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~~Adjustment of Pilotage Rates [1200 - 1203]

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 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 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~~in its entirety; (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 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.

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.

(a) The Legislature recognizes that the waters, harbors, and ports of the ~~San Francisco Bay and its tributaries~~Bays of San Francisco, San Pablo, and Suisun are vital resources for the State, and it is necessary in the interest of public health, safety, and economic well-being to establish a fair, just, and reasonable rate structure that will generate sufficient resources for the provision of a safe, competent, reliable, and efficient pilotage service.
(b) In ~~evaluating the need for~~considering an adjustment of pilotage rates, the board shall ~~consider relevant factors set forth in the board's regulations, including, but not limited to,~~apply the following formula: Target Net Income Per Pilot ~~*~~ x Number of Pilots + Operating Costs = Revenue Requirement.
~~1) The rate shall be determined by the formula:~~
~~2)~~(1) In setting the revenue requirement, primary consideration shall be given to the public interest in promoting and maintaining a safe, competent, reliable, and efficient pilotage service~~:~~.
~~a)~~(2) In determining the target net income for individual pilots, the following factors shall be considered:
~~(i)~~(A) The professional skill and experience required of a state-licensed pilot and the difficulty, risk, and lifestyle commitment of providing piloting services, as well as associated activities in support of the pilotage operation~~;~~.
~~(ii)~~(B) Evidence of compensation for comparable maritime professions, including individuals in other state regulated pilotage associations, at a minimum considering evidence of the compensation and benefits. [WHAT PILOTAGE ASSOCIATIONS DOES THE TERM "STATE REGULATED" PILOTAGE ASSOCIATIONS EXCLUDE? IS COMPENSATION OF LOS ANGELES AND LONG BEACH PILOTS EXCLUDED? WHAT ARE THE ASSOCIATIONS THAT WOULD BE INCLUDED?]
~~(iii)~~(C) Evidence of the economic and market conditions existing both locally and within the region of any pilotage association used for the purpose of comparison.

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~~(iv)~~(D) Consumer Price Index and Employment Cost Index~~;~~.
~~(v)~~(E) Individual amounts paid to pilot since the last rate order, or as directed.
~~(vi)~~(F) Any other factor deemed relevant to the determination of target net income.
~~b)~~(3) In determining the number of pilots, the following factors shall be considered:
~~(i)~~(A) The number of licensed pilots determined by a hearing pursuant to Harbors and Navigation Code Sections 1170.1 and 1170.2.
~~(ii)~~(B) The number of licensed pilots at the time of the rate hearing.
~~(iii)~~(C) Any projected changes in the number of licensed pilots.
~~(iv)~~(D) Any other factor deemed relevant to the determination of the number of funded pilots.
~~c)~~(4) In determining operating costs for the pilotage service, the following factors shall be considered:
~~(i)~~(A) All costs of providing pilotage service.
~~(ii)~~(B) Any projected changes in the cost of providing pilotage service~~;~~.
~~(iii)~~(C) The amount of activity, including number of vessels, size of vessels by gross registered tonnage (GRT), length, and draft~~;~~.
~~(iv)~~(D) Any recent or projected changes in the amount of activity~~;~~.
~~(v)~~(E) Producer Price Index and Employment Cost Index~~;~~.
~~(vi)~~(F) Total gross and net revenue for the pilots' association since the last rate order, including sources of revenue by ~~tariff~~ category~~;~~. ["TARIFF" IS NOT A TERM USED IN THE HARBORS AND NAVIGATION CODE. IS THE INTENT TO INCLUDE A BREAKDOWN OF REVENUE FROM EACH PILOTAGE FEE, INCLLUDING SURCHARGES?]
~~(vii)~~(G) Any other factor deemed relevant to the cost of the provision of pilotage service.
~~(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.~~
(5) 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.~~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.~~