## FREQUENTLY ASKED QUESTIONS RESPONSES TO HARBOR MASTER NOTICE

OAHU DISTRICT HMN NO. 02-17 HAWAII HMN NO. 01-17 KAUAI HMN NO. 001-17 MAUI HMN-M NO. 01.17

- 1. "Priority which is higher rating Booking rate or Frequency (weekly vs bi-weekly schedule)?" In response to the question, which priority is higher, the Booking Rate or Frequency (weekly vs bi-weekly schedule), priority is as follows:
  - A. Honolulu Harbor. Priority to a pier is pursuant to:
    - i) Hawaii Administrative Rule (HAR), §19-42-89 which provides the following:
      - §19-42-89 <u>Priorities and scheduling of vessel movements in Honolulu</u> <u>Harbor and Kalaeloa Barbers Point Harbors.</u> (a) Preference in the use of piers 1A, 1B, 51A, 51C, 52A, 52B and 53 in Honolulu Harbor shall be given to vessels loading or unloading shipping containers.
    - ii) After applying preference/priority to a container ship in accordance with HAR §19-42-89, priority in scheduling another container ship at the same piers will be based on the Frequency of the container ship's Booking in Honolulu Harbor.
    - iii) After applying preference/priority to a container ship as provided in "A. i)" and Frequency of the container ship's Booking in Honolulu Harbor stated in "A. ii) above, preference/priority to a container ship shall be in accordance with Oahu District HMN No. 02-17 that orders the priority for the control and management of vessel movements of the commercial harbors such as Frequency and the Booking Rate.
  - B. <u>Kalaeloa Barbers Point Harbor (KBPH)</u>. Priority to a KBPH pier is as follows:
    - i) Priority shall be pursuant to Hawaii Administrative Rule (HAR), §19-42-89 (b). Section (b) provides that "priorities for vessel movements other than for tsunamis and unless otherwise authorized by the harbor master."
    - ii) After applying preference/priority pursuant to "B.i)" above, Harbor Master Notice 1-12 provides the priority for vessel movements and scheduling (See http://hidot.hawaii.gov/harbors/library/harbor-master-notices-oahu-district/).
    - iii) HAR §19-42-89 (b) and Harbor Master Notice 1-12 is silent regarding scheduling procedures, therefore Harbor Master Notice 02-15, Electronic (Web-Based Scheduling of Vessel Berths by Agents and Vessel Schedulers require scheduling vessels through

Hawaii.Portcall.com. <a href="http://hidot.hawaii.gov/harbors/library/harbor-master-notices-oahu-district/">http://hidot.hawaii.gov/harbors/library/harbor-master-notices-oahu-district/</a>

- iv) After applying preference/priority pursuant to "B.i)", priority shall be in accordance with HMN 1-12. Priority shall be in accordance with Section I, HMN 1-12, Priority 1 through 3.
- v) In addition to HMN 1-12, vessel movements with Priority 1 through 3, the Harbor Master or designee will Book Request Berths or a Reservation Requests for length of stay as shown on Table 1 "Usual and Customary Duration of Cargo Operations. Allowable Standard Schedule Booking Period."
- vi) In the event, there is a conflict in scheduling and the conflict is not addressed in HAR §19-42-89 (b) and Harbor Master Notice 1-12, then the Harbor Master or designee may apply priority at KBPH based on the Booking Rates.
- C. <u>Hawaii, Kauai, and Maui Harbor Districts</u>. Priorities and scheduling for the Hawaii, Kauai, and Maui Harbor Districts are not governed by specific Hawaii Administrative Rules like Honolulu and KBPH Harbors. Therefore, priorities and scheduling for the Hawaii, Kauai, and Maui Harbor Districts will be by: i) Booked Request Berths or a Reservation Requests for a passenger ship (e.g. a year or so in advance); ii) Frequency then iii) the Booking Rate.
- 2. "Can everyone request 3 years in advance?"

