

PILOTAGE ADVISORY COMMITTEE

Ref.: HQ/COM 928/29 (22)

Minutes of the Pilotage Advisory Committee Meeting

Date : 2 June 2015 (Tuesday)
Place : Conference Room A, 24/F, Harbour Building
Time : 10:30 a.m.

Present

Chairman: Mr. H. M. TUNG	Deputy Director of Marine, Marine Department ('MD')
Members: Capt. LAM Ming-fung, Lothair Mr. MA Kam-fai	HK Shipowners Association HK Liner Shipping Association (‘HKLSA’)
Mr. NG Che-kan, Deforest	Shipping Agencies
Mr. Michael MOK (on behalf on Mr. NGAN Ping-man)	Containers Terminal Operators
Ms. Caroline LU Zheng	Dry Bulk Cargo Operators
Mr. YIM Kong, Erik	Break Bulk Cargo Operators
Capt. WU Ka-shun	Tug Operators
Capt. ZHOU Wei	Master Mariner
Mr. Marso LAW	HK Pilots Association (‘HKPA’)
Mr. Danny YEUNG	HK Pilots Association
Mr. LAI Chi-tung	AD/PC, MD
Mr. WONG Wing-hung	GM/VTS, MD
Mr. SHIU Yu-chuen	S(N)/EX, MD
Secretary: Ms. Alison WONG	EO(C&G), MD

In Attendance

Mr. Warren LI	SMO/VTC, MD
Mr. George TANG	MO/Pilotage, MD
Ms. Catherine CHOW	Break Bulk Cargo Operators
Ms. Yvette CHAN	HK Pilots Association
Mr. LAI Wing-lun	HK Pilots Association
Mr. Steve LUI	APL Marine & Vessel Planning
Mr. Peter CHU	Hamburg Süd HK Limited

Absent

Mr. LEUNG Kwan-hang	Oil Terminal Operators
Mr. ZHANG Zhi-liang	Dockyard Industry
Mr. John WILSON	Master Mariner
Dr. Jimmy NG	Master Mariner

OPENING REMARKS

1. The Chairman welcomed all to the meeting. He extended his welcome particularly to the following persons –

New Members:

- Capt. LAM Ming-fung, Lothair
- Mr. MA Kam-fai
- Ms. Caroline LU Zheng
- Mr. YIM Kong, Erik
- Mr. Marso LAW

Attending on behalf of others:

- Mr. Michael MOK, who was attending the meeting on behalf of Mr. NGAN Ping-man representing the container terminal operators.

AGENDA ITEMS

I. Interview of Apprentice Pilot

2. The Chairman informed the meeting that two applicants, Mr. FUNG Chi-wah, Eric and Mr. YUEN Chung-yan who had already passed the necessary medical examination would be interviewed.
3. The two applicants were then interviewed in separate sessions. They were asked to brief members on their own background and to respond to some questions about their ship handling experience, reasons for joining maritime industry and this profession, knowledge of pilotage services, the major challenges to be a pilot in Hong Kong, and the key values of harbour pilots, etc.
4. Mr. Warren LI brought up the issue of insufficient ship handling experience of applicants when they apply for the position of apprentice pilot. The Chairman suggested PAC Working Group should take the opportunity to review the training requirement of the apprentice pilots to see if any mechanism could be put in place to make up for the inadequacy of experience at sea.

5. Members were satisfied with the qualifications and experience of Mr. FUNG Chi-wah, Eric and Mr. YUEN Chung-yan, and agreed to recommend them to the Pilotage Authority for registration as apprentice pilots.

[Post-meeting note: With the approval from the Pilotage Authority, the above two candidates registered as apprentice pilots on 3.6.2015.]

II. Confirmation of Minutes of Last Meeting

6. The draft minutes were sent to members for comments in February 2015. No comment had been received and the minutes were confirmed without amendments.

III. Matters Arising from Previous Minutes of Meeting

PAC Paper No. 1/2013 – “Proposed Amendments to the Examination and Training of Pilots”

7. Mr. George TANG reported that the Draft Drafting Instructions (‘DDIs’) had been submitted to the Transport and Housing Bureau (‘THB’) for introduction into the Legislative Council (‘LegCo’). As there was no further update on this item for the time being, members agreed that it could be temporary removed from the agenda.

PAC Paper No. 3/2013 – “Establishment of Principal Fairways in the Waters North of Lantau Island”

8. The draft DDIs had been cleared by the Department of Justice (‘DoJ’). After going through the final internal vetting process, it would be put up to THB for follow up.

PAC Paper No. 2/2014 – “Proposed Amendments to the Pilotage Order, Cap. 84C (Appropriate Experience of Applicant)”

9. The draft DDIs had been cleared by DoJ. After going through the final internal vetting process, it would be put up to THB for follow up.

[Post-meeting note: The draft DDIs for legislative amendments on Pilotage Order (Cap 84C), cleared by the Chairman of PAC, were submitted to THB on 25.8.2015.]

