

**DISCUSSION OF BOARD OPERATIONS SURCHARGE DEFERMENTS**

**ISSUE**

Due to the pandemic caused by the COVID-19 virus and recent trade issues, shipping volumes in the Board’s jurisdiction have drastically reduced in 2020, causing significant reductions in bar pilotage revenues for BOPC licensees. To assist BOPC-licensees with cash flow issues, a Pacific Merchant Shipping Association representative requested that the Finance Committee and the Board have an opportunity to discuss the potential for the Board to direct BOPC-licensees to pay Board Operations Surcharges to the Board other than monthly payments.

**RELEVANT STATUTES**

**Harbors and Navigation Code  
 §1159.2**

- (a) The vessel shall pay a board operations surcharge, the purpose of which is to fully compensate the board and the Transportation Agency for the official services, staff services, and incidental expenses of the board and agency. The amount of the surcharge shall be 7.5 percent of all pilotage fees charged by pilots pursuant to Sections 1190 and 1191 unless the board establishes, with the approval of the Department of Finance, a lesser percentage, not to exceed any percentage consistent with subdivision (d).
- (b) The surcharge shall be billed and collected by the pilots. The pilots shall pay all surcharges collected by them to the board monthly **or at a later time that the board may direct.**

**HISTORICAL BOARD OPERATIONS SURCHARGE AMOUNTS**

	<b>FY 2019-20</b>	<b>FY 2018-19</b>
<b>Jul</b>	\$ 104,068	116,232
<b>Aug</b>	\$ 101,230	118,343
<b>Sep</b>	\$ 88,273	82,448
<b>Oct</b>	\$ 116,210	113,040
<b>Nov</b>	\$ 98,974	106,391
<b>Dec</b>	\$ 102,527	83,754
<b>Jan</b>	\$ 84,634	107,649
<b>Feb</b>	\$ 76,995	101,662
<b>Mar</b>	\$ 110,226	92,059
<b>Apr</b>	\$ 88,210	100,358
<b>May</b>	\$ 79,587	110,094
<b>June</b>	\$ 80,429	82,952
<b>TOTAL</b>	<b>\$ 1,131,364</b>	<b>\$ 1,214,982</b>