The amount of the surcharge shall be 7.5 percent of all pilotage fees charged by pilots pursuant to Sections 1190 and 1191 unless the board establishes, with the approval of the Department of Finance, a lesser percentage, not to exceed any percentage consistent with subdivision (d).

JUMP TO AGENDA

Item 13-05: Continuing Education Surcharge Report for Fiscal Year 23-24

Board of Pilot Commissioners Finance Committee, Wednesday, September 11, 2024

Continuing Education Surcharge Report for Fiscal Year 23-24 (Full Year)

Prepared: 9/9/2024

Black Print = Actual Data from SFBP Summary Cash Report

Blue Print = Projected Data

2023-2024 CONTINUING EDUCATION SURCHARGE DATA														Total	
Month	Actual												Fiscal Year		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June			
Surcharge Rate ¹	\$ 60	\$ 60	\$ 60	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	50	N/A
Moves ²	660	620	488	845	686	557	630	642	567	680	682	527	7,584	7,584	
Moves 2022-23	531	631	560	582	516	573	529	558	607	589	624	635	6,935	6,935	
Expected Cash Received Amount	\$ 39,600	\$ 37,200	\$ 29,280	\$ 42,250	\$ 34,300	\$ 27,850	\$ 31,500	\$ 32,100	\$ 28,350	\$ 34,000	\$ 34,100	\$ 26,350	\$ 396,880	\$ 396,880	
SFBP Actual Cash Received Amount	\$ 31,296	\$ 43,256	\$ 29,973	\$ 49,909	\$ 35,459	\$ 28,348	\$ 31,809	\$ 32,190	\$ 28,301	\$ 34,094	\$ 34,118	\$ 26,250	\$ 405,003	\$ 405,003	

¹ Pilot Continuing Education Surcharge adjusted from \$50/move to \$35/move, effective 7/1/2024. Prior adjustment from \$60/move to \$50/move effective 10/1/2023.

² Normal year total moves are approximately 8,600.

ESTIMATED FY 2024-25 BUDGET	
CSU Maritime Academy Contract	\$93,500
Artelia Contract	\$256,000
SFBP NCB Contract	\$44,000
Total	\$393,500

HISTORICAL DATA				
	Rate	Moves	Revenue	Fund Balance
FY 2022-23	\$60	6,935	\$ 413,263	\$ 621,269
FY 2021-22	\$50	6,933	\$ 336,265	\$ 615,386
FY 2020-21	\$40 and \$45	7,268	\$ 302,340	\$ 799,220
FY 2019-20	\$35	8,138	\$ 277,025	\$ 648,999
FY 2018-19	\$25	8,665	\$ 200,500	\$ 740,863

SENSITIVITY ANALYSIS				
Projected Moves in FY 2024-25	7,584	7,584	7,584	7,584
Surcharge Rate	\$ 35	\$ 40	\$ 45	\$ 50
Projected Revenue in FY 2024-25	\$ 265,440	\$ 303,360	\$ 341,280	\$ 379,200
FY 2024-25				
Beg Fund Balance	\$ 622,783	\$ 622,783	\$ 622,783	\$ 622,783
Projected Revenue	\$ 265,440	\$ 303,360	\$ 341,280	\$ 379,200
Projected Exp/Encumb	\$ (425,000)	\$ (425,000)	\$ (425,000)	\$ (425,000)
Projected End Fund Balance	\$ 463,223	\$ 501,143	\$ 539,063	\$ 576,983

FISCAL ACTIVITY	
Total Actual + Projected Surcharge Revenues	\$ 396,880
Total Estimated Expenditures/Encumbrances	\$ 403,490

BUDGET	
2023-2024 Est Total Con Ed Budget (portion)	\$ 407,380
Estimated Total Expenditures/Encumbrances	\$ (403,490)
Budget Savings	\$ 3,890

FUND BALANCE	
Beginning Fund Balance	621,269
Total Actual Surcharge Revenues	\$ 405,003
Projected Total Expenditures/Encumbrances	\$ (403,490)
Projected Ending Fund Balance 6/30/2024	622,783

2024-25 Estimated Budget -Con Ed Portion	\$ 425,000
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JUMP TO AGENDA

Item 13-06: Trainee Training Surcharge Report for Fiscal Year 23-24

Board of Pilot Commissioners Finance Committee, Wednesday, September 11, 2024

Trainee Training Surcharge Report for Fiscal Year 23-24 (Full Year)

Prepared on 9/9/2024

Black Print= Actual Data from SFBP Summary Cash Report

Blue Print= Projected Data

2023-2024 TRAINEE TRAINING SURCHARGE DATA														
Month	Actual												Total Fiscal Year	
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June		
# of Trainees ¹	4	4	3	3	2	2	3	3	3	3	5	5	N/A	
Surcharge Rate ²	\$ 20	\$ 20	\$ 20	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	N/A
Surcharge/Move	\$ 80	\$ 80	\$ 60	\$ 45	\$ 30	\$ 30	\$ 45	\$ 45	\$ 45	\$ 45	\$ 75	\$ 75	N/A	
Moves ³	660	620	488	845	686	557	630	642	567	680	682	527	7,584	
Moves 2022-23	530	631	560	581	516	571	529	558	607	589	625	635	6,932	
Expected Cash Received Amount	\$ 52,800	\$ 49,600	\$ 29,280	\$ 38,025	\$ 20,580	\$ 16,710	\$ 28,350	\$ 28,890	\$ 25,515	\$ 30,600	\$ 51,150	\$ 39,525	\$ 411,025	
SFBP Cash Received Amount	\$ 39,673.88	\$ 59,500.08	\$ 41,770.44	\$ 61,387.02	\$ 31,935.71	\$ 19,445.82	\$ 20,293.40	\$ 34,306.04	\$ 33,425.00	\$ 32,849.30	\$ 33,018.75	\$ 36,765.00	\$ 444,370	

¹ Trainee count reflects number of trainees at END of the month. Trainees during the fiscal year with their respective start and end dates (if applicable) and statuses are: Graduated: 1. Olmsted (10/1/2020-9/21/2023), 2. Pascucci (5/10/2021-8/24/2023), 3. Burns (1/2/2021-8/24/2023), and 4. Meyer (4/22/2022-11/2/2023); Resigned: 1. Schuler (1/9/2024 - 1/9/2024); Active Trainees: 1. Barron (8/22/2023), 2. Gallo (8/22/2023), 3. Johnson (1/9/2024), 4. Ajax (5/8/2024), and 5. Johnson (5/8/2024).

