

FLORIDA  
DEPARTMENT OF BUSINESS  
AND PROFESSIONAL  
REGULATION  
P O Box 5377  
TALLAHASSEE, FLORIDA  
32314-5377  
850-717.1980

STATE OF FLORIDA  
APPLICATION FOR A  
CHANGE IN RATES OF  
PILOTAGE

DO NOT WRITE IN THIS SPACE  
FOR OFFICE USE ONLY

APPLICATION SHOULD BE TYPED

PLEASE CHECK THE APPROPRIATE BOX TO IDENTIFY THE APPLICANT:

- Individual Person  
 Single Licensed State Pilot

- Other Entity  
 Group of Licensed State Pilots

PART A APPLICANT PROFILE DATA

Name of Individual/Association/Group  
**Palm Beach Harbor Pilots' Association**

Name of Authorized Representative & Title  
**Captain Reid Hansen, Partner**

Home Telephone:  
(Include area  
code)  
**(561) 352-8091**

Business  
Telephone:  
(Include area  
code)  
**(561) 845-2628**

Mailing  
Address:

Street and No. **200 East 13<sup>th</sup> Street; Suite B**

Apartment No.

Social Security Number or Federal Employer  
ID Number (Optional):

City **Riviera Beach**

State **FL**

Zip Code

**33404**

Permanent  
Address:

C/O **SAME**

Street and No.

City

State

Zip Code

IF PERSONS OTHER THAN A PILOT:

Detailed statement setting forth the substantial interest of the applicant and how the applicant is directly affected by the established rates:

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**PART B**

1. Name of Port for which rate change is being requested: **Port of Palm Beach**

2. Detailed explanation of rate change being requested:

	<u>FROM</u>	<u>TO</u>
Draft Charge	\$16.00	\$20.00
-Minimum	13 ft	17 ft
Tonnage Charge	\$0.034	\$0.032
-Minimum	2500 GT	5000GT
Dock/Undock (over 10,000 GT)	\$150.00	\$150.00
Shifting vessel less than 7,000 GT	\$250.00	\$400.00
Shifting vessel 7,000 GT or larger	\$400.00	\$800.00
Running lines by pilot boat	\$300.00	\$400.00
Transfer of papers by pilot boat	\$300.00	\$300.00
Transfer of personnel by pilot boat	\$500.00	\$500.00
Anchoring vessel in anchorage area	\$600.00	\$1000.00
Detention, cancellation of pilot	\$150.00	\$300.00

A \$25 per handle fee for 7 years for purchase of a new pilot boat beginning January 1, 2020.

A \$25 per handle fee for port control duties beginning January 1, 2020.

A **5.0 %** increase per year for 10 years beginning on the one-year anniversary of rate increase implementation.

A reduced passenger vessel gross tonnage charge of \$0.016/GT on gross tonnage above 55,000.

Late payment charge is 2% per month after 30 days from invoice submission.

Projected rate increase percentage amounts including pilot boat fee and port control fee:

With 2 cruise ships: 19.65%                      With 1 cruise ship: 27.90%

### **3. Basis for requested rate change:**

Chapter 310.0015(3) states: "The rate-setting process, the issuance of licenses only in numbers deemed necessary or prudent by the board, and other aspects of the economic regulation of piloting established in this chapter are intended to protect the public from the adverse effects of unrestricted competition which would result from an unlimited number of licensed pilots being allowed to market their services on the basis of lower prices rather than safety concerns. This system of regulation benefits and protects the public interest by maximizing safety, avoiding uneconomic duplication of capital expenses and facilities, and enhancing state regulatory oversight. The system seeks to provide pilots with reasonable revenues, taking into consideration the normal uncertainties of vessel traffic and port usage, sufficient to maintain reliable, stable piloting operations." It further mandates that: "Pilots shall maintain or secure adequate pilot boats, office facilities and equipment, dispatch systems, communication equipment and other facilities, and equipment and support services necessary for a modern, dependable piloting operation. The pilot or pilots in a port shall train and compensate all member deputy pilots in that port."

In determining whether the requested rate change will result in fair, just, and reasonable rates, the committee shall give primary consideration to the public interest in promoting and maintaining efficient, reliable, and safe piloting services. The Committee shall also give consideration to the following factors which are herewith accompanied by the basis for the requested rate change:

#### **1. The public interest in having qualified pilots available to respond promptly to vessels needing their service.**

The Palm Beach Harbor Pilots' Association (PBHPA) has a consistent history of reliable and punctual service. It is important to maintain proper monetary compensation to continue a reliable service and attract and maintain highly qualified deputy pilots for the future. Three Pilots will require replacement within the next five years. One will retire on July 1, 2019, another within one year after, and another in 2-3 years. The PBHPA is currently training a deputy pilot which will be an expense of approximately \$245,000 after the minimum two-year training program is complete. A second trainee will soon follow at similar expense. As of January 2019, the deputy pilot being trained for three months resigned. Therefore, a more strenuous and less stable four-man rotation will go into effect beginning in July once a pilot retires.

#### **2. A determination of the average net income of pilots in the port, including the value of all benefits derived from service as a pilot. For the purposes of this subparagraph, "net income of pilots" refers to total pilotage fees collected in the port, minus reasonable operating expenses, divided by the number of licensed and active state pilots within the ports.**

The PBHPA has revenue and per pilot salaries significantly lower than comparable ports. They have reduced business and personal welfare expenses in every area available in an attempt to increase net revenue. Their facilities and expenses are as modest as possible while still maintaining reliability. This will be obvious at the pilot boat and facility tour.

#### **3. Reasonable operating expenses of pilots.**

The PBHPA reduced operating expenses from 28% and 30% in 2006 and 2007 to 26% and 28% in 2010 and 2011, even with price inflation consuming those efforts. Since the last rate increase of 9.7% in 2013, expenses such as office rent, a 504% increase, health insurance, a 67% increase, and wet slips, a 304% increase, have risen more and faster than pilotage rates. Mechanical parts and labor, and the general cost of living have risen as well. CPI increased 11% between the 2007 rate increase and the last rate increase in 2013. The CPI since 2013 has increased over 10%, which would be significantly higher if not for the sharp decline in energy prices during the span. CPI is projected to rise at a more accelerated pace. In addition to the regular boat maintenance and repair costs, *Pilot Boat #1* required a complete engine replacement in 2018 costing \$60,000. The PBHPA practices prudent business practices, regularly evaluates cost cutting measures, operates the most modest of pilot operations, and has actively investigated all areas to reduce expenses without undermining the important service they provide. Multiple retirees (detailed in 9. Cost of retirement and medical plans), deputy training pay and a new pilot boat will add large expenses in close proximity. This is a new experience for the Association.

