

**HARBORS AND NAVIGATION CODE**  
**DIVISION 5. PILOTS FOR MONTEREY BAY AND THE BAYS OF SAN FRANCISCO, SAN PABLO, AND SUISUN [1100 - 1203]**  
**CHAPTER 6. Pilotage Rate Recommendations [1200 - 1203]**

*[Deletions in blue strikeover; additions in red underlining]*

**1200.**

The board shall, from time to time, review pilotage costs and expenses and establish guidelines for the evaluation and application of these costs and expenses regarding ~~its recommendations for~~ adjustments in pilotage rates.

**1201.**

(a) Any party directly affected by pilotage rates established under this chapter may petition the board for a public hearing on ~~any of the matters set forth in Section 1200.~~ a proposal for adjustment of pilotage rates.

(b) In response to the petition, the board shall hold a public hearing for the purpose of obtaining information and data relating to the issues raised in the petition. The board shall give notice of the hearing to all interested parties who have requested the notification.

(c) The hearing shall be conducted by an administrative law judge who, at the conclusion of the hearing, shall prepare a proposed decision for the board's consideration that contains findings of fact and conclusions concerning whether any adjustment of pilotage rates is appropriate. The board shall review the proposed decision and take one of the following actions: (1) adopt the proposed decision without change; (2) make technical, clarifying, or other minor changes in the proposed decision that do not affect its findings and conclusions and adopt the proposed decision in its modified form; (3) reject the proposed decision and refer it back to the administrative law judge for consideration of specified evidence or issues and submission of a new proposed decision; or (4) reject the proposed decision, with a supporting written explanation.

(d) Following a decision of the board that approves an adjustment of pilotage rates, the board shall submit its decision to the Secretary of the California State Transportation Agency for approval. In reviewing the decision, the Secretary shall not review the board's findings of fact but shall instead be limited to assessing whether the findings of fact support the board's conclusions regarding an adjustment in rates. If the Secretary does not approve the board's decision, the Secretary shall explain in writing why the decision was not approved.

(e) The board shall adopt regulations governing prehearing, hearing, and posthearing procedures for consideration of proposed adjustment of pilotage rates. ~~At the conclusion of the hearing or hearings, the board shall review and evaluate all evidence obtained and, within 120 days from the filing of the petition, shall submit to the Secretary of the Senate and the Chief Clerk of the Assembly a copy of its findings and recommendations for final determination, supported by a transcript of these proceedings of the board.~~

**1201.5.**

~~(a) The board shall not receive written evidence at a public hearing held for the purpose of considering pilotage rates unless 10 or more copies of the evidence have been deposited with the board as public documents by the party proposing a rate adjustment 30 or more days prior to the date set for the commencement of the hearing.~~

~~(b) The board shall not receive written evidence at the hearing from any party responding to the request unless the evidence is deposited with the board 10 or more days prior to the date set for the commencement of the hearing.~~**1202.**

Public hearings for the purpose of investigating pilotage rates shall be conducted in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) and a full record shall be kept of all evidence offered.

**1203.**

In evaluating the need for an adjustment of pilotage rates, the board ~~may require an independent audit or audits by a public accountant selected by the board. The audits required by the board shall cover pilotage operations for those years which the board may specify. In preparing the recommendations, the board shall~~ shall consider relevant factors set forth in the board's regulations, including, but not limited to, the following:

(a) The costs and expenses to the pilots, individually or jointly, of providing pilot service as required. The board may require an independent audit or audits by a public accountant selected by the board. The audits required by the board shall cover pilotage operations for those years which the board may specify.

(b) A total net income to the pilot sufficient to attract and hold persons capable of performing this service with safety to the public and protection to the property of persons using the service; and the relationship of that income to any changes in cost-of-living indices.

- ~~(c) Pilotage rates charged for comparable services rendered in other ports and harbors in the United States.~~
- ~~(d) The methods of determining pilotage rates in other ports and harbors in the United States.~~
- ~~(e) Economic factors affecting the local shipping industry, including prospective increases or decreases in income and labor costs.~~
- ~~(f) Additional factors affecting income to pilots such as the volume of shipping traffic using pilotage, numbers of pilots available to perform services, income paid for comparable services, and other factors of related nature.~~
- ~~(g) Changes in, or additions to, navigational and safety equipment necessary to insure protection of persons, ships, and waterways.~~