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September 19, 2007

Board of Pilot Commissioners
Pier 9, Suite 102
San Francisco, CA 94111

Re: Comments on Proposed Pension Plan Benefit Calculations

Dear Pilot Commissioners:

The following are comments for the record on the above referenced proposed regulations. I am a Pilot retiree and a recipient of pension benefits under the Harbors and Navigation Code, beginning with Section 1163. I was a licensed Pilot from March 1972 until January 2004. I was an active participant in the negotiations of the Pension plan adopted in 1974, and one of the principal participants in negotiating the current Pension Plan with PMSA and other major American Flag shipping companies.

Prior to 1974, attempts had been made by industry and pilots to provide a pension by contributions under the then new Federal "Keogh Plan" regulations. Those per ship contributions were made using a 15 cent and a 45 cent per draft foot formula adopted by the legislature. This proved to be of no benefit to pilots who had served (been licensed) for many years and were about to retire. They were subsequently removed from the Code.

Beginning in 1973, the Shipping industry and Pilots began negotiations for a more suitable plan that would protect pilots with a pension that covered retirement back to 1972. The Commission agreed with the draft proposal and it was passed into law. Everyone involved in the formulation of the plan was well aware of how it was subsequently implemented, including the calculation of benefits. Over the ensuing years the amount of benefit had to be raised several times because of heavy inflationary pressures.

After the unification of bar and inland pilots into the current statutory system, attempts were made to shift from the statutory plan to some sort of "funded" pension system. However the initial costs to establish such a plan were overwhelming and not acceptable to industry.

I became Port Agent again in November, 1990 and took on the responsibility to work with PMSA (Mr. Leo Brien, President) under the direction of the Pilot Commission's Pension Committee (Mr. J.P. LaCasse, Chairman) to develop a pension plan that would stand the test of time and not be subject to possible harassments by pilots or industry.

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Both PMSA and Pilots agreed that the 1974 plan would be the basis upon which to build the new system, since the mechanisms contained in the plan worked smoothly and without bias.

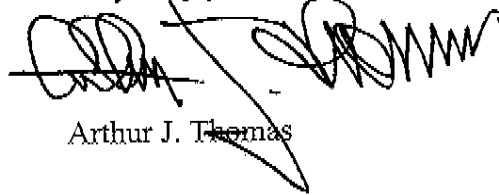
After almost a year of frequent meetings with the Pilot Commission, PMSA, and major shipping companies, a jointly supported draft plan in which each and every paragraph had been agreed to was presented by the Pension Committee to the Commission for support and transmittal of that support to the legislature. All parties were well aware of how benefits were being calculated and there were no objections to continuing the practice of counting all time with an active pilot's license as "service."

The plan was passed into law effective January 1992.

The proposed new Commission regulations relating to the pension, sections 238 and 239, should be adopted. They spell out very precisely what the pilots, the PMSA, the Commission and the Legislature intended when enacting the plan. They emulate just how calculations for pension were envisioned to be accomplished.

Thank you for the opportunity to comment on this issue.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Arthur J. Thomas', is written over a printed name. The signature is stylized and somewhat cursive.

Arthur J. Thomas