The PBHPA has operated with three full time boat operators for many years. After the loss of regularly calling casino vessel, *M/V Palm Beach Princess*, the third boat operator was terminated in 2010. In 2018, a third full time boatman was added once the second regularly calling cruise ship, *Grand Classica*, began operating. This new ship in combination with 24-hour Tropical traffic violated required rest regulations for mariners. The new employee has added extra costs for base pay and benefits. The Office Administrator, who serves in a part-time capacity, received a raise beginning January 2019.

#### **4. Pilotage rates in other ports.**

The PBHPA has among the lowest overall revenue per pilot in the State. Their rates rank among the lowest. When using the average revenue per handle metric, determined at previous hearings to be \$2000+/handle at neighboring ports, the PB Pilots also rank the lowest at \$608/handle in 2017 and \$774/handle in 2018. The PB Pilots have the most handles per pilot as well. They will remain among the lowest compensated State Pilots even with the proposed rate increase implemented. If the cruise ships were to cease operating, the revenue per handle would drop to approximately \$482 and reduce pilot compensation to approximately \$130,000 per pilot.

**5. The amount of time each pilot spends on actual piloting duty and the amount of time spent on other essential support services.**

Each pilot spends an average of approximately 1.5 hours per handle. In 2017, there were 2514 handles, 503 per pilot, or approximately 6.9 handles per day. In 2018 there were 2837 handles, 567 per pilot, or 7.8 handles per day. Each pilot will handle more vessels per year than any other port in Florida, which includes the docking and undocking responsibility. The essential support services of a dispatcher are also common to most Florida ports. The PBHPA does not have a dedicated dispatcher and therefore the duty pilot coordinates ship traffic, tug orders, and vessel placement restrictions. Direct communications with vessel agents and dock masters for line handling times, berth assignments, and restrictions are continuous. The Palm Beach Pilots must routinely man the pilot office handling many emails and calls on his watch in between vessel handles. Personal VHF systems to monitor and direct traffic are also used for this purpose throughout one's watch. Because the frequency and unpredictability of arriving and departing vessels, the PBHPA has mandated a minimum one-hour call out, less than most ports in the state. Call-out notifications were only one-half hour until 2018. Thirty-minute call-outs are still frequent. The standby pilot is regularly required and must maintain availability in the event two pilots are needed. This requires pilots to live very close to the Port and/or remain at the pilot office during their watch rotation. Even when off rotation, a pilot may be summoned for duty such as when a pilot is sick or injured or after a storm when there are many vessels waiting to enter.

Other essential support services include, but are not limited to: communication with Office Administrator, general paperwork, office management and errands; frequent communication and meetings with agents, ship management, Port officials, the US Coast Guard and Army Corps of Engineers; PBHPA quarterly and special meetings; FSPA and Board meetings, boat maintenance and security, including special arrangements and conference calls during circumstances such as approaching storms; record and log keeping; extra pilot duty, travel, and communications with the Port of Fort Pierce; simulator training; deputy training, and regular intern programs.

**6. The prevailing compensation available to individuals in other maritime services of comparable professional skill and standing as that sought in pilots, it being recognized that in order to attract to the profession of piloting, and to hold the best and most qualified individuals as pilots, the overall compensation accorded pilots should be equal to or greater than that available to such individuals in comparable maritime employment.**

The latest data on comparable maritime employment was presented at the Port Everglades rate hearing in October, 2018. Compensation for captains of large US-flagged vessels currently earn approximately \$325,000 per year. It was also determined that the average compensation for state-licensed US pilots is approximately \$580,000 per year.

**7. The impact rate change may have in individual pilot compensation and whether such change will lead to a shortage of licensed state pilots, certificated deputy pilots, or qualified pilot applicants.**

As calculated for future projections, the PBHPA will attain an approximate 20.7% gross revenue increase with the applied requested rate increase if only one cruise ship is operating. If both are operating, the increase to gross revenue will be approximately 13.7%. These figures are of course dependent on the economy and the future of *Bahamas Paradise Cruises*, who have been a boon to the Port, Pilots, and local economy, but unpredictable so far. Even with the increase applied, candidates must weigh the challenge, risk, and sacrifice associated with trying to become a PB harbor pilot versus the wages they earn in their current maritime profession or in a different port. The PBHPA has not been a preferred Association to become a member as evidenced by the number of applicants in the 2018 exam year. Only seven applicants tested and only four passed. This is not a satisfactory pool of candidates. Candidates that call the PBHPA to receive information are discouraged to test by the inconsistent prospects of the Port, and the inferior schedule and retirement benefits.

**8. Projected changes in vessel traffic.**

This is the topic that makes the piloting business at the Port undesirable and unattractive to candidates. The business can change at a moment's notice as it has several times. Unlike most other Florida ports, projected changes in vessel traffic are difficult to predict. Historical failures of the passenger ships and unreliable schedules has been a problem. This becomes quite significant when they represent up to 63% (with two *Bahamas Paradise Cruise's* vessels operating to Freeport) of pilot revenue. Because the passenger ships are searching for and routinely engage in more lucrative schedules and government-paid relief charters, vessel traffic changes are impossible to predict. Even with just one cruise ship operating regularly, it still represents 44% of gross revenue. The lack of Port expansion in over 65 years creates a situation where "natural" rate increases (increases in revenue due to expansion of facilities, slips, channels, and hence larger vessels) are a dead end. This is why the PBHPA has required rate increases from the Rate Board at a higher frequency than other ports.

**9. Cost of retirement and medical plans.**

The PBHPA's retirement plan is very modest compared to other ports. There is no large percentage of share or medical benefits after retirement. It is designed to supplement a pilot's personal retirement savings. According to the Articles of the PBHPA, 20 years of service and at least 55 years of age are the minimum combined thresholds for retirement pay eligibility. The breakdown for retiree pay is as follows:

20-24 years of service: 4.5% of net revenue for 3 years, then 3.0 % of total net revenue for life; no medical benefits provided.  
25-29 years of service: 5.25% of net revenue for 3 years, then 3.75% of total net revenue for life; no medical benefits provided.  
30+ years of service: 5.625% of net revenue for 3 years, then 4.125% of total net revenue for life; no medical benefits provided.

