In re: Pilotage Rate Change Application of Houston Pilots

Before

The Board of Pilot Commissioners for Harris County Ports

RATE DECISION GRANTING THE HOUSTON PILOTS PILOTAGE RATE INCREASE REQUEST

I. BACKGROUND

On August 13, 2021, the Houston Pilots ("Pilots") submitted a Pilotage Rate Change Application for an increase in pilotage rates for the years 2022 through 2026 as set forth in their letter, Proposed Tariffs and related Addendums attached hereto as Exhibit A (the "Application") under Title 4, Subtitle B, Subchapter 66.062 of the Texas Transportation Code, also known as the Houston Pilots Licensing and Regulatory Act (the "Act").

On August 17, 2021, the Board of Pilot Commissioners for Harris County Ports (the "Board") set an opening hearing date of September 9, 2021 for consideration of the Application. The Pilots submitted their Pilot Financial Report to the Board on August 30, 2021 in compliance with the Act. At the Opening Hearing on September 9, 2021, the Board set a 2021 Pilot Tariff Hearing Timeline, adopted procedures for handling the Application, and continued the hearing to October 7, 2021. The timeline included a deadline for written submission by interested parties of September 23, 2021. Parties opposing and supporting the Application submitted their materials by this deadline.

On October 7, 2021, the Board heard the oral presentations of interested parties and deliberated in public session and voted in favor of granting the Application in full without amendment or revision. A quorum was present at the hearing on October 7, 2021 with eight Commissioners present. The vote was 7 in favor and one opposed. The Board also voted to have its attorney draft this decision, which was to be approved in form only by the Board's Executive Committee.

II. REASONS FOR DECISION

In reaching its decision to grant the Pilots' Application, the Board has considered the Application, the Pilots' Financial Report, the submissions of all interested parties, and the oral presentations and materials submitted at the continued pilotage rate hearing on October 7, 2021. The factors considered by the Board to determine a just and reasonable pilotage rate include:

(1) the characteristics of vessels to be piloted;
(2) the average number of hours spent by a pilot performing:
    (A) pilot services on board vessels; and
    (B) all pilot services.
(3) costs to pilots to provide the required pilot services;

(4) the public interest in maintaining safe, efficient, and reliable pilot services;
(5) the average wages of masters of United States flag vessels that navigate in the board's jurisdiction and for which the pilotage rate is to be established;
(6) economic factors affecting the shipping industry in the area in which the port is located; and
(7) an adequate and reasonable compensation for the pilots and a fair return on the equipment and vessels that pilots employ in connection with their duties.

The Board notes that not all factors in Section 66.064 are to be given equal weight and finds that the fourth factor: the public interest in maintaining safe, efficient, and reliable pilot services is of particular importance given the need to protect persons and property, especially given the unique and challenging characteristics of the Houston Ship Channel.

The Board also notes that many of the factors are interrelated. For example, economic factors affecting the shipping industry are also dependent upon maintaining safe, efficient, and reliable pilot services, which keeps the Houston Ship Channel and local industry moving and productive. In addition, support of the Houston Pilots facilitates and supports their ability to fund safety initiatives that allow for two way traffic in an undersized channel, as well as to support an increasing scope including increasing vessel sizes and transit times.

The Board also notes the need to provide the Houston Pilots an adequate and reasonable compensation for the pilots and funds to ensure the expected high standards of performance for their vessels, equipment, people, and all support operations. Additionally, the Board notes the need for a fair return on the equipment and vessels that pilots employ in connection with their duties has been impacted by five years of inflation and cost increases to the Pilots without a corresponding tariff adjustment.

III. DECISION

The Pilots' Application is hereby granted in full without revision or amendment to become effective January 1st of each year from 2022 to 2026 as indicated on the Proposed Tariffs attached as Exhibit A.

Dated: October 15, 2021

HOUSTON PILOTS
203 Deerwood Glen Drive / Deer Park, TX 77536

August 13, 2021

Chairman Reginald E. McKamie, Sr.
Board of Pilot Commissioners for Harris
County Ports
203 Ivy Avenue
Deer Park, TX 77536

Dear Chairman McKamie,

In accordance with Subchapter 66.062 of the Houston Pilots Licensing and Regulatory Act and the Rules and Regulations Governing Pilots and Pilotage On the Houston Ship Channel Between the Galveston Bar and Turning Basin, Section 9 Pilotage Charges, an application for change in pilotage rates is hereby submitted by the Houston Pilots to the Board of Pilot Commissioners.

This proposed tariff adjustment was initially presented and discussed at a series of meetings with select representatives from a number of maritime industry interests, and further refined at meetings and during discussions with different individual customers. The intent of the adjustment is to position Houston Pilots to best support the continued growth and competitiveness of the Houston Ship Channel.

The Houston Ship Channel is a unique and particularly challenging waterway, and supporting growth and efficiency in the busiest port in the United States does not come without cost. The increasing density and diversity of ship and tow traffic requires more and more traffic management by Pilots and shore based Dispatch staff to mitigate risk and ensure efficiency, while equitably meeting the needs of all port stakeholders. Most likely, the waterway closures associated with the project to replace the Beltway 8 HSC bridge and dredging for Project 11 will necessitate even more effort to manage vessel traffic, especially in the upper channel. Increased vessel transits times have created additional Pilot bridge time, thus contributing to fatigue and the need to increase Pilot manpower. In the past 10 years, increases in transit times alone have created enough work for nearly 4 additional Pilots. Likewise, more Pilot "off channel" time is required to support such landside activities as reviewing new dock proposals (20 new or major repurposing projects between 2012 and 2021); providing input to channel development projects such as Project 11 (deepening and widening of ship channel) and Coastal Texas Study (Ike Dike); conducting simulator studies of new docks and vessels; developing new traffic management protocols required by the ever-larger vessels calling on Houston; and participating in safety focused port stakeholder groups.

