

MASSACHUSETT'S PILOT RATE BOARD MEETING

December 8, 2014 at 1300 hours

Held at the Headquarters of the Boston Marine Society

At 1300 hours, the meeting of the Pilot Rate Board was called to order by Lt. Governor Designee from the Seaport Advisory Council, Chairman, Capt. Jeff Havlicek.

Board Members present: Chairman, Captain Jeff Havlicek, Seaport Advisory Council
Captain Bradley Wellock, Massachusetts Port Authority
Mr. Richard Meyer, Boston Shipping Association
Captain David Cox, Boston Marine Society
Mr. Jeffrey Stieb, New Bedford Harbor Development Commission
Ms. Vivian Li, Boston Harbor Association
Captain Richard Shannon, District One Pilot Commissioner

Public Attendance: Captain Richard Stover, Boston Harbor Pilot Association
Captain Martin McCabe, Boston Harbor Pilot Association
Mr. Andrew Hammond, Boston Harbor Pilot Association
Captain Paul Costabile, Northeast Marine Pilot Association
Captain Robert Blair, Easter Point Pilots
Captain Sean Bogus, Northeast Marine Pilot Association
Mr. William Eldridge, Peabody & Lane/MSC

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

Capt. Jeff Havlicek welcomed all of the Board Members and the public attendees. He introduced Capt. Richard Stover and then turned the meeting over for his presentation regarding proposed District One pilot rates changes for consideration and approval.

Capt. Stover recapped some of the discussions at the working group meetings and presented the following District One pilot rate changes:

- A reduction of categories from thirteen to eleven was presented for consideration in hopes of streamlining rate structure. Each category is evenly distributed with 15,000 GT between categories. The amount per meter draft is evenly separated by \$20 between each category. This change would be revenue neutral for District One Pilots. A comparison chart was displayed showing the present rates and the proposed rate adjustments.
- Included in the proposed adjustments was an increase in draft rate by 3%, and the GT rate from \$ 0.01050 to \$0.01260 equaling an estimated increase of 5.055%.
- A set harbor fee of \$400 with an additional \$200 per hour for each hour a pilot is required to be on board for exceptionally lengthy assignments where it is not practical for the pilot to depart or does not have the option to leave the vessel.
- There were no proposed changes in boat surcharge rate, the fuel surcharge rate, or to any rules.

An in-depth discussion followed with a diverse range of perspectives of concern and support offered by board members and public attendees. The in-depth discussion included comparison to other ports and it was established Boston pilotage rates are approximately 25% less than other ports, such as, Norfolk, Portland, ME, and New York.

The proposed increases do not represent a 5% increase for all vessels, as some result in a larger percentage increase and some, less of a percentage increase. There was considerable discussion and an attempt to address that disparity by adjusting figures and percentages, however, it resulted in a greater difference of increases and decreases.

A motion was proposed by Capt. Jeff Havlicek to accept the changes proposed by Capt. Richard Stover, however, before that motion was seconded or passed a question was raised regarding a possible fuel surcharge rate change. At that time, Ms. Vivian Li requested that it be noted for the record, before she voiced an opinion, she is a representative of the Boston Harbor Association, and there were a number of their contributors present at the meeting. Ms. Li then proceeded to express support for the pilot rate increase proposal, however, was concerned

about a higher spike for some ships in certain categories, in particular, container ships. She, therefore, was not able to support the motion.

Mr. Richard Meyer clarified the Pilot Rate Board did not have the authority to effect fuel surcharge rates.

Therefore, a motion was made by Mr. Richard Meyer, seconded by Capt. Richard Shannon to accept the following as was presented by Capt. Richard Stover on behalf of the Boston Harbor Pilot Association.

- a) the change in categories from A through M to I through XI and reducing the number of categories from 13 to 11.
- b) change draft rate by 3% increase and GT from \$ 0.0105 to \$0.0126.
- c) change hour rate charge to a set fee of \$400 plus an additional \$200 per hour for each hour a pilot is required to be on board

A voted was taken, four voted in favor, and three were opposed, therefore, the vote carried.

Mr. Bob Blair spoke on behalf of District Two, and asked the Board to accept a 5% increase, as was presented by District One. Capt. Jeff Havlicek made a motion to accept the proposal. The motion was seconded by Capt. David Cox. The motion carried, six in favor and one opposed. Mr. Jeff Stieb abstained.

Capt. Paul Costabile presented a proposal for District Three and Four Pilot rate adjustments for 2015 to the Board for consideration. He requested the Board approve the following:

- a) 3% draft rate increase
- b) 20% GT, from .007 to .0084
- c) An overall increase of 5% for pilotage rates
- d) All rate categories remain the same

Their proposal was accepted on a motion made by Ms. Vivian Li, seconded by Capt. David Cox, and the vote carried with a unanimous vote with Mr. Jeff Stieb abstaining.

In addition, Capt. Paul Costabile requested the Board approve an overall increase of 5% for Buzzards Bay and the Cape Cod Canal. His request was accepted on a motion made by Ms. Vivian Li, seconded by Capt. David Cox. The vote carried with a unanimous vote. Mr. Jeff Stieb abstained.

In regards to the transit rates for the Vineyard Sound and Nantucket Sound, Capt. Paul Costabile proposed adjusting the transit rates so that they are uniform with those of Buzzards Bay and Cape Cod Canal. He noted the minimum pilotage rate would remain at \$1200. His proposal was accepted on a motion made by Capt. Brad Wellock, seconded by Ms. Vivian Li. The vote carried unanimously. Mr. Jeff Stieb abstained.

There being no further business to discuss the meeting was adjourned on a motion made by Capt. David Cox, seconded by Capt. Richard Shannon.

A handwritten signature in black ink, appearing to read 'Jeff Havlicek', with a stylized flourish at the end.

Captain Jeff Havlicek

Chairmen, Pilot Rate Board