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January 9, 2023

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VIA EMAIL ONLY

Chairman Daniel Haley, Jr.
Portland Harbor Commission
1 Marine Trade Center
Portland, Maine 04101

Re: Annual COLA Pilotage Rate Increase Request 2023
Portland Pilots, Inc.

Dear Chairman Haley:

This letter follows your telephone call from Susan Klopp of Portland Pilots last week, regarding Portland Pilots, Inc.'s annual request for a Cost of Living Adjustment ("COLA") to the pilotage rates and fees applicable in the Port of Portland. As you know, the 2023 COLA rate was set by the Social Security Administration on October 13, 2022, at 8.7%.¹

We ask that you place this request on the Harbor Commission's agenda at the next opportunity. This request is made pursuant to Section 17.6 of the Rules and Regulations of the Board of Commissioners for the Port of Portland, Maine (P. & S.L. 1981, c. 98; P. & S.L. 1993, c. 34, as subsequently amended, hereinafter the "Act").

The requested increases are as follows:

- Pilotage unit rate: \$14.14 / pilot unit (up 8.7% from current \$13.00 / pilot unit)
- Pilot boat Capital Construction Fund: \$ 250 / trip (up from \$175 / trip)

¹ See <https://www.ssa.gov/oact/cola/colasummary.html>

Portland Pilots, Inc., has prepared the required documentation to illustrate why this request is just and reasonable, copies of which are attached hereto and can be presented to the public:

Exhibit A: Northeast five port comparison of rates (Port Vessel Rate Comparison at \$14.14 / 8.7%)

Exhibit B: Maintenance Estimates for necessary repairs to pilot boats (supporting CCF request)

Exhibit C: Vessel Category Summary (with historical data, 2019 - 2022)

Additionally, the following documents will be presented to the Commission in confidence and under seal, since they contain confidential “trade secret” information pursuant to the Maine Uniform Trade Secrets Act (10 M.R.S. § 1542) and otherwise not discoverable under the Freedom of Access Act (“FOAA”). *See also Bryant v. Town of Wiscasset*, 2016 Me. Super. LEXIS 306, *20 (“[W]here the public has had full and fair opportunity to comment on an application, a municipal agency does not violate due process by permitting the applicant to submit additional ex parte comments to the municipal agency without providing further opportunity to the public to comment.” Citing *Duffy v. Town of Berwick*, 2013 ME 105, ¶ 1, 82 A.3d 148, 151 (“ex parte communication between the [town’s] Planning Board and permit applicant did not require the Court to vacate the Board’s decision”) and *Cunningham v. Kittery Planning Bd.*, 400 A.2d 1070, 1073-79 (Me. 1979).

We further ask that the documents are not photocopied or disseminated electronically in any way.

Therefore, also pursuant to the above request, the following documents will be hand delivered to the Commission office separately:

Exhibit D: Portland Pilots comparable ship rates (including ship names) (under seal)

Exhibit E: Portland Pilots QuickBooks 2022 year-end report (under seal)

As you know, the Commission already has in its possession the tax returns from 2021 of Portland Pilots, Inc., and Portland Charter Corp., which were submitted under seal in April 2022.

Portland Pilots requests that it be afforded the opportunity to present to the Commission a full presentation of the request at the next scheduled Workshop (January 31, 2023) and subsequent Hearing, in both executive session (for discussion of documents presented under seal) and public sessions. Individual pilots and their administrator will be available to respond to questions.

We ask that you please place this request on the agenda for the next Workshop and further request that the Commission provide applicable notice pursuant to Section 4.1 of the Act.

Thank you for your attention to this matter. We look forward to working with the Commission on this important issue.

Respectfully,

Thompson Bowie & Hatch, LLC

By:



Twain Braden, Esq.
Counsel for Portland Pilots, Inc.

cc: Portland Pilots, Inc. (*via email*)

Port Comps 2023 rate request	Min rate vessel	Medium vessel	Large vessel
2023 Vessel Comparison			
Portland 2022 (13.00/PU)			
CCF 175	\$1,950.00	\$3,835.70	\$5,917.21
FSC 150/200	\$175.00	\$175.00	\$175.00
	\$150.00	\$150.00	\$200.00
	\$2,275.00	\$4,160.70	\$6,292.21
Portland 2023 (14.14/PU request)			
CCF 250	\$2,121.00	\$4,172.06	\$6,436.10
FSC 150/200	\$250.00	\$250.00	\$250.00
	\$150.00	\$150.00	\$200.00
	\$2,521.00	\$4,572.06	\$6,886.10
2023 Increase	\$246.00	\$411.36	\$593.89
2023 Percentage Increase	11%	10%	9%
Providence 2023 (13%)			
CCF 320	\$2,190.00	\$4,298.82	\$6,645.48
docking w/o tug 500	\$320.00	\$320.00	\$320.00
docking w/ tug 350	\$500.00	\$0.00	\$500.00
FSC260	\$0.00	\$350.00	\$0.00
RI Tax	\$260.00	\$260.00	\$260.00
	\$131.40	\$257.98	\$336.98
	\$3,401.40	\$5,486.80	\$8,062.46
Percentage difference	35%	20%	17%
Boston 2023 (7.5%)			
CCF	\$2,768.19	\$3,827.94	\$6,131.28
Docking w/o tug	\$200.00	\$200.00	\$200.00
	\$350.00	\$350.00	\$350.00
	\$3,318.19	\$4,377.94	\$6,681.28
Percentage difference	32%	-4%	-3%
NY 2023 (19.3%)			
CCF	\$1,801.50	\$3,559.08	\$6,333.12
pension tariff	\$190.00	\$190.00	\$190.00
Docking w/o tug	\$616.50	\$1,211.91	\$2,137.53
	\$678.08	\$992.20	\$2,551.77
	\$3,286.08	\$5,953.19	\$11,212.42
Percentage difference	30%	30%	63%
Portsmouth NH 2023 (28%)			
CCF	\$2,415.00	\$3,389.22	\$5,804.26
Docking w/o tug	\$207.00	\$207.00	\$207.00
	\$351.00	\$875.52	\$1,313.28
	\$2,973.00	\$4,471.74	\$7,324.54
Percentage difference	18%	-2%	6%
Pen Bay 2023 (15%,67%)			
CCF (\$250 inbound only)	\$3,319.50	\$4,435.70	\$5,916.95
	\$125.00	\$125.00	\$125.00
	\$3,444.50	\$4,560.70	\$6,041.95
Percentage difference	37%	0%	-12%
Average Cost 2023	\$3,284.63	\$4,970.07	\$7,864.53
Portland 2022 Below Average	-23%	-8%	-12%