While the challenges associated with the growth of the Houston Ship Channel are daunting, Houston Pilots continues to find innovative ways to support port growth while keeping vessel traffic moving as safely and efficiently as possible. We strive to provide the service that our customers expect and deserve. Ships continue to enjoy two-way traffic, twenty-four hours a day, seven days a week service without any holiday, weekend, or night time premium for pilotage. Recent innovations and service enhancements include:

- At the request of container vessel operators, Houston Pilots has assessed risk and permitted vessels as large as 1160'x150'to transit to Bayport and vessels as large as 1158'x142' to transit to Barbours Cut 1, 2, & 3.
- Working with industry and based on experience on slightly smaller vessels, Houston Pilots permitted vessels as large as 1120' LOA to meet all traffic, subject to existing widebody rules.
- To support the ever-growing LPG trade, Houston Pilots worked with terminals to permit LPG vessels as large as 800'x123' into the upper 300' wide Houston Ship Channel.
- To support the growth of the crude oil export business, Houston Pilots permitted suezmax tank vessels (910'x165') to transit the Bayport Ship Channel.
- Based on experience and at the request of industry, Houston Pilots allowed around the clock shifting of vessels within one zone, with only one pilot required even on two pilot jobs.
- At industry's request and based on Pilot experience, Houston Pilots eased the daylight restriction on LPG ships with length overall of less than 600'.
- So as to ensure that Pilots are available to meet industry's needs, Houston Pilots has built surge capacity that allows the safe and efficient movement of vessel traffic following a significant traffic disruption, such as a fog closure.
- Enhanced disaster recovery and continuity of operations planning to ensure Houston Pilots is ready and capable of moving all vessels that want to leave port prior to a hurricane, regardless of mandatory evacuations or surface road conditions.
- To better serve agents and shipowners, Houston Pilots expanded the availability and scope of the Dispatch Operations Manager position to better handle exigent customer needs.

As an overview, the proposed tariff adjustment includes:

- A 5 year rate agreement with across the board +3.5% /year applied to draft, unit rate, shifting, and ancillary charges with the exceptions noted below.
- Restructure Pilot away holding such that the initial (36-45 minutes) and second (46-50 minutes) charges are reduced by 50% and 25%, respectively, and the maximum pilot away holding charge is changed to $2000. This is projected to be a revenue neutral change.
- Increase the Port Safety Communications fund line item to $235 (net increase of $25 in 2022; increased by +3.5% thereafter).
- Increase the Pilot Boat Capital fund line item to $195 (net increase of $33/transit). The +3.5%/year is not applied to this line item.
- Modify the Pilot Boat Capital fund such that it can be used for the future purchase of new shuttle pilot boat(s). While the very general text on the current tariff supports use of this line item fund for new boats, a proposed tariff addendum would supersede the current MOU and specifically address use of the Pilot Boat Capital fund to cover costs of any new pilot boats.
- Revise a narrow band of unit rates to account for future manpower costs associated with increased traffic following completion of widening of the channel. This change would be implemented on January 1, following the completion of dredging from B-18 to B-51/52. The earliest implementation of this change would be January 1, 2023; likely implementation would be January 1, 2024. A proposed tariff addendum that specifies how the approved tariffs would be revised and when is attached.
- Clarify "holding charges" to include excessive delays due to dredging or waterway construction projects.
- Clarify the definition of extreme breadth.

- Addition of an administration funding line item to support the Pilot Board in the amount of $46.82/arrival. This fee will be adjusted each year based on the actual administrative expenses of the Board and vessel arrivals for the preceding year.

There have not been any changes to the Houston Pilot tariff for the last 5 years (with the exception of the addition of the Pilot Boat Capital fund line item in 2017). As a point of reference, the increase to CPI-U for that same period is a cumulative 10.2%. Looking back 10 years tells a similar story. Increases to the Houston Pilot tariff for the period 2012 to 2021 total 10.9%, while increases to CPI-U total 17.5%. Unfortunately, most forecasts for inflation looking forward are well beyond the relatively benign rates that we have seen previously – many upwards of 3.5% per year.

Houston Pilots appreciate the Board's time and attention. We look forward to continuing to fulfill our role as the silent servants of progress on the Houston Ship Channel. We respectfully suggest that approval of the current well-reasoned and modest tariff adjustment will promote the public interest by supporting the safe and efficient navigation of vessels while sustaining port growth and the fiscal stability of the Pilots.

Respectfully,

Captain Robert Thompson
Presiding Officer, Houston Pilots

Enclosure:
(1) Proposed tariff for 2022
(2) Proposed tariff for 2023
(3) Proposed tariff for 2024
(4) Proposed tariff for 2025
(5) Proposed tariff for 2026
(6) Proposed tariff Addendum A: Unit Rate Revision – Dredging Completion
(7) Proposed tariff Addendum B: Pilot Boat Capital Fund

HOUSTON PILOTS PROPOSED 2022 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2022.

