

**BOARD OF PILOT COMMISSIONERS  
PILOTAGE RATE REVIEW COMMITTEE**

**Pensacola Bay Pilots Association  
Presentation in Support of its  
Application for Rate Change  
Captain Matthew Meilstrup**

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**PILOTAGE RATE REVIEW COMMITTEE HEARING**

Reported by Elaine Richbourg, a Court Reporter and Notary Public, State of Florida at Large, taken at the Hilton Garden Inn, Pensacola Downtown, 8 South 9th Avenue, Pensacola, Florida, on Thursday, March 26th, 2026, commencing at approximately 8:30 A.M. CDST.

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**APPEARANCES**

**COMMISSIONERS PRESENT:**

COMMISSIONER SEUTER  
COMMISSIONER JACCOMA  
COMMISSIONER HODGE  
COMMISSIONER GRAMLING

**BOARD COUNSEL:**

DONNA MCNULTY, ESQUIRE, Committee Counsel  
EDWARD TELLECHEA, ESQUIRE

**CHAIR PERSON:**

STACEY BUCCIERI, Executive Director Board of Pilot  
Commissioners

**APPLICATION FOR RATE CHANGE APPLICATION:**

CAPTAIN MATTHEW MEILSTRUP

**INVESTIGATIVE COMMITTEE:**

STEVEN STEVENS, CPA Consultant  
THOMAS BUSHY, Committee Consultant

**ALSO PRESENT:**

Lance Scott, Port Director  
Dillon O'Brien  
Cheryl Phipps

COURT REPORTER:  
ELAINE RICHBURG

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P R O C E E D I N G S

MARCH 26TH, 2026

8:30 A.M.

STACEY BUCCIERI: Good morning. I'd like to call this meeting to order. It's 8:30 Central Time on March 26th. It is for the Pilotage Rate Review Committee for the Port of Pensacola hearing. Dillon, can I get a roll call, please?

DILLON O'BRIEN: Yes. Commissioner Jaccoma.

MICHAEL JACCOMA: Here.

DILLON O'BRIEN: Commissioner Seuter.

BRIAN SEUTER: Here.

DILLON O'BRIEN: Commissioner Hodge.

JASON HODGE: Here.

DILLON O'BRIEN: Commissioner Assal, Commissioner LaMarca, Commissioner Darienzo, Commissioner Gramling.

PATRICK GRAMLING: Here.

STACEY BUCCIERI: And we have a quorum. The next item is election of officers. Can I get a nomination for the Chair, please?

BRIAN SEUTER: I'd like to make a nomination to nominate Commissioner Hodge as the Chair.

1 EDWARD TELLECHEA: I'll second that.

2 STACEY BUCCIERI: All in favor? (Board  
3 members responded). Any opposed?

4 Thank you. Now, I entertain a motion for  
5 vice chair.

6 PATRICK GRAMLING: I'd like to nominate  
7 Captain Jaccoma to be the Vice Chair.

8 STACEY BUCCIERI: And a second. Do I have  
9 a second?

10 CHAIR JASON HODGE: I will second it.

11 STACEY BUCCIERI: Okay. All in favor?  
12 (Boad members responded).

13 Those opposed? Okay. I will turn this  
14 over to the chair.

15 CHAIR JASON HODGE: Thank you. I  
16 appreciate everybody's time. Thank you for  
17 coming. A couple of housekeeping items, if you  
18 would please silence your phones or put them on  
19 vibrate so we don't have any interruptions, as  
20 well as computers, when it comes to Teams calls  
21 and things like that, so we don't have those  
22 interruptions. And with that being said,  
23 please bare with me. It will be my first time  
24 as a Chair, so I appreciate that. And for the  
25 Rate Review, I think we can jump right into

1           that.

