

April 28, 2021 Special Houston Pilot Board Meeting

**BOARD OF PILOT
COMMISSIONERS**

**FOR HARRIS
COUNTY PORTS**

Goals of the Meeting

- 1) Dialogue with Stakeholders;
- 2) Why Administration Funding;
- 3) Funding Options;
- 4) Safe Houston Ship Channel;
- 5) Competitive Port;
- 6) Inclusive Process.

2020 Value of Cargo Entering/Leaving the Port of Houston

Port	Houston, TX (Port)								
Time									
Measures	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	Total 2020
Total Exports Value (\$US)	4,724,924,225	5,149,233,555	5,551,908,705	5,934,550,268	5,322,246,845	6,512,076,383	6,228,885,079	6,702,926,372	74,035,305,167
Vessel Total Exports (kg)	8,513,272,220	11,045,967,786	10,601,217,462	11,170,411,742	10,060,270,047	12,169,372,515	10,515,769,118	11,335,121,741	
Vessel Total Exports (short tons)	9,384,265	12,176,081	11,685,828	12,313,257	11,089,536	13,414,421	11,591,637	12,494,818	
Total Imports Value (\$US)	3,827,464,447	3,695,220,927	4,379,666,564	4,216,952,898	4,277,228,749	4,675,991,577	4,533,225,782	4,481,543,077	52,513,714,303
Vessel Total Imports (kg)	4,491,099,199	4,154,000,127	3,973,936,270	3,520,085,851	3,956,892,644	3,706,536,595	3,739,262,781	2,972,789,892	
Vessel Total Imports (short tons)	4,950,584	4,578,996	4,380,510	3,880,226	4,361,722	4,085,752	4,121,827	3,276,936	

Source: United States Census Bureau

* This figure does not include inland vessels (tug/barges) engaged in domestic trade *

Total Value in 2020 = \$126,549,019,470

÷ 18,014 moves in 2020 = **\$7,025,037.16 average value of cargo per move**

Captain M. Tyler Gavis

Houston Pilot Board Executive Director

Typical Fees Assessed to Channel Users

This is a snapshot of incurred fees. There are additional fees, and many variables, that are likely to increase the culminative charges.

1,095.8' LOA X 140.4' Extreme Breadth X 43.31' Deep Draft Containership from Sea to Bayport

Houston Pilot Tariff Charges (without penalties):

Draft Charge: <u>Zone 1</u> 43.3' X \$85.40 X 2 pilots =	\$7,395.64
Unit Charge: 1,538.5 units X 6.161 = \$9,478.72 x 2 pilots =	\$18,957.40
Port Communication Charge: \$210.00 X 2 pilots =	\$420.00
Transportation Charge: \$107.05 X 2 pilots =	\$214.00
Pilot Boat Capital Fund:	\$162.00
<u>Total for Required 2 Pilots:</u>	\$27,149.04

Bay Houston Ship Assist Tug Tariff Charges (baseline charge only):

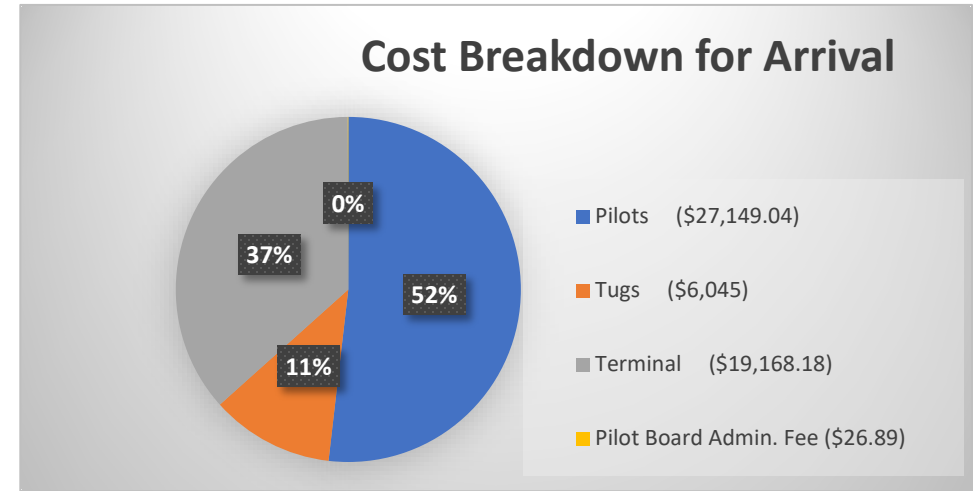
Rate for 3 Tugs for Docking/ Undocking (excludes supplemental charges): \$2,015 X 3 Tugs = \$6,045