I DRAFT RATES

Zones	40 Feet and Under	Over 40 Feet
1 Sea – to and including Barbours Cut	81.56	88.39
2 Baytown – to and including Lynchburg	82.99	165.98
3 Above Lynchburg – to and including Shell	84.42	168.86
4 Above Shell – to and including Targa	85.80	171.60
5 Above Targa – to and including U.S. Gypsum	87.29	174.60
6 Above U.S. Gypsum – to and including Turning Basin	88.70	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

II UNIT RATES

In addition to the draft charge, vessels will pay a unit charge. The unit charge equals the units of a vessel multiplied by the unit rate below. The units of a vessel are determined by multiplying the vessel's length overall in feet by the vessel's extreme breadth in feet, then divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum distance between the outside of the shell plating of a vessel or the outermost limits of any overhanging deck cargo, whichever is greater. The unit rates are as follows:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	1.599	1101-1150	4.373	1651-1700	6.657
201-300	1.599	1151-1200	4.389	1701-1750	6.750
301-400	1.599	1201-1250	5.817	1751-1800	6.844
401-500	2.132	1251-1300	5.911	1801-1850	6.938
501-600	2.132	1301-1350	6.005	1851-1900	7.030
601-700	2.132	1351-1400	6.098	1901-2000	7.123
* 701-800	2.301	1401-1450	6.190	2001-2100	7.410
* 801-900	2.603	1451-1500	6.282	2101-2200	7.698
901-1000	3.193	1501-1550	6.377	2201-2300	7.986
1001-1050	3.307	1551-1600	6.471	2301-2400	8.275
1051-1100	3.993	1601-1650	6.564	2401-over	8.563

The minimum of a draft charge plus the unit charge is: $ 2,121.36

* See Addendum A

III RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1 Barbours Cut to Baytown
2 Baytown to Lynchburg
3 Lynchburg to Shell
4 Shell to Targa
5 Targa to U.S. Gypsum
6 U.S Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,252.00
Using two zones	1,377.12
Using three zones	1,502.32
Using four zones	1,627.54
Using five zones	1,752.73
Using six zones	1,877.87

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	-	701-800	2.003	1301-1400	3.985
201-300	0.336	801-900	2.333	1401-1500	4.314
301-400	0.672	901-1000	2.663	1501-1600	4.645
401-500	1.005	1001-1110	2.993	1601-1700	4.974
501-600	1.335	1101-1200	3.322	1701-1800	5.305
601-700	1.675	1201-1300	3.655	1801-over	5.637

The minimum shifting charge is : $ 1,417.30

IV DEAD SHIPS

The charge for dead ships is double the regular pilotage charge or shifting charge.

V ANCHORAGE AT BOLIVAR ROADS

An anchorage fee is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and is in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.

The anchorage fee is:	$ 753.83

VI DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On Dock	After	30 minutes	$ 465.75
On Bar	After	60 minutes	$ 465.75

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

VII CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is $ 465.75 per hour or portion thereof.

Other than for weather, fog, or waiting on tugs, holding time will be billed to all vessels requiring a pilot to slow down or hold a vessel for any reason (dock availability, mechanical difficulties, traffic management delays associated with dredging, waterway construction projects, unexpected waterway closures, etc.).

Holding a pilot on the vessel during arrivals at the dock will result in the following charges:

0-35 minutes after first line	$ -
36-45 minutes after first line	$ 100.00
46-50 minutes after first line	$ 300.00
51-55 minutes after first line	$ 600.00
56-60 minutes after first line	$ 800.00
61-65 minutes after first line	$ 1,000.00
66-70 minutes after first line	$ 1,200.00
71-75 minutes after first line	$ 1,400.00
76-80 minutes after first line	$ 1,600.00
81-85 minutes after first line	$ 1,800.00
>= 86 minutes after first line	$ 2,000.00

When vessels require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

VIII CANCELLATIONS AND AUTOMATIC ORDERING

For those vessels electing automatic ordering at the beginning of a calendar quarter the charge is:

Per movement	$ 258.75

Vessels may opt in or out at the end of each quarter.
Requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled as follow:

	2 Hours	1 Hour
At Dock	$ 517.50	$ 1,035.00

	4 Hours	2 Hour
On Bar	$ 776.25	$ 1,552.50

IX SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with obstructed vision, or other services not covered in this tariff will be by specific agreement made before movement.

X SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI PORT COMMUNICATIONS

A Port Communications fee will be charged for each movement as follows: $ 235.00

XII TRANSPORTATION

The transportation charge will be adjusted each year based on actual fuel costs incurred for the preceding year. The fee for each move and each cancellation is as follows: $ 110.06

XIII SHORT NOTICE CHARGE

If a vessel requests a move with less than 4 hours notice, there will be an additional charge for the move as follows: $ 238.05

XIV PILOT BOAT CAPITAL FUND

Charge for each inbound, as well as for each outbound movement ("per movement")
Said per movement charge shall be paid into a fund to be used for payment of the
costs of a new pilot vessel(s) as described in Addendum B.
The per movment charge is as follows: $ 195.00

XV PILOT BOARD ADMINISTRATION FEE

A charge for each arrival to fund the administrative and oversight requirements of the Board of Pilot Commissioners for Harris County Ports (the "Board"). This fee will be adjusted each year based on the actual administrative expenses of the Board for the preceding year. $ 46.82

XVI PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVII CUSTOMER INQUIRIES

For questions concerning invoices or billing issues please email Melissa Stahl at melissa@houston-pilots.com for assistance.

The Presiding Officer is also available at ext. 504 or the Controller, Shelly Butler, at ext. 507 or sbutler@houston-pilots.com to discuss billing issues where further review is desired.

HOUSTON PILOTS PROPOSED 2023 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2023.

