



Draft Summary - Version 01 - 3 October 2018

**BPAC 2018 - 31 May 2018 - St. Petersburg, Russia
Agenda**

		Opening of the conference	The President and the Host
Session	Information	Report from the Secretariat	The Secretariat
Session	Information	HELCOM	The President
Session	Information	Status on the BPAC model course for deep sea pilots	All
Session	Discussion	Status on the country questionnaire	All
Session	Discussion	Update of the BPAC MoU on Deep Sea Pilotage	All
Session	Information	Crown Service Pilots	Russia
Session	Information	Plans and developments at the national level in the member states since the 2017 conference	Authorities and providers
Session	Information	Information from EMPA & IMPA	EMPA IMPA
Session		Any other business	The President
Session	Information	Date and location of the next meeting	The President
		Closing of the conference	The President and the Host



Opening of the conference

The BPAC President opened the 2018 conference with a warm welcome to all participants and expressed the gratitude of the BPAC to the Federal State Unitary Enterprise Rosmorport (FSUE Rosmorport, <http://www.rosmorport.com/>) and its North-Western Basin Branch (NWBB, http://www.rosmorport.com/filials/spb_services/) for hosting the BPAC 2018 conference in St. Petersburg. She considered most topics on the agenda traditional and familiar to the BPAC members and expected to finish the 2018 business in a relatively short period of time.

NWBB Deputy Director for personnel and administrative work Strelnikov welcomed the participants, too, and emphasized that in general pilotage contributes substantially to the safety at sea and the protection of the marine environment. That also goes for deep sea pilotage operations in the NWBB area of responsibility, including the seaports of Saint-Petersburg, Ust-Luga, Vyborg-Vyotsk, Primorsk and Kaliningrad as well as their approaches. The NWBB, including its State Pilot Service, is therefore keen to exchange views and ideas with other pilotage authorities and operators from the Baltic Sea area. NWBB Deputy Director for safety at sea Balashev followed up with a brief review of the historical building used for the 2018 conference, i.e. the Serebryakov Palace.

Finally, the BPAC members briefly introduced themselves and explained their interests in the 2018 conference. They also approved the summary of the 2017 conference without any comments.

HELCOM

Nothing to report

Report from the Secretariat

The Secretary General noted that the Secretariat had been involved in two issues after the 2017 conference, only. In the first case Germany had followed the Chairman's strong recommendation at the 2017 conference to forward fresh deep sea pilotage statistics for 2017 ahead of the 2018 conference through <http://www.baltic.org/adm/auth/frontend/admlogin.asp>. In the second case the Danish Maritime Authority (DMA) had approached the BPAC members with a request for information about their experience related to pilotage of towed ships. The information was needed as input for an ongoing review of the Danish Pilotage Act and related pilotage market and competition issues, and the DMA was grateful for feedback received from four BPAC members.

Status on the BPAC model course for deep sea pilots

The Chairman referred to the Model Course for Baltic Deep Sea Pilots on the link <http://www.balticpilotage.org/files/model%20course%20baltic%20deep-sea%20pilot.pdf> that had been developed and adopted by BPAC a few years ago in order to provide specific guidance on the training of Baltic deep sea pilots. She noted that authorities and operators are free to use the model as they see fit in toto or partially at no cost, and she called for a 2018 table round to measure progress in the implementation of the programme in the period after a similar table round in 2017.



Member feedback showed that Sweden continues to meet the model course requirements. Indeed, six Swedish pilots had recently completed a deep sea pilotage course based on the model. Denmark also continues to follow the model course for pilots operating west of the island of Bornholm. Danish pilots operating east of the island will be subject to the same requirements as and when demand for pilotage services of this kind arises.

Poland currently studies the pros and cons of the model course in a Polish context. Basically, training of new deep sea pilots seems superfluous at a point in time when the demand for deep sea pilotage is declining from an already low level. Germany reiterated the position presented at the 2017 conference that the current supply of deep sea pilots is satisfactory. Consequently, there are no plans to recruit and train new deep sea pilots at this stage. Latvia, Finland, Russia and Estonia explained that there are no changes in the modus operandi in their jurisdictions.

