



Board of Pilotage Commissioners

SEP 10 2013

RECEIVED

September 10, 2013

Capt. Harry Dudley, Chair
Board of Pilotage Commissioners
2901 Third Ave, Suite 500
Seattle, Washington 98121

Re: CR 102 Filing and Tariff Procedures– 2014 Puget Sound District Tariff

Dear Captain Dudley:

Based on the financial data that is available at this time, it appears that the pilots will be requesting an overall 2014 rate increase of approximately 8% to cover increased expenses, pilot income and the current and expected number of pilots. As the months go on, we will have more up to date information and our request may be adjusted accordingly.

We are again suggesting that the board adopt a VEC in the tariff. The total of the VEC expenses requested for 2014 is projected to be \$4,510,000 to be levied as a flat fee on all assignments other than harbor shifts and cancellations. This would be a fee of about \$692 per assignment.

If the board elects to use the VEC, other charges in the tariff could be reduced by approximately 4.5%. Therefore, we request language in the CR 102 that preserves both options to the board: either an 8% increase across the board or a VEC of \$692 coupled with an across the board tariff decrease of 4.5%. We also suggest that the VEC not apply to Zone 1 jobs which include all harbor shifts, cancellations and second pilot jobs in the waterways. As in the past, we do not seek changes to the trainee surcharge or domestic transportation. We do seek an increase of 5% in the BC transportation charges.

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Specifically, we request that the following language be included in the CR 102 filing for this year's rate hearing:

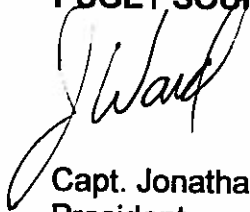
PSP proposes a rate increase of 8% applied across-the-board (except for the domestic Transportation and Training Surcharge categories to which no change is applied) and the creation of a new line item Variable Expense Component charge designed to raise up to \$4,510,000 of revenue to be levied by a per assignment charge of \$692 on all assignments other than Zone 1 assignments and cancellations.

PSP also proposes that the Transportation Charge portions of the British Columbia Direct Transit Charge be increased by 5%.

Thank you for your consideration of these issues and we look forward to discussing them more fully as we move through the tariff process.

Sincerely,

PUGET SOUND PILOTS

A handwritten signature in black ink, appearing to read "J. Ward", written over the printed name of Jonathan E. Ward.

Capt. Jonathan E. Ward
President