2                     So, we'll turn it over to Ms. Donna.

3                     DONNA MCNULTY: Well, good morning  
4           everybody. So this is a hearing before the  
5           Pilotage Rate Review Committee to address the  
6           Pensacola Pilot's LLC's petition for a  
7           modification of the rate of Pilotage for the  
8           Port of Pensacola. Commissioners are to  
9           consider all materials presented, and to  
10          determine if the rate of pilotage in the Port  
11          of Pensacola should be modified either up or  
12          down, and upon making such a determination, to  
13          state, for the record, the reason for such a  
14          decision being based upon the evidence  
15          presented.

16                    Your decision should be based solely upon  
17          the record before you and not upon any  
18          independent knowledge or personal bias. As you  
19          know, in determining whether the requested rate  
20          change will result in fair, just and reasonable  
21          rates, the Committee is required to give  
22          primary consideration to the public interests  
23          in promoting and maintaining efficient,  
24          reliable and safe piloting services.

25                    Section 310.151(5), Florida Statutes, set

1           forth a number of factors for the Committee to  
2           consider, which include the following: The  
3           average net income of pilots, reasonable  
4           operating expenses of pilots, pilotage rates in  
5           other ports, amount of time spent piloting,  
6           prevailing compensation available to  
7           individuals in other maritime services, the  
8           impact the rate change may have in any  
9           individual pilot compensation and whether such  
10          change will be to a shortage of licensed  
11          pilots, state pilots, projected traffic, cost  
12          of retirement, physical risk inherent in  
13          piloting, special characteristics of the port,  
14          any other factors the Committee deems relevant,  
15          from the CPI or comparable economic indicators  
16          may be used, but they may not be the sole  
17          factor in fixing rates.

18                 Subsection 6 of that Statute provides the  
19          basic outline of the vessel characteristics you  
20          can consider, length, beam, net tonnage, gross  
21          tonnage, or dead weight tonnage, freeboard or  
22          height above the waterline, draft or molded  
23          depth or any combination of these or relevant  
24          characteristics.

25                 After the Committee's decision in this

1 matter, I will draft an order for the Committee  
2 to review, and it will come back to a different  
3 meeting.

4 The Committee then will reconvene for the  
5 purpose of reviewing the draft Notice of Intent  
6 to modify the rates to determine whether it  
7 appropriately reflects the Committee's  
8 decision.

9 Any substantially effected person will  
10 have an opportunity to challenge that Notice of  
11 Intent. This is a simple reminder to keep in  
12 mind that you need to find competent  
13 substantial evidence to support whatever  
14 decision you make today.

15 And with that, I turn it back over to the  
16 Chair.

17 CHAIR JASON HODGE: Thank you for that,  
18 Donna. I appreciate it.

19 DONNA MCNULTY: You're welcome.

20 CHAIR JASON HODGE: So let's move into the  
21 Investigative -- Investigative Committee, Steve  
22 and Captain Bushy, if you guys will please  
23 present your findings.

24 STEVE STEVENS: Yes, sir. If it's okay  
25 with the Committee, what I would like to do,

1           there were some, what we would -- I would call  
2           typos or maybe scrivener's errors and also some  
3           additional updates, that if it's okay with the  
4           Commission, I will -- I will read into the  
5           record, and go through it, page by page, so  
6           that I don't lose anyone, if that's okay with  
7           you guys.

8           CHAIR JASON HODGE:   Yeah.

9           STEVE STEVENS:   Very good.   So I will  
10          start, and it's on my -- my page 4, under  
11          Application Highlights, on the last -- I'm  
12          sorry, the second bullet, second to the last  
13          line, strike through, gives us, and add  
14          provides a requested increase of 111 percent.  
15          So the strikeout gives us addition of provides,  
16          and please stop me if I go too fast, or  
17          Ms. McNulty, if I'm doing something wrong,  
18          please stop me.

19          DONNA MCNULTY:   I'm sure you'll be just  
20          fine.

21          STEVE STEVENS:   All right.   Very good.

22          DONNA MCNULTY:   But I'm not shy.

23          STEVE STEVENS:   All right.   Good.   On the  
24          last bullet, on the last line, Birdon America  
25          Inc.'s, so the addition of Inc.