The chairman concluded that the BPAC deep sea pilotage model course seems to serve its purpose in the sense that some BPAC members have already implemented the system, whereas others consider using it as inspiration for future training of their deep sea pilots.

Status on the country questionnaire

The Chairman drew attention to the fact that the amount of statistics on national deep sea pilotage operations had declined steadily over the years and that, so far, only Germany had provided the Secretariat with fresh data for 2017. In the circumstances, then, she suggested that national authorities should consider including deep sea pilotage statistics in their annual presentations to the BPAC as an alternative to updating the BPAC database over the internet.

Germany felt disappointed about the lack of support for providing deep sea pilotage statistics. Background information of this kind is necessary for a host of reasons. For one, political interest in the subject will sooner or later lead to a demand for quantitative data, and there is no quick fix, once the political level insists on receiving hard data covering several years: Experience shows that the production of reliable and comparable statistics requires standardized data collection on a regular basis. Germany also emphasized that collection and reporting of statistics on the modest level specified in Annex I to the summary of the BPAC 2017 conference is neither difficult, nor particularly time consuming. If the BPAC members decide to produce these statistics, they might as a spin-off consider displaying the figures on their home pages for the benefit of the public.

Finland, Sweden and Denmark supported the principle of producing deep sea pilotage statistics. In the Finnish case, however, data of this kind are not readily available. Sweden does in fact keep records on deep sea pilotage, but lacks the manpower to bundle and report the data. Denmark keeps records of this kind, too, in the DMA national reporting system used by individual pilots to report statistics about their performance as pilots in general. The DMA is prepared to allow individual pilots from other BPAC member states to report statistics about their performance as deep sea pilots over the internet in the DMA system. This would require a few and relatively modest modifications of the current system, e.g. an update of its deep sea pilotage areas and its deep sea pilotage points of departure and arrival. If warranted, the DMA system could be expanded to allow for the reporting of a wider range of deep sea pilotage data, too.



The Chairman concluded that the issue deserves another round of discussion at the 2019 conference. In her evaluation the collection and reporting of deep sea pilotage statistics gives a high value for a small effort, and she therefore once more urged all members to contribute to the production of reliable statistics on the subject.

Update of the BPAC MoU on Deep Sea Pilotage

The Chairman recalled that Sweden had proposed to update the BPAC MoU at the conference in 2017 and had followed up with an email of 4 August 2017 to the BPAC members with a number of adjustments. The proposal meets a need for the MoU to reflect specific conditions that may apply in the Baltic Sea during ice and other weather related situations, and the MoU has also been adjusted to allow for, i.a., better presentation as well as correct references, spelling and punctuation.

The members had no objections to the new BPAC MoU version tabled by Sweden. The Chairman, therefore, deemed the new version unanimously adopted and tasked the Secretariat to upload the document to the BPAC home page on <http://www.balticpilotage.org/468/general-information> and to distribute copies to the members together with the summary of the 2018 conference.

Crown Service Pilots

Public Relations Officer Y.A. Shchugareva from ROSMORPORT briefly introduced the BPAC members to N.I. Karalash-Marukhina's book "Crown Service Pilots" issued in St. Petersburg in 2017 on the occasion of the 150th anniversary of the pilotage service in the port of Kronstadt. The book describes in minute detail the development of the Russian pilotage profession from its earliest days in ancient Russia and up to the present and highlights, i.a., the important roles played in the process by the pilots of St. Petersburg and the founder of the city Peter the Great. Deputy Director Strelnikov provided all BPAC members with a copy of the book for further studies at their own discretion.

Plans and developments at the national level in the member states since the 2017 conference

The BPAC home page link <http://www.balticpilotage.org/list/329/links-and-docs> includes six presentations on recent plans and developments. Three are provided by Finland, one by Germany, one by Russia and one by Sweden.

Denmark

In early 2018 a working group was established to produce a fresh analysis of, i.a., the level and impact of competition on the Danish pilotage market, the criteria for mandatory pilotage in Danish waters as well as the need for adjustments of the pilot training program and pilot work environment. The analysis will incorporate contributions from external consultants and lead to recommendations for the regulation of the pilotage industry from 2020, when the market for transit pilotage opens up for free competition between qualified operators. The overarching ambition is to produce regulation facilitating competition without jeopardizing the safety at sea through adjustments of the current Pilotage Act and related Orders.



