

Maine Pilotage Commission



MaineDOT ~ Room 216 Conference Room
June 18, 2024

Minutes of Pilotage Commission Public Hearing

In compliance with MRSA 38 § 85 and in fulfillment of the Maine Pilotage Commission's duties addressed in MRSA 38 § 90-1, a Public Hearing of the Maine Pilotage Commission was held on June 18, 2024 to establish new rules detailing rates of pilotage. The Maine Pilotage Commission's authority to convene this hearing falls under its power to make and establish rates of pilotage pursuant to 38 M.R.S. Section 90-1B.

Maine Pilotage Commission Members constituting a quorum were:

Carrie Norton	– Public Member (Chair)
David Gelinis	– Pilot Member
Adam Philbrook	– Pilot Member
Jerry Morrison	– Pilot Member
Lindsey Pinkham	– Public Member
Shawn Moody	– Industry Member
Brian Downey	– Pilotage Commission Administrator

Interested Parties present were:

Jeff Joyce	– Bay Ferries (remotely via Teams (video conferencing))
Mark Klopp	– Klopp Marine Services
Susan Klopp	– Klopp Marine Services
Calvin Klopp	– Klopp Marine Services
Skip Strong	– Penobscot Bay and River Pilots
Dave Smith	– Penobscot Bay and River Pilots
Greg Smith	– Penobscot Bay and River Pilots

Maine DOT staff present were:

Chris Mayo	– MaineDOT
John Belisle	– Maine Attorney General's Office

Call to Order (Carrie Norton)

Carrie Norton opened the meeting at 10:38 a.m. and acknowledged a quorum. She additionally offered opening remarks and facilitated introductions around the room. Among her opening remarks included the institution of a 15-minute cap on public comments. The cap is meant to

assure ample time for any public comment, while maintaining a timeline to keep the hearing focused and productive. Ms. Norton reviewed the legal background requiring the Commission to establish pilotage rates. She further reviewed the process which the Commission will follow to effect any proposed rates. Mr. Downey additionally offered that the rates will now be codified as a Maine Pilotage Rule.

Public Notifications and Comment Period

Public notifications included direct postal hearing announcements to all known pilotage customers which contained access to a link to the proposed rule which was posted on mainepilotage.org. Additionally, public notices were published in regional newspapers (in the Kennebec Journal, Bangor Daily News, Portland Press Herald, and Lewiston Sun Journal). The comment period preceded the hearing and is currently open and will close (after the hearing) on June 28, 2024. The comment period was designed to ensure that interested parties have a chance to review and digest the proposed rates/rule and have an opportunity to make a statement/comment at the hearing, if they choose. Once the comment period concludes, comments must be addressed by the Commission (in writing) with reasonable justifiable responses.

Mr. Downey offered that no written comments have been received thus far.

Administrative Procedures Act Summarized Process

At some point after the Hearing, the Commission will re-convene to formally adopt the rule.

After this phase, the AG's office is afforded 150 days to review the rule and comments to assure everything is properly addressed.

Once this phase is complete the package will be sent to the Secretary of State for finalization and publication.

Target Effective Date of New Rate Rules

Considering all of the above, October 1, 2024 is listed as the effective date of the proposed rule (and thus any new rates).

Exhibits

Carrie Norton then reviewed key documents that were provided as reference material for the hearing and recorded as exhibits as follows:

Exhibit 1 – The current Maine Pilotage Commission Rate Sheet.

Exhibit 2 – Public hearing announcement that was published in the Kennebec Journal, Bangor Daily News, Portland Press Herald, and Lewiston Sun Journal.

Exhibit 3 – Penobscot Bay and River Pilots Association letter of April 9, 2024 requesting rate adjustments for the waters and routes served by their association.

Exhibit 4 – Klopp Marine Services letter of April 15, 2024 requesting a rate adjustment for pilot services on the Kennebec River.

Exhibit 5 – Cost of Living Adjustment as gleaned from the Bureau of Labor Statistics website.

Exhibit 6 – Draft 2024 Rate Rule.

Exhibit 7 – Penobscot Bay and River Pilots Association financial summary.

Kennebec River Proposal

Mark Klopp of Klopp Marine Services provided a brief outline of his April 15, 2024 letter requesting a 7% rate increase for Kennebec River pilotage to maintain economic pace with inflation as discussed his aforementioned letter. This proposed adjustment will increase the cost per pilotage unit from \$14.14 to \$15.14.

Port of Eastport

The pilot organizations serving the Port of Eastport did not request a rate adjustment, however, Jerry Morrison reviewed the proposed rule (and embedded rates) and tacitly approved the language of the proposed rule. The pilotage rates for the Port of Eastport will remain at the currently published 2023 schedule, regardless of the outcome of the rate hearing.