² The the surcharge rate was changed from \$15/trainee/move to \$10/trainee/move effective 7/1/2024.

³ Normal year total moves are approximately 8,600.

Status of Trainee Eligibility List	
2022 Trainee List Approved	7/27/2023
2022 Trainee List Expires	7/26/2026
# of Current List Candidates	4

Projected FY 2024-25 Budget	
Trainee Stipends	\$ 480,000
Workers Comp	\$ 20,000
SFBP NCB Contract	\$ 115,400
CMA Contract (Trainee Exam Develop)	\$ -
UCSF - Trainee Medical	\$ 24,000
AMS Drug Testing Service	\$ 3,333
Estimated FY 2024-25 Budget	\$ 642,733

FISCAL ACTIVITY	
Total Actual + Projected Surcharge Revenues	\$ 411,025

Total Projected Expenditures/Encumbrances	\$ 505,072
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BUDGET	
2023-2024 Est Total Trainee Budget (portion)	\$ 1,017,620
Total Expenditures/Encumbrances	\$ (505,072)
Budget Savings	\$ 512,548

FUND BALANCE	
Beginning Fund Balance	\$ 1,714,572
Total Actual Surcharge Revenues	\$ 444,370
Projected Total Expenditures/Encumbrances	\$ (505,072)
Prior Year Expenditure Adjustments	\$ (64,894)
Projected Ending Fund Balance 6/30/2024	\$ 1,588,977

2024-2025 Estimated Trainee Budget (portion)	\$ 1,000,000
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SENSITIVITY ANALYSIS--12 MONTH IMPACT			
Moves	7,584	7,584	7,584
# of Trainees	5	5	5
Surcharge	\$ 15	\$ 10	\$ 5
Revenue	\$ 568,800	\$ 379,200	\$ 189,600
FY 2024-25			
Beg Fund Balance	\$ 1,588,977	\$ 1,588,977	\$ 1,588,977
Projected Revenue	\$ 568,800	\$ 379,200	\$ 189,600
Projected Exp/Encumb	\$ (900,000)	\$ (900,000)	\$ (900,000)
Projected End Fund Balance	\$ 1,257,777	\$ 1,068,177	\$ 878,577

Average # of trainees during the fiscal year

Amount includes estimate of \$250K for CMA Exam development.

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Item 13-07: Pilot Boat Construction Surcharge Report for Fiscal Year 23-24

Board of Pilot Commissioners Finance Committee, Wednesday, September 11, 2024

Pilot Boat Construction Surcharge Report for Fiscal Year 23-24 (Full Year)

Prepared on 9/6/2024

Black Print= Actual Data from SFBP Summary Cash Report or Fiscal Reports

Blue Print = Projected Data

2023-24 PILOT BOAT SURCHARGE CASH DATA														
Month	Actual												Total	
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		Fiscal Year
Pilot Boat Surcharge Mill Rate ¹	\$ 0.0225	\$ 0.0225	\$ 0.0225	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	\$ 0.0200	
FY 2019-20 Total In/Out Tonnage	33,012,047	32,474,334	28,550,212	37,240,902	31,801,161	32,719,244	26,504,620	24,619,997	35,353,019	27,389,581	24,642,302	25,737,764	360,045,183	
Projected Total In/Out Tonnage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual Total In/Out Tonnage	30,388,497	29,714,472	24,203,362	34,098,372	28,871,525	25,604,766	26,424,494	27,304,185	25,733,600	31,657,816	30,153,376	23,534,114	337,688,399	
Expected Cash Amount	\$ 683,741	\$ 668,576	\$ 544,576	\$ 681,967	\$ 577,431	\$ 512,095	\$ 528,490	\$ 546,084	\$ 514,672	\$ 633,152	\$ 603,068	\$ 470,682	\$ 6,964,534	
SFBP Actual Reported Cash Amount	\$ 681,685	\$ 667,899	\$ 544,236	\$ 753,449	\$ 579,780	\$ 512,998	\$ 527,401	\$ 546,087	\$ 514,672	\$ 632,600	\$ 602,978	\$ 470,682	\$ 7,034,467	
Variance	\$ (2,056)	\$ (676)	\$ (140)	\$ 71,482	\$ 2,349	\$ 903	\$ (1,089)	\$ -	\$ 0	\$ (552)	\$ (90)	\$ -	\$ 69,933	

¹ The Pilot Boat Surcharge rate changed from \$0.0200 to \$0.0210 on 7/1/2024.

Average Year Analysis					
Estimated Year Tonnage (FY 24/25)	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000
Surcharge Rate	0.0150	0.0210	0.0225	0.0250	0.0300
Pilot Boat Revenue	\$5,250,000	\$7,350,000	\$7,875,000	\$8,750,000	\$10,500,000

Board Pilot Boat Approvals/Actions

10/22/2020 The Board approved a Necessity Determination to replace the P/V GOLDEN GATE.

11/12/2020 The Board approved a Preliminary Determination to replace the P/V GOLDEN GATE, and eventual recovery of costs to the pilots in the amount of \$9,820,679.00.

8/25/2022 The Board approved Necessity Determinations to replace three boats, the P/V SAN FRANCISCO, the P/V CALIFORNIA, and the P/V DRAKE.

9/21/2023 The Board approved a final determination amount of \$9,410,006.19 for the P/V GOLDEN GATE, and an initial disbursement of \$1,106,983.75.