As far as competition is concerned, the state pilotage operator DanPilot and the private pilotage operator DPS have competed for some years on the two distinct markets for harbour and transit pilotage. However, they recently established a new and joint harbour pilotage operator “Belt Pilot” with an ownership structure giving DanPilot a leading role. DanPilot has also increased its influence over the formerly independent harbour pilotage operators Limfjord Pilot and Skawpilot through ownership changes. These developments tend to reduce competition on the market for harbour pilotage in Danish waters. On the market for transit pilotage DPS continues to compete with DanPilot as the only private operator. Current expectations are that DPS will find it difficult to meet its 2018 quota of 1.000 transit pilotage operations. If so, the state operator DanPilot will be subject to less private competition than allowed for in the Pilotage Act.

The pilot labour union has negotiated a new agreement on the employment conditions of pilots for a three year period from 1 October 2018. As a new and important feature the agreement recognizes that pilots are not seafarers, and it realigns in many respects their employment conditions with the standards in use on the ordinary labour market, including EU regulation standards. The agreement introduces, i.a., more rights for pilots to rest and reconstitute. This improvement comes with a price, however, in the sense that pilots must accept a marginally lower salary. The agreement could have consequences for the pilotage operators, too. For instance, DanPilot will most probably need to employ additional pilots to cope with its legal duty always to provide pilotage in Danish waters.

Germany

German experience shows that annual updating of deep sea pilotage statistics through the BPAC link <http://www.baltic.org/adm/auth/frontend/admlogin.asp> is easy and convenient and can be used for building longer time series for further analysis. The same goes for other kinds of statistics. The BPAC members should therefore consider updating their deep sea pilotage statistics and related statistics, e.g. on the issuance of PECs, via this link.

The 2018 presentation shows that in 2017 Germany carried out a total of 58 deep sea pilotage operations of which 9 took place in the Baltic Sea and 49 in the North Sea/the English Channel. The 2016 figures indicate a lower level of activity with a total of 36 operations of which 9 concerned the Baltic Sea and 27 the North Sea/the English Channel. The rise in the number of deep sea pilotage operations from 2016 to 2017, then, relates exclusively to areas outside the Baltic Sea. With a supply of 21 deep sea pilots in the Baltic Sea in 2017 Germany expects to be capable of satisfying the demand for deep sea pilotage in the area for some years to come.

In 2017 the total number of pilotage operations reached a level of 128.247, i.e. 0.9 pct. below the level in 2016. The downward trend resulted from a mix of growth in the northernmost pilotage areas and a decline in the southwestern areas.

German authorities and operators continue to seek a solution to the challenge posed by a shrinking pool of qualified recruits for the pilotage profession. As indicated at the 2017 BPAC conference one of the ideas under consideration is to identify more flexible ways for pilot trainees to be credited for their skills, e.g. by allowing trainees with practical experience to participate in exams without following the entire education programme. The model for financing the education of pilots has also



been subject to discussion. Recently, the Ministry of Transport and Digital Infrastructure has agreed to contribute to the education of pilots in this respect.

Finland

a. Finnish Transport Safety Agency, Trafi

In early 2018 the Finnish government made a proposal to amend the Pilotage Act so as to allow for remote pilotage experiments, i.e. operations with pilots performing their duties from positions away from the ship. An onshore control center could be a case in point. The idea is to test new technologies, including digital data sharing, with a view to identifying new operating procedures ensuring safe and secure pilotage in cases where a pilot is not on board the ship as required by the current Pilotage Act. The proposal has been sent out for public consultation and will be reviewed later in 2018, when contributions from interested parties have been processed by the authorities, including the Ministry of Transport and Communications and the Finnish Transport Safety Agency.

b. Finnpilot Pilotage Limited, Finnpilot

General

In production terms 2017 evolved positively for the state-owned Finnpilot Pilotage Ltd.: The company carried out 24,621 pilotage operations over a distance of 459,671 nautical miles and noted a growth of 3.4 and 4.6 p.c., respectively, over and above the levels registered in 2016. These levels represent a clear turnaround compared to the downward trend observed over the previous six years.