PAC Paper No. 5/2014 – “Proposal on Rearrangement of Principal Fairways and Anchorage in the Western Harbour”

10. Consultations with the advisory committees, i.e. the Local Vessels Advisory Committees, the High Speed Craft Consultative Committee and the Port Operations Committee had been completed. The draft DDIs were being prepared for submission to DoJ for advice.
11. The Chairman envisaged that the above four legislative amendment proposals involving the Pilotage Order (Cap. 84C) and the Shipping and Port Control Regulations (Cap. 313A) would be grouped into two batches by THB for introduction into the LegCo. Members would be kept posted of the progress as and when necessary.
12. Mr. Marso LAW expressed concerned about the progress of the above legislative amendment exercises. He considered that the above items were mainly operational issues of the industry and had little implications to people’s livelihood and enquired whether the process could be expedited by any means, especially the establishment of Principle Fairway in the Waters North of Lantau Island had the dire importance to improve the safety and avoid confusion of vessels navigating in those area. The Chairman understood members’ concerns, but he stressed that the authority to set the priority of submission rested with THB. Having said that, MD would keep on pursuing the proposed amendments on an appropriate priority basis. Mr. WONG Wing-hung also supplemented that the revised Schedule of the Pilotage Order (Cap. 84C) on appropriate experience of applicant had been adopted through administrative measure, similar to previous practice, knowing that it would take some time to go through the legislative process.

Discussion on Tug Requirements

13. Mr. George TANG updated the meeting on the progress of the tug requirements review. He reported that at the Working Group meeting held on 12.5.2015, HKPA presented their report of the simulation on tug requirements conducted on 18 and 19.11.2014. In view of the commercial value of the simulation report, HKPA considered that hard copies of the report should not be released to third party without their consent.
14. Mr. TANG recapitulated the salient points of the presentation as follows-

Setting of Scenarios

- (a) Types of vessels used were container vessels of LOA 396m with 16m draught and LOA 366m with 15.5m draught.
- (b) A total of 13 scenarios ran in 18 sessions simulating the following conditions were conducted:
 - Reasonable tide without wind;
 - Strong tide without wind;
 - Reasonable tide with strong wind;
 - Reasonable wind; and
 - Strong wind.
- (c) During the simulation, the turning effect from the bow thruster used was found to be more than that of actual ships. Therefore the simulations were conducted using only 75% of the thruster power to act as full thruster power.

Findings

- (d) Manoeuvring – both vessels were found sluggish when the speed was 5 knots or less. Ship handling improved when the engine speed increased. A ROT of 13 deg./min. could be achieved with full rudder and half ahead power.
- (e) Emergency crash stop – with initial speed of 7 knots using full astern power would have all headway taken off in about 5 minutes and the distance travelled was about 3 ships' length.
- (f) Wind – when wind speed was 25 knots or more, the control of vessel by using tug power alone (2 x 5,000hp) was ineffective. Berthing operation of these vessels should be avoided when wind force was in the range of typhoon signal no. 3 and/or strong monsoon signal being issued.
- (g) Tide – Berthing or unberthing at KC5, KC10W, KC13 & KC14 with strong cross current were risky. Suitable tidal window should be selected to alleviate the risk. Use of at least one 5,000hp tug was also required.
- (h) The simulations had also shown that all gantry cranes at KC1 should have boomed up and KC1 should be vacated when berthing / unberthing a LOA 396m or above vessel to KC5.

Conclusions drawn by HKPA

- (i) It was considered that at least one 5,000hp tug was necessary, and the use of a second 5,000hp tug was highly recommended. Apart from quantity, the quality of tugs was also an important element for safe berthing.
15. Members agreed that further Working Group meetings should be convened for in-depth discussions on the revision of tug requirements as contained in the berthing guidelines taking on board the above findings. It was expected that a new edition of the Berthing Guidelines could be launched by end 2015.
16. HKPA also raised a discussion on the future dredged depth of 17m in KC basin. It was envisaged that more ultra large container vessels with deep draft of 16.8m or 17m would be calling at KC. As such, tidal window would inevitably be required to mitigate the risk associated with excessive tidal current. The meeting agreed that a comprehensive review on the Berthing Guidelines in respect of the tug and tidal window requirements would be conducted.
17. Mr. WONG Wing-hung called for members' support and participation in future Working Group meetings to offer their professional advice and information in order to make the review fruitful.

IV. New Discussion Items

PAC Paper No. 1/2015 – “Proposed Amendments to the Berthing Guidelines”

18. Mr. George TANG presented the paper to members. He remarked that the details of the proposed amendments had also been gone through at the Working Group meeting convened on 12.5.2015.
19. Members raised no further comments and the paper was endorsed. The faired copy of the updated Guidelines would be uploaded to the website in due course.

[Post-meeting note: The updated Berthing Guidelines were uploaded to the website on 9.6.2015.]