In response to the question whether everyone can request 3 years in advance, the response is yes. However, a Request Berth or a Reservation Request is only a request. The request is **not** approved until the Harbor Master or designee approves the request as "Booked".

Hawaii.PortCall.com was designed and adopted to provide a world-wide access to agents, particularly for passenger ship agents with a planning tool to berth a cruise ship at a state commercial harbor. Hawaii.PortCall.com provides real-time view of open berths for agents to submit a Request Berth or a Reservation Request, say 3 years in advance (See also response to Question 7 regarding as to the timing of Harbor Masters review of a cargo agent's Request Berth or a Reservation Request.)

Cargo agents with recurring schedules are encouraged to submit their Request Berth or a Reservation Request up to 3 years in advance. The request informs and alerts the Harbor Masters of trends to your operational needs. The information also informs passenger agents of open berths and enables the Harbor Masters to resolve rescheduling conflicts in berth space at their commercial harbors.

3. "As of May 1st, will everyone's booking rate be back to - - or 100% to level playing field?"

In response to the question, will everyone's Booking Rate be reset, the response is no. The Agency's Booking Rate will not be reset. The Harbor Masters observed a business practice that exploited the web-based Hawaii.PortCall.com system as a competitive advantage when agencies vie for contracts to service a vessel. When an agency did not receive the contract

for services, the agency canceled the berthing request. By adopting the Booking Rate as a performance measure, the Hawaii.PortCall.com system measures an agency's performance and objectively holds an agency accountable for their activity.

4. "As of May 1st, will all requests/bookings beyond Jun 14th be wiped out and need to be reentered under new guidelines?"

In response to the question, as of May 1<sup>st</sup> will all requests/bookings beyond June 14 be deleted and need to be re-entered, the response is no. All requests/bookings beyond June 14 do not need to be re-entered. All requests and bookings will remain as requested in the system, until a change in Request is requested and approved by the Harbor Master's Office. As a reminder, requests will be approved one day prior to actual arrival in accordance with HAR §19-42-89. See Response to Question 7.

5. "Our understanding is that currently our Company Booking Rate is effected by harbors entering First Line, Last Line, will this be changed by May 1<sup>st</sup> and eliminate Harbors activity from effecting anyone's Company Booking Rate?"

The harbors entering First Line, Last Line closes a Booking. Closing a Booking, documents the vessels actual arrival and departure. The entering First Line, Last Line closes a Booking is a positive effect to the Booking Rate. The Harbors will continue to enter first/last line as the information is an integral part of our invoicing a company the dockage fee that is based on a 12-hour day (see HAR §19-44-20, or as applicable.)

6. "Cancellation grace period. Will all cancellations count against your booking rate or is there a grace period? I.E. if you cancel 30 or 45 days out?"

In response to your question, the response is yes. All cancellations will count toward the Booking Rate. Because cancellations of a Book berth could have denied other agents and agencies business opportunities, there is no grace period.

Activity at the commercial ports have increased. With limited pier space, ordering priority based on an agencies' performance (Booking Rate) in closing their Bookings encourages agents and agencies to plan their submission of their Request Berth or a Reservation Request.

7. ""Book" on Hawaii.PortCall.com is the tentative reservation by the Harbor Master or authorized representative to approve an agency's request to reserve a berth on Hawaii.PortCall.com. Prior to 11:00 a.m. five days before a vessels arrival, or as soon thereafter as possible, the berthing assignment shall be confirmed request to Book. Prior to 11:00 a.m. the day before arrival, the agency shall submit a final estimated time of arrival. At 2:00 p.m. the day before vessel's arrival, the schedule posted on Hawaii.PortCall.com shall be considered the final berthing assignment; after 2:00 p.m. the day before the vessel's arrival, changes shall be made on a first-come, first-serve basis, provided there is no interference with the schedule posted in Hawaii.PortCall.com."

We need clarity on this:

**Request** = Tentative = Dotted Line.

Reservation requests are tentative and displayed on the computer screen as a dotted line. The <u>dotted line</u> outlines the vessel use of pier space and the time and duration of the use of the berth at all commercial ports.