Penobscot Bay and River Pilots Proposal

David Gelinas of the Penobscot Bay and River Pilots Association presented a graduated rate adjustment request 2024 and 2025 for all pilotage waters in their service area as follows:

Percentage Breakdowns:

Training and Capital Construction fee:

- 2024 - 10% increase (\$275)
- 2025 - 9% increase (\$300)

The Commission Chair inquired why the Training and Capital Construction fee was split into two adjustments (2024 and 2025). David Gelinas offered that in part, it was due to a delayed federal court decision which impacted their operation and that spacing out the increase would ease the customer burden.

Lindsey Pinkham suggested skipping the 2024 \$275 Training and Capital Construction fee adjustment and simply start the 2025 proposed \$300 fee on October 1, 2024.

Other rate summaries are as follows:

Bar Harbor, Boothbay Harbor, Rockland and Camden Harbor, Blue Hill Bay, and Eastern Way/Somes Sound:

- For large cruise ships in Bar Harbor - 7.7% in 2024, 7.1% in 2025.
- For minimum fee cruise ships in Bar Harbor - 35% increase each in 2024 and 2025.

- For large cruise ships in Rockland – increases about 34% in 2024 and 7% in 2025.

Penobscot Bay

- 3% increase for 2024.
- 3% increase for 2025.

Penobscot River

- Transit to Bucksport increases from 50% of the Penobscot Bay rate to 70% of Penobscot Bay rate.
- Transit to Winterport, Bangor & Brewer increases from 50% of the Penobscot Bay rate to 100%.

Bar Harbor to Yarmouth, N.S. Ferry Rate

- 2.8% increase for 2024
- 2.8% increase for 2025

Shifting Rates

- Between docks at Searsport or between Searsport docks and anchorage increases from 25% of the Penobscot Bay rate to 40% of the Penobscot Bay rate.
- Searsport to Bucksport or Bucksport to Searsport increases from 50% of the Penobscot Bay Rate to 70% of the Penobscot Bay rate.
- Between Searsport and Winterport, Bangor, or Brewer, increases from 50% of the Penobscot Bay rate to 100% of the Penobscot Bay rate.

Referencing the Penobscot Bay and River Pilots Association’s financial summary, Lindsey Pinkham also asked for clarification regarding the association’s projected sharp spike in “Contract Labor Costs” from an estimated \$10,000 in 2024 to an estimated \$50,000 in 2025. David Gelinis responded that due to the lost cruise ship revenue resulting from a recent federal court decision, that the Penobscot Bay and River pilots have reduced their permanent pilot roster from 4 to 3 pilots and that seasonal surge pilots will be employed under contract to fill temporary operational gaps, particularly during cruise ship season.

Public Comment

Jeff Joyce, General Manager of Bay Ferries participated in the hearing via “Teams” video conferencing. He expressed that he was observing the hearing to stay abreast of the rate setting process but had no verbal comments supporting or opposing any of the proposed rules or rate adjustments. Mr. Downey queried if he anticipated submitting written comments, to which Mr. Joyce indicated no comments were planned from Bay Ferries.

There were no other public comments.

Adjournment

Lindsey Pinkham motioned to adjourn, Shawn Moody seconded the motion; hearing no objections or abstentions, it was thus:

RESOLVED to adjourn and the Commission Chair adjourned the hearing at 11:20 a.m..

Next Meeting

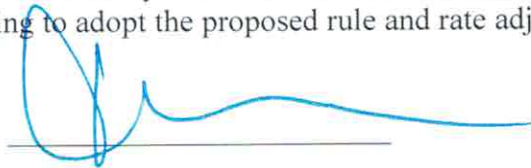
July 2, 2024 at 10:30 a.m.

In the event written comments are received by June 28, 2024 the Commission will reconvene to reconcile and respond to the comments in person:

Maine DOT
Room 216
24 Child Street
Augusta, ME 04330

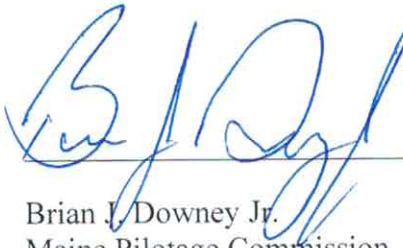
In the event no written comments are received by June 28, 2024, the Commission will reconvene remotely via Teams video conferencing to adopt the proposed rule and rate adjustments:

Respectfully submitted:



Carrie Norton
Maine Pilotage Commission
Chairperson

Respectfully submitted:



Brian I. Downey Jr.
Maine Pilotage Commission
Administrator