

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
 PUGET SOUND PILOTS RESPONSES TO STAFF DATA REQUESTS

DATE PREPARED: January 27, 2020	WITNESS: Captain George Quick
DOCKET: TP-190976	RESPONDER: Captain George Quick
REQUESTER: Danny Kermode Referring to Exhibit GQ-1T	Puget Sound Pilots

UTC STAFF DATA REQUEST NO. 11:

Captain Quick testifies at page 16, lines 4-5 that "...[pilot] income ranges nationally in the area of \$550,000 to 600,000 per year." Please provide any studies, workpapers, articles or publications that support, in whole or in part, his statement.

RESPONSE TO DATA REQUEST NO. 11:

All ships engaged in foreign trade are handled by approximately 1300 State licensed pilots total in the United States. With such a small base, the subject matter does not generate a great deal of written documentation. Information on compensation levels generally becomes available during the State rate setting processes. But the trend, automatic CPI adjustments and increasing size and tonnage of ships that form the rate base has lead to increasing compensation and fewer current rate cases that would tend to yield substantial information. Notwithstanding that limitation, the most recent reliable information is provided below.

Attachment 1: is an annual report for 2018 by the Crescent River Port Pilot Association in New Orleans to the Louisiana Pilot Fee Commission on the distribution of net distributable income to each of the active member pilots of the association. It indicates that a total of \$69,027,304 was distributed to 116 pilots for an average 2018 net income of \$595,062. It should be noted that one of the statutory guidelines to consider in Louisiana Revised Statute for fixing reasonable and just rates is:

§1122 B(1) "fair average annual compensation for a state ship pilot, in comparison to regulated state ship pilotage in other United States ports."

It is assumed the net income reflects consideration of that guideline.

Attachment 2- Is the State of Florida Pilotage Rate Review Committee's decision in the Port Everglades Pilots rate case filed January 22, 2019. It is the most recent rate case outcome in the United States by an experienced State agency and professional staff that sets pilotage rates for the eleven ports in Florida after an intensive Investigative Committee hearings, review and report.

It found that the nationwide average compensation for pilots was somewhere between \$500,000 and \$550,000 in 2017 (pg.9). It established a rate in its jurisdiction that is projected to provide pilot compensation of \$549,998 in the upcoming year, 2019 (pg.10).

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The substantial increase in compensation of \$138,355 over the prior year reflected the change in the CPI since the last Port Everglades rate adjustment in 2001. To avoid such large one year increases in the future, the Florida rate structure provides for annual increases in the charges for ships over 31 feet in draft of 6% each year for the next 10 years. All other charges are to be increased 2.5% each year for 5 years, and 2% each year for the following 5 years (pg. 13-14). This percentage is also aligned with the Federal Reserve target inflation rate of 2% per year and is intended to have pilot compensation keep pace with anticipated inflation. It is therefore expected to produce a pilot compensation of over \$600,000 within four years, or by 2023.

Finally it should be understood that the rates and compensation levels established in the Port Everglades case were the result of a compromise agreement between the parties, pilots and shipowners, to avoid further protracted litigation and in recognition of prevailing nationwide compensation in comparable ports.