Port of Houston Authority Tariff Charges:

Dockage Charge (<u>per 24 hr. day</u>) 1,095.8' LOA X \$16.86 per ft. =	\$18,475.19
Harbor Fee (admin. fee for safety, fire prevention and suppression) =	\$685.99
<u>Total for 24 hrs. of dockage + harbor fee (excludes all cargo fees) =</u>	\$19,161.18

Cumulative Charges Assessed to Channel User: \$52,355.22

*** \$26.89 possible Pilot Board Admin. Fee = 0.0514% of Fees Assessed**



810' LOA X 138' Extreme Breadth X 29.5' Deep Draft Tanker from Sea to Enterprise

Houston Pilot Tariff Charges (without penalties):

Draft Charge: <u>Zone 3</u> 29.5' X \$81.57 X 2 pilots =	\$4,812.63
Unit Charge: 1,118 units X 4.225 = \$4,723.55 x 2 pilots =	\$9,447.10
Port Communication Charge: \$210.00 X 2 pilots =	\$420.00
Transportation Charge: \$107.05 X 2 pilots =	\$214.10
Pilot Boat Capital Fund:	\$162.00
Total for Required 2 Pilots:	\$15,055.83

Bay Houston Ship Assist Tug Tariff Charges (baseline charge only):

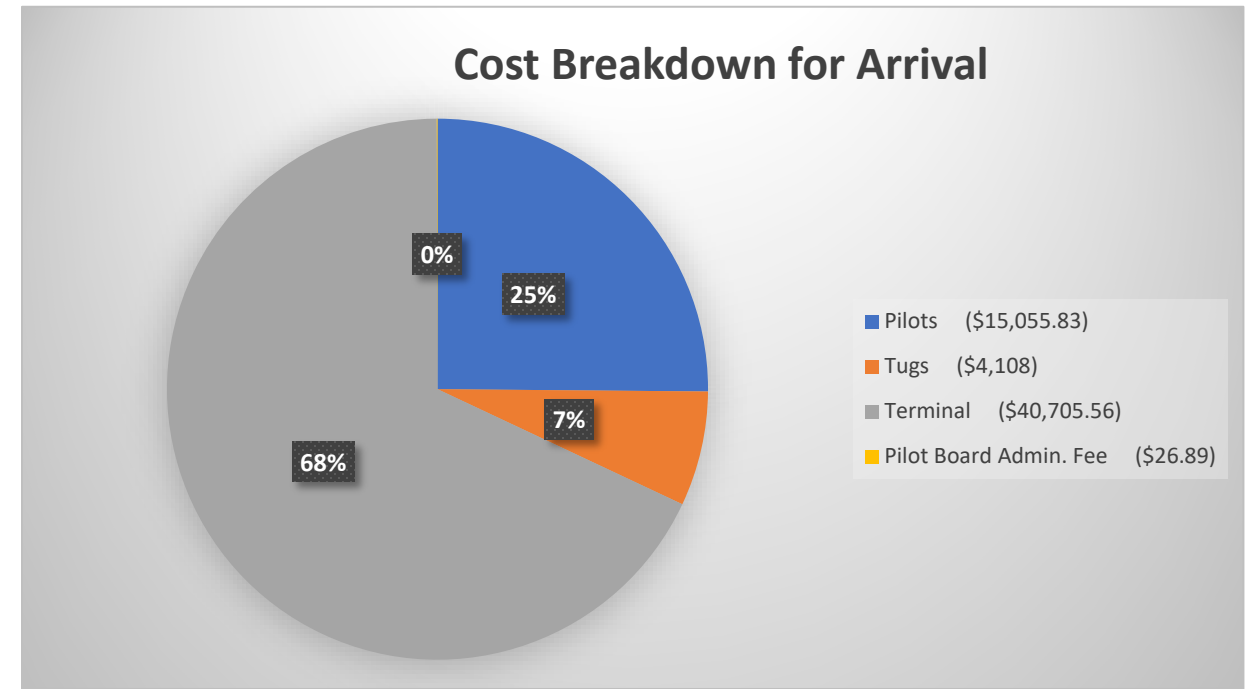
Rate for 2 Tugs for Docking/ Undocking (excludes supplemental charges): \$2,054 X 2 Tugs = \$4,108.00