**Approved** = Book = Solid Line (45 days out).

For Honolulu and KBPH, a Request Berth or a Reservation Request will be reviewed no more than 45 days out. Final confirmed arrival is based on HAR §19-42-89(d)(4) – prior to 11:00 a.m. the day before arrival. HAR §19-42-89(d) contemplated providing the Harbor Master or designee the least amount of time to confirm a final arrival to address traffic conditions and other considerations at Honolulu and KBPH.

The Hawaii, Kauai, and Maui Harbor Districts' Harbor Masters Notices state that reservation requests will be reviewed no more than 45 days out. The activity at each commercial port differs, therefore, agents and agencies are directed to consult with the Hawaii, Kauai, and Maui Harbor Masters regarding when your request will be approved / Booked.

## **Confirm** = 5 days out?

Final confirmed arrival is based on HAR §19-42-89(d)(4) – prior to 11:00 a.m. the day before arrival. HAR §19-42-89(d) contemplated providing the Harbor Master or designee the least amount of time to confirm a final arrival with due consideration to traffic conditions at Honolulu Harbor and KBPH.

The activity at each commercial port differs, therefore, agents and agencies are directed to consult with the Hawaii, Kauai, and Maui Harbor Masters regarding when your request will be approved / Booked.

"Will Harbors send an e-mail or how is this confirmed?"

When the Harbors Master Books a Request Berth or a Reservation Request, the Hawaii.PortCall.com system turns the <u>dotted line</u> (the Request Berth or a Reservation Request) into a <u>solid line</u>.

The Hawaii.PortCall.com system generates e-mails between the Harbor Masters Office and agent/agencies when a change to the schedule is made post approval or if the log is being utilized.

"ETA – Agency to submit a final ETA? How? By Email or on PortCall?"

The agency company is to submit their final ETA through the Hawaii.PortCall.com system. See HMN 02-15, Electronic (Web-Based Scheduling of Vessel Berths by Agents and Vessel Schedulers <a href="http://hidot.hawaii.gov/harbors/library/harbor-master-notices-oahu-district/">http://hidot.hawaii.gov/harbors/library/harbor-master-notices-oahu-district/</a>.

"If on PortCall we suggest for ease of use, the following modification: On View All Reservations screen, add tomorrow (Next Day) as a choice. Plus, add an ETA column with a check mark for Confirmation. And we will need to be able to modify time on this screen."

The system enhancements have been completed and accepted. The suggestion is a task we can assign to Hawaii.Portcall.com to conduct future enhancements as funding becomes available.

8. "Only individuals within the same company should see that company's Booking Rate. Currently you can see each company's rate."

The Booking Rate advances a goal to promote transparency with agents utilizing the system to schedule berths at our commercial harbors. The design of performance measures the Booking Rate, in the opinion of the Harbors Masters, promotes competition and adopting best management practices in the utilization of our commercial piers.

9. "What's to stop two companies from booking the same vessel? Having the one with the higher booking rate request the booking in order to secure the berth."

In response to the question, the system does not "stop" or restrict any two companies from booking the same vessel. When the Harbors Division agreed to industry's request that the Hawaii.PortCall.com system accept any vessel name that meets the depth and length requirements of a pier at the commercial harbors, the Harbors Division allows "companies" to submit a Request Berth for the same vessel.

The Harbors Division notes that the above question tells of industry business practices that exploit the Hawaii.PortCall.com system. When two agencies submit their Request Berth or a Reservation Request for the same vessel, the Harbor Masters find that the Hawaii.PortCall.com system is used by agencies as a competitive advantage when vying for contracts to service a vessel. When an agency does not receive the contract for services, the agency cancels the berthing request. The Harbor Masters discourages this business practice because it creates unnecessary conflicts in the system. However, because the Harbors Division agreed to design the system to accept any vessel reservation and conflicts, it cannot prevent this business practice. By adopting the Booking Rate as a performance measure and not resetting the Booking Rates, agencies are held to their performance and accountable for their business practices.