I DRAFT RATES

Zones	40 Feet and Under	Over 40 Feet
1 Sea – to and including Barbours Cut	84.41	91.48
2 Baytown – to and including Lynchburg	85.89	171.79
3 Above Lynchburg – to and including Shell	87.38	174.77
4 Above Shell – to and including Targa	88.80	177.61
5 Above Targa – to and including U.S. Gypsum	90.35	180.72
6 Above U.S. Gypsum – to and including Turning Basin	91.80	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

II UNIT RATES

In addition to the draft charge, vessels will pay a unit charge. The unit charge equals the units of a vessel multiplied by the unit rate below. The units of a vessel are determined by multiplying the vessel's length overall in feet by the vessel's extreme breadth in feet, then divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum distance between the outside of the shell plating of a vessel or the outermost limits of any overhanging deck cargo, whichever is greater. The unit rates are as follows:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	1.655	1101-1150	4.526	1651-1700	6.890
201-300	1.655	1151-1200	4.543	1701-1750	6.987
301-400	1.655	1201-1250	6.020	1751-1800	7.084
401-500	2.207	1251-1300	6.118	1801-1850	7.180
501-600	2.207	1301-1350	6.215	1851-1900	7.276
601-700	2.207	1351-1400	6.312	1901-2000	7.372
* 701-800	2.381	1401-1450	6.407	2001-2100	7.669
* 801-900	2.694	1451-1500	6.502	2101-2200	7.968
901-1000	3.305	1501-1550	6.600	2201-2300	8.266
1001-1050	3.423	1551-1600	6.697	2301-2400	8.564
1051-1100	4.133	1601-1650	6.794	2401-over	8.862

The minimum of a draft charge plus the unit charge is: $ 2,195.60

* See Addendum A

III RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1 Barbours Cut to Baytown
2 Baytown to Lynchburg
3 Lynchburg to Shell
4 Shell to Targa
5 Targa to U.S. Gypsum
6 U.S Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,295.82
Using two zones	1,425.32
Using three zones	1,554.90
Using four zones	1,684.50
Using five zones	1,814.08
Using six zones	1,943.60

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	-	701-800	2.073	1301-1400	4.124
201-300	0.348	801-900	2.415	1401-1500	4.465
301-400	0.695	901-1000	2.756	1501-1600	4.808
401-500	1.040	1001-1110	3.098	1601-1700	5.148
501-600	1.382	1101-1200	3.439	1701-1800	5.491
601-700	1.733	1201-1300	3.782	1801-over	5.834

The minimum shifting charge is : $ 1,466.90

IV DEAD SHIPS

The charge for dead ships is double the regular pilotage charge or shifting charge.

V ANCHORAGE AT BOLIVAR ROADS

An anchorage fee is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and is in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.

The anchorage fee is:	$ 780.22

VI DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On Dock	After	30 minutes	$ 482.05
On Bar	After	60 minutes	$ 482.05

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

VII CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is $ 482.05 per hour or portion thereof.

Other than for weather, fog, or waiting on tugs, holding time will be billed to all vessels requiring a pilot to slow down or hold a vessel for any reason (dock availability, mechanical difficulties, traffic management delays associated with dredging, waterway construction projects, unexpected waterway closures, etc.).

Holding a pilot on the vessel during arrivals at the dock will result in the following charges:

0-35 minutes after first line	$ -
36-45 minutes after first line	$ 103.50
46-50 minutes after first line	$ 310.50
51-55 minutes after first line	$ 621.00
56-60 minutes after first line	$ 828.00
61-65 minutes after first line	$ 1,035.00
66-70 minutes after first line	$ 1,242.00
71-75 minutes after first line	$ 1,449.00
76-80 minutes after first line	$ 1,656.00
81-85 minutes after first line	$ 1,863.00
>= 86 minutes after first line	$ 2,070.00

When vessels require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

VIII CANCELLATIONS AND AUTOMATIC ORDERING

For those vessels electing automatic ordering at the beginning of a calendar quarter the charge is:

Per movement	$ 267.81

Vessels may opt in or out at the end of each quarter.
Requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled as follow:

	2 Hours	1 Hour
At Dock	$ 535.61	$ 1,071.23

	4 Hours	2 Hour
On Bar	$ 803.42	$ 1,606.84

IX SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with obstructed vision, or other services not covered in this tariff will be by specific agreement made before movement.

X SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI PORT COMMUNICATIONS

A Port Communications fee will be charged for each movement as follows: $ 243.23

XII TRANSPORTATION

The transportation charge will be adjusted each year based on actual fuel costs incurred for the preceding year. The fee for each move and each cancellation is as follows: $ 113.18

XIII SHORT NOTICE CHARGE

If a vessel requests a move with less than 4 hours notice, there will be an additional charge for the move as follows: $ 246.38

XIV PILOT BOAT CAPITAL FUND

Charge for each inbound, as well as for each outbound movement ("per movement")
Said per movement charge shall be paid into a fund to be used for payment of the
costs of a new pilot vessel(s) as described in Addendum B.
The per movment charge is as follows: $ 195.00

XV PILOT BOARD ADMINISTRATION FEE

A charge for each arrival to fund the administrative and oversight requirements of the Board of Pilot Commissioners for Harris County Ports (the "Board"). This fee will be adjusted each year based on the actual administrative expenses of the Board and vessel arrivals for the preceding year. $ 46.82

XVI PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVII CUSTOMER INQUIRIES

For questions concerning invoices or billing issues please email Melissa Stahl at melissa@houston-pilots.com for assistance.

The Presiding Officer is also available at ext. 504 or the Controller, Shelly Butler, at ext. 507 or sbutler@houston-pilots.com to discuss billing issues where further review is desired.

HOUSTON PILOTS PROPOSED 2024 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2024.

I DRAFT RATES

Zones	40 Feet and Under	Over 40 Feet
1 Sea – to and including Barbours Cut	87.37	94.68
2 Baytown – to and including Lynchburg	88.90	177.81
3 Above Lynchburg – to and including Shell	90.44	180.89
4 Above Shell – to and including Targa	91.91	183.83
5 Above Targa – to and including U.S. Gypsum	93.51	187.04
6 Above U.S. Gypsum – to and including Turning Basin	95.02	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

II UNIT RATES

In addition to the draft charge, vessels will pay a unit charge. The unit charge equals the units of a vessel multiplied by the unit rate below. The units of a vessel are determined by multiplying the vessel's length overall in feet by the vessel's extreme breadth in feet, then divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum distance between the outside of the shell plating of a vessel or the outermost limits of any overhanging deck cargo, whichever is greater. The unit rates are as follows:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	1.713	1101-1150	4.684	1651-1700	7.131
201-300	1.713	1151-1200	4.702	1701-1750	7.231
301-400	1.713	1201-1250	6.231	1751-1800	7.332
401-500	2.284	1251-1300	6.332	1801-1850	7.432
501-600	2.284	1301-1350	6.433	1851-1900	7.530
601-700	2.284	1351-1400	6.533	1901-2000	7.630
* 701-800	2.465	1401-1450	6.631	2001-2100	7.937
* 801-900	2.788	1451-1500	6.730	2101-2200	8.247
901-1000	3.420	1501-1550	6.831	2201-2300	8.555
1001-1050	3.542	1551-1600	6.932	2301-2400	8.864
1051-1100	4.277	1601-1650	7.031	2401-over	9.172

The minimum of a draft charge plus the unit charge is: $ 2,272.45

* See Addendum A

III RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1 Barbours Cut to Baytown
2 Baytown to Lynchburg
3 Lynchburg to Shell
4 Shell to Targa
5 Targa to U.S. Gypsum
6 U.S Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,341.17
Using two zones	1,475.20
Using three zones	1,609.33
Using four zones	1,743.46
Using five zones	1,877.57
Using six zones	2,011.62

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	-	701-800	2.145	1301-1400	4.269
201-300	0.360	801-900	2.499	1401-1500	4.621
301-400	0.720	901-1000	2.853	1501-1600	4.976
401-500	1.077	1001-1110	3.206	1601-1700	5.328
501-600	1.430	1101-1200	3.559	1701-1800	5.683
601-700	1.794	1201-1300	3.915	1801-over	6.038

The minimum shifting charge is : $ 1,518.24

IV DEAD SHIPS

The charge for dead ships is double the regular pilotage charge or shifting charge.

V ANCHORAGE AT BOLIVAR ROADS

An anchorage fee is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and is in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.

The anchorage fee is:	$ 807.52

VI DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On Dock	After	30 minutes	$ 498.92
On Bar	After	60 minutes	$ 498.92

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

VII CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is $ 498.92 per hour or portion thereof.

Other than for weather, fog, or waiting on tugs, holding time will be billed to all vessels requiring a pilot to slow down or hold a vessel for any reason (dock availability, mechanical difficulties, traffic management delays associated with dredging, waterway construction projects, unexpected waterway closures, etc.).

Holding a pilot on the vessel during arrivals at the dock will result in the following charges:

0-35 minutes after first line	$ -
36-45 minutes after first line	$ 107.12
46-50 minutes after first line	$ 321.37
51-55 minutes after first line	$ 642.74
56-60 minutes after first line	$ 856.98
61-65 minutes after first line	$ 1,071.23
66-70 minutes after first line	$ 1,285.47
71-75 minutes after first line	$ 1,499.72
76-80 minutes after first line	$ 1,713.96
81-85 minutes after first line	$ 1,928.21
>= 86 minutes after first line	$ 2,142.45

When vessels require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

VIII CANCELLATIONS AND AUTOMATIC ORDERING

For those vessels electing automatic ordering at the beginning of a calendar quarter the charge is:

Per movement	$ 277.18

Vessels may opt in or out at the end of each quarter.
Requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled as follow:

	2 Hours	1 Hour
At Dock	$ 554.36	$ 1,108.72

	4 Hours	2 Hour
On Bar	$ 831.54	$ 1,663.08

IX SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with obstructed vision, or other services not covered in this tariff will be by specific agreement made before movement.

X SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI PORT COMMUNICATIONS

A Port Communications fee will be charged for each movement as follows: $ 251.74

XII TRANSPORTATION

The transportation charge will be adjusted each year based on actual fuel costs incurred for the preceding year. The fee for each move and each cancellation is as follows: $ 116.41

XIII SHORT NOTICE CHARGE

If a vessel requests a move with less than 4 hours notice, there will be an additional charge for the move as follows: $ 255.01

XIV PILOT BOAT CAPITAL FUND

Charge for each inbound, as well as for each outbound movement ("per movement")
Said per movement charge shall be paid into a fund to be used for payment of the
costs of a new pilot vessel(s) as described in Addendum B.
The per movment charge is as follows: $ 195.00

XV PILOT BOARD ADMINISTRATION FEE

A charge for each arrival to fund the administrative and oversight requirements of the Board of Pilot Commissioners for Harris County Ports (the "Board"). This fee will be adjusted each year based on the actual administrative expenses of the Board and vessel arrivals for the preceding year. $ 46.82

XVI PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVII CUSTOMER INQUIRIES

For questions concerning invoices or billing issues please email Melissa Stahl at melissa@houston-pilots.com for assistance.

The Presiding Officer is also available at ext. 504 or the Controller, Shelly Butler, at ext. 507 or sbutler@houston-pilots.com to discuss billing issues where further review is desired.

HOUSTON PILOTS PROPOSED 2025 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2025.

