

MASSACHUSETT'S PILOT RATE BOARD MEETING

November 17, 2017 at 1100 hours

Held at the Headquarters of the Boston Marine Society

At 1100 hours, the meeting of the Massachusetts's Pilot Rate Board was called to order by Captain Jeff Havlicek, Chairman.

Board Members present: Captain Jeff Havlicek, Chairman
Captain Bradley Wellock, Massachusetts Port Authority
Captain Stefan Palmer, Boston Marine Society
Mr. Edward Washburn, New Bedford Harbor Development Commission (via teleconference)
Captain David Cox, District 1 Pilot Commissioner

Public Attendance: Captain Richard Stover, Boston Harbor Pilot Association
Captain Michael Peddle, Boston Harbor Pilot Association
Captain Paul Costabile, Northeast Marine Pilot Association
Captain Sean Bogus, Northeast Marine Pilot Association

The requirement for a quorum of a minimum of four board members present was met, and the meeting proceeded.

Capt. Jeff Havlicek welcomed all the board members and the public attendees.

A motion was made by Capt. David Cox, seconded by Capt. Brad Wellock, to approve the minutes of last year's board meeting dated November 7, 2016.

The Chairman recognized Capt. Paul Costabile representing Districts Three and Four. Capt. Paul Costabile informed the Board of a pilot boat charge increase of \$100; from \$400 to \$500. He noted \$400 is paid by the ship and \$100 is paid by the pilots.

Capt. Paul Costabile presented the Board with a proposal of Massachusetts District 3 and District 4 pilotage fees for 2018, 2019, and 2020 for consideration. He proposed an overall increase of 1% for 2018, a 2% increase for 2019 and a 2% increase for 2020. The increase would apply to the Harbors, Buzzards Bay, and Cape Cod Canal. And to all components, draft, gross tonnage, and pilot units. He also proposed an increase in the minimum pilotage tariff from \$1200 to \$1300.

Capt. Costabile reviewed the details of the canal fee rate increase of 1% for 2018, 2% for 2019 and 2% for 2020, including the percent difference annually from 2017 through 2020. He also presented the estimated cost savings utilizing Cape Cod Canal versus going out and around Cape Cod for a typical vessel. He also reviewed the harbor fee increase of 1% for 2018, 2% for 2019 and 2% for 2020, and the percent difference annually from 2017 through 2020.

Capt. Costabile presented the Board with the 2018 pilotage rate comparison to nearby northeast states. The Board discussed the rate comparison, and briefly talked about the projected annual inflation rate over the next five years along with the Northeast Region CPI. It was noted that the proposed rate increases are in line with the CPI and projected inflation rates.

Capt. Costabile proposed projecting the rates for three years, however acknowledged the rates will be reviewed annually by the Pilot Rate Board.

Capt. Brad Wellock made a motion to accept District 3 and District 4 overall rate increase of 1% for 2018, 2% for 2019 and 2% for 2020 as was presented by Capt. Costabile. Mr. Ed Washburn seconded the motion. It was unanimously approved by the Board and the new rates will go into effect on January 1, 2018. The rates will be re-visited at the next annual meeting.

The Chairman then recognized Capt. Richard Stover representing District One for his proposal on District One rates.

Capt. Stover presented the Board with a handout "Boston Pilotage Rate Comparison to Other Similar Ports" The Board reviewed the handout, as well as, the 2017 rates. He noted there was a 7.1% increase in the number of vessel calls to the port of Boston in 2017.

Capt. Stover did not propose an overall rate increase for 2018, however, he made a recommendation to increase the carry away fee to \$1000 for the 1st day and \$500 for each additional day. After a brief discussion, the Board agreed the increase seemed reasonable. Capt. David Cox made a motion to accept his recommendation. The motion was seconded by Capt. Brad Wellock. It was unanimously approved by the Board and the change will go into effect January 1, 2018.

Capt. Jeff Havlicek advised that he had received an email from Capt. Bob Blair requesting to mirror the changes approved for District One. A motion was made by Capt. Stefan Palmer, seconded by Capt. David Cox to accept his recommendation, and approve the same increase for District Two. It was voted on and the vote passed unanimously.

There being no further business to discuss, Capt. David Cox made a motion to adjourn the meeting. The motion was seconded by Capt. Brad Wellock.

Capt. Jeff Havlicek, Chair
Pilot Rate Board