The Harbor Masters offers a different approach. We suggest agencies consult with all of the Harbor Masters or designee at the commercial ports when the agencies are vying for contracts to service a vessel. The Harbor Masters or designee, on behalf of the agencies, submit a Request Berth or a Reservation Request under the Harbors Masters Office account. Any cancellations by the Harbors Masters Office in this case would not count against an agencies Booking Rate. This approach, if adopted by industry, would help avoid lowering an agencies Booking Rate; and, level the playing field because the Harbors Division has no special interest with who is awarded the contract.

10. "When does the booking rate data collection begin?"

The collection for the Booking Rate data began during January 2016, when the Harbor Master Notices regarding the Electronic Scheduling system were posted. As stated in the HMN, the "Booking Rate" is the percentage of an agency's "closed" bookings over the agency's total "request for reservations" over the previous 365 days as posted and updated in Hawaii.PortCall.com.

11. "If data is already being collected, will there be a time period where cancellations created by Harbors personnel be excluded from the agent's booking rate? Cancellations not requested by an agent should not affect the agent's booking rate (in PortCall any cancellation affects the booking rate)?"

Reservation requests created by or cancelled by Harbors personnel does not affect the agencies Booking Rate. The "Booking" is the percentage of an <u>agency's "closed" bookings</u> over the <u>agency's total "request for reservations"</u> over the previous 365 days as posted and updated in Hawaii.PortCall.com. (See also responses to Question 9.)

In our response to question 9, we offered a different approach to industry. The Harbors Division suggests that when agents are vying for contracts to service a vessel at a commercial harbor, the Harbors Masters or designee should consult the respective Harbors Master to Request Berth or a Reservation Request under the Harbors Masters Office account. Again, any cancellations by the Harbors Masters Office would not count against an agencies' Booking Rate.

12. "What is the procedure to get actual arrival times logged or bookings closed if the reservation is missing the logged arrival time or not closed?"

Since January 2016, Honolulu and KBPH, the Honolulu Harbor Tower Operators log actual times into Hawaii.PortCall.com. The Hawaii, Kauai, and Maui District Harbor Masters or their designees have been entering actual arrival and departure times since December 2016. Upon receipt of the question, the Harbors Division reviewed open Bookings in Hawaii.PortCall.com and the Harbor Masters have been updating missing information in the database back to December 2016, thus improving an agency's Booking Rate.

13. "Why are cargo vessels with the highest scheduling frequency given priority over other cargo vessels? How does this promote a fair and open system as noted in HAR 2952.17 when certain agents/cargo vessels have an unfair advantage in booking priorities?"

Cargo vessels with the highest scheduling frequency are given priority over other cargo vessels because businesses have come to rely on just in time delivery of cargo. The high cost of land has resulted in businesses demanding more frequent arrivals and departures of cargo vessels. Based on the demand for just in time delivery of cargo to business, ordering priority to a cargo vessel with a higher frequency over a less frequent cargo vessel is not only fair but essential to the flow of commerce.

Hawaii.PortCall.com is an open system. Agents/cargo vessels have the capability to view, plan, and submit a Request Berth or a Reservation Requests. By having 24/7 access to the open berths at any of the commercial ports, agents/cargo vessels can plan their business opportunities to compete with other cargo agents/vessels months and years in advance.

14. "Can higher priority agent/cargo vessel bump a lower priority agent/cargo vessel for a booked reservation?"

Generally, the type of cargo vessel with a higher priority agent/cargo vessel will not bump a lower priority agent/cargo vessel with an approved Booked reservation – conflicts will be reviewed individually.

15. "Can higher priority agent/cargo vessel bump a lower priority agent/cargo vessel for a reservation request even though the lower priority agent/cargo vessel requested the reservation first?"

Generally, a higher priority agent/cargo vessel <u>can</u> bump a lower priority agent/cargo vessel who submitted a berthing request but does not have an approved reservation – conflicts will be reviewed individually.

