

# **EXECUTIVE SUMMARY**

## **Pilotage Rate Review Board**

### **I. General Information**

Meeting Type: Rules Review, Site Visit – Port of Jacksonville, and Pilotage Rate Hearing  
Meeting Date: Monday, March 30, 2009, through Tuesday, March 31, 2009  
Meeting Location: Hyatt  
225 East Coastline Drive  
Jacksonville, Florida 32202

#### Attendees:

Honorable Clarence Johnson, Chair  
Rick Hugins, Vice Chair (Tuesday, March 31, 2009 only)  
Erica Elliott  
Steve Reynolds  
Evan Weston  
Charlie Liem, Chief of Staff, Department of Business and Professional Regulation  
Robyn Barineau, Executive Director, Department of Business and Professional Regulation  
Elise Rice, Government Analyst, Department of Business and Professional Regulation  
Ed Tellechea, Senior Assistant Attorney General, Office of the Attorney General  
Richard Law, Certified Public Accountant and Board Consultant  
Galen Dunton, Board Consultant  
Warren Husband, Attorney for the Florida State Pilots Association  
Joe Brown, President, Florida State Pilots Association  
Ben Borgie, Florida State Pilots Association  
Eric Bryson, St. Johns Bar Pilot Association  
Tim McGill, St. Johns Bar Pilot Association  
Jay Weingart, St. Johns Bar Pilot Association  
Hardee Kavanaugh, St. Johns Bar Pilot Association  
John Teems, St. Johns Bar Pilot Association  
Judy McQuaide, St. Johns Bar Pilot Association  
Allen L. Thompson, Jr., Executive Director, Tampa Bay Pilots Association  
John Wrasse, Tampa Bay Pilots Association  
John Jacobsen, Biscayne Bay Pilots Association  
William Kavanaugh, Cumberland Sound Pilots Association  
Brian Seuter, Cumberland Sound Pilots Association  
Greg Turner, Palm Beach Pilots Association  
Mike Cunningham, Port Everglades Pilots Association  
David Ulrich, Port Everglades Pilots Association  
Mike Watson, American Pilots Association and International Maritime Pilots Association  
George Quick, Vice President, International Organization of Master, Mates and Pilots  
James Frudaker, Florida Docking Masters Association  
Dew F. Winters, Durst and Harndon, P.A.  
Joseph Sachs, Certified Public Accountant  
Matthew Edelman, Certified Public Accountant  
Brent Dibner, Dibner Maritime Associates, LLC  
David Bauerlein, Florida Times Union  
Shirley Johnson

## **II. Major Issues/Actions**

- The St. Johns Bar Pilot Association provided a tour of the Port of Jacksonville and their association offices for board members and other interested parties on Monday, March 30, 2009.
- At the rate hearing on Tuesday, March 31, 2009, the board's consultant, Mr. Richard Law, detailed all the information contained in his investigative report, which was included in the agenda.
- Captain Eric Bryson, Pilot from the St. Johns Bar Pilot Association; Captain Mike Watson, President of the American Pilots Association and International Maritime Pilots Association; Mr. George Quick, Vice President, International Organization of Master, Mates and Pilots; Mr. Brent Dibner, Dibner Maritime Associates, LLC; and Mr. Drew Winters, Attorney for the St. Johns Bar Pilot Association provided the board and other meeting attendees with an overview of the St. Johns Bar Pilot Association, the piloting challenges of Jacksonville pilots, income and bridge time comparisons with other United States and Florida pilots, the national perspective of piloting, safety concerns, and the explanation behind the requested rate increases.
- After all presentations were completed, the board voted to approve an increase for the first year of 4.62 percent for draft and tonnage, 4.62 percent for the second year, and 4.62 percent for the third year, with the effective date of the increase of June 1, 2009. The board also approved a 25 percent increase for detention of pilot, 25 percent increase for cancelled or delay/pilot aboard, 25 percent increase for pilots kept on board, 25 percent increase for failure to amend estimated time of arrive, and a \$300 charge for use of escort tugs.
- The board discussed an email of March 11, 2009, from Captain William Kavanaugh of the Cumberland Sound Pilots Association regarding Rule 61E13-2.0055, Florida Administrative Code. The rule currently allows pilot associations with gross revenues of \$250,000 or less to file a rate application without a consolidated or combined financial statement audited by an independent certified public accountant and an unqualified opinion from that certified public accountant. Captain Kavanaugh asked the board to increase the threshold amount for a pilot association's gross pilotage revenues from the current \$250,000 to \$750,000 because the Cumberland Sound Pilots Association's gross revenues for 2008 were \$431,199, and a consolidated or combined financial statement would be a substantial burden on their association. After discussion, the board suggested that Captain Kavanaugh request a variance and waiver of Rule 61E13-2.0055, Florida Administrative Code. Mr. Ed Tellechea, Senior Assistant Attorney General, agreed to send Captain Kavanaugh information relating to variance and waiver of rules.
- The board agreed to forego receiving payment for board member compensation as a cost-savings measure.
- The board agreed to allow Mr. Tellechea to move forward with rule development to incorporate the application form into board rules.

## **III. Legislation/Rule Promulgation**

- Mr. Tellechea will move forward with development of board rules to incorporate the board's application into their rules.

#### **IV. Action Required**

- Mr. Tellechea will prepare a final order in this matter and forward the order to the board office for filing. A conference call will be scheduled for the board to discuss and approve the final order on Monday, May 4, 2009, at 10 a.m.
- Mr. Tellechea will send Captain Kavanaugh information relating to variance and waiver of rules.

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Robyn Barineau  
Executive Director  
April 1, 2009