I DRAFT RATES

Zones	40 Feet and Under	Over 40 Feet
1 Sea – to and including Barbours Cut	90.42	98.00
2 Baytown – to and including Lynchburg	92.01	184.03
3 Above Lynchburg – to and including Shell	93.60	187.22
4 Above Shell – to and including Targa	95.13	190.26
5 Above Targa – to and including U.S. Gypsum	96.78	193.59
6 Above U.S. Gypsum – to and including Turning Basin	98.34	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

II UNIT RATES

In addition to the draft charge, vessels will pay a unit charge. The unit charge equals the units of a vessel multiplied by the unit rate below. The units of a vessel are determined by multiplying the vessel's length overall in feet by the vessel's extreme breadth in feet, then divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum distance between the outside of the shell plating of a vessel or the outermost limits of any overhanging deck cargo, whichever is greater. The unit rates are as follows:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	1.773	1101-1150	4.848	1651-1700	7.381
201-300	1.773	1151-1200	4.867	1701-1750	7.484
301-400	1.773	1201-1250	6.449	1751-1800	7.589
401-500	2.364	1251-1300	6.554	1801-1850	7.692
501-600	2.364	1301-1350	6.658	1851-1900	7.794
601-700	2.364	1351-1400	6.761	1901-2000	7.897
* 701-800	2.551	1401-1450	6.863	2001-2100	8.215
* 801-900	2.886	1451-1500	6.965	2101-2200	8.535
901-1000	3.540	1501-1550	7.070	2201-2300	8.854
1001-1050	3.666	1551-1600	7.174	2301-2400	9.174
1051-1100	4.427	1601-1650	7.278	2401-over	9.493

The minimum of a draft charge plus the unit charge is: $ 2,351.99

* See Addendum A

III RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1 Barbours Cut to Baytown
2 Baytown to Lynchburg
3 Lynchburg to Shell
4 Shell to Targa
5 Targa to U.S. Gypsum
6 U.S Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,388.11
Using two zones	1,526.84
Using three zones	1,665.65
Using four zones	1,804.48
Using five zones	1,943.28
Using six zones	2,082.03

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	-	701-800	2.220	1301-1400	4.418
201-300	0.373	801-900	2.587	1401-1500	4.783
301-400	0.745	901-1000	2.953	1501-1600	5.150
401-500	1.114	1001-1110	3.319	1601-1700	5.515
501-600	1.480	1101-1200	3.684	1701-1800	5.882
601-700	1.857	1201-1300	4.052	1801-over	6.249

The minimum shifting charge is : $ 1,571.38

IV DEAD SHIPS

The charge for dead ships is double the regular pilotage charge or shifting charge.

V ANCHORAGE AT BOLIVAR ROADS

An anchorage fee is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and is in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.

The anchorage fee is:	$ 835.79

VI DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On Dock	After	30 minutes	$ 516.39
On Bar	After	60 minutes	$ 516.39

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

VII CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is $ 516.39 per hour or portion thereof.

Other than for weather, fog, or waiting on tugs, holding time will be billed to all vessels requiring a pilot to slow down or hold a vessel for any reason (dock availability, mechanical difficulties, traffic management delays associated with dredging, waterway construction projects, unexpected waterway closures, etc.).

Holding a pilot on the vessel during arrivals at the dock will result in the following charges:

0-35 minutes after first line	$ -
36-45 minutes after first line	$ 110.87
46-50 minutes after first line	$ 332.62
51-55 minutes after first line	$ 665.23
56-60 minutes after first line	$ 886.97
61-65 minutes after first line	$ 1,108.72
66-70 minutes after first line	$ 1,330.46
71-75 minutes after first line	$ 1,552.21
76-80 minutes after first line	$ 1,773.95
81-85 minutes after first line	$ 1,995.69
>= 86 minutes after first line	$ 2,217.44

When vessels require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

VIII CANCELLATIONS AND AUTOMATIC ORDERING

For those vessels electing automatic ordering at the beginning of a calendar quarter the charge is:

Per movement	$ 286.88

Vessels may opt in or out at the end of each quarter.
Requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled as follow:

	2 Hours	1 Hour
At Dock	$ 573.76	$ 1,147.52

	4 Hours	2 Hour
On Bar	$ 860.64	$ 1,721.28

IX SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with obstructed vision, or other services not covered in this tariff will be by specific agreement made before movement.

X SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI PORT COMMUNICATIONS

A Port Communications fee will be charged for each movement as follows: $ 260.55

XII TRANSPORTATION

The transportation charge will be adjusted each year based on actual fuel costs incurred for the preceding year. The fee for each move and each cancellation is as follows: $ 119.75

XIII SHORT NOTICE CHARGE

If a vessel requests a move with less than 4 hours notice, there will be an additional charge for the move as follows: $ 263.93

XIV PILOT BOAT CAPITAL FUND

Charge for each inbound, as well as for each outbound movement ("per movement")
Said per movement charge shall be paid into a fund to be used for payment of the
costs of a new pilot vessel(s) as described in Addendum B.
The per movment charge is as follows: $ 195.00

XV PILOT BOARD ADMINISTRATION FEE

A charge for each arrival to fund the administrative and oversight requirements of the Board of Pilot Commissioners for Harris County Ports (the "Board"). This fee will be adjusted each year based on the actual administrative expenses of the Board and vessel arrivals for the preceding year. $ 46.82

XVI PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVII CUSTOMER INQUIRIES

For questions concerning invoices or billing issues please email Melissa Stahl at melissa@houston-pilots.com for assistance.

