

# OVERVIEW

THE AUDITOR  
STATE OF HAWAII

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## Sunset Evaluation Update: Pilotage

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### Summary

We evaluated the regulation of pilotage under Chapter 462A, *Hawaii Revised Statutes*, and conclude that the public interest is best served by reenactment of the statute.

The State should continue to regulate pilotage. The practice has significant potential to harm life and property and compromise the economic well-being of the state. It involves directing a vessel through channels, harbors, and other areas where navigation is difficult. Improper pilotage can result in oil spills, vessel groundings and collisions, and damage to ships, piers, and cargo.

Since assuming regulatory responsibility in 1985, the Department of Commerce and Consumer Affairs has improved the regulation of pilotage. Our review, however, found weaknesses in the examination program and in the regulations. The examination for deputy port pilots does not meet some of the standards of a good testing program, particularly in the way the exam was documented and scored. Scorers and test takers belonged to the same professional association, and in one case, examination security may have been breached.

The regulations do not include specific physical standards for pilots. They also leave to pilot discretion those accidents serious enough to warrant reporting. Because the regulations are not specific, the department could not be certain that all serious incidents came to its attention.

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### Recommendations and Response

The department should document the development of the port pilot examination and take steps to ensure its validity and security. To be fair, representatives from both pilot associations should score the exam. The department should develop physical standards for the licensure of port pilots, specify these standards on the certificate of medical examination, and consider following guidelines from other jurisdictions on drug or alcohol testing programs.

Finally, the department should toughen the regulations by requiring pilots to report *all* incidents and accidents to the director within seven days. To verify serious accidents, the department should arrange to receive ship captain's reports from the Department of Transportation and investigative reports from the U.S. Coast Guard.

The department agrees that the statute should be reenacted and concurs with most of our recommendations. It notes, however, that all pilots licensed in Hawaii are already required to participate in a federal drug testing program.

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## Background

Twenty-four states regulate pilotage. In Hawaii, virtually every vessel involved in trade or commerce that enters or departs pilotage waters must employ a state-licensed pilot. From 1986 through 1989, an average of 4,164 vessel "movements" per year required port pilots. Over 90 percent of these movements occurred in Honolulu Harbor.

In 1985 the Legislature followed the recommendations of our sunset evaluation, abolishing the Board of Pilot Commissioners and vesting responsibility for the program in the director of the Department of Commerce and Consumer Affairs. The department now regulates the nine state-licensed pilots.

The State licenses pilot applicants first as deputy port pilots then as port pilots. All applicants must hold a U.S. Coast Guard license as master of steam and motor vessels and also be endorsed as first-class pilots for deep-draft harbors in the state. In addition, applicants must meet experience requirements, submit a certificate of physical examination, and pass a written examination.

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