16. "In what timeframe are reservation requests booked after the request is made?"

The timeframe when reservation requests are reviewed and approved by the Harbor Master have been standardized in all the Harbor Master Notices. The Harbor Master or authorized representative will review and Book the Request (tentative booking) not more than forty-five (45) calendar days in advance of the Request to Berth. Prior to 11:00 a.m. five days before a vessels arrival, or as soon thereafter as possible, the berthing assignment shall be confirmed Request to Book. Prior to 11:00 a.m. the day before arrival, the agency shall submit a final estimated time of arrival. At 2:00 p.m. the day before vessel's arrival the scheduled posted on Hawaii.PortCall.com shall be considered final berthing assignments; after 2:00 p.m. the day before vessel's arrival, changes shall be made on a first-come first-served basis (by HAR 19-42-89), provided there is no conflict with the schedule posted on Hawaii.PortCall.com.

17. "Are the frequencies for direct sailings statewide total or per port total?"

Frequencies of Bookings are not determined by direct sailings by a statewide total. Frequencies of Bookings are determined by specific commercial harbor and pier because each commercial harbor is unique as to its pier and cargo yard design and weather conditions.

18. "Will the sailings data be published for the public to see the priority rankings?"

The Hawaii.PortCall.com system may not have the sailing data referenced in the question. The web-based system is an open system and available 24/7 for agents/cargo vessels to view, plan, and review Reservation Requests and Booking at Hawaii.PortCall.com. The Harbors Division provided David Butts, Business Editor of the Star Advertiser access to system to publish additional sailings information to the public.

The system was not designed to address priority rankings. The system has its limitations and could not be programed to address the observed business practice that exploited the web-based Hawaii.PortCall.com system. Because of the Harbor Masters expressed concerns about the rise in the number of conflicts, the Harbors Division began developing the Harbor Master Notices to address scheduling priorities; manage Request Berths or a Reservation Requests; recognize performance in the utilization of our piers; and, promote competition and maintain a level playing field.

19. "Confirmation of booking requests at five days prior to the vessels arrival will cause scheduling issues for the vessel's prior and subsequent port calls in the State of Hawaii. With this little time, users will be faced with increased penalty fees (vessel charges) due to pier unavailability."

HAR §19-42-89(d) has been in effect since February 26, 1996, and has the force and effect of law. The rule provided for the "scheduling procedures" when "agents shall submit" schedules to the Harbor Master Office – the rule. When the Harbors Division modernized its

vessel scheduling from the faxing of schedules to a web-based scheduling system, the HMN integrated HAR §19-42-89 into the new procedures.

Hawaii, Kauai, and Maui Harbor Districts are not governed by specific rules like HAR §19-42-89 for Honolulu and KBPH Harbors. As a statewide harbor system and to have consistency in our practices, Hawaii, Kauai, and Maui Harbor Districts are adopting the five-day provision, as a minimum, as a guideline. Agents and agencies are directed to consult with the Hawaii, Kauai, and Maui Harbor Masters regarding when your request will be approved / Booked.

The question suggests that the five-day notice will cause scheduling issues. Since February 26, 1996, we have not experienced the rule as being an obstacle to scheduling.

As stated in previous above responses, the Honolulu and KBPH Harbor Master or authorized representative will review and Book the Request (tentative booking) not more than forty-five (45) calendar days in advance of the Request to Berth. The Harbor Master or authorized representative's review does not prevent agents/cargo vessels from submitting recurring schedules up to 3 years in advance. Or to submit a request for a berth up to 3 years in advance.

Again, the Hawaii, Kauai, and Maui Harbor Districts are not governed by specific rules like HAR §19-42-89. As a statewide harbor system and to have consistency in our practices, Hawaii, Kauai, and Maui Harbor Districts are adopting the five-day provision, as a minimum, as a guideline. Agents and agencies are directed to consult with the Hawaii, Kauai, and Maui Harbor Masters regarding when your request will be approved / Booked.