

BEFORE THE BOARD OF MARITIME PILOTS

OF THE STATE OF OREGON

BP 10

**IN THE MATTER OF THE PETITION
OF THE COLUMBIA RIVER BAR
PILOTS FOR A CHANGE IN PILOTAGE
RATES**

FINAL ORDER 14-01

**DISPOSITION: CHANGES TO AUTOMATIC TARIFF ADJUSTMENT MECHANISM
APPROVED**

I. PROCEDURAL HISTORY

On April 7, 2014, the Columbia River Bar Pilots ("CRBP"), the Columbia River Steamship Operators Association ("CRSOA") and the Ports of Portland, Vancouver, Longview and Astoria (collectively the "Ports") submitted a stipulation and supporting testimony to the Board of Maritimes Pilots ("Board") requesting an amendment to the Board's Final Order 10-02. The Board met on April 8, 2014, and approved the requested changes to the tariff.

A. Stipulated Changes to Tariff Automatic Adjustment Mechanism.

1. CRBP, CRSOA and the Ports agreed to change Final Order 10-02 as stated in paragraphs 1-4 of the Stipulation attached as Exhibit A.

B. Findings of Fact:

1. The Automatic Tariff Adjustment Mechanism adopted in the Final Order 10-02 contains no floor that guarantees the funding of the number of pilots licensed to serve as pilots on the Columbia River Bar pilotage ground. As a result, CRBP bears the risk of the cost of a

shortfall between the number of licensed Bar Pilots and the number of full time equivalent pilot positions funded by the quarterly formula that determines the number of funded full time equivalent (FTE) pilot positions. Adoption of the stipulated changes to the formula to create a floor for the funding of all licensed pilots will remove the economic disincentive to CRBP to staff up to the number of fully funded pilot positions.

2. The establishment of a floor for funding pilot positions will facilitate the implementation of a fatigue risk management system by CRBP that has been approved by Dr. Charles Czeisler, Director of the Division of Sleep Medicine at the Harvard Medical School and a recognized national expert in sleep medicine.

3. An extension of the term of Final Order 10-02 for a period of four years from May 19, 2015 through May 18, 2019 will promote pilotage rate stability on the Columbia River Bar pilotage ground.

4. There is a strong public interest in prompt, safe and efficient pilotage service on the Columbia River Bar pilotage ground. Adoption of the Stipulated Amendment to Final Order 10-02 attached as Exhibit A will create an appropriate funding floor for licensed Bar Pilot positions, maintain rates which are substantially similar to those presently existing and promote rate stability for an additional period of four years.

5. The Board's pre-petition notice and dispute resolution process is designed to encourage interested parties to use mediation and alternative dispute resolution processes to settle or narrow and simplify issues as much as possible. CRBP, CRSOA and the Ports engaged in their own dispute resolution process that resulted in their agreeing to Stipulated Amendments to Final Order 10-02. Hence, there is no need for the parties to file a pre-filing notice or to engage in an additional dispute resolution process.

C. Conclusions of Law.

1. Due regard has been given to each of the factors required to be considered for ratemaking under ORS Chapter 776 and OAR Chapter 856 Division 30.

2. The Board waives any and all provisions related to the pre-petition notice and dispute resolution process pursuant to OAR 856-030-0002(6).

3. The new tariff rates for the Columbia River Bar pilotage ground resulting from implementation of the Stipulated Amendment to Final Order 10-02 attached as Exhibit A are reasonable and just.

4. The new tariff rates for the Columbia River Bar pilotage ground as adjusted by Stipulated Amendment to Final Order 10-02 will go into effect as of midnight on April 15, 2014.

Dated this 8th day of April, 2014.

OREGON BOARD OF MARITIME PILOTS



Tom Markgraf, Chair

NOTICE OF RIGHT TO APPEAL

You have the right to appeal this Order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within 60 days from the day this Order was served on you. If you do not file a petition for judicial review within the 60-day time period, you will lose your right to appeal.

**BEFORE THE BOARD OF MARITIME PILOTS
OF THE STATE OF OREGON**

BP-10

**IN THE MATTER OF THE PETITION
OF THE COLUMBIA RIVER BAR
PILOTS FOR A CHANGE IN PILOTAGE
RATES**

**STIPULATED AMENDMENT TO
FINAL ORDER 10-02**

The Columbia River Bar Pilots ("CRBP"), the Columbia River Steamship Operators Association ("CRSOA"), and the Ports of Portland, Vancouver, Longview, Kalama and Astoria (collectively the "Ports") hereby stipulate and agree to an amendment to Final Order 10-02 as follows:

1. **Term.** The term of Final Order 10-02 is extended from May 19, 2015 to May 18, 2019. In the event annualized vessel transits fall below 2600 for two consecutive quarters, any party to this Stipulated Amendment shall have the option to initiate a rate proceeding for the Columbia River Bar pilotage ground.

2. **Funded Number of Pilots.** The number of pilots funded by the tariff and TGI will continue to be adjusted quarterly as described in Exhibit A, "Automatic Tariff Adjustment Mechanism," which is attached to Final Order 10-02 within the attached Settlement Agreement (CRBP Exhibit 1/Appendix A); however, to provide a sufficient number of pilots for safe, efficient, economical and reliable pilotage services,¹ the number of pilots funded by the tariff as of January 15, 2014 of 17.07 pilots shall operate as a floor or minimum number of pilots during the extended term of Final Order 10-02 and CRBP shall promptly request additional pilots to staff up to a minimum of 17 full-time equivalent (FTE) pilots. The minimum number of pilots shall remain at 17.07 until CRBP adds or reduces staffing as set out in paragraphs 3 and 4. In addition, the traffic-related tariff

¹ See ORS 776.115

