

BOARD OF PILOT COMMISSIONERS

RATE HEARING  
April 30, 2002

7884756

- (1) Pre-Hearing Order and any subsequent stipulations
- (2) Presentation of Evidence

(A) Petitioners - counsel

- (i) ✓ SFBP - Kevin Davis, Esq. (approx. 2 hours)

Witnesses - Dr. Gotsch  
Ken Levin  
Capt. Wm. Greig

- (ii) ✓ Inland Pilot Capt. Slough - Barry Endick, Esq. (approx. 1 hour)

Witnesses - Ed Chase  
Capt. Slough

(B) Respondents -

- (i) PMSA - Sam Delich, Esq. (approx. 2 hours 15 minutes)

Witnesses - ✓ George Jones - Economist  
✓ John Berge  
✓ Peter Ford (Maersk)  
✓ Guy DeLacrose (Inchcape) - PianaCruises -  
✓ Dieter Engelmann (Hapag-Lloyd) - Grand Alliance  
✓ Peter Bonnebaker (Phillips-Tosco) - W4P  
Ott. S. -  
P. H. G. -

*Submitted  
Material  
(per mail)*

- (ii) Any other party (oral testimony only)

(C) Evidence requested by the Board (if any)

(D) Rebuttal

- (i) SFBP
- (ii) Capt. Slough
- (iii) PMSA

(E) Closing Arguments

CLOSE RECORD

*clm*  
*Rebuttal -*

(3) Deliberations

(4) Findings and recommendations to be submitted to legislature by 7/12/02 -  
(per HNC §1201)

Factors to be considered include:

- (1) Costs of providing pilot services -

For 2003: \$7,884,756 (by stipulation)

- (2) Net return to pilots sufficient to attract and hold qualified pilots

- (3) Cost of living index

Change in annual average, seasonally unadjusted CPI since 1996:

Western Region - 2.7%  
Bay Area - 4.1%  
(by stipulation)

- (4) Rates charged for comparable services in other ports:

	<u>Container VSL</u>	<u>Tanker</u>	<u>Auto</u>	<u>Bulk</u>
G-1	Columbia Bar			
G-2	Columbia River			
G-3	Houston			
G-4	Tampa Bay			
G-5	Sandy Hook (NY/NJ)			
G-6	New Orleans/ Baton Rouge			
G-7	St. Johns Bar (JAX, FL.)			
G-8	Maryland			
G-9	Puget Sound			
G-10	Crescent River			
G-11	Associated Branch			
G-12	SFBP			

- (5) Income for comparable services (Pilot Income in other ports)

	(where stipulated:)
G-1	Columbia Bar
G-2	Columbia River
G-3	Houston
G-4	Tampa Bay
G-5	Sandy Hook (NY/NJ)
G-6	New Orleans/Baton Rouge
G-7	St. Johns Bar
G-8	Maryland
G-9	Puget Sound
G-10	Crescent River
G-11	Associated Branch
G-12	SFBP

# BOARD OF PILOT COMMISSIONERS

In re Petitions of SFBP and  
Inland Pilot Capt. S. Wallace Slough  
for Change/Adjustment in Pilotage  
Rates  
April 2002

[Proposed]  
**PRE-HEARING ORDER**

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Pursuant to 7 CCR §236(g), a pre-hearing conference was held on April 25, 2002 at the offices of Board Counsel. Present were SFBP President, Captain Peter McIsaac, and SFBP's counsel, Kevin Davis, Esq.; Inland Pilot Captain S. Wallace Slough and his counsel, Barry Endick, Esq.; PMSA's counsel, Sam Delich, Esq.; Board President James Falaschi and Board counsel.

After a discussion of all the matters listed in §236(g), all parties agreed to the following for purposes of this rate hearing:

(1) The "costs of providing pilot services" for 2003 will be set for rate hearing purposes at \$7,884,756. (See §236(f)(1).)

(2) The average annual change in the seasonally unadjusted **Consumer Price Index** since 1996 is 2.7 percent for the Western Region and 4.1 percent for "all urban consumers, San Francisco-Oakland-San Jose." (See §236(f)(3).)

(3) The **number of pilots** licensed at the time of the hearing is 61. As of July 1, 2002, that number is expected to be 60, the number currently authorized by the Board. (See §236(f)(9).)

(4) For purposes of projecting pilot income data from comparable ports for the year 2003, an annual increase of 2.5 percent may be used to adjust 2000 and 2001 data.

(5) Evidence of pilot income in comparable parts as contained in SFBP Exhibits G1-G10 may be admitted. (PMSA's objection that such evidence was not "available in the public record or otherwise verifiable" as required by §236(f)(5) has been withdrawn. The objection stands as to G-11 [Associated Branch Pilots] and does not apply to G-12 [SFBP].)

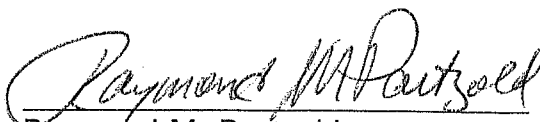
(6) SFBP's presentation, including brief testimony by Dr. Gotsch, Ken Levin and Captain William Greig is estimated to take about 2 hours.

(7) Captain Slough's presentation, including testimony by Ed Chase and Captain Slough is estimated to take about 1 hour.

(8) PMSA's presentation, including testimony by George Jones, John Berge and representatives from NYK and Maersk is estimated to take about 2 hours 15 minutes. [Subsequent to the pre-hearing conference, PMSA identified the following witnesses: Peter Ford (Maersk), Guy DeLacrose (Inchcape), Dieter Engelmann (Hapag-Lloyd), Peter Bonnebaker (Phillips-Tosco)].

Dated: April 29, 2002

Respectfully submitted,

  
Raymond M. Paetzold  
Board Counsel

*Alut***Road Map for Pilotage Rate Hearing - 2002****Hearing Date: Tuesday, April 30, 2002****Time: 8:00 a.m.****Place: Pier 1, Bayside Rm., #1, SF**

- (1) **Petitions** for rate hearing received from SFBP and Inland Pilot Capt. Slough (3/18) - industry response due Friday 3/29 - will messenger copies to all Board members
- (2) **Notice** of public hearing mailed 3/29/02, including to all Bay Area port authorities
- (3) **Purpose** of hearing is to obtain info/data relating to issues raised by petitions (neither petition raised any specific issues, but review of supporting brief/evidence and industry's response should help to identify what issues will be the focus of the hearing.
- (4) SFBP and B&P have deposited their 2002 **audited financial statements**. (Any consideration of conducting an "Independent audit" by Board-appointed CPA is currently on hold pending PMSA review of current financial statements).
- (5) At least 7 days before hearing (by **Tue. 4/23**) - **pre-hearing conference** with President/designee to narrow/resolve issues by stipulation (see §236(g) and (h))
- (6) **Hearing** - (Open Meeting Act applies) - 4/30/02
  - Petitioner presents (all oral evidence under oath)
    - SFBP's attorney - Ken Davis
    - Capt. Slough's attorney - Barry Endick
  - Respondent presents - PMSA's attorney - Sam Delich
  - Any additional evidence requested by Board
  - Rebuttal
  - Closing arguments
  - Deliberations (in open session) - consider whether Board members will want time to review evidence submitted before beginning/concluding deliberations
    - possible dates
- (7) Within 120 days from filing, Board to submit **Findings and Recommendations** to legislature (i.e. by 7/12/02)

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