Pensions are capped at 20% of total gross revenue.

Because of lower working compensation and retirement benefits compared to other State pilots, Palm Beach Pilots remain active pilots longer. The current retiree has and the three imminent retirees will all have well over 30 years of service each. This savings has been passed on to the customer for decades. Retired Pilots also have to contend with unstable pension amounts dependent on cruise line traffic. Loss of a single cruise ship can result in a 44% loss in benefits without notice. Because of these uncertainties and historical failures of passenger vessels at the Port, the Palm Beach Pilots must work and save longer during their careers. Longer careers increase health and life risks in the latter years of one's career as agility and strength decreases.

2019-2022 will be a unique circumstance for the PBHPA as three retirees will to be added to the expenses in a very short period. This is projected not to occur again for the foreseeable future. Currently, the PBHPA pays benefits to just one retired pilot. The retired pilot, who served for 35 years, is on a reduced retirement plan that pays him 3% of the net amount available for distribution, for life. Total payments to the retired pilot for 2017 and 2018 were \$42,623 and \$51,655 respectively. The Association will have another retired pilot in July 2019 and then another one year later. A fourth member will likely retire within 2-3 years. By the end of 2019, the PBHPA will have two or three retirees and likely four after 2022. Assuming similar net revenue to 2018, The expense per year per new retiree will be approximately \$94,000. With three retirees, the new expense will be approximately \$240,000 and \$334,000 with four.

The retirement plans are reasonable, below industry standard, and dependent on Association revenues minus expenses. The increased benefit for longer terms of service promotes longer careers which reduces expenses and maintains a more experienced group. Each Pilot also contributes to their 401K retirement account monthly. This requires a 13% match for the 401K accounts of the four employees.

Typical pilot group PPO medical plans found in the other Associations are not available to the PBHPA due to high costs. The pilots and boat operators are insured with high deductible HSA plans, paying up to \$10,000 out of pocket in addition to premiums. Health insurance for the pilots is paid individually and the boat operators are paid by the PBHPA. Health insurance premiums for the boat operators rose 26% in one year from 2017 to 2018 with 10+% per year increases for the pilots being typical. The recent addition of the third boat operator will add to these rising costs.

#### **10. Physical risks inherent in piloting.**

The physical risks of piloting at Palm Beach Inlet are significant. An accident can jeopardize a pilot's life, license, earnings, and career. Ascending or descending a pilot ladder in rough seas, day or night, can be treacherous. Pilots have to put much faith into their personal ability and experience, their equipment, and the competency of the boat operator and ship's crew. An improperly secured ladder can end a pilot's life. The risks are amplified for the PBHPA because of the number of handles each pilot makes per year and rough seas associated with the Gulfstream current. The Palm Beach Pilots have a steady history of more handles per pilot than any other Florida pilots. This is accomplished on smaller pilot boats than most ports. In 2017 and 2018, they had more at-sea embarkations and disembarkations per pilot than pilots at any other Florida port. The Palm Beach Pilots handle a higher frequency of small ships which do not provide as preferable of a lee compared to large ships. Inbound sugar barges require that the pilot ascend pigeon holes or an aluminum ladder tied to the tug so that he can give commands from the barge to the tug operators.

The following seven fatalities have occurred in the U.S. alone since 2006:

- In January 2006, Columbia River Bar Pilot, Kevin Murray, fell and drowned as he was disembarking from a log carrier using a pilot's ladder.
- In January 2006, Hawaii Pilot, David Lyman, fell into the water and was struck by the pilot boat.
- In October 2006, Boston Harbor Pilot Robert G. Cordes fell off a ladder near the top of his climb onto a bulk carrier and landed on a barge alongside the ship.
- In January 2007, George Robert Frazier, who operated a pilot boat for the Galveston-Texas City Pilots, drowned when his boat capsized following the disembarkation of a pilot from an offshore support ship. The pilot was rescued.
- In February 2007, Chesapeake Pilot, Deibert fell from a ladder into the Atlantic Ocean while climbing aboard a coal carrier. His body was never found.
- In March 2013, Panama City Pilot, Frank Knowles, fell from the pilot ladder and died.
- In June 2018, Corpus Christi Pilot, Robert Louis Adams, when the accommodation ladder leading to the pilot ladder failed.

Referencing the Fort Pierce rate increase documentation produced on January, 31, 2012, Case No. 10-2335, Division of Administrative Hearings, Findings of Fact, states: "9. The risks faced by pilots are unique. Pilots are transferred from their pilot boat out at sea onto and off of large moving vessels. Once the pilot boat maneuvers alongside the vessel, the pilot typically boards the ship by stepping from the pilot boat onto a ladder hanging from the ship's side. Unfortunately, pilots are frequently injured and sometimes killed in the course of this dangerous transfer, particularly in bad weather. One expert in the piloting profession testified that over the course of a 30-year career, a pilot has a one-in-20 chance of being killed in a boarding accident."

#### **11. Special characteristics, dangers, and risks of the particular port.**

See PAGE NINE, "List of Unusual Hazards to Navigation"

#### **12. Any other factors the committee deems relevant in determining a just and reasonable rate.**

Aggressive cost cutting: The PBHPA has reduced as many business expenses as possible in the past five years without hindering service or reliability. From smaller expenses such as internet, cable, phone, pager, answering service, 401k and bank fees, to larger expenses such as disability, life, health, and pilot boat insurance. Maintaining older pilot boats rather than buying new ones is a challenge that can only last so long. Some of these cuts have reduced personal security.

Disability premiums and benefits were reduced by half in May 2010. However, if a pilot is disabled and becomes unable to perform his duty, he would only receive 1/3 of his normal compensation before taxes and other limitations such as short-term disability mandates. The premiums increase about 5% per year. Life insurance was canceled in May 2010. Pilots must obtain their own. The burden of disability has been put on the Association itself whereas the member whom is disabled will receive tiered portions of his share in combination with the disability insurance pay-out. This internal system is rare and requires a great deal of trust between the Pilots.