2023-2024 Total Budget Authority	\$ 5,000,000
Beginning FY Fund Balance	\$ 2,652,111

Actual Cash Received	\$ 7,034,467
Projected SMIF Interest Earnings	\$ 167,224
Projected Total Revenue	\$ 7,201,691

Projected Total Expenditures	\$ -
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Projected Ending Fund Balance	\$ 9,853,802
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2024-2025 Budget Authority	\$ 5,000,000
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Item 13-08: Independent Accountant's Report on San Francisco Bar Pilots and the San Francisco Benevolent and Protective Association

**BOARD OF PILOT COMMISSIONERS
FOR THE BAYS OF SAN FRANCISCO,
SAN PABLO AND SUISUN**

Independent Accountant's Report
on Applying Agreed-upon Procedures

**SAN FRANCISCO BAR PILOTS
AND THE SAN FRANCISCO BAR PILOTS
BENEVOLENT AND PROTECTIVE ASSOCIATION**

January 1, 2021, through December 31, 2021



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

July 2024

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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

July 24, 2024

Allen Garfinkle, Executive Director
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
660 Davis Street
San Francisco, CA 94111

Dear Mr. Garfinkle:

The State Controller's Office has applied agreed-upon procedures for the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun for the review of the San Francisco Bar Pilots and the San Francisco Bar Pilots Benevolent and Protective Association. We applied the agreed-upon procedures to the surcharge schedules under Agreement Number 20M90004 for the period of January 1, 2021, through December 31, 2021.

As a result of performing the agreed-upon procedures, we determined that in calendar year 2020 \$163,364 of navigation technology surcharges was not properly accounted for, as described in the Finding section of this report.

If you have any questions regarding this report, please contact Joel James, Chief, Financial Audits Bureau, by telephone at (916) 323-1573.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

KAT/rs

Copy: Matthew Millsbaugh, Assistant Director
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
John Carlier, Port Agent
San Francisco Bar Pilots

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
SACRAMENTO 3301 C Street, Suite 700, Sacramento, CA 95816 | 916.324.8907
LOS ANGELES 901 Corporate Center Drive, Suite 200, Monterey Park, CA 91754 | 323.981.6802

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Finding 13

Attachment—Board’s Response to Draft Report

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
 SACRAMENTO 3301 C Street, Suite 700, Sacramento, CA 95816 | 916.324.8907
 LOS ANGELES 901 Corporate Center Drive, Suite 200, Monterey Park, CA 91754 | 323.981.6802



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

The State Controller’s Office (SCO) has performed the procedures described below, which were agreed to by the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun (Board) and the SCO, on the surcharge billing and disbursement schedules of the San Francisco Bar Pilots (SFBP) for the period of January 1, 2021, through December 31, 2021. The SFBP’s management is responsible for the surcharge billing and disbursement schedules.

The Board has agreed to the procedures performed and acknowledged that they are appropriate to meet the Board’s intended purpose of the engagement to evaluate the SFBP’s compliance with billing, collecting, depositing, and accounting for surcharges in accordance with selected criteria and Harbors and Navigation Code sections, and to report on findings based on the procedures performed. Additionally, the SFBP has agreed to and acknowledged that the procedures performed are appropriate for their purposes. The procedures performed may not address all of the items of interest to a user of this report, and may not meet the needs of all users of this report; therefore, users are responsible for determining whether the procedures are appropriate for their purposes.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES	FINDINGS
Schedule of Board Operations Surcharges, Billings, and Disbursements 1. Sampled 15 invoices per year, and verified that the mathematical accuracy of the calculations of billing rates charged for pilotage services was in accordance with the rates established in the Harbors and Navigation Code.	We found no exceptions as a result of this procedure.
2. Sampled 15 invoices per year, and verified that the mathematical accuracy of the calculations used for billing Board Operations Surcharges was in accordance with rates established by the Board.	We found no exceptions as a result of this procedure.
3. Sampled 15 invoices per year, and verified that Board Operations Surcharges were billed, collected, deposited, and accounted for in the Schedule of Board Operations Surcharges, Billings, and Disbursements.	We found no exceptions as a result of this procedure.

JUMP TO AGENDA

AGREED-UPON PROCEDURES	FINDINGS
4. Sampled 15 invoices per year, and verified that the Schedule of Board Operations Surcharges, Billings, and Disbursements contains the disbursements of surcharges in compliance with Harbors and Navigation Code.	We found no exceptions as a result of this procedure.
Schedule of Pilot Trainee Training Program Surcharges, Billings, and Disbursements 5. Sampled 15 invoices per year, and verified that the surcharges used for the training program were per trainee, per vessel movement, in accordance with the rates established by the Board.	We found no exceptions as a result of this procedure.
6. Sampled 15 invoices per year, and verified the mathematical accuracy of the calculations used for billing surcharges for the trainee training program.	We found no exceptions as a result of this procedure.
7. Sampled 15 invoices per year, and verified that revenues (billings) were billed, collected, deposited, and accounted for in the Schedule of Pilot Trainee Training Program Surcharges, Billings, and Disbursements.	We found no exceptions as a result of this procedure.
8. Sampled 15 invoices per year, and verified that the Schedule of Pilot Trainee Training Program Surcharges, Billings, and Disbursements contains the disbursements of surcharges in compliance with Harbors and Navigation Code.	We found no exceptions as a result of this procedure.
Schedule of Pilot Continuing Education Surcharges, Billings, and Disbursements 9. Sampled 15 invoices per year, and verified that the surcharges used for the pilot continuing education program were per vessel movement in accordance with the rates established by the Board.	We found no exceptions as a result of this procedure.
10. Sampled 15 invoices per year, and verified the mathematical accuracy of the calculations used for billing surcharges for the pilot continuing education program.	We found no exceptions as a result of this procedure.
11. Sampled 15 invoices per year, and verified that revenues (billings) were billed, collected, deposited, and accounted for in the Schedule of Pilot Continuing Education Surcharges, Billings, and Disbursements.	We found no exceptions as a result of this procedure.