Finnpilot intends to continue moving forward so as to be in a position to offer current and future customers the best pilotage value for money. In the spring of 2017 the company therefore launched an updated strategy to turn it into a learning organization capable of following and incorporating digital innovations in close cooperation with partners involved in R&D of new maritime traffic systems. This development is driven, i.a., by an ambition to prepare for the testing of an ePilotage system for remote pilotage within a time limit of about two years.

The new strategy also focuses on substantial changes to the company's internal training programme. A new programme of this kind, Finnpilot Academy, incorporates more employee expertise than in the past, and helps stimulating the involvement of all employees in the development of the company together with its management.

Interconnected Digital Fairway Navigation Experiment, iDEFINE

In late 2017 Finnpilot joined the One Sea Autonomous Maritime Ecosystem, i.e. a network of private and public organizations dedicated to the creation of an autonomous maritime ecosystem by 2025. The decision to join reflects Finnpilot's ambition to develop, test and implement remote and autonomous piloting of ships, increase the safety of ships at sea and decrease pilotage costs through the application of modern aids to navigation, including maritime electronics designed to process and exchange large amounts of data.

In this context Finnpilot now participates in the iDEFINE project that combines new technologies and best practices to establish the next level of fairway navigation and to develop a new model for a safe last-mile navigation channel for ships. As a first step plans are to develop, test and launch the



new model on a national scale with national funding. As a next step the model will be made replicable worldwide with international funding, and the first global deployments are expected to take place around 2025.

The project challenges Finnpilot's traditional views on numerous aspects of navigation and pilotage and has allowed for new ways of perceiving these concepts. That goes, e.g., for the future role to be played by pilots as an information hub in cooperation with teams of other maritime professionals with a stake in the safety of navigation, e.g. VTS and port personnel. The project has also initiated fresh discussions on the need for adjustments of the infrastructure related to pilotage operations, e.g. adjustments of current types of on-board or land-based technologies and fairway designs.

Sweden

Statistics indicate an overall growth in the number of pilotage operations of almost 3 % from 2016 to 2017. Six out of nine pilotage areas experienced growth in the range from 1 to 8 %, whereas the level of operations dropped by 1 to 2 % for the rest. Over the same period the number of deep sea pilotage missions declined from 82 to 62, while the trend towards a steady downturn in the number of PECs over the years 2012-16 was reversed in 2017 with a growth of almost 6 % up to 944 PECs.

The Swedish Transport Agency (STA) has introduced a system allowing for electronic application for PECs through the STA home page. Recent amendments to existing regulation reflect this development as well as adjustments in the requirements for issuing PECs related to specific areas, e.g. Vaesterås, and a new limit for compulsory pilotage in Gäddede.

In 2017 the STA continued to work on a project designed to improve the evaluation of fairways through the use of more precise parameters and to adjust the regulation of pilotage operations accordingly. That goes for the regulation of, e.g., the need for compulsory pilotage and the requirements for issuing PECs. So far, the STA has assessed 29 fairways, and expectations are that the STA will examine another 200 fairways.

Sweden also mentioned that in May 2018 the IMO Maritime Safety Committee has adopted new routing measures for ship traffic in Kattegat between Sweden and Denmark. These measures will be implemented on 1 July 2020 and will guide and separate two-way ship traffic better in the area than is currently the case.

Russia

Statistics for the ports of St. Petersburg, Ust-Luga, Vyborg-Vysotsk and Kaliningrad show that the number of pilotage operations and the amount of piloted gross tonnage increased by 17.8 and 20.2 p.c. over the period from 2016 to 2017. The growth more than compensated for the decrease of 10.0 and 6.5 p.c. observed in the period from 2015 to 2016. The statistics also indicate that Rosmorport with its 168 pilots in the Baltic Sea area accounts for roughly half of the pilotage operations and piloted tonnage, whereas private companies employing 65 pilots account for the rest.