Pilot boats: Unlike most Florida associations containing more members who can divide the cost of safer state-of-the-art pilot boats, the PBHPA has had the same two boats since 1991 and 1995. As the vessels approach 30 years old, the pilots have had to rebuild and replace the engines and fuel tanks on a regular basis. Both vessels use durable old-fashioned diesel engines, single-screw, without computerization. They are relatively slow, noisy, and less fuel efficient than what most associations are using. In 2018, the #1 boat was repowered for \$60,000 with the same exact Cummins diesel as the #2 boat. By doing this, the pilots are able to streamline parts ordering and maintenance in attempt to further reduce costs. While the engine was being replaced, the pilots had to operate with just one boat and rent another for two months. The rental boat was the best they could find but was dangerous and inadequate. The quote from BoatUS to use one of their boats was \$2,800/day. The PBHPA has decided to either buy a smaller 3<sup>rd</sup> pilot boat to keep on a trailer for Summertime use and when one of the two regular boats are out of service or buy a complete replacement to one of our old boats. The new boat will have trailering capability and will therefore require a truck to handle this duty. The cost and decision of the newer third pilot boat is expected to be approximately \$280,000-\$500,000 depending on the outcome of this rate hearing.

Fort Pierce: Three of five PBHPA pilots are cross-licensed to pilot vessels at the Port of Fort Pierce in order to uphold the mandate of FS 310.141, *Vessels Subject to Pilotage*. The pilots have been called upon to cover watches there at a significant inconvenience with minimal pay and will continue to do so in addition to their regular duty. The required coverage for the Port will decrease as the retiree leaving in June 2019 will reduce the available coverage to just two pilots. When a Palm Beach Pilot covers a watch in Fort Pierce, it can affect the rotation of pilots not cross licensed as well.

Dependency on two companies: The PBHPA is highly dependent on the successful operations of one experimental company operating 30-year-old ships, *Bahamas Paradise Cruises*. Rumors of new schedules are a common occurrence. The *M/V Grand Celebration* and *M/V Grand Classica* represent approximately 50% of gross revenue to the PBHPA, depending on their operating schedules. The company was dedicated to operating both ships continuously to Freeport, Bahamas, but one of the ships is often taken out of service for extended periods in order to house workers of natural and man-made disasters. The company is dependent on these relief efforts for revenue. The ships also leave for Navy training exercises. This repetitive relief service is unheard of at other ports where schedules are made years in advance and more modern bigger ships are being built regularly. The ports of Miami, Key West, Tampa, Everglades, and Canaveral, for example, would minimally be affected financially for the loss of one cruise ship. Tropical Shipping represents another 28% of the gross revenue if two cruise ships are operating and 41% if there is only one. So much dependence on the passenger vessels puts the PBHPA in a constant budgeting dilemma. Hurricanes also affect *Bahamas Paradise Cruises*, and hence the PBHPA, differently because their only port of call for both ships is Freeport, Bahamas. Other companies can skip a port if it is severely damaged, while continuing to operate in a profitable manner. Business decisions such as hiring a new deputy, a permanent boat operator, or buying a new pilot boat become high-risk endeavors. This precarious situation combined with the fact that Lake Worth Inlet, unlike most other Florida ports upgrading and expanding as needed, has not been deepened or widened since 1967. Expansion is not on the horizon. This creates higher stress and a difficult unsteady environment for current pilots and the inability to attract a large pool of highly qualified deputy pilots.

CPI and Cost of Living: The cost of living in coastal Palm Beach County is among the highest in Florida. Pilots must live close to the Port to service their customers and are therefore limited in housing options. With the CPI increasing approximately 2-3% per year since 2007, and expected to accelerate, the PBHPA will again be playing keep-up with inflation after a granted rate increase. For that reason, the PBHPA is requesting a 5.0% increase per annum for ten years beginning on the one-year anniversary of the rate increase implementation date.

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
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4. Effective Date of Last Pilotage Rate Change: August 1, 2013  
Pilotage Charges Increased at that time:

<u>CHARGE</u>	<u>FROM</u>	<u>TO</u>
Draft	\$14.75/ft; 10 ft minimum	\$16.00/ft; 13ft minimum
Tonnage	\$0.033/GT; 2000 GT minimum	\$.034/GT; 2500GT minimum
Dock/undock	\$125.00 for 10,000 GT+	\$150.00 for 10,000 GT+
Shifting	<10,000 GT: \$150.00 >10,000 GT: \$250.00	<10,000 GT: \$250.00 >10,000 GT: \$400.00
Running lines	\$300	\$500
Deliver orders	\$300	\$300
Deliver personnel	\$300	\$500
Detention (per ½ hour)	\$125	\$150
Anchoring outside	\$600	\$600
BARGES	1.5 x draft @ \$14.75/ft	draft + GT

5. FINANCIAL INFORMATION

(a) PILOT

Please attach the appropriate financial statement as Exhibit I or Exhibit II.

**EXHIBIT I, INDEPENDENT AUDITORS' REPORT**

(b) PERSONS OTHER THAN A PILOT

Is the application for a rate decrease which alleges that financial hardship is caused to the applicant as a result of existing rates of pilotage?  YES  NO

Please attach the appropriate financial information as Exhibit I-I or Exhibit I-II.

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**(REQUIRED BY PILOT APPLICANT/OPTIONAL BY NON-PILOT APPLICANT):**

Number of Vessels Handled During:

Tonnage of Vessels Handled	Second Preceding Fiscal Year F/Y/E: <u>2016</u>	Last Fiscal Year F/Y/E: <u>2017</u>	Estimated Current Fiscal Year F/Y/E: <u>2018</u>	Projected Next Fiscal Year F/Y/E: <u>2019</u>
Less than 500 GRT	43	34	23	23
500 - 1000 GRT	309	264	235	235
1000 - 2000 GRT	728	753	724	724
2000 - 5000 GRT	463	476	531	531
5000 - 10000 GRT	537	496	544	544
10000 - 20000 GRT	180	224	222	222
Over 20000 GRT	381	267	558	558
Draft of Vessels Handled				
Less than 8 feet	6	5	8	8
8 - 10 feet	108	109	116	116
11 - 15 feet	1151	1067	1079	1079
16 - 20 feet	457	495	560	560
21 - 25 feet	355	367	344	344
26 - 30 feet	497	399	704	704
31 - 35 feet	11	16	26	26
Over 35 feet	0	0	0	0
Length of Vessels Handled				
Less than 100 feet	0	0	0	0
100 - 250 feet	155	171	189	189
250 - 500 feet	1907	1850	1870	1870
500 - 750 feet	579	493	778	778
Over 750 feet	0	0	0	0
<b>TOTAL HANDLES</b>	<b>2585+56 shifts=2641</b>	<b>2458+56 shifts=2514</b>	<b>2793+44 shifts = 2837</b>	<b>2793+44 shifts = 2837</b>