JUMP TO AGENDA

AGREED-UPON PROCEDURES	FINDINGS
12. Sampled 15 invoices per year, and verified that the Schedule of Pilot Continuing Education Surcharges, Billings, and Disbursements contains the disbursements of surcharges in compliance with Harbors and Navigation Code.	We found no exceptions as a result of this procedure.
Schedule of Pilot Dispatch System Surcharges, Billings, and Disbursements 13. Sampled 15 invoices per year, and verified that the Pilot Dispatch System Surcharges were per vessel movement in accordance with the rate established by the Board.	We found no exceptions as a result of this procedure.
14. Sampled 15 invoices per year, and verified the mathematical accuracy of the calculations for the amounts used for billings of pilot dispatch system surcharges.	We found no exceptions as a result of this procedure.
15. Sampled 15 invoices per year, and verified that Pilot Dispatch System Surcharge revenues (billings) were billed, collected, deposited, and accounted for in the Schedule of Pilot Dispatch System Surcharges, Billings, and Disbursements.	We found no exceptions as a result of this procedure.
16. Sampled 15 invoices per year, and verified that the Schedule of Pilot Dispatch System Surcharges, Billings, and Disbursements contains the disbursements of surcharges in compliance with Harbors and Navigation Code and as approved by the Board.	We found no exceptions as a result of this procedure.
Schedule of Pilot Boat Maintenance Surcharges, Billings, and Disbursements 17. Sampled 15 invoices per year, and verified that the Pilot Boat Maintenance Surcharges were per vessel movement in accordance with the rate established by the Board.	We found no exceptions as a result of this procedure.
18. Sampled 15 invoices per year, and verified the mathematical accuracy of the calculations for the amounts used for billings of Pilot Boat Maintenance Surcharges.	We found no exceptions as a result of this procedure.
19. Sampled 15 invoices per year, and verified that Pilot Boat Maintenance Surcharge revenues (billings) were billed, collected, deposited, and accounted for in the Schedule of Pilot Dispatch System Surcharges, Billings, and Disbursements.	We found no exceptions as a result of this procedure.

JUMP TO AGENDA

AGREED-UPON PROCEDURES	FINDINGS
20. Sampled 15 invoices per year, and verified that the Schedule of Pilot Boat Maintenance Surcharges, Billings, and Disbursements contains the disbursements of surcharges in compliance with Harbors and Navigation Code and as approved by the Board.	We found no exceptions as a result of this procedure.
<p>Schedule of Navigation Technology Billings and Expenses</p> 21. Sampled 15 invoices per year, and verified that the Navigation Technology Surcharges were per vessel movement in accordance with the rates established by the Board.	We found no exceptions as a result of this procedure.
22. Sampled 15 invoices per year, and verified the mathematical accuracy of the calculations for the amounts used for billings of the Navigation Technology Surcharges.	We found no exceptions as a result of this procedure.
23. Sampled 15 invoices per year, and verified that revenues (billings) were billed, collected, deposited, and accounted for in the Schedule of Navigation Technology Surcharges, Billings, and Disbursements.	<p>FINDING: Based on our review of the calendar year (CY) 2021 navigation technology expenses, we determined that SFBP did not properly account for \$163,364 of the expenses in CY 2020. As a result, navigation technology expenses for CY 2020 were understated.</p> <p>See the Finding section.</p>
24. Sampled 15 invoices per year, and verified that the Schedule of Navigation Technology Surcharges, Billings, and Disbursements contains the disbursement of surcharges in compliance with Harbors and Navigation Code.	We found no exceptions as a result of this procedure.
<p>Schedule of San Francisco Bar Pilot Pension Plan Surcharges Fiscal Activity</p> 25. Sampled 15 invoices per year, and verified that the San Francisco Bar Pilot Pension Plan (Pilot Pension Plan) surcharges were per the applicable mill rate per high-gross-registered ton for each vessel subject to the basic bar pilotage fee and surcharges in accordance with the Harbors and Navigation Code and the rates approved by the Pension Plan Fiduciary.	We found no exceptions as a result of this procedure.
26. Sampled 15 invoices per year, and verified the mathematical accuracy of the calculations used for billing Pilot Pension Plan surcharges.	We found no exceptions as a result of this procedure.

JUMP TO AGENDA

AGREED-UPON PROCEDURES	FINDINGS
27. Sampled 15 invoices per year, and verified that Pilot Pension Plan revenues (billings) were billed, collected, deposited, and accounted for in the Schedule of Pilot Pension Plan Surcharges Fiscal Activity.	We found no exceptions as a result of this procedure.
28. Sampled 15 invoices per year, and verified that the Schedule of Pilot Pension Plan Surcharges Fiscal Activity contains the disbursements of surcharges in compliance with Harbors and Navigation Code and as approved by the Pilot Pension Plan Fiduciary.	We found no exceptions as a result of this procedure.

The SCO was engaged by the Board to perform this agreed-upon procedures engagement in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and the attestation standards established by the American Institute of Certified Public Accountants.

The SCO was not engaged to, and did not, conduct an examination or review, the objective of which would be to express an opinion or conclusion, respectively, on the SFBP’s surcharge billing and disbursement schedules. Accordingly, the SCO does not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

The SCO is required to be independent of the SFBP and to meet other ethical responsibilities, in accordance with *Government Auditing Standards*, relating to agreed-upon procedures engagements.

The purpose of this report is to communicate to the Board and SFBP the results of the aforementioned agreed-upon procedures that the SCO performed in accordance with applicable standards. This report is not suitable for any other purpose. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

Sacramento, California

July 24, 2024

**Schedule 1—
2021 Board Operations Surcharges, Billings, and Disbursements
(Prepared by the San Francisco Bar Pilots)**

Accounts Receivable Details Historical Report as of December 31, 2020	\$ 121,892		
Plus: Unremitted Surcharges to the Board as of December 31, 2020	146,689		
Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2020	\$ 268,581	\$	268,581
Plus: Amount Billed in 2021			1,467,323
Less: Amount Remitted in 2021			(1,496,678)
Calculated Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021			239,226
Accounts Receivable Details Historical Report as of December 31, 2021			116,242
Plus: Unremitted Surcharges to the Board as of December 31, 2021			123,726
Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		\$	239,968
Unknown Difference Between Calculated Accounts Receivable less Account Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		\$	(742)
General Ledger as of December 31, 2021			238,723
Unknown Difference Between Accounts Receivable Historical Report and Unremitted Surcharges to the Board less General Ledger as of December 31, 2021			\$ 1,245

**Schedule 2—
2021 Pilot Trainee Training Program Surcharges, Billings, and Disbursements
(Prepared by the San Francisco Bar Pilots)**

Accounts Receivable Details Historical Report as of December 31, 2020	\$ 45,250		
Plus: Unremitted Surcharges to BOPC as of December 31, 2020	52,620		
Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2020	\$ 97,870	\$	97,870
Plus: Amount Billed in 2021			786,810
Less: Amount Remitted in 2021			(755,035)
Calculated Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021			129,645
Accounts Receivable Details Historical Report as of December 31, 2021			60,535
Plus: Unremitted Surcharges to the Board as of December 31, 2021			69,765
Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		\$	130,300
Unknown Difference Between Calculated Accounts Receivable less Account Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		\$	(655)
General Ledger as of December 31, 2021			129,330
Unknown Difference Between Accounts Receivable Historical Report and Unremitted Surcharges to the Board less General Ledger as of December 31, 2021		\$	970