1           DONNA MCNULTY: You said the addition of  
2 Inc.?

3           STEVE STEVENS: Yes, ma'am, I-N-C.

4           DONNA MCNULTY: It is in there, it's just  
5 not capitalized.

6           PATRICK GRAMLING: Mine has it. It's just  
7 not capitalized.

8           DONNA MCNULTY: Just capitalize?

9           STEVE STEVENS: Yes. Thank you.

10          DONNA MCNULTY: Thank you.

11          STEVE STEVENS: And I'm on to page 5 on my  
12 copy, I am on, let's see, one, two, three,  
13 seventh paragraph down, third to the last, or  
14 actually in the first line there, Pensacola Bay  
15 Pilots provide 24 hour service for all vessels  
16 entering, and the addition of or, O-R leaving  
17 the port, that's on that first line.

18           Then the second to the last sentence,  
19 pilots can be reached on VHF channel 13, in  
20 parentheses, (156.65) and addition of capital  
21 M, capital H, little Z.

22           Then the next line, in parentheses,  
23 (156.30) and the addition of capital M, capital  
24 H, little Z. Same for channel 12 in  
25 parentheses, (156.6) capital M, capital H,

1 small Z. And that will be it for 5.

2 I'm on page 6. My page 6, above the  
3 section called rate application, there was some  
4 bullets. On the -- it's the seventh bullet, in  
5 the section fifth bullet on my page, and it is  
6 the addition of transportation worker  
7 identification credential. So it's spelling  
8 out the TWIC that's in parentheses.

9 The next page, page 7, on my copy, second  
10 paragraph, first -- starting on the first line,  
11 where it says no vessels of more than 10 feet  
12 draft, please delete that.

13 DONNA MCNULTY: Do you mind repeating  
14 that, please?

15 STEVE STEVENS: Absolutely.

16 On -- in the second paragraph, the words  
17 no vessels of more than 10 feet draft should be  
18 deleted.

19 DONNA MCNULTY: Thank you.

20 STEVE STEVENS: Page 8, on my copy, under  
21 Pilot Compensation, I think that was an I, the  
22 pilot compensation I, that needs to be deleted,  
23 and the addition of was. To pilot -- it should  
24 read, pilot compensation was projected.

25 On my page 12, at the top, and it's under

1 the section lobbying, the deletion of, there  
2 are no lodging fees paid. There needs to be an  
3 addition of \$465.42 is paid for lobbying with  
4 the Pilots Association.

5 CHAIR JASON HODGE: Repeat the dollar  
6 amount, please.

7 STEVE STEVENS: The dollar amount is  
8 \$465.42 paid through the Florida Pilots --  
9 Florida Harbor Pilots Association.

10 Thank you.

11 DONNA MCNULTY: So the report says \$465 is  
12 paid for lobbying with the Florida Harbor  
13 Pilots Association, is that what you said?

14 STEVE STEVENS: Yes, fees are paid through  
15 the Florida Pilots Association, yes, ma'am.

16 Thank you.

17 On page 14, in table 3, and also C. Tampa  
18 Bay, Tampa Bay and Manatee.

19 PATRICK GRAMLING: Less than.

20 STEVE STEVENS: Sir? Are you okay?

21 PATRICK GRAMLING: No, I'm fine, yeah.

22 STEVE STEVENS: Okay. Tampa Bay and  
23 Manatee, we change that because they're -- they  
24 are synonymous, they're the same, I guess,  
25 contract, is that correct?

1 THOMAS BUSHY: Under the same rate.

2 STEVE STEVENS: Same rate structure.

3 In addition, as a footnote, the Tampa Bay  
4 Manatee rates are structured to be -- it's  
5 6 percent for the first three years starting in  
6 2024. And I apologize, it's 6 percent and then  
7 3 percent.