The Presiding Officer is also available at ext. 504 or the Controller, Shelly Butler, at ext. 507 or sbutler@houston-pilots.com to discuss billing issues where further review is desired.

HOUSTON PILOTS PROPOSED 2026 TARIFF

The Rates for Pilotage on the Houston Ship Channel and to or from the Houston Ship Channel and sea or Bolivar Roads are as follows commencing January 1, 2026.

I DRAFT RATES

Zones	40 Feet and Under	Over 40 Feet
1 Sea – to and including Barbours Cut	93.59	101.43
2 Baytown – to and including Lynchburg	95.23	190.47
3 Above Lynchburg – to and including Shell	96.88	193.77
4 Above Shell – to and including Targa	98.46	196.92
5 Above Targa – to and including U.S. Gypsum	100.17	200.36
6 Above U.S. Gypsum – to and including Turning Basin	101.78	

The over 40 feet rate applies to the entire draft of vessels with a draft over 40 feet.

Vessels 450 feet and over in length will be charged for Minimum Draft of 24 feet.

II UNIT RATES

In addition to the draft charge, vessels will pay a unit charge. The unit charge equals the units of a vessel multiplied by the unit rate below. The units of a vessel are determined by multiplying the vessel's length overall in feet by the vessel's extreme breadth in feet, then divided by 100. The length overall is the distance between the forward and after extremities of the vessel. The extreme breadth is the maximum distance between the outside of the shell plating of a vessel or the outermost limits of any overhanging deck cargo, whichever is greater. The unit rates are as follows:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	1.835	1101-1150	5.018	1651-1700	7.639
201-300	1.835	1151-1200	5.037	1701-1750	7.746
301-400	1.835	1201-1250	6.675	1751-1800	7.854
401-500	2.447	1251-1300	6.783	1801-1850	7.961
501-600	2.447	1301-1350	6.891	1851-1900	8.067
601-700	2.447	1351-1400	6.998	1901-2000	8.174
* 701-800	2.640	1401-1450	7.104	2001-2100	8.503
* 801-900	2.987	1451-1500	7.209	2101-2200	8.834
901-1000	3.664	1501-1550	7.317	2201-2300	9.164
1001-1050	3.795	1551-1600	7.425	2301-2400	9.496
1051-1100	4.582	1601-1650	7.532	2401-over	9.826

The minimum of a draft charge plus the unit charge is: $ 2,434.31

* See Addendum A

III RATES FOR SHIFTING

The charge for shifting is the total of a zone charge and a unit charge. A movement to or out of Bayport is a transit and is not a shift.

The shifting zones are:

1 Barbours Cut to Baytown
2 Baytown to Lynchburg
3 Lynchburg to Shell
4 Shell to Targa
5 Targa to U.S. Gypsum
6 U.S Gypsum to the Turning Basin

a. Shifting rate per zone

The charge based on zones for shifting depends on the number of zones the vessel is in during the shift, as follows:

Confined to one zone	1,436.70
Using two zones	1,580.28
Using three zones	1,723.95
Using four zones	1,867.64
Using five zones	2,011.30
Using six zones	2,154.90

b. Unit shifting charge

Units are defined in Section II. The unit charge for shifting is the units multiplied by the following rate:

Units	Unit Rate	Units	Unit Rate	Units	Unit Rate
0-200	-	701-800	2.298	1301-1400	4.573
201-300	0.386	801-900	2.677	1401-1500	4.950
301-400	0.771	901-1000	3.056	1501-1600	5.330
401-500	1.153	1001-1110	3.435	1601-1700	5.708
501-600	1.532	1101-1200	3.812	1701-1800	6.088
601-700	1.922	1201-1300	4.194	1801-over	6.468

The minimum shifting charge is : $ 1,626.38

IV DEAD SHIPS

The charge for dead ships is double the regular pilotage charge or shifting charge.

V ANCHORAGE AT BOLIVAR ROADS

An anchorage fee is charged in addition to the regular pilotage fee for moving a ship from anchorage to port or from the port to anchorage; and is in addition to the regular pilotage fee for moving a ship from the sea buoy to anchorage in Bolivar Roads or from anchorage in Bolivar Roads to the sea buoy.

The anchorage fee is:	$ 865.04

VI DETENTION

When a pilot is ordered but the vessel is not ready to be moved when ordered, the following charge will apply unless the delay is caused by weather.

On Dock	After	30 minutes	$ 534.46
On Bar	After	60 minutes	$ 534.46

There is no detention or cancellation charge if the vessel is on an automatic order and the delay is attributable to a vessel occupying the intended berth.

VII CHARGE FOR FAILURE TO TIMELY DISCHARGE PILOT AND HOLDING CHARGES

The standard rate for holding a pilot other than failure to timely discharge a pilot is $ 534.46 per hour or portion thereof.

Other than for weather, fog, or waiting on tugs, holding time will be billed to all vessels requiring a pilot to slow down or hold a vessel for any reason (dock availability, mechanical difficulties, traffic management delays associated with dredging, waterway construction projects, unexpected waterway closures, etc.).

Holding a pilot on the vessel during arrivals at the dock will result in the following charges:

0-35 minutes after first line	$ -
36-45 minutes after first line	$ 114.75
46-50 minutes after first line	$ 344.26
51-55 minutes after first line	$ 688.51
56-60 minutes after first line	$ 918.02
61-65 minutes after first line	$ 1,147.52
66-70 minutes after first line	$ 1,377.03
71-75 minutes after first line	$ 1,606.53
76-80 minutes after first line	$ 1,836.04
81-85 minutes after first line	$ 2,065.54
>= 86 minutes after first line	$ 2,295.05

When vessels require over seven hours of transit time (boarding to first line; last line to pilot off), the holding rate applies in addition to normal pilotage fees.