**Schedule 3—
2021 Pilot Continuing Education Surcharges, Billings, and Disbursements
(Prepared by the San Francisco Bar Pilots)**

Accounts Receivable Details Historical Report as of December 31, 2020	\$ 22,610		
Plus: Unremitted Surcharges to BOPC as of December 31, 2020	<u>26,320</u>		
Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2020	<u>\$ 48,930</u>	\$ 48,930	
Plus: Amount Billed in 2021		327,390	
Less: Amount Remitted in 2021		<u>(322,390)</u>	
Calculated Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		<u>53,930</u>	
Accounts Receivable Details Historical Report as of December 31, 2021		27,325	
Plus: Unremitted Surcharges to the Board as of December 31, 2021		<u>26,900</u>	
Accounts Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		<u>54,225</u>	\$ 54,225
Unknown Difference Between Calculated Accounts Receivable less Account Receivable Details Historical Report and Unremitted Surcharges to the Board as of December 31, 2021		<u>\$ (295)</u>	
General Ledger as of December 31, 2021			53,890
Unknown Difference Between Accounts Receivable Historical Report and Unremitted Surcharges to the Board less General Ledger as of December 31, 2021			<u>\$ 335</u>

**Schedule 4—
2021 Pilot Dispatch System Surcharges, Billings, and Disbursements
(Prepared by the San Francisco Bar Pilots)**

Month	Surcharges Billed	Surcharges Collected
December 2020	\$ -	\$ -
January 2021	-	-
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
July	-	-
August	-	-
September	-	-
October	52,470	8,100
November	50,760	45,360
December	46,530	48,150
Total	\$ 149,760	\$ 101,610

**Schedule 5—
2021 Pilot Boat Maintenance Surcharges, Billings, and Disbursements
(Prepared by the San Francisco Bar Pilots)**

Month	Surcharges Billed	Surcharges Collected
December 2020	\$ -	\$ -
January 2021	-	-
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
July	-	-
August	-	-
September	-	-
October	52,470	8,100
November	50,760	45,360
December	46,530	48,150
Total	\$ 149,760	\$ 101,610

**Schedule 6—
2021 Navigation Technology Billings and Expenses
(Prepared by the San Francisco Bar Pilots—Adjusted)**

Navigation Technology Billings 2017	\$	177,880
Navigation Technology Billings 2018		342,640
Navigation Technology Billings 2019		345,160
Navigation Technology Billings 2020		331,800
Navigation Technology Billings 2021		-
Total Navigation Technology Billings	<u>\$</u>	<u>1,197,480</u>
Navigation Technology Expenses 2017	\$	851,296
Navigation Technology Expenses 2018		102,115
Navigation Technology Expenses 2019		43,945
Navigation Technology Expenses 2020*		189,245
Navigation Technology Expenses 2021		-
Total Navigation Technology Expenses	<u>\$</u>	<u>1,186,601</u>

*Amount adjusted based on 2020 invoices paid in 2021. See the Finding

**Schedule 7—
2021 Pilot Pension Plan Surcharges Fiscal Activity
(Prepared by the San Francisco Bar Pilots)**

2021 Pension Surcharge Disbursements: ¹		
Pension Surcharge Billings Reported to the Board (December 2020-November 2021)	\$	10,279,263
Less: Administrative Costs Paid		<u>(37,575)</u>
Surcharge Available for Disbursement to Beneficiaries		10,241,688
Less: Retained Amounts Due to Beneficiaries		(6,168)
Add: Disbursed Retained Amounts Due to Beneficiaries		3,192
Less: Deductions for Union Dues at Request of Beneficiaries		(7,950)
Less: Deductions for Heath Plan Dues at Request of Beneficiaries		<u>(491,311)</u>
Net Amount Remitted to Payroll Agent for Disbursement to Beneficiaries	<u>\$</u>	<u>9,739,451</u>
Beneficiary Actual-to-Target Pension Amounts:		
Surcharge Available for Disbursement to Beneficiaries	\$	10,241,688
Beneficiary Total Target Pension Amount (December 2020-November 2021)		<u>12,693,362</u>
Over (Under) Target Pension Amounts	<u>\$</u>	<u>(2,451,674)</u>

¹Pension Surcharge amounts billed in one month are available to be disbursed in the following month. On occasion, the Plan Primary Fiduciary may withhold a beneficiary’s monthly payment(s), typically until a successor in interest can be determined. Otherwise, there is no other retention or investment of Pension Plan Surcharge monies.

Finding

**FINDING—
Navigation technology
expenses were under-
reported**

The SFBP did not properly account for CY 2020 navigation technology expenses totaling \$163,364. During our review of CY 2021 expenses, we noted that two vendor invoices from December 2020 had not been included in the navigation technology report. As a result, the prior year (CY 2020) navigation technology expenses were understated by \$163,364, and the total expenses were less than the total billings by \$10,879. The prior-year schedule for Navigation Technology Billings and Expenses (Schedule 6) has been adjusted to reflect actual expenditures as of December 31, 2020.

In 2019, Harbors and Navigation Code section 1190.4 stated:

(a) There shall be a movement fee imposed as is necessary and authorized by the board to recover a pilot's costs for the purchase, lease, or maintenance of navigation software, hardware, and ancillary equipment that is authorized by the board as reasonable and necessary on or after January 1, 2017. . . .

(f) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

**Attachment—
Board’s Response to Draft Report**

[JUMP TO AGENDA](#)

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

www.sco.ca.gov

S22-BAR-0001

Agenda Item 14: Pilot Vessel Condition and Valuation Survey

NAMS Certified Marine Surveyor
Hull & Machinery
Yachts & Small Craft
Cargo
ASA Accredited Senior Appraiser
ARM / MTS
Commercial Marine Surveying

DANA R. TEICHEIRA
ASA ARM/MTS ; NAMS CMS
TEICHEIRA MARITIME SURVEYORS, INC.
P.O. Box 2222, PETALUMA, CA 94953
Telephone: 707-769-9171
email: dt@maritimesurveyor.com

Casualty Investigations
Fire and Collision
Passenger / Crew Injury
USCG Licensed
1600 ton Master Oceans
Master of Towing Vessels
3rd Mate Oceans any tons

September 12, 2024

BOPC Received
9-16-2024

CONDITION AND VALUATION SURVEY / APPRAISAL REPORT

VESSEL: "PITTSBURG"

File No. 24011

This is to certify that the undersigned Marine Surveyor did on August 27, 2024, acting at the request of Mr. Jason Covell, attend on board the P/V "PITTSBURG," while at Pittsburg Marina, Pittsburg, California, for the purpose of performing a Condition and Valuation Survey. At the time of survey the vessel was afloat.