Enterprise Terminal Service Agreement Charges:

Enterprise Terminal Service Fee: 80,000 barrels of cargo X <u>\$0.50 per barrel</u>	\$40,000.00
Port Houston Harbor Fee (admin. fee for safety, fire prevention and suppression) =	\$705.56
<u>Terminal Service Fee + harbor fee (excludes all supplemental fees) =</u>	<u>\$40,705.56</u>

Cumulative Charges Assessed to Channel User: \$59,869.39

*** \$26.89 possible Pilot Board Admin. Fee = 0.045% of Fees Assessed**



477' LOA X 59' Extreme Breadth X 19.4' Deep Draft General Cargo from Sea to Manchester

Houston Pilot Tariff Charges (without penalties):

Draft Charge: <u>Zone 6</u> 19.4' X \$85.70 =	\$1,662.58
Unit Charge: 281.4 units X 1.545 =	\$443.81
Port Communication Charge:	\$210.00
Transportation Charge:	\$107.05
Pilot Boat Capital Fund:	\$162.00
<u>Total for Required 1 Pilot:</u>	\$2,585.44

Bay Houston Ship Assist Tug Tariff Charges (baseline charge only):

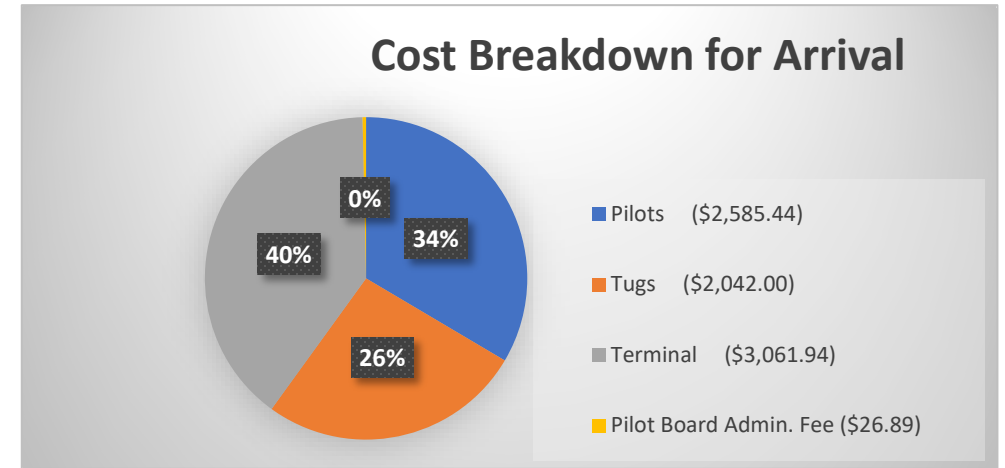
Rate for 1 Tug for Docking/ Undocking (excludes supplemental charges):	\$2,042
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Manchester Terminal Tariff Charges:

Dockage Rate <u>per 24 hour day</u> : 477' X \$4.94 =	\$2,356.38
Port Houston Harbor Fee (admin. fee for safety, fire prevention and suppression) =	\$705.56
<u>Total for 24 hrs. of dockage + harbor fee (excludes all cargo fees) =</u>	\$3,061.94

Cumulative Charges Assessed to Channel User: \$7,689.38

* \$26.89 possible Pilot Board Admin. Fee = 0.35% of Fees Assessed

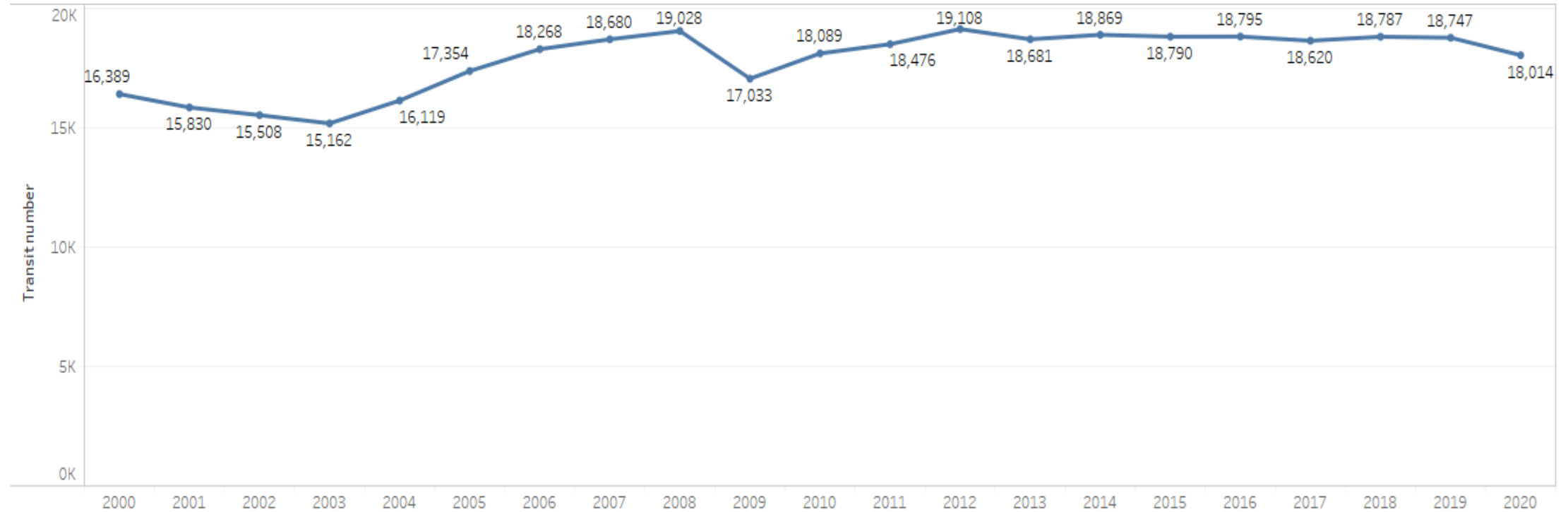


Possible Pilot Board Admin. Fee Assessment Methods

1. Pilot Board Admin. Fee assessed **per vessel transit.**
2. Pilot Board Admin. Fee assessed **per arrival transit only.**
3. Pilot Board Admin. Fee assessed on a **unit basis per vessel transit.**
4. Pilot Board Admin. Fee assessed on a **unit basis per arrival transit.**