8 THOMAS BUSHY: Yes.

9 STEVE STEVENS: And then toggles down to 3  
10 percent, annual increase.

11 MICHAEL JACCOMA: And that's for the first  
12 3 years is 6 percent?

13 STEVE STEVENS: Yes, sir.

14 MICHAEL JACCOMA: And then the following 7  
15 years is --

16 STEVE STEVENS: Yes, sir. Yes, sir.  
17 Thank you.

18 PATRICK GRAMLING: What page was that?

19 STEVE STEVENS: That was page 14, on my  
20 copy. It is in table 3, and under Section C.

21 DONNA MCNULTY: And then, could you just  
22 repeat, for the record, the footnote that  
23 you're adding again regarding the escalator?

24 STEVE STEVENS: Yes, ma'am.

25 DONNA MCNULTY: Thank you.

1           STEVE STEVENS: The escalator, for the  
2 first 3 years, starting 2024, 6 percent, and  
3 then 3 percent for the 7 years thereafter.

4           (Mumbling and cross-talk).

5           COURT REPORTER: Okay. I'm not -- are you  
6 talking between yourselves?

7           STEVE STEVENS: Yes, ma'am.

8           COURT REPORTER: Okay.

9           STEVE STEVENS: Thank you. Are we okay to  
10 go page 15?

11          PATRICK GRAMLING: A quick question.

12          STEVE STEVENS: Yes, sir.

13          PATRICK GRAMLING: On Tampa Bay, the very  
14 first line, gross tonnage or GT, greater than  
15 22K, should that be less than? The line below  
16 it is greater than, so it's sort of weird to  
17 have both of them greater than.

18          STEVE STEVENS: Oh, yes, it should. Thank  
19 you.

20          PATRICK GRAMLING: Okay.

21          STEVE STEVENS: Very good. Thank you for  
22 that.

23          Page 15, under the section, table 4 in the  
24 verbiage, vessels calling at the Gulf of  
25 America ports. It says "or", it should be of.

1           I've moved on to page 16, under table 7,  
2           Key West column, third line, third cell down,  
3           should be -- it's blank -- it should say \$750,  
4           and it's on the line docking/undocking. And  
5           then at the bottom of that column, \$942 should  
6           be changed to \$1,692.

7           MICHAEL JACCOMA: What's that number, I'm  
8           sorry?

9           STEVE STEVENS: The bottom of the column  
10          should total \$1,692. On my next page, page 17,  
11          table 8, under the Port column, should be Port  
12          Manatee/Tampa.

13          Next cell over, instead of 26, it should  
14          say 21.0. Same line, under Fee Per NM, for  
15          nautical mile, \$105 should be \$133, and the  
16          last column, \$192 should be \$240.

17          PATRICK GRAMLING: Two hundred and forty?

18          STEVE STEVENS: Yes, sir.

19          PATRICK GRAMLING: Got it.

20          STEVE STEVENS: Table 9, Port Manatee line  
21          should say Port Manatee/Tampa. Second to the  
22          last column, same line, should say 7.5 instead  
23          of 4, under Average Handle Hours column. And  
24          then a note on the last column, \$1,171, and it  
25          should be an asterisk that says, this is based

1 on 4 hours for Manatee. And please note down,  
2 in the notes, second to the last line, where it  
3 says rates last increased in 2023. Previous  
4 2010, there was a 6 there that needs to be  
5 deleted.

6 Then we'll move to, what's my page 18,  
7 under section number 5, at the very end of the  
8 verbiage, there should be an addition that says  
9 the investigative committee concurs with the  
10 Pensacola Pilots accounting of time spent on  
11 actual pilotage duty of 395 hours per year.