The purpose of the survey was for establishing the general condition of the vessel, as well as the Fair Market Value (FMV) and Replacement Cost New (RCN) as of the effective date of the report.

The client is the San Francisco Bar Pilots.

The intended user of the survey is San Francisco Bar Pilots, The California Pilot Commission, and the vessel's hull underwriters.

SCOPE OF WORK FOR APPRAISAL

I investigated the value of the vessel based upon the definition of values listed above.

Sales Comparison (Market) Approach, Cost Comparison Approach, and Income Approach were considered. No information regarding the vessel's income was provided so this approach could not be used. This vessel is a specialized type of vessel with limited appropriate comparable vessels available for developing valuation based upon the market approach. The cost approach was used to determine the opinion of value.

The scope of work is further detailed in the appraisal section of the report contained on pages 8-11.

JUMP TO AGENDA

TEICHEIRA MARITIME SURVEYORS, INC.
CONDITION & VALUATION SURVEY / APPRAISAL REPORT
FILE NO.: 24011 VESSEL: P/V "PITTSBURG"

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GENERAL INFORMATION

Client: San Francisco Bar Pilots
Vessel Name: "PITTSBURG"
Official Number: 922579
Hull Identification No. (HIN) ALF00494G787
Owner: San Francisco Bar Pilots Benevolent and Protective Association
Address: Pier 9 East End San Francisco, CA 94111
Home Port: San Francisco, CA
Gross Tons: 18
Net Tons: 14
Builder: Munson Marine Edmonds, WA
Year Built / Rebuilt 1987 / 2014
Intended Service: Inland pilot boat
Cruising Speed/ Range: 25 kts./ 875 NM (8 GPH fuel burn and 20% fuel reserve assumed)
Last Dry Docking: April 2021 for routine maintenance
Recent Conversions/
Modifications: In 2020 the vessel was hauled out for hull repairs to the bow plating and bottom painting.

VESSEL PARTICULARS

Length Over All: 36'
Registered Length: 35.2'
Beam: 12.6'
Draft: 4'
Depth: 6.2'
Shell Plate: ¼" Welded aluminum plate
Superstructure: 3/16" Welded aluminum plate

GENERAL DESCRIPTION AND ARRANGEMENT

The subject vessel is an all-welded aluminum hull pilot vessel with twin Volvo Penta diesel engine propulsion through Volvo Penta stern drives.

There is an open foredeck with diamond plate with non-skid coating applied, followed by a low deckhouse and an open aft deck. There are heavy pipe handrails surrounding the foredeck and leading aft forming grab rails along the house. The aft deck is surrounded by rails.

JUMP TO AGENDA

TEICHEIRA MARITIME SURVEYORS, INC.
CONDITION & VALUATION SURVEY / APPRAISAL REPORT
FILE NO.: 24011 VESSEL: P/V "PITTSBURG"

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The bow is scow shaped and the slab sides forward form a hard chine creating a spray rail. The underbody hull has a fine entry forming a shallow keel with moderate deadrise. The transom is nearly flat and has bars across to protect the stern drives.



(Photo from prior survey)

There is an emergency retrieval system on the port side operated by a 12VDC winch and equipped with a davit for personnel retrieval.

The interior is laid out as follows:
Forepeak separated by collision bulkhead with freeman hatch.
(2) Bunks forward.
Main cabin with (4) aircraft type seats helm to port forward and fuel tanks beneath sole.

PROPULSION

<i>Number Of Engines:</i>	Two
<i>Fuel:</i>	Diesel
<i>Make/Model:</i>	Volvo Penta D4-226A-F tier III 2014 model
<i>Total Horsepower:</i>	450
<i>Port Serial Numbers:</i>	A314796
<i>Starboard Serial Numbers:</i>	A308510
<i>Port Engine Hours:</i>	2958
<i>Starboard Engine Hours:</i>	2960
<i>Cooling:</i>	Fresh water through heat exchanger
<i>Exhaust:</i>	Wet out stern drives
<i>Starting:</i>	12V DC
<i>Reverse/Reduction Gear:</i>	Volvo Penta DPH-C stern drives
<i>Engine/Gear Foundations:</i>	Integral welded aluminum girders

Propulsion Comments:
Engine and outdrive last serviced at 200 hours by Helmut's Marine Service

ELECTRICAL SYSTEM

AC System Description: There is a shore power plug on the aft deck. The main 30-amp breaker is located in a panel at the helm. There are four 15-amp breakers for the AC circuits. Shore power is the only source of AC power in the vessel.

DC System Description: There are two 8-D size 12V DC wet cell batteries in two 12V DC banks charged by either the engine driven alternators or a Powermania Turbo M220 battery charger. There are rotary parallel disconnect switches in the engine room and breakers in the pilothouse.

MISCELLANEOUS EQUIPMENT AND SYSTEMS

Marine Sanitation Device: None
Bilge Pumps/Piping: (2) Rule 3500 with automatic switch main cabin and engine room (engine room bilge pump new in 5/2014)
Bilge Pumps Tested: Yes
Domestic Water System: N/A
Ventilation: Natural and 12V DC
Lpg System: N/A
Lpg System Meet Governing Standards: N/A
HVAC Systems: Coflow portable AC/heater permanently mounted in cabin
Alarms:

- Main engines are equipped with the engine manufacturer’s alarm package.
- Engine room high bilge level connected to ringer/strobe (tested).

STEERING SYSTEM

Number Of Stations: One
Description/Type Of Equipment: Low pressure helm pump to power assisted hydraulic steering integral to outdrives

CORROSION CONTROL

Zincs: On transom and outdrives
Condition: Unknown; underwater body not inspected
Bonding System: N/A
Other: Electroguard / Mercathode impressed current system

THROUGH HULL FITTINGS

There are no through hull fittings installed below the static waterline. Both bilge pump discharges were at least 18" above the static waterline.