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**7. Comparison of the average net income of pilots in the port, using current rates, including the value of all benefits derived from services as a pilot, to the projected average net income using the requested rates.**

	2017 PRIOR YEAR	2018 PRESENT YEAR	* 2019 PROJECTED YEAR I	** 2020 PROJECTED YEAR II
Total Number of Pilots	5	5	4.5	4.0
Gross Pilotage Fees	\$1,529,444	\$2,195,118	\$2,195,000	\$2,597,000
Operating Expenses	\$279,444	\$526,668	\$690,000	\$993,000
Net Income	\$1,250,000	\$1,668,450	\$1,505,000	\$1,604,000
Average Net Income Per Pilot	\$250,000	\$333,690	\$334,444	\$401,000

\* 2019 assuming new rates not implemented until January 1, 2020, and cruise ship schedules were same as 2018; one deputy; one pilot retiring July 1, 2019. New pilot boat not included.

\*\*2020 assuming new rates implemented for entire year with cruise ship schedules the same as 2018/19; 2 deputies, the second one starting January 1, 2020; second pilot retiring July 1, 2020. New pilot boat not included.

NOTE: If not for retirees and deputy training in 2019 and 2020, a regular 5-man rotation would change the average net income per pilot to \$301,000 and \$321,000 for those years (both decreases from 2018). Even though the pilot compensation shows higher using 4.5 and 4.0 pilots for 2019 and 2020, respectively, the work-load per pilot will much higher than normal with 2 days on, 1 day off, 4-man rotation until the deputy becomes a full pilot. This is expected to happen for 4 years beginning July 1, 2019.

Itemize Other Reasonable Operating Expenses of Pilots (unaudited):

Other general personal business expenses include pilot license and marine liability insurance, portable and fixed home VHF systems, driving expenses, smart phone service with related apps, rain gear, sun protective clothing, glasses, sunscreen and hats, associated medical expenses directly related to profession, extra training, intern meals, courtesy pilot hats, business lunches, non-slip shoes, automatic floatation devices, required State USCG annual physicals, newly required USCG certificates, radar certificate renewals, various travel expenses to Board and FHPA meetings, administrative fees, personal accounting fees, State license fees, TWIC fees, LLC fees, and postal fees.

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8. a) Pilotage rates in other ports deemed relevant by the applicant:

<u>PORTS</u>	<u>PILOTAGE RATES</u>						
	GT	Min. GT	Draft/ft.	Min. draft	Min. charge	Shifting	Barges
*Miami	tiered	5,000 GT	tiered	18 feet	\$971.00	same as handle	same
*Port Everglades	tiered	5,000 GT	tiered	18 feet	\$868.00	same as handle	same
**Port Canaveral	\$.028	2,500 GT	\$12.50	12 feet	\$220.00	\$100 + GT	GT + draft
***Fort Pierce	\$.060	2,000 GT	\$26.60	10 feet	\$386.00	\$386	GT + draft
Palm Beach	\$.034	2,500 GT	\$16.00	13 feet	\$293.00	\$250/\$400	GT + draft
Palm Beach (proposed)	\$.032	5,000 GT	\$20.00	17 feet	\$500.00	\$400/\$800	GT + 1.5xdraft (barges >5000GT)

\* Port Miami and Everglades have a new tiered box formula with varying rates.

\*\* Port Canaveral in the process of a rate change.

\*\*\* Fort Pierce has no dedicated pilot and minimal traffic. Therefore, a rate change has not been pursued.

**b) (REQUIRED BY PILOT APPLICANT/OPTIONAL BY NON-PILOT APPLICANT)**

Time Spent by Applying Pilot  
on Actual Piloting Duty  
(Actual Hours/Year)

2018:  
900 hours per pilot

Time Spent by Applying Pilot on Other  
Essential Support Services  
(Actual Hours/Year)

2018:  
Duty pilot administrative: 550 hours per Pilot  
Standby pilot time: 3720 hours per Pilot

Unlike most ports, The PB Pilots themselves handle all the dispatch and vessel/agent correspondence work for the Port. These extra duties have grown significantly since vessels continue to increase in size while the Port does not. Therefore, the PBHPA is requesting a \$25 per handle port control fee.

**Additional Relevant Information (Required by Pilot Applicant/Optional by Non-Pilot Applicant)**

Referencing the Fort Pierce rate increase documentation produced on January, 31, 2012, Case No. 10-2335, Division of Administrative Hearings, Findings of Fact, states:

“14. These examinations are extremely difficult, and candidates will have typically spent several months and hundreds of hours in preparation. Only about 20 percent of those who sit for the exam will pass.”

“62. The pool of professional U.S. mariners qualified to move into the pilot career path is relatively small — a little over 2,000 and ports across the U.S. compete against each other to attract the best individuals to piloting. Indeed, ports within Florida compete with each other for the best qualified candidates.”

“63. While large Florida ports historically would have had 20-30 applicants for a pilot opening, the number of applicants for even large ports like Miami and Jacksonville has decreased in the last 4-5 years. Most recently there were only 11 mariners testing for two openings at Jacksonville and eight mariners testing for three openings in Miami.”

These are alarming statistics, especially for a smaller port like Palm Beach where financial compensation risks and health risks are higher. A pool of highly qualified candidates is essential for the continuation of superior service and safety in this profession of paramount importance.

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
PAGE SEVEN**

c) Prevailing Rate of Compensation of Individuals in Other Maritime Services of Comparable Professional Skills (If deemed relevant by the Applicant)

<u>Classification of Maritime Services</u>	<u>Rates of Compensation (per/year)</u>
Master, Mates and Pilots pay scale for Master	\$325,000
Average compensation for US Pilot	\$580,000

Referencing the Fort Pierce rate increase documentation produced on January, 31, 2012, Case No. 10-2335, Division of Administrative Hearings, Findings of Fact, states: "56. The Board, thus, uses the range of masters' salaries as a range of "floors" on pilots' income to be applied depending on the amount of vessel traffic at a port, the characteristics of a port, and the need for pilotage services at a port.

Referencing Captain Quick's testimony at the Port Everglades rate hearing of October 24, 2018, an unlimited master in the MMP union makes approximately \$325,000 per year. There are approximately 1,100 state-licensed harbor pilots in the United States. The average compensation for a state-licensed pilot nationally is about \$580,000.00 per year. The Palm Beach Pilots have historically averaged less than half this amount.

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
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**9. Comparison of Present and Requested Pilotage Charges (REQUIRED BY PILOT APPLICANTS/OPTIONAL BY NON-PILOT APPLICANTS)**

Pilotage Charge Item	Present Charge as of: <u>2018</u>	Actual Revenue for 12 Months Preceding Application (Jan 1, 2018 – Dec 31, 2018)	Requested Charge	Revenue Based on Requested Charge, as Applied to Actual Activity of Preceding 12 Months	Increased Revenue, Based on Requested Charge Applied to Preceding 12 Months	Percentage of Increased Revenue on Preceding 12 Months Activity
<u>DRAFT CHARGES:</u> Per Foot . . . . Minimum to _feet	\$16.00/ft 13 ft min.	\$845,338	\$20.00/ft 17 ft. min	\$1,190,059	\$344,722	40.8%
<u>TONNAGE CHARGES:</u> Per Gross Registered Ton Minimum GRT Maximum GRT	\$.034/GT 2500 GT min.	\$1,305,962	\$.032/GT 5000 GT min.	\$1,282,890	-\$23,072	-1.8%
<u>DOCKING/ UNDOCKING:</u> All Vessels . . .	\$150.00 10,000 GT +	\$30,150	\$150 10,000 GT+	\$30,150	\$0	0%
<u>SHIFTING:</u> All Vessels . . . Vessels without steering/motive power. Minimum In Zones:	< 10,000 GT \$250.00  > 10,000 GT \$400.00	\$10,500  \$800	< 7,000 GT \$400.00  > 7,000 GT \$800.00	\$16,800  \$1600	\$6,300  \$800	60%  100%
<u>OTHER CHARGES:</u>	Cancel pilot/detention \$150.00 Papers,lines \$300.00 Personnel transfer \$500.00 Anchoring \$600.00	\$2,250  \$0 \$0 \$0	\$300.00  \$300.00 \$500.00 \$1000.00	\$4,500  \$0 \$0 \$0	\$2,250  \$0 \$0 \$0	100%  0% 0% 0%

NOTE: The port control duties fee will add approximately \$71,000 to the total revenue per year based on the forecast total handles.

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
PAGE NINE**

**10. Detailed explanation of special characteristics, dangers and risks of the port for which the rate change is being requested:**

Lengths of Various "Pilotage Waters" Channels: (Include "Average Length" of Pilotage Trip and estimated time to complete pilotage "dock to dock".)

Lake Worth Inlet is a 2.3 nautical mile long channel from the sea buoy to the Port of Palm Beach. The entrance channel is 0.72 miles and the inner channel is 0.42 miles long. Pilotage times vary. A small vessel outbound, facing out, with a following current could take as little as 30-45 minutes. A medium sized vessel usually takes from 1-1.5 hours, depending on conditions and the berth. Large vessels take 1.5 to 2 hours. Limited tug power and foul weather require longer ship handling times.

Widths of Various "Pilotage Waters" Channels:

The entrance channel is 400 feet wide. The inner channel narrows to 300 feet at the turn then widens upon entering the main turning basin, which is 1325 feet x 1150 feet.

Depths of Various "Pilotage Waters" Channels:

The entrance channel project depth is 35 feet. The project depth for the inner channel and the main turning basin is 33 feet.

**List of Unusual Hazards to Navigation:**

The Port of Palm Beach has unique characteristics, dangers, and risks. Limited protection and deep water at the entrance allow for larger ground swells which affect boarding and steering. Unlike other ports, the Gulfstream Current is felt directly up to the jetty entrance, creating a significant sideways set and drift. This current is not only conducive to creating hazardous waves, especially with a counter wind, but also limits the Pilots ability to approach with minimal speed. The pilots' experience and mastery of this skill has prevented many accidents. Ship captains often underestimate the power of this set.

The second challenge after the entrance approach is the coordination of making the dogleg turn towards the basin with larger and/or deep draft vessels. The speed often required to approach the entrance safely now has to be reduced without losing steerageway, within ¼ mile. The turn at Beacon #8 is laden with reef and boulders while inconveniently narrowing to 300 feet. Once the turn is made and the vessel is steadied, reducing the speed in the basin before reaching the slips is paramount.

The Port's available tugs are deemed inadequate by an official tug report (see Exhibit V, "Marine Operations Analysis") conducted by Towing Solutions in 2004. Because the widths of the slips at the Port are narrower than other Florida ports relative to the size of vessels using them, the tugs cannot be too large and are thus limited in horsepower. Their smaller size helps facilitate their use within the slips with the distinct disadvantage of power availability in the basin and channel. Cross currents at the mouths of the slips can also be a burden. Anchors are utilized when the tug power is insufficient. Use of anchors, known as "the poor man's tug", for maneuvering are more common in Palm Beach than in other Florida ports. Another special characteristic versus other Florida ports is the availability of the tugs. In ports such as Miami, Port Everglades, and Canaveral, the tugs are manned and are docked in the port, ready for immediate call-out for unforeseen assistance or an emergency. The tugs at the Port of Palm Beach dock at a different facility and require a minimum 1.5-hour notice. The tugs are not manned on a 24-hour basis and cannot be relied upon for rapid service in an emergency or in times of sudden foul weather. Therefore, the Palm Beach Pilots must monitor the weather intently to anticipate all tug requirements and communicate as such to captains and tugs in a timely manner.

Fenders in the north slip consist of the proper Yokohama type, but approximately 2/3 of the fenders are simple tractor tires hanging on chains that do not receive proper repair or maintenance (See Exhibit VI). More care must be taken when coming alongside to prevent contact with the sea wall and making contact with corners causes more damage than would otherwise be the case. The Palm Beach Pilots perform nearly all of the docking and undocking maneuvers in the narrow slips with tugs having limited clearance to work. The overhanging sugar gantry crane presents an allision obstacle when cargo ships use the berth.

Small boat traffic is common to most Florida Ports; however, with smaller rock-lined channels and smaller maneuvering basin, meeting and crossing situations with smaller recreational vessels becomes more hazardous. Sail boats, jet skis, sight-seeing craft, duck-boats, ferries, kayaks, etc. are common obstacles in the channels and basin. The popular Peanut Island lies adjacent to the inner channel and main turning basin. Rybovich yachting center, 1 mile south of the Port, uses the Port basins and channels to navigate. Interactions with transiting yachts have been a challenge with a higher frequency of foreign captains not checking with port traffic.

