

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 884 (Chairman, Economic Matters Committee)
(By Request – Departmental – Labor, Licensing and Regulation)
Economic Matters Education, Health, and Environmental Affairs

State Board of Pilots and State Board of Docking Masters

This departmental bill transfers regulatory authority over docking masters to the State Board of Pilots and abolishes the State Board of Docking Masters. The bill also establishes an Incident Committee within the State Board of Pilots.

Fiscal Summary

State Effect: General fund expenditures would decrease minimally due to the elimination of docking masters' quarterly board meetings, which would be partially offset by an increase of \$5,000 annually beginning in FY 2005 to hire experts for investigations. Revenues would not be affected.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The bill requires docking masters to be licensed as pilots under the State Board of Pilots and includes provisions to ensure the transition of current docking master licensees to pilot licensees. Accordingly, the bill expands the definition of pilotage to include the docking and undocking of vessels. Initially, however, all licensees will only

be able to provide the services they provided prior to the consolidation. The board must set, by regulation, the training and experience requirements for a bay pilot to perform the tasks of a docking master and a docking master to perform the tasks of a bay pilot. The bill changes references to an apprentice pilot to be a pilot-in-training and adopts the more stringent conditions for being included as a qualified candidate to be a pilot-in-training from the existing docking masters' trainee program. To further accommodate the transition, the bill changes the expiration date of all licenses from May of even-numbered years to two years after the issuance of the license. A licensed pilot is prohibited from taking part in a port-wide job action or strike.

The bill expands the grounds for taking disciplinary action against licensees. Individuals formerly licensed as docking masters will now be subject to disciplinary action for fraudulently or deceptively obtaining, attempting to obtain, or using a license and for being convicted of a felony or a misdemeanor related to fitness to provide pilotage. Individuals currently licensed as pilots will now be subject to disciplinary action for piloting a vessel in a negligent or reckless manner. All licensees will be subject to three additional grounds for disciplinary action: (1) piloting or attempting to pilot a vessel while under the influence of alcohol, narcotics, or any other substance that impairs the physical or mental ability of the pilot to perform in a safe manner; (2) anchoring a vessel during a pilotage transit unless ordered by the master of the vessel to do so or anchorage was necessary for safe or prudent navigation; and (3) engaging in a conflict of interest under the conditions defined in the bill. In addition to aiding vessels around Cape Henry and in the Chesapeake Bay, licensed pilots must aid a vessel in distress in Maryland ports.

Additionally, the bill creates an Incident Committee to review all complaints filed with the board and all reports of incidents filed by licensed pilots and docking masters; the committee is required to make recommendations on the disposition of all incidents. The committee is authorized to request DLLR to appoint an individual with experience in the investigation of maritime casualties to prepare a report on the underlying facts of a complaint or incident.

The bill alters the composition of the Board of Pilots to include a representative of the ship docking tugboat industry instead of one of the two consumer representatives.

Current Law: Licensing and regulation of docking masters is conducted by the State Board of Docking Masters. Licensing and regulation of bay pilots is conducted by the State Board of Pilots.

The five-member State Board of Docking Masters is required to hold quarterly meetings. The board determines the number of docking master licenses to be issued based upon the

safety and well-being of operations in the ports of Maryland, licenses the appropriate number of docking masters, and keeps a list of all other applicants who qualify to be a docking master. Docking masters must meet specified requirements for licensure and are authorized to pilot vessels of varying sizes based on the class of license obtained. Licenses are issued for two-year terms and may be suspended or revoked in specified circumstances. Docking services are prohibited without a license.

The Board of Pilots is composed of nine members including the Secretary, or designee, of DLLR; the President of the Association of Maryland Pilots; three licensed or retired pilots with a minimum of five years experience as a pilot; two members of the steamship industry who actively employ pilots; and two consumer representatives.

The definition of pilotage includes piloting a vessel in navigable waters of the State, including when the vessel is towing or being towed by another vessel.

Background: States have jurisdiction over foreign vessels and foreign-flagged American vessels. Generally, state pilots are required to be on board each vessel when it is underway in the navigable waters of that state. Consequently, such state pilots can be held accountable for their actions through reprimand, license suspension, or license revocation. On the East Coast, a two-pilot system developed whereby state pilots guide the vessels from one point to another. Docking pilots, or masters as they are more commonly known, are used for berthing, unberthing, shifting, and tug assistance when it is needed. Accountability concerns led to the creation of the State Board of Docking Masters. Chapter 509 of 2000 required docking masters to be licensed by the State; prior to then, docking masters were subject only to federal licensure by the U.S. Coast Guard if providing services on an American-flag vessel.

The Board of Docking Masters does not conduct investigations of incidents. The board relies on U.S. Coast Guard incident reports before taking action against a licensee or disposing of an incident.

Currently, there are nine licensed docking masters and 60 licensed bay pilots in Maryland.

Pensions for docking masters are handled by the Association of Docking Masters. Pursuant to this bill, the Association of Docking Masters and the Association of Bay Pilots will be merged into one association to handle all matters related to pensions for licensees regulated by the State Board of Pilots. The pensions of pilots and docking masters have no effect on State finances.

The Board of Docking Masters sunsets on July 1, 2010. Accordingly, the Department of Legislative Services (DLS) is scheduled to conduct a preliminary evaluation of the State Board of Docking Masters in 2007 under the Maryland Program Evaluation Act. Pursuant to the bill, however, the preliminary evaluation of the licensing and regulation of docking masters would not be conducted until 2010 when DLS is scheduled to conduct a preliminary review of the State Board of Pilots.

State Fiscal Effect: The assumption of regulatory responsibility by the Board of Pilots for the services provided by the Board of Docking Masters would reduce the number of separate regulatory units within the department but would not change staffing requirements. Nevertheless, general fund expenditures would decrease minimally as a result of eliminating the Board of Docking Masters' quarterly meetings.

With the creation of the Incident Committee, the Board of Pilots will be able to request an expert in maritime casualties to provide a written report on incidents involving pilots and docking masters instead of waiting for a U.S. Coast Guard report. DLLR advises that it expects no more than a couple of incidents annually that might require an expert to provide a written report. Accordingly, general fund expenditures would increase minimally to hire experts in these cases. DLLR estimates that expenditures would increase by approximately \$5,000 beginning in fiscal 2005 to hire these experts. Out-year expenditures for experts are assumed to grow by 4.6% annually.

All docking masters are currently licensed to pilot vessels of unlimited length and pay a fee of \$600 for each two-year term of their license. Under the bill, existing docking masters will move into the unlimited license category for pilots, which is also \$600 for each two-year term. Accordingly, general fund revenues would not be affected by the licensing fee structure of the Board of Pilots.

The bill alters the expiration date of licenses issued by the Board of Pilots to two years after expiration. Accordingly, licenses issued after October 1, 2004 would expire two years after the date of issuance. However, DLLR advises that all licenses of existing bay pilots expire and may be renewed for an additional two-year term in May of even-numbered years, and licenses of existing docking masters expire and may be renewed for an additional two-year term in October of odd-numbered years. DLLR advises that turnover in bay pilots and docking masters is very low. Accordingly, most individuals currently licensed as bay pilots and docking masters are expected to follow their existing biennial licensing patterns for many years, and general fund revenues would not be materially impacted.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

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