TANKAGE

Fuel Tanks: Two (100 g fwd; 250 g aft)
Total Capacity: 350
Material: Integral welded aluminum
Grounding: Yes
Shut Off Valves: N/A
Vents: Yes
Vent Screens: Yes

GROUND TACKLE

Anchors: 20# Danforth type emergency anchor with 150' 5/8" nylon rode and 10' of 3/8' galvanized chain (lengths estimated)

FIRE AND SAFETY

No. Portable Extinguishers: (2)
Type/Size: 2:BC Halon (see Findings and Recommendations)
Date Last Inspection: 8/2024
Type Of Fixed System and Size: Halon FE241 425ft³
Approximate Size of Engine Space Less than 425ft³
Date Last Inspection: 8/2024
Fire Main, Hose, Nozzle N/A
Fire Axe: N/A

JUMP TO AGENDA

TEICHEIRA MARITIME SURVEYORS, INC.
CONDITION & VALUATION SURVEY / APPRAISAL REPORT
FILE NO.: 24011 VESSEL: P/V "PITTSBURG"

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Number/Type Pfd's: (3) USCG Type V work vests; (4) floatation coats
Ring Buoys: (2) 24" with lights (see F&R's); Lifesling on aft railing
EPIRB: The EPIRB from the Golden Gate was now on the vessel. The registration expired on 6/24 (see Findings and Recommendations). The battery expires on 7/26
Flares: Yes (see comments below)
Life Raft: Zodiac 6-man expires 1/2025. Hydrostatic release expires 1/2025
Horn: Yes (see F&R's)
Bell: N/A (vessel less than 12 meters)
Navigation Lights: Side, stern, red and white 360°
Navigation Lights Tested: Yes
General Alarm: N/A
Oil Discharge Placard: Yes
Garbage Discharge Placard: Yes
Carbon Monoxide Alarm: None (see Surveyor's Notes)
First Aid Kit: Yes

Fire and Safety Comments:

1. Flares- (4) parachute expire 8/2026; (6) hand red expire 7/2026; (3) hand red expire 8/2026 (6) hand orange expire 8/2026
2. Defibrillator with batteries new 2/9/21 and pads expire 6/6/26. Batteries have a 5 year life so will need to be replaced 2/26
3. Medical Oxygen carried onboard
4. 12VDC winch which raises and lowers MOB steps on the portside amidships

NAVIGATION/ELECTRONIC EQUIPMENT

Radar: Furuno FR-8065
Depth Sounder: Hummingbird digital
VHF Radios: (2) Standard Horizon Eclipse; (1) Standard Horizon handheld
GPS: Furuno GP-1850DF with c-map chart chip dated 2/23/2003
Plotter: See GPS
Compass: Ritchie 3"
Hailer: Raytheon Raymarine 430
AIS: Furuno Class B AIS transponder
Entertainment: Sony Marine CDX-M10 AM/FM CD Stereo
Other:

- Electroguard Inc. electrolysis protection level meter
- HP laptop computer with Rose Point Coastal Explorer charting software updated

- Humphree trim tab control

Navigation/Electronics Comments:

1. Compass deviation card dated 9/27/2011 posted.

GENERAL CONDITION

This vessel underwent extensive rebuilding in 2014 and the hull and machinery appears to be well maintained and in excellent condition.

FINDINGS AND RECOMMENDATIONS

HIGH PRIORITY (Recommendations to do immediately due to safety issues):

1. The USCG has changed their fire extinguisher ratings, going from the B-1, B-2 etc., to a UL rating system. For commercial vessels less than 65' (motorboats), 26' to 40' in length, they require a minimum of two 5-B extinguishers, or one if there is a fixed extinguishing system installed in the engine room. Both American Boat and Yacht Council (ABYC) and National Fire and Protection Association (NFPA) require additional extinguishers, over and above those required by the USCG. NFPA has not yet updated their requirements to reflect the new ratings. ABYC recommends three 5-B extinguishers. RECOMMEND since the vessel currently only carries two portable extinguishers with a 2-B rating the vessel should add three additional 5-B.
2. The vessel was not fitted with USCG B-II life jackets. RECOMMEND carry at least one USCG approved PFDs for each person onboard the vessel.

MODERATE PRIORITY (Recommendations which should be accomplished as soon as possible):

1. The water light battery on the port side ring buoy was labeled as being installed in 2022. There was no label on the starboard side. RECOMMEND change batteries annually and record battery change with a label affixed to the outside of the casing (or another recording device i.e. logbook).
2. The fuel hoses from the fuel tanks to valves and to the RACOR filters were old and brittle and none of these hoses were USCG A1-15 hose as required. RECOMMEND change fuel hose as required.
3. The vessel's horn did not function when tested. RECOMMEND troubleshoot and repair/replace as required.

LOW PRIORITY (Recommendations considered as best practices or betterment):

- A. There were salt crystals with poultrice corrosion forming in the bilge area accessible in the forward compartment. RECOMMEND have this area inspected and cleaned free of salt and corrosion products at the next scheduled dry-docking period.
- B. The EPIRB registration needs to be updated and changed to the P/V "Pittsburg"

APPRAISAL

<i>Opinion of Vessel's Fair Market Value:</i>	\$100,000
<i>Opinion of Vessel's Replacement Cost New:</i>	\$800,000

Notes for Appraisal:

- A. An "as is, where is", cash equivalency, 100% ownership interest assumption was made in determining the opinion of Fair Market Value.
- B. The estimated Fair Market Value is the definition from the American Society of Appraisers (ASA) Machinery and Technical Specialties (MTS) Committee: "*Fair Market Value* is an opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date."
- C. The estimated Replacement Cost New is the definition from the ASA MTS Committee website: "*Replacement Cost New* is the current cost of a similar new property having the nearest equivalent utility as the property being appraised, as of a specific date."
- D. Sales Comparison (Market) Approach, Cost Comparison Approach, and Income Approach were considered. No information regarding the vessel's income was provided so this approach could not be used. This vessel is a specialized type of vessel with few, if any, comparable vessels available for developing valuation based upon the market approach. The cost approach was used to determine the opinion of value.
- E. The California Air Resources Board (CARB) has harbor craft regulations requiring diesel engines on commercial vessels to be compliant with U.S. E.P.A. emission tiers were amended going into effect on 1/01/2023. The amended regulations require tier 3 engines with the original date of manufacture between 2013-2015

JUMP TO AGENDA

to be updated by 12/31/2026 (page 79, table 17 of "Commercial Harbor Craft Final Regulation Order").