VIII CANCELLATIONS AND AUTOMATIC ORDERING

For those vessels electing automatic ordering at the beginning of a calendar quarter the charge is:

Per movement	$ 296.92

Vessels may opt in or out at the end of each quarter.
Requirements for, and procedures of, automatic ordering may be changed to improve efficiency and the utilization of pilot time.

Nonparticipating vessels are under no obligation to participate but will be subject to cancellation charges when a pilot is ordered and then the order is cancelled as follow:

	2 Hours	1 Hour
At Dock	$ 593.84	$ 1,187.69

	4 Hours	2 Hour
On Bar	$ 890.76	$ 1,781.53

IX SPECIAL TARIFF CLAUSE

The rates for pilotage services for vessels of unusual size or construction or with unusual maneuvering characteristics, or with obstructed vision, or other services not covered in this tariff will be by specific agreement made before movement.

X SECOND PILOT REQUIREMENTS

Requirements for two pilot jobs are specified in the Houston Pilot Navigational Safety Guidelines which are incorporated by reference. The rate for the second pilot is the same as the first.

XI PORT COMMUNICATIONS

A Port Communications fee will be charged for each movement as follows: $ 269.67

XII TRANSPORTATION

The transportation charge will be adjusted each year based on actual fuel costs incurred for the preceding year. The fee for each move and each cancellation is as follows: $ 123.20

XIII SHORT NOTICE CHARGE

If a vessel requests a move with less than 4 hours notice, there will be an additional charge for the move as follows: $ 273.17

XIV PILOT BOAT CAPITAL FUND

Charge for each inbound, as well as for each outbound movement ("per movement")
Said per movement charge shall be paid into a fund to be used for payment of the
costs of a new pilot vessel(s) as described in Addendum B.
The per movment charge is as follows: $ 195.00

XV PILOT BOARD ADMINISTRATION FEE

A charge for each arrival to fund the administrative and oversight requirements of the Board of Pilot Commissioners for Harris County Ports (the "Board"). This fee will be adjusted each year based on the actual administrative expenses of the Board and vessel arrivals for the preceding year. $ 46.82

XVI PILOT INFORMATION AND OUTREACH

Pilots will continue to investigate technologies and procedures to increase efficiency. Pilots will host quarterly industry outreach meetings.

XVII CUSTOMER INQUIRIES

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The Presiding Officer is also available at ext. 504 or the Controller, Shelly Butler, at ext. 507 or sbutler@houston-pilots.com to discuss billing issues where further review is desired.

Addendum A to Houston Pilot

Tariff 2022-2026

Unit Rates Revision – Dredging Completion

Effective January 1st following the completion of dredging to widen the Houston Ship Channel to 700' from Bolivar Roads to Beacons 51/52 and the corresponding implementation of eased restrictions for daylight restricted ships, the following revision to the Unit Rates designation of the Houston Pilot tariff is to be implemented:

The unit rate band for 701 to 800 units and 801 to 900 units under Section II Unit Rates will be assigned the same unit rate as the 901-1000 unit rate band for that year. This change will also apply to subsequent year tariffs until the end of the term of the approved rate agreement.

Addendum B to Houston Pilot Tariffs 2022-2026

Pilot Boat Capital Fund

Effective January 1, 2022, the Houston Pilot tariff will include a line-item charge to support the capital fund to purchase and retire debt for new pilot boats. Effective January 1 ,2022, the charge is $195, which will be applied to all vessel sailings and arrivals (under Houston Pilotage). This charge may be adjusted annually in accordance with paragraph b below.

This Addendum supersedes the MOU of December 1, 2015, which established the Pilot Boat Capital Fund line-item effective January 1, 2017 and details the structure and operation of the current Pilot Board Capital Fund line-item charge.

a. The line-item charge will be used solely to cover the cost of any new Pilot Boats and cease when such costs have been covered. The term of this line item is affected by several factors such as the number of HSC sailings and arrivals, final capital costs, salvage costs for existing boats when retired, etc., and does not necessarily run concurrently with financing.
b. The line-item charge will be reviewed annually to determine if an adjustment is needed to align the retirement of the line-item more closely with the retirement of the debt financing. The intent is to match the income from the line-item charge with the actual cash requirements needed to pay for the boats using the following formula on September 30 each year.

    Estimated Transits per Month (use trailing 12-month period)
    X Months Remaining on Funded Debt
    = Estimated Transits over the Funding Period

    Boat Costs Remaining to be Funded on September 30
    ÷Estimated Transits over the Funding Period
    Pilot Boat Capital Fund charge for the following year

    Any adjustment to the Pilot Boat Capital Fund charge will become effective on January 1.

c. The total cost basis of a new pilot boat is purchase price, plus soft costs (ancillary costs and expenses related to the purchase of the new vessels) and any financing costs, minus salvage of the existing boats.
d. While the line-item charge is in effect the Houston Pilots will provide an annual comfort letter from the audit firm to the Pilot Board reporting on this line-item charge, income and expenditures and the current projection as to when any debts will be retired and when the line-item will be removed from the tariff.
e. The Houston Pilots will provide notice to all users when
    - the charge is adjusted in accordance with paragraph b above,
    - the new pilot boat costs have been covered, and
    - the line-item charge is removed.

    The line-item charge will end in the month/year that the cost is fully covered.
f. None of the funding from this line-item charge will be distributed to the Houston Pilots.
g. Operating costs for the new Pilot Boats will be handled the same as they are for existing Pilot Boats and are not part of the line-item funding.