12 BRIAN SEUTER: Excuse me, Steve?

13 STEVE STEVENS: Yes, sir.

14 BRIAN SEUTER: Quick question, back to  
15 page 17 for a moment.

16 STEVE STEVENS: Yes, sir.

17 BRIAN SEUTER: In the, it says that there  
18 should be a 3 percent fixed annual increase for  
19 10 years and in the application it does not  
20 indicate that. The actual application does not  
21 have the time for the amount of years that the  
22 escalator is applied. So as it is, stands now,  
23 the application is open-ended for fixed  
24 increases.

25 STEVE STEVENS: Oh, that's correct.

1           You're right. So thank you for that  
2           correction. So the notes should say, proposal  
3           seeks 3 percent annual escalator, and delete  
4           for 10 years.

5           MICHAEL JACCOMA: Where is this one?

6           STEVE STEVENS: I'm sorry. It is under  
7           table 9 in the notes, the first line, third  
8           sentence, proposal seeks 3 percent annual  
9           escalator.

10          MICHAEL JACCOMA: So no 10 years?

11          STEVE STEVENS: That's correct. Thank  
12          you.

13          And I'm at -- I'm on page 19 --

14          MICHAEL JACCOMA: Can we go back to 18?

15          STEVE STEVENS: Yes, sir.

16          MICHAEL JACCOMA: I didn't get that full  
17          addition that you said put.

18          STEVE STEVENS: Oh, yes, sir. Yes, sir.  
19          Page 18 on my copy, on the very bottom, the  
20          Investigative Committee concurs with the  
21          Pensacola Pilots accounting of time spent on  
22          actual pilotage duty of 394 hours per year.

23          DONNA MCNULTY: Steve, did you say 395 or  
24          394?

25          STEVE STEVENS: Three hundred ninety-four.

1 DONNA MCNULTY: Okay. Thank you.

2 STEVE STEVENS: Yes, ma'am.

3 Page 19, on my page 19, very top, and the  
4 table 2024, and then 107 handles, the 493  
5 should say 524 hours. Directly below that, the  
6 322 should say 343 hours, and directly below  
7 that the 295 should say 314 hours, and the  
8 sentence below, the three year average would be  
9 394 hours per year.

10 First paragraph, under the section in Time  
11 Spent by a Pilot on Essential Support Services,  
12 fourth line down, please delete, starting with  
13 the word, occasionally, to the end that  
14 paragraph, please delete.

15 In the next paragraph, please delete the  
16 sentence, the last sentence that says, this  
17 list is non-exhaustive.

18 On page 20, in the very last paragraph,  
19 fourth line down, please delete the word "but",  
20 capitalize the. So the sentence would start  
21 with, the harbor pilot in Pensacola. And then  
22 last sentence of that paragraph, please delete  
23 the parentheses (\$419,467 divided by 510,000),  
24 please delete the parentheses there, and what's  
25 within the parentheses.

1 CHAIR JASON HODGE: So everything within  
2 the parentheses, including the parentheses?

3 STEVE STEVENS: Yes, sir.

4 DONNA MCNULTY: Are you inserting  
5 something else there?

6 STEVE STEVENS: No, ma'am. Just end the  
7 sentence as projected to make.

8 On my page 21, under section number 7,  
9 within the first paragraph, second line, the  
10 sentence should say from 2017 to 2019 only  
11 four, so please add the word four. Place a  
12 period after received, so it should read, from  
13 2017 to 2019 only four deputy pilot  
14 applications were received.

15 And delete, or did not score high enough  
16 on the examination, please delete that.

17 I'm now on page 23 in my copy, whoops --  
18 oh, I apologize, page 22, my glasses aren't  
19 working that well. Under the table that is  
20 2020, 2021 and 2022, there's an asterisk, and  
21 it should state -- it should have the word  
22 "was" added, and that asterisk should read,  
23 2021 was affected by the Covid pandemic. Thank  
24 you.

25 Page 23, in my copy, there is a table, and

1 in the first column of that table, it should  
2 state, the title should say, exams in past nine  
3 years. So please add nine.

4 In the same column, Miami's line should  
5 say the number 3.

6 Two lines down, Tampa Bay should say 7.

7 CