

# HOUSE BILL REPORT

## HB 2431

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### As Reported By House Committee On:

Transportation

**Title:** An act relating to state pilotage exemptions for United States vessels operating on coastwise, fisheries, or recreational endorsements.

**Brief Description:** Allowing state pilotage exemptions for certain vessels.

**Sponsors:** Representative K. Schmidt.

### Brief History:

#### Committee Activity:

Transportation: 1/17/96 [DPS].

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Horn; Johnson; McMahan; Ogden; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott; Sterk and Tokuda.

**Staff:** Jennifer Joly (786-7305).

**Background:** Federal law permits the states to regulate pilotage on foreign vessels and U.S. vessels operating in foreign trade in the bays, rivers, harbors, and ports of the United States. RCW 88.16, the Washington State Pilotage Act, requires pilotage on Puget Sound and in Grays Harbor.

During the 1995 session, the Legislature passed HB 1310, legislation requested by the Board of Pilotage Commission (BPC). The primary purposes of the bill were to allow the BPC to assess fees for application and renewal of pilotage exemptions, and to increase the maximum civil penalties for violation of the Pilotage Act. Additionally, HB 1310 repealed language allowing pilotage exemptions for "vessels under enrollment." The repeal of this language was meant to reflect changes made by the federal Vessel Documentation Act, upon which the state statute is based.

Until Congress changed the federal statute in 1982, a vessel documented under United States law was issued one of three types of documents: a certificate of registry, a certificate of enrollment, or a license. Registry was required for engaging in foreign trade. Vessels in the coastwise (i.e., domestic) trade or the fisheries had to be either enrolled and/or licensed, depending on their tonnage.

In lieu of the three aforementioned vessel documents, the federal Vessel Documentation Act provides for a single certificate of documentation which may cover any or all of five categories of use: registry, coastwise, fisheries, Great Lakes, and pleasure. Although the term "registry" was preserved in the new act, the term "enrollment" was replaced by the coastwise and fisheries endorsements.

After the enrollment language was removed from the Pilotage Act by HB 1310, concerns were raised by some segments of the maritime community. The key concern was that vessels historically "under enrollment" (i.e., those in the coastwise trade and fisheries) would now be subject to pilotage by virtue of repealing the language. Although the BPC asserted that it did not intend to expand the class of vessels requiring pilotage, some felt that unless statutory exemptions were explicitly reserved in statute, there could be implications for vessel insurance coverage. For example, insurance coverage may be denied for failure to secure pilotage when an explicit statutory exemption is not available.

**Summary of Substitute Bill:** New language is added to replace the "vessels under enrollment" language repealed last session. U.S. vessels on voyages in which they are operating exclusively on their coastwise endorsements or fishery endorsements are exempt from state pilotage.

Additionally, U.S. vessels operating on their recreational (or pleasure) endorsements are exempt from state pilotage.

**Substitute Bill Compared to Original Bill:** Clarification is made that pilotage is not required for U.S. vessels that fish or process outside the 200-mile economic zone.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Although repeal of the "enrollment" language from the state Pilotage Act was necessary in light of changes in federal law, the statute should be updated to restore historical pilotage exemptions for coastwise and fishing vessels. SHB 2431 alleviates the concerns of the fishing industry, as well as the barge and

towing industry. The Board of Pilotage Commissioners supports this legislation if it will help to clarify that no expansion of the Pilotage Act was intended by HB 1310.

**Testimony Against:** None.

**Testified:** Randy Ray, Pacific Seafood Processors Association; Jerry McMahon, American Waterways Operators; Bill Bock, Puget Sound Pilots; Larry Vognild, Board of Pilotage Commissioners; and Leslie J. Hughes, North Pacific Fishing Vessel Operators Association.