The north quarter of the inner channel near the north jetty shoals on a regular basis. Maintenance dredging has been unreliable throughout the years. Although the Army Corps of Engineers generates official soundings of the channel and basin once or twice per year, the PBHPA must survey the channel themselves after every strong northeaster, tropical storm, or hurricane. The Port and port tenants rely on the Pilots' data and restrictions collected and imposed on the vessels for the insurance of safe transits. The pilot boat collects the data with its depth sounder at key locations. The entrance channel is occasionally reduced in width by up to one-quarter, or 100 feet. This requires additional draft restrictions and specific local knowledge data to avoid groundings. Even large sailing yachts, not using a pilot, have grounded inside the channel on the north side. Restrictions and other pilot related info are updated regularly by the pilots on the PBHPA's website:  
<http://palmbeachpilots.com/>

List "Weather-related" Hazards to Navigation:

Although the weather is generally pleasant at the Port of Palm Beach, there are weather-related hazards to navigation:

1. The entrance channel is susceptible to large ground swells which make passage more challenging and hazardous as vessels roll and yaw while trying to maintain a precise course.
2. Rip currents across the entrance bar can be unpredictable.
3. The north quarter of the entrance channel can quickly shoal during adverse weather.
4. Afternoon thunderstorms and squalls are common during summer months.
5. Fog delays vessels about 4-6 times per year.

List any limitations imposed by Association as to drafts, lengths, tonnages, beams, types, etc..., of vessels handled within port's pilotage waters and provide reasons for same:

The draft limitation is 33 feet when the channel and turning basin are at federal project depth and free of shoaling. The general maximum LOA is 630 feet and a maximum beam of 99 feet. However, consideration of larger vessels, such as twin-screw passenger vessels, occurs depending on maneuvering characteristics and draft. There is no tonnage limitation posted. Vessels are not denied entry due to their type. Deep draft vessels can be limited by maneuverability, swell, current, tide, and weather. Daylight entry may be required.

Other Relevant Information:

**Exhibits I:** INDEPENDENT AUDITORS' REPORT

**Exhibit II:** Port of Palm Beach Passenger Ship History

**Exhibit III:** CPI and Cost of Living

**Exhibit IV:** 3 pilot boat quotes

**Exhibit V:** Tug Services Review

**Exhibit VI:** Photos of fendering

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
PAGE TEN**

**11. Detailed statement explaining how the requested rate change will result in fair, just and reasonable rates, taking into consideration the public interest in promoting and maintaining efficient, reliable, and safe piloting services and further taking into consideration the factors set forth in Section 310.151(5)(b), Florida Statutes.**

The PBHPA members have consistently earned less compensation and benefits than senior American-flagged captains for many years. Since 2013, the year of the last rate increase, a full pilot's share has been \$190,000, \$198,700; \$245,700; \$266,700, and \$250,000, respectively. The compensation per pilot in 2018 rose to \$333,690 due to the operations of a second cruise ship in April, 2018. Even by operating as frugally as possible, the PBHPA has not been able to maintain or exceed comparable wages for prevailing compensation available to U.S. masters of comparable professional skill and standing, nor has it been able to maintain wages comparable to 98% of the other Florida Harbor Pilots. This is despite working longer, having greater risk with more embarkations and disembarkations at sea, and having an inferior work schedules, benefits, pilot boats, and retirement benefits.

Chapter 310.051(5), Florida Statutes provides 13 factors the Board shall consider in determining fair, just and reasonable rates of pilotage. Section (5)(b) 6., regarding comparable compensation is stated below:

*The prevailing compensation available to individuals in other marine services of comparable professional skill and standing as that sought in pilots, it being recognized that in order to attract to the profession of piloting, and to hold the best and most qualified individuals as pilots, the overall compensation accorded pilots should be equal to or greater than that available to such individuals in comparable maritime employment.*

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
PAGE ELEVEN**

**PART C AFFIDAVIT OF APPLICANT (This section must be sworn to in the presence of a Notary Public or an officer authorized to administer oaths)**

I hereby certify that I have read the foregoing statements including all attachments and exhibits, and that they are true and correct to the best of my knowledge and belief.

Signature of Applicant

COUNTY OF:

STATE OF:

SUBSCRIBED AND SWORN TO BEFORE ME THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019\_

SEAL

SIGNATURE OF PERSON ADMINISTERING OATH

MY COMMISSION EXPIRES



## Ahrendt, Anne

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**From:** captainhansen@yahoo.com  
**Sent:** Thursday, July 02, 2020 3:19 PM  
**To:** Ackermann, Amanda; Ahrendt, Anne  
**Subject:** Palm Beach Pilots: Amended Rate Application  
**Attachments:** RATE APPLICATION 2019 - AMMENDED July 2020.doc

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

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Dear Ms. Ackerman:

Since the submission of our rate application in March 2019, there have been several factors that have changed which have compelled our association to request an amendment to the previous application. Among these factors are:

1. The dramatically changed financial environment in the wake of the COVID-19 pandemic.
2. The lengthy delay in conducting a rate hearing on our application.
3. The resignation of two-thirds of our deputy pilots in the past year, with associated training costs and time, in which the prospects for pilot compensation were cited as a key factor.
4. The desperate need for qualified deputies in order to provide safe manning. Only three candidates sat for the 2019 exam and only one passed. He later resigned in the midst of training.
5. The higher likelihood of future inflation as result of unprecedented quantitative easing and fiscal stimulus.
6. The increased stability that would result from seeking a more acceptable annual raise for a ten-year period due to the time, difficulty, and costs associated with more frequent rate applications, audits, and hearings, which are even more difficult for small pilot groups like ours to bear.
7. The Port's unfulfilled aspirations for expansion and/or dredging. No expansion has occurred since 1960. As a regularity to our risk, we are currently operating in a shoaled channel.
8. The realization of depending on one customer for 65% of pilot revenue.
9. The inability to maintain the optimal five pilots in our port unless we have the capacity to provide proper compensation.

Please find attached the amended rate application. Only 2 pages were altered: page 2, from 2.5% to 5.0%, and page 6, from 2.5% to 5.0%. The changes are marked in red. This increase will help provide a more stable environment and assist in fulfilling pilot statute requirements.