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	37%	0%	-12%
Average Cost 2023	\$3,284.63	\$4,970.07	\$7,864.53
Portland 2022 Below Average	-23%	-8%	-12%

Item	Our Estimate	Actual Estimate	Vendor
Spare Prop	\$23,000	\$16,700	Accutech
Royal River Project	\$40,000	\$35,168	Royal River Invoice
Pilot new window	N/A	\$1,968	Beclawat
D-Ring (includes engineering support and project management, air tanks removal, inner joinery, insulation, waste removal/celanup)			
Gunwhale heating fluid reservoir	\$200,000	\$313,058	Duclos
Ovbd Recovery system both boats	N/A	\$5,930	Duclos
Pilot arch and swim platform	\$200,000	\$133,200	Duclos
Pilot aft controls	\$20,000	\$18,000	Billings
Pilot fixed fire system	\$6,000	\$35,000	Billings
Boiler removal and install	\$40,000	\$35,400	Duclos
Transmission overhaul	\$10,000	\$38,200	Billings
Transmission replacement	\$18,000	\$10,000	North Atlantic
Boat cushion replacement	\$8,000	\$24,500	North Atlantic
Pilot Interior Space Blast/Coat (includes haul, shrink wrap, inspect/gas free fuel tanks)			
Handrail heat repair	\$2,000	N/A	\$218,815 Duclos
Spring Point head repair	\$5,000	?	?
Annual haulout	\$12,000	\$15,000	Dave
Liferafts and EPRIB	\$3,000	\$1,286	Chase Leavitt - Liferaft only not EPRIB
RADAR and AIS replacement	\$7,000	\$8,795	Sawyer and Whitten
Pier Fencing	\$5,000	\$2,870	Anchor Fence
New ladder	\$7,000	\$5,000	Tim
Engine rebuild - 1 engine	\$60,000	\$70,595	Milton CAT
Engine swap out	N/A		
Spring Point stbd gear swap	\$18,000	\$4,800	
Spare engine	\$90,000	\$108,000	Milton CAT
Line of Credit	\$150,000	\$150,000	
Total	\$944,000	\$1,252,285	



Portland Pilots 2023 rate request summary. Board of Harbor Commission's request for vessel category breakdown.

2019 invoiced 284 vessels (data and requirements were submitted in 2020 rate review)

Pilot Units: 174,965.22

Note: 23.4 % min. rate vessels

Vessel Category:

217.7 (over min. rate) as follows.

157.5 general cargo and product carrier (over min. rate)

60 Cruise ships (over min rate)

66.5 minimum rate vessels as follows.

Yachts- 7.5

Eimskip- 40

T/B and small vessels- 7

Minimum rate Cruise ships 12

2020 Invoiced 235.5 vessels (data and requirements were submitted in 2020 rate review)

Pilot Units: 113,569.75

Note: 45.4% min. rate vessels

Vessel Category:

NO CRUISE SHIPS Federal "no sail order"

128.5 general cargo and product carrier (over min. rate)

107 minimum rate vessels as follows.

Yacht- 39.5

Eimskip- 50

T/B small vessels 17.5

2021 Invoiced 242 vessels (data and requirements were submitted in 2021 rate review)

Pilot Units: 122,843.57

Note: 42.6 % min. rate vessels

Vessel Category:

NO CRUISE SHIPS Federal "no sail order"

139 cargo and product carrier (over min rate)

103 minimum rate vessels as follows.

Yacht-37

Eimskip-52

T/B small vessels- 14

2022 Invoiced 302 vessels (Accrual)

Pilot Units: 187,506.739

Note: 36.76% min rate vessels

Vessel Category:

194 vessels (over min rate)

108 vessels (min rate)

Product/Cargo- 143

Pipeline-4

Cruise Ships- 47

Cruise Ship min rate- 21

Eimskip- 58

T/B -6.5 (min rate)

Cargo/product-7.5 (min rate)

Yachts- 15 (min rate)