Fee Assessed Per Transit

Arrivals, Sailings, & Shifts



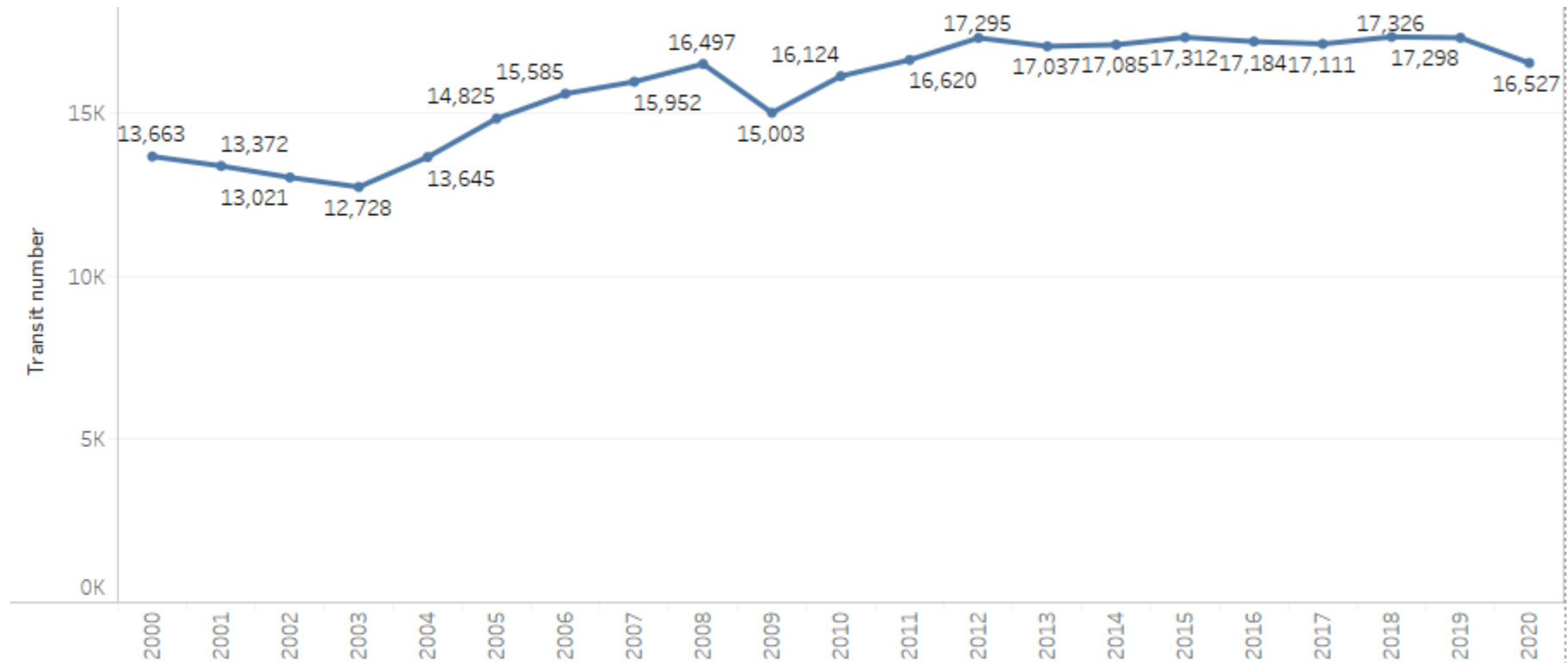
The trends of sum of units and sum of Transit number for Date2 Year. The data is filtered on Date2, which ranges from 1/1/2000 12:00:00 AM to 12/31/2020 12:00:00 AM.

Fee Assessed Per Transit

- 5 year median for arrivals, sailings, & shifts = 18,592 transits
- \$500,000 ÷ 18,592 transits = **\$26.89** per transit
- \$400,000 ÷ 18,592 transits = **\$21.51** per transit