In response to questions from German and Latvian representatives about the impact of competition on the market for pilotage Russia explained that

- state pilots have better job security than private pilots. Nevertheless, private companies regularly recruit some of the best qualified state pilots by offering better pay packages,
- presently, state and private prices for pilotage services tend to converge towards the same level,



- state and private pilots are subject to identical control, including the same control intervals, before issuance and renewal of pilot licenses,
- competition has led to overinvestment in the inventory of pilot boats. A merge of all operators into one pilotage organization would reduce the need for pilot boats and other kinds of infrastructure, because a central management is in a position to optimize the total inventory through redirection of assets from locations with surplus capacity to locations with a lack of capacity,
- private pilots from small companies travel more from mission to mission and tend, therefore, to possess less local experience than state pilots, and that
- shipmasters are free to choose between the services of state and private pilot operators.

In conclusion, then, Russia considered the introduction of competition on the market for pilotage an inexpedient change of a profession into a business.

Poland

In response to a question from Finland and with reference to the 2012 PwC and Panteia “Study on Pilotage Exemption certificates” on <https://ec.europa.eu/transport/sites/transport/files/modes/maritime/studies/doc/2012-09-18-pec.pdf> Poland explained that in the Polish jurisdiction pilotage services are provided by private operators, only, and in most cases these companies are owned by the pilots themselves. These operators are regulated by the Ministry of Transport, Construction and Maritime Economy plus three regional Maritime Offices supporting the activities of the Ministry.

The authorities control the education and training of pilots, including their physical fitness, and all pilots without exception must be authorized through the public certification system. The authorities also follow developments in the demand for pilotage services and recommend companies to speed up training of new pilots in case of an increase in the demand. These companies apply, i.a., simulator programmes to improve the performance of pilot trainees that receive a fixed salary during a training period of two years. Denmark commented that in the Danish case pilots do not pass medical tests. Instead they are required to participate in survival courses that only pilots in good shape are capable of completing.

EMPA

The EMPA Board of Directors has traditionally appointed a pilot as Secretary General of the organization. However, the Board has recently employed a lawyer with extensive EU experience for the position instead. This new approach is driven by a need for EMPA to follow and maximize its influence on EU maritime policies and regulation, in particular as far as safe maritime pilotage and efficient maritime transport are concerned. The value of knowledge of EU politics and procedures was clearly demonstrated to EMPA in the recent case of EU Regulation 352/2017 that exempts, but does not prohibit, the public service of pilotage from market access.

EMPA now closely follows developments at the EU level concerning future regulation of e-navigation activities and will try to influence developments in this area, too. In this context EMPA regretted that Swedish and Danish authorities had bypassed the pilot community in the work to define new routing measures in the sea between the two countries. Instead, pilots had been consulted at a late stage in the process with few chances to change anything but minor details. EMPA knew from experience that other countries, e.g. France and Germany, follow more open and democratic procedures and invited Sweden and Denmark to follow their good example.



Finally, EMPA noted that the 2018 IMPA Congress had discussed a wide range of issues effecting maritime pilots and ports globally, including the issue of competition. During the event participants warned against competition in general and argued in particular that it leads to longer work hours and shorter rest periods for the pilots. Competition, therefore, increases the risk that exhausted pilots make mistakes and decreases the safety at sea, even in jurisdictions with adequate regulation. Evidence from a number of countries showed, however, that not all lawmakers act on the basis of facts.

Any other business

The Chairman reminded the members that the next election of a BPAC Chairman for a period of four years takes place at the BPAC conference in 2019. She also explained that she does not seek reelection; after two interesting and rewarding periods in the chair time had come to move on. Members should notify the BPAC Secretary General and the BPAC Secretary through fgo@dma.dk and bil@dma.dk, if they intend to propose candidates for the position.

Date and location of the next meeting

Denmark offered to organize the BPAC 2019 conference in Copenhagen at a point in time minimizing the risk of collision with other international meetings. A brief discussion of the issue showed a BPAC member preference for a meeting to be held in late March or early April 2019. Denmark promised to take this preference into account when planning for the 2019 conference.

Closing of the conference

The Chairman expressed the gratitude of the Commission to Russia for organizing and hosting the BPAC 2018 conference in St. Petersburg. She also thanked all participants in the conference for their contributions to the discussions of items on the 2018 agenda. Both elements had been instrumental in making the conference worth the while.



BPAC 2018 - St. Petersburg, Russia, 31 May 2018
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