- F. In October 2020 I obtained an emailed estimate from the vessel builder to replace the bare vessel (hull, deckhouse and propulsion) with a new identical unit for \$350,000. I added \$125,000 for internal furnishings and electronics to arrive at the estimated replacement cost new of \$475,000.
- G. Using the Producer Price Index for "Ship Building and Repairing, Nonmilitary", obtained from the Federal Reserve of St. Louis ¹. The index for 10/2020 was 213.1 and for 8/2022 it was 269.6. The formula for the current value is:

$\text{Current Value} = (\text{Current Index} / \text{Base Index}) \times \text{Cost}$
--

Using this formula:

$\text{Current Value} = 357.1/213.1 \times \$475,000, \text{ or } \$798,000$
--

- H. In my opinion the work accomplished in 2014 added 10 years of service life to the vessel, having the effect of changing the effective age from 27 years to 17 years in 2014. The current effective age of the vessel would be 27 years.
- I. For the Cost Approach calculations, I assumed a replacement cost of \$798,000 (rounded up to \$800,000 for the opinion of replacement cost new), a current Effective Age of 27, a Normal Useful Life of 30 years, and a residual salvage value of \$50,000. However, based upon the CARB Commercial Harbor Craft Regulations proposed amendments (see Note E above), the vessel would require it to be repowered by 12/31/2026, one year short of the vessel being 30 years old. For that reason, the Normal Useful Life was changed to 29 years.
- J. The calculation of Fair Market Value by the Cost Approach, with only Physical Obsolescence (depreciation) considered is as follows:

Current Replacement Cost New	\$798,000
Less Terminal Value	<u>- \$50,000</u>
	\$748,000
Less depreciation (551,000 x .862)	<u>-\$696,388</u>
	\$51,612
Plus Terminal Value	<u>+ \$50,000</u>
	\$101,612

¹ <https://fred.stlouisfed.org/series/PCU336611336611A>

- K. Deducting the residual salvage value, applying straight-line depreciation for 27 years (based upon a 29 year useful life), then adding back the salvage value resulted in a Fair Market Value of \$101,612, rounded down to \$100,000.
- L. The following assumptions were made regarding the valuation:
- Information provided by others that was considered in the valuation is from sources believed to be reliable and no further responsibility is assumed for its accuracy.
- M. The definition of Extraordinary Assumption is "Is an assumption made that if proved false, could affect the appraiser's opinions and conclusions."
- N. The definition of Hypothetical Assumption is "a condition which is contrary to what is known to exist on the effective date that has been assumed to use for analysis".
- O. The following Extraordinary Assumptions were made regarding the valuation:
- The vessel's underwater body condition supports the fair market value.
 - The CARB Commercial Harbor Craft rule require complete repowering of the engines with tier 4 engines with DPF.
- P. No Hypothetical Conditions were assumed.
- Q. In addition to the above listed Extraordinary Assumptions and Hypothetical Conditions, the following assignment conditions apply to this report:
- All information presented in this report is true and accurate to the best of the surveyor / appraiser's knowledge and belief.
 - The surveyor / appraiser renders no opinion as to legal title. Prevailing liens or other encumbrances were disregarded, and the property was appraised as if free and clear, unless otherwise specifically stated.
 - This study was made for the purpose stated and cannot be relied on for any other purpose. This report is for your internal use only and, unless otherwise stated, should not be disseminated to the public or third parties in any part of form.
 - All estimates of value are presented in this report and the surveyor / appraiser's considered opinion. The opinion of value is only valid for the stated effective valuation date (effective date is located adjacent to the signature line on the last page of the report), and for the stated purpose (located on the first page, second paragraph).

- We reserve the right to make such adjustments to the valuation herein reported as may be required by consideration of additional or more reliable information that may become available.
- Testimony or attendance in court by reason of this appraisal shall not be required unless arrangements for such services have previously been made.
- Neither all, nor any part, of this report is to be conveyed to the public through advertising, public relations, news, sales, or other media without written consent and approval of the undersigned.
- This appraisal was made in accordance with the code of ethics set forth by the American Society of Appraisers and the Uniform Standards of Professional Appraisal Practice.
- This appraisal did not consider the possibility of the existence of hazardous materials or toxic wastes. Should there be concerns about the existence of such substances on the property, we consider it imperative that you retain the services of a qualified independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the costs associated with any required or desirable treatment or removal.
- This examination has been conducted without making removals, or opening up to expose areas or components ordinarily concealed, or testing for tightness, or testing and/or running machinery or equipment, and does not, therefore, address any damages and/or deficiencies which might have been revealed if such procedures had been executed.
- No incline experiment, stability studies or stability analysis was performed in conjunction with this condition and valuation survey. This report and the attending surveyor and this office express no opinion relative to the stability of this vessel. Acceptance of this report or its use for any purpose shall serve as acknowledgment of and agreement with the above conditions.

SURVEYOR'S NOTES

- A. Vessel's call sign is WDA 9145.
- B. Carbon Monoxide (CO) is an odorless gas produced during the burning of hydrocarbons. Vessel equipped with gasoline engines and enclosed accommodation spaces are required by American Boat and Yacht Counsel (ABYC) A-24.7.1 to be equipped with a CO detection system. Vessels equipped with solid fuel or LPG appliances, or diesel engines, are recommended to be equipped with a detection system.
- C. With the exception of the deficiencies noted above, this vessel appeared to be in satisfactory condition for operation as a pilot vessel in inland service.

TEICHEIRA MARITIME SURVEYORS, INC.
CONDITION & VALUATION SURVEY / APPRAISAL REPORT
FILE NO.: 24011 VESSEL: P/V "PITTSBURG"

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This report is issued without prejudice to any parties who may be concerned.



August 27, 2024
Effective Date

Dana R. Teicheira
NAMS Certified Marine Surveyor
ASA Accredited Senior Appraiser
Enclosures
1. Appraisal Certification

JUMP TO AGENDA

Agenda Item 18: Discussion of rescheduling or canceling the October 2024 Board meeting

2024

SEPTEMBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

*Scheduled Board meeting dates are highlighted.