Fee Assessed to Arrival Transit Only

Arrivals & Sailings Only



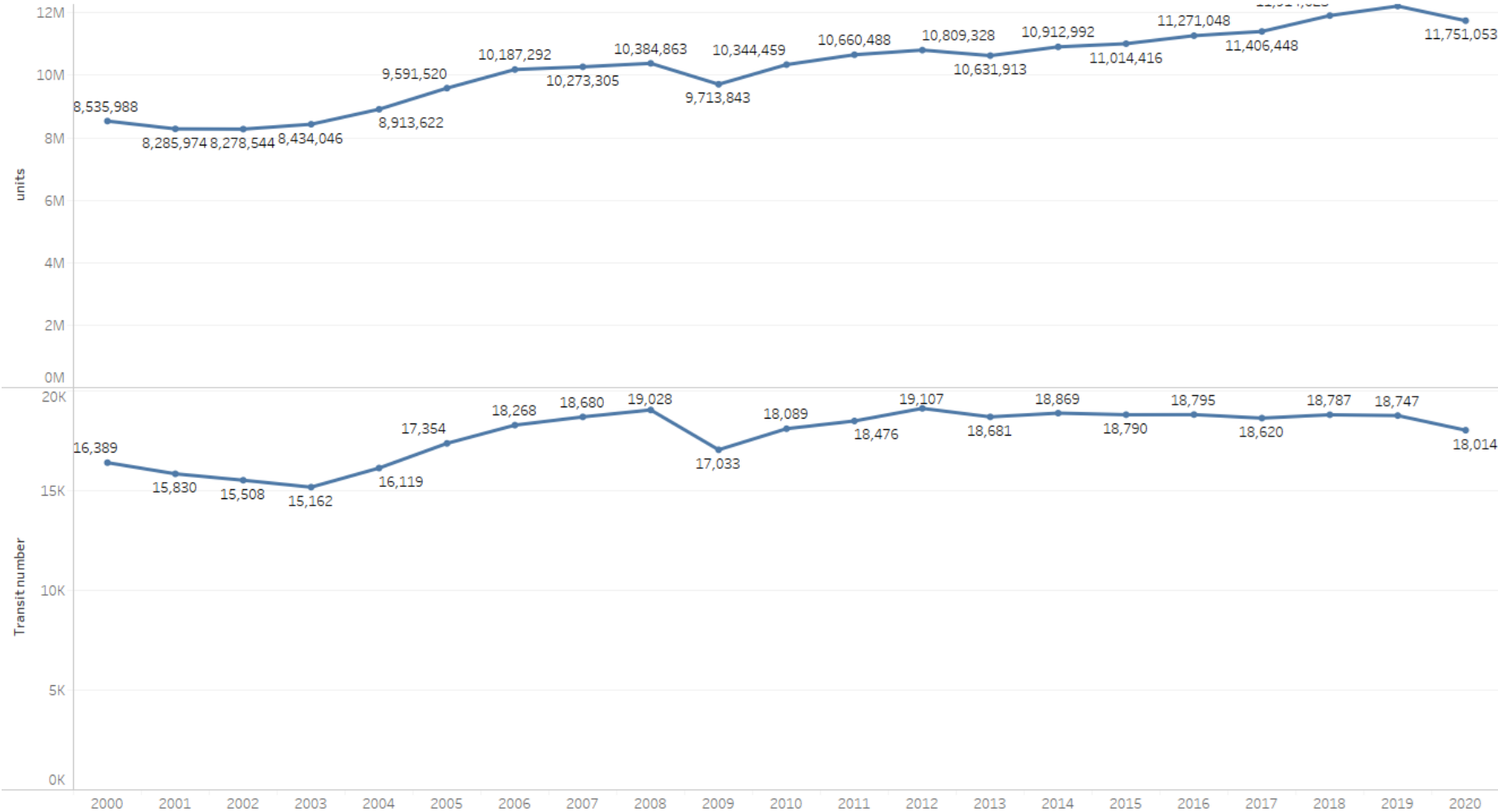
The trends of sum of units and sum of Transit number for Date2 Year. The data is filtered on Date2 and Movetype. The Date2 filter ranges from 1/1/2000 12:00:00 AM to 12/31/2020 12:00:00 AM. The Movetype filter keeps 1 and 2.

Fee Assessed On Arrival Transit Only

- 5 year median for arrivals & sailings = 17,089
- 17,089 arrivals/ sailings \div 2 = 8,544 arrivals
- \$500,000 \div 8,544 arrivals = **\$58.52** per arrival transit only
- \$400,000 \div 8,544 arrivals = **\$46.82** per arrival transit only

Unit Based Fee Assessed Per Transit

Arrivals, Sailings, & Shifts



The trends of sum of units and sum of Transit number for Date2 Year. The data is filtered on Date2, which ranges from 1/1/2000 12:00:00 AM to 12/31/2020 12:00:00 AM.