PAC Paper No. 2/2015 – “Adjustment to Pilotage Dues”

20. Mr. Marso LAW introduced the details of the pilotage dues adjustment and the background of the proposal to members. He remarked that there was a total or more than 12% inflation rate since the last adjustment in 2012. An increase in various operating costs, including the training costs, insurance costs, transportation costs and staff costs, etc, also gave rise to the pressure of dues adjustment in order to maintain the pilotage service standard and the sustainability of the business. He also emphasised that HKPA had thorough discussions with HKLSA, which represented 80% of their clients requiring pilotage services, before coming up with the current proposal. It was also agreed that the next review would only be initiated in 2018.
21. Regarding the relatively large percentage of increase for the additional due for Tolo Harbour, Mr. Marso LAW explained that the existing surcharge of \$3,500 had not been reviewed for almost 20 years. However, as HKPA was providing service in this remote area with very high transportation cost and time cost, there was a practical need to increase the surcharge to maintain quality and efficient service. He pointed out that the 20% increase was mild and generally acceptable and affordable by the shipping industry.
22. In response to the Chairman's enquiry on the justifications for the revision in grouping of GRT for the additional dues, Mr. Marso LAW explained that the regrouping was naturally in response to the changed calling ships pattern including LOA and displacement, etc in the past 20 years. The 4-12% increment of the new groupings reflected different pilotage distance, time spent, work pattern and risk level of the trip, as well as the fuel of the transportation boat trip that HKPA provided. The adjustment, which was considered fair and reasonable, was reached after negotiation with HKLSA.
23. Mr. NG Che-kan, Deforest pointed out that the percentage of increase in additional dues for vessels within the range of 30,000 to 40,000 GRT and 60,000 to 80,000 GRT would be higher than other tiers. Mr. Marso LAW and Mr. Danny YEUNG replied by saying that the new demarcation was based on the calculation of the number and size of vessels calling Hong Kong. As the size of visiting vessels had substantial growth in size in the past 20 years, the actual figures of vessels of size within the range of 30,000 to 40,000 GRT had also dropped significantly. It was believed that the proposed regrouping would have minimal impact on different types of ships.

24. The Chairman raised that the basis of the new grouping was not self-explanatory in the paper and reminded HKPA that issues likewise would be subject to the enquiry of THB. He requested HKPA to supplement figures of vessels of 30,000 to 40,000 GRT calling Hong Kong to members for reference.

[Post-meeting note: HKPA supplemented that the average increase of the proposed adjustment of standard dues was approximately 6.0%. Although the margin of the bracket (i.e. GRT between 30,000 to 40,000) had increased by approximately 7.0%, it accounted for only about 4.0% of the total number of ships. For the other range (i.e. GRT between 80,000 to 130,000), the increment was less than the average increase, which was about 5%. HKPA considered that there was no obvious effect on the different types of ships after the regrouping.]

25. In response to the Chairman's enquiry, Mr. Marso LAW clarified that the cancellation fee of pilotage service was equal to the basic pilotage due according to the established practice.
26. Ms. Caroline LU Zheng remarked that oil price had dropped since 2014. She asked whether HKPA had taken this factor on board when considering the rate adjustment. Mr. Marso LAW replied in the affirmative. He opined that the proposed increment was relatively mild when compared with the inflation rate.
27. Mr. NG Che-kan, Deforest requested that other than HKLSA, stakeholders such as the shipping agencies should also be alert and consulted in advance in the next review. He opined that although HKLSA consumed about 80% of the pilotage service, the number of users represented by the shipping agencies was also significant. The Chairman also agreed that HKPA should enlarge the consultation network in the next review and consult all stakeholders, including the shipping agencies and the break bulk operators, etc, before putting up the proposal to PAC for endorsement. HKPA agreed that they would strive for a more comprehensive consultation as best they could in the next review.
28. Mr. C. T. LAI reminded that as there would be a chain of legislative procedures to go through, the proposed effective date of 1.1.2016 as mentioned in attachment 2 of the paper would be unrealistic. Members raised no further comments and the paper was endorsed.

[Post-meeting note: The draft DDIs for legislative amendments on Pilotage (Dues) Order (Cap 84D), cleared by the Chairman of PAC, were submitted to THB on 26.8.2015.]

29. The Chairman pointed out that adjustment of fees or dues was considered a complicated issue and thus representatives of HKPA and HKLSA might have a chance to be invited to explain the details of the proposal before the LegCo if it deemed necessary.

V. Any Other Business

30. There was no other business raised by members.

VI. Date of Next Meeting

31. The meeting ended at 12:20 p.m. The date of the next meeting would be announced in due course.

[Post-meeting note: The next meeting would be held on 7.1.2016 (Thursday) at 2:30 p.m. at the same venue.]

CONFIRMED the minutes 7th day of January 2016.

Distribution list

Chairman, PAC
Members, PAC
Ms Catherine CHOW
Mr LAI Wing-lun
Mr Steve LUI
Mr Peter CHU
SMO/VTC, MD
MO/Pilotage, MD

Committee Unit
Marine Department
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