Thank you.

Respectfully,

Captain Reid Hansen  
Palm Beach Harbor Pilots' Association

## Ahrendt, Anne

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**From:** captainhansen@yahoo.com  
**Sent:** Friday, August 14, 2020 10:13 AM  
**To:** Richard Law  
**Cc:** Ahrendt, Anne; Ackermann, Amanda  
**Subject:** Re: FP application

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Richard, I realize I have not complied with the ASAP part of this. I have been working on it. It looks like I can send it Monday/Tuesday. We have had changes in cruise ship potential sailings with CDC alterations, customers not paying, and status changes to deputy and retirees.

Thank you, Capt Hansen

On Thursday, July 9, 2020, 11:59:26 AM EDT, Richard Law <[rlaw@lrcm.com](mailto:rlaw@lrcm.com)> wrote:

Captain Hansen:

ASAP and same format as the application will suffice.

Thanks

Richard Law

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**From:** captainhansen@yahoo.com [mailto:captainhansen@yahoo.com]  
**Sent:** Thursday, July 9, 2020 11:56 AM  
**To:** Ahrendt, Anne <[anne.ahrendt@myfloridalicense.com](mailto:anne.ahrendt@myfloridalicense.com)>; Ackermann, Amanda <[amanda.ackermann@myfloridalicense.com](mailto:amanda.ackermann@myfloridalicense.com)>; Richard Law <[rlaw@lrcm.com](mailto:rlaw@lrcm.com)>  
**Subject:** Re: FP application

Hello Richard. Glad to hear things are somewhat moving along. I realize there are constraints out of everyone's control. We are apparently in better shape than KW and Canaveral. We estimate a loss of about 60% of our revenue each month since the cruise ships stopped operating. It would be worse but Tropical has been fairly steady, sugar barges continue to operate regularly, and we have had a surprise increase in yacht carrying ships. This could be temporary. I understand the reasoning for your request so we have updated and refined facts for the Board's decisions. Like you say, though, it is impossible to predict when, if, or at what capacity the passenger ships will operate. There is a possibility of bankruptcy. We will do our best with the latest information we have. To be clear, when would you like this information and in what format? I assume asap and on the same format as the application? Thank you, Capt. Hansen

On Thursday, July 9, 2020, 11:26:22 AM EDT, Richard Law <[rlaw@lrcm.com](mailto:rlaw@lrcm.com)> wrote:

Captain Hansen:

I received an amended application last week and upon my review for completeness, find that an update on projected traffic should be added. I have your email on May 17, 2109 to update this for the original application, but considering current events, I think you should attempt to provide a good faith estimate of traffic for the rest of 2020 and 2021. Obviously, this is likely a big "Unknown", but just do your best at estimating this and we will take it for what it is worth at this time. When we conduct the investigation of the application, we can update the projected traffic according to current events at that time.

I hope things are going ok in your port and with your fellow pilots.

Thanks

Richard Law

***Richard H. Law, Partner***

***Law, Redd, Crona & Munroe, PA***

**2075 Centre Pointe Blvd., Suite 200**

**Tallahassee, Florida 32308**

**850-878-6189**

**850-942-5301 (fax)**

**[rlaw@lrcm.com](mailto:rlaw@lrcm.com)**



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**From:** [captainhansen@yahoo.com](mailto:captainhansen@yahoo.com) [<mailto:captainhansen@yahoo.com>]  
**Sent:** Thursday, March 5, 2020 10:07 PM  
**To:** Ahrendt, Anne <[anne.ahrendt@myfloridalicense.com](mailto:anne.ahrendt@myfloridalicense.com)>; Richard Law <[rlaw@lrcm.com](mailto:rlaw@lrcm.com)>  
**Subject:** FP application

Hello. Just confirming someone took delivery of the application delivered a few days ago? Thanks, Reid. Palm Beach

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE  
PAGE FIVE**

**7. Comparison of the average net income of pilots in the port, using current rates, including the value of all benefits derived from services as a pilot, to the projected average net income using the requested rates.**

	* 2019 PRIOR YEAR	** 2020 PRESENT YEAR	*** 2021 PROJECTED YEAR I	**** 2022 PROJECTED YEAR II
Total Number of Pilots	4.5/5	4/5	4/5	4/5
Gross Pilotage Fees	\$2,442,000	\$1,281,000	\$2,304,000	\$2,419,000
Operating Expenses	\$768,000	\$548,000	\$850,000	\$975,000
Net Income	\$1,674,000	\$733,000	\$1,454,000	\$1,444,000
Average Net Income Per Pilot	\$372,000/\$335,000	\$183,000/\$147,000	\$363,000/\$291,000	\$361,000/\$289,000

NOTES: 1) The Port of Palm Beach requires 5 pilots for sustained, safe, and reliable service. Because of the resignation of two of our last three deputies, there are less than 5 pilots shown which increases the "Average Net Income Per Pilot". Five pilots are shown for hypothetical purposes and realistic future workforce.  
2) Health and life insurance are not included in expenses. These expenses are paid individually.

\* 2019: Actual numbers presented; two cruise ships operating with more transits than expected.

\*\*2020: Assumes no cruise ships for 10 months; received PPP loan for \$32,000.

\*\*\*2021: Assumes new rates implemented January 1, 2021, one cruise ship operating without cancellations or changes all year, and a \$40,000 down payment on new pilot boat. New boat fee of \$25/handle included in "Gross Pilotage Fees" but will be used for new boat payments, not "Average Net Income Per Pilot".

\*\*\*\*2022 Assumes new rates plus first implementation of 5% percent annual raise; 1 cruise ship operating without cancellations or changes all year. New boat fee of \$25/handle included in "Gross Pilotage Fees" but will be used for new boat payments, not "Average Net Income Per Pilot".

Itemize Other Reasonable Operating Expenses of Pilots (unaudited):

Other general personal business expenses include pilot license and marine liability insurance, portable and fixed home VHF systems, driving expenses, smart phone service with related aps, rain gear, sun protective clothing, glasses, sunscreen and hats, associated medical expenses directly related to profession, extra training, intern meals, courtesy pilot hats, business lunches, non-slip shoes, automatic floatation devices, required State USCG annual physicals, newly required USCG certificates, radar certificate renewals, various travel expenses to Board and FHPA meetings, administrative fees, personal accounting.