Unit Based Fee Assessed Per Transit

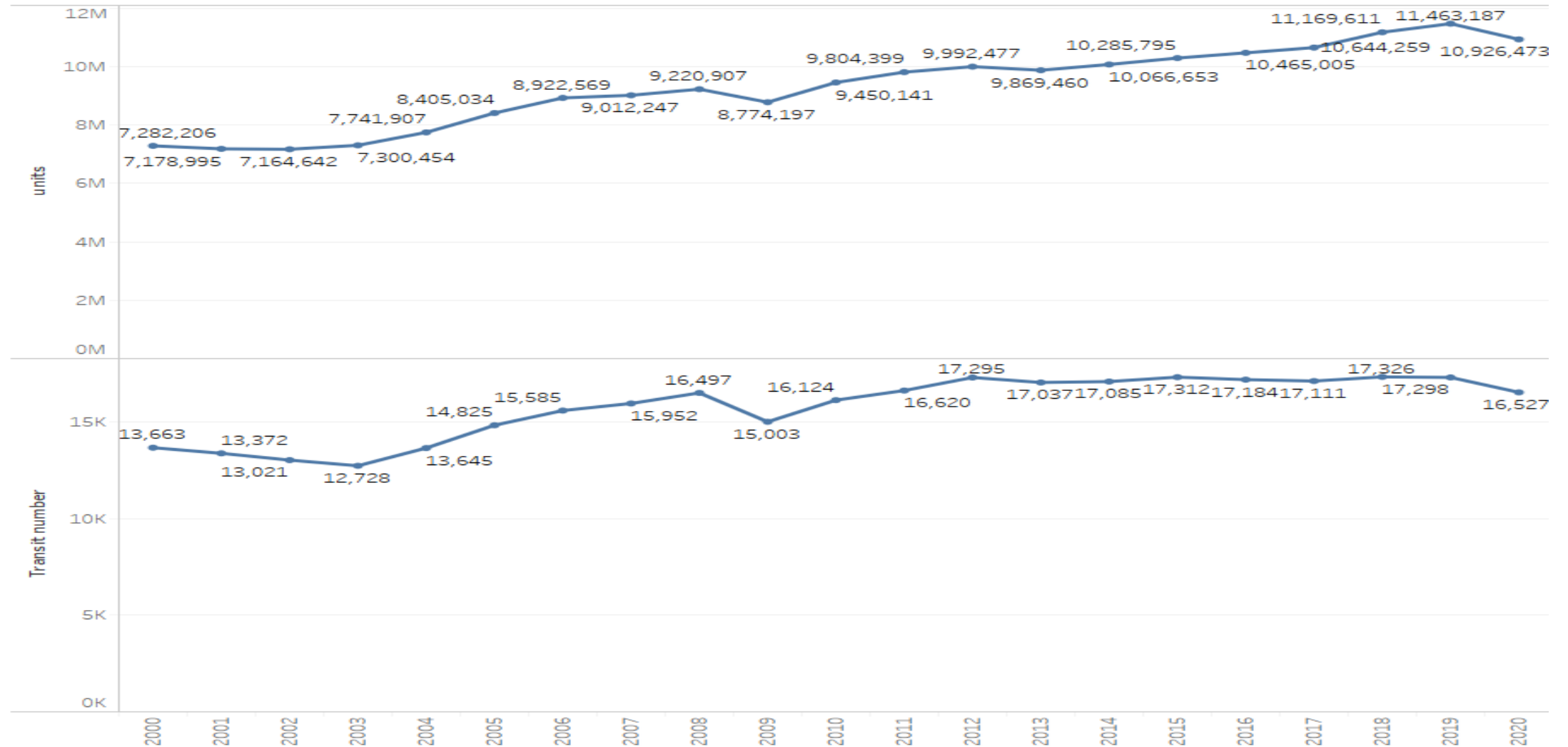
- 5 year median for arrivals, sailings, & shifts = 18,592 movements
- 5 year median for units= 11,712,256 units
- $\$500,000 \div 11,712,256 \text{ units} = \mathbf{\$00.043 \text{ per unit charge}}$
- $\$400,000 \div 11,712,256 \text{ units} = \mathbf{\$00.034 \text{ per unit charge}}$
- The units for a vessel = LOA X Extreme Breadth \div 100

Scenarios

- A small general cargo ship (450' x 95') would pay:
 - $450' \text{ LOA} \times 95' \text{ Extreme Breadth} \div 100 = 427.5 \text{ units} \times \$00.043 = \$18.38$
 - $450' \text{ LOA} \times 95' \text{ Extreme Breadth} \div 100 = 427.5 \text{ units} \times \$00.034 = \$14.54$
- A chemical ship (600' x 106') would pay:
 - $600' \text{ LOA} \times 106' \text{ Extreme Breadth} \div 100 = 636 \text{ units} \times \$00.043 = \$27.35$
 - $600' \text{ LOA} \times 106' \text{ Extreme Breadth} \div 100 = 636 \text{ units} \times \$00.034 = \$21.62$
- An aframax tanker (850' x 138') would pay:
 - $850' \text{ LOA} \times 138' \text{ Extreme Breadth} \div 100 = 1,173 \text{ units} \times \$00.043 = \$50.43$
 - $850' \text{ LOA} \times 138' \text{ Extreme Breadth} \div 100 = 1,173 \text{ units} \times \$00.034 = \$39.88$
- A suezmax tanker (900' x 165') would pay:
 - $900' \text{ LOA} \times 165' \text{ Extreme Breadth} \div 100 = 1,485 \text{ units} \times \$00.043 = \$63.86$
 - $900' \text{ LOA} \times 165' \text{ Extreme Breadth} \div 100 = 1,485 \text{ units} \times \$00.034 = \$50.49$
- A 10K TEU container vessel (1099' x 141') would pay:
 - $1099' \text{ LOA} \times 141' \text{ Extreme Breadth} \div 100 = 1,549.59 \text{ units} \times \$00.043 = \$66.63$
 - $1099' \text{ LOA} \times 141' \text{ Extreme Breadth} \div 100 = 1,549.59 \text{ units} \times \$00.034 = \$52.69$

Unit Based Fee Assessed Per Arrival

Arrivals & Sailings Only



The trends of sum of units and sum of Transit number for Date2 Year. The data is filtered on Date2 and Movetype. The Date2 filter ranges from 1/1/2000

Unit Based Fee Assessed Per Arrival

- 5 year median for arrivals (based on prior calculation)= 8,544 arrivals
- 5 year median for arrival & sailing units= 10,933,707 units ÷ 2 = 5,466,853.5 units for arrivals only
- $\$500,000 \div 5,466,853.5 \text{ units} = \mathbf{\$00.091 \text{ per unit charge}}$
- $\$400,000 \div 5,466,853.5 \text{ units} = \mathbf{\$00.073 \text{ per unit charge}}$
- The units for a vessel = LOA X Extreme Breadth ÷ 100

Scenarios

- A small general cargo ship (450' x 95') would pay:
 - 450' LOA X 95' Extreme Breadth ÷ 100 = 427.5 units X \$00.091 = \$38.90
 - 450' LOA X 95' Extreme Breadth ÷ 100 = 427.5 units X \$00.073 = \$31.21
- A chemical ship (600' x 106') would pay:
 - 600' LOA X 106' Extreme Breadth ÷ 100 = 636 units X \$00.091 = \$57.86
 - 600' LOA X 106' Extreme Breadth ÷ 100 = 636 units X \$00.073 = \$46.43
- An aframax tanker (850' x 138') would pay:
 - 850' LOA X 138' Extreme Breadth ÷ 100 = 1,173 units X \$00.091 = \$106.74
 - 850' LOA X 138' Extreme Breadth ÷ 100 = 1,173 units X \$00.073 = \$85.63
- A suezmax tanker (900' x 165') would pay:
 - 900' LOA X 165' Extreme Breadth ÷ 100 = 1,485 units X \$00.091 = \$135.14
 - 900' LOA X 165' Extreme Breadth ÷ 100 = 1,485 units X \$00.073 = \$108.41
- A 10K TEU container vessel (1099' x 141') would pay:
 - 1099' LOA X 141' Extreme Breadth ÷ 100 = 1,549.59 units X \$00.091 = \$141.01
 - 1099' LOA X 141' Extreme Breadth ÷ 100 = 1,549.59 units X \$00.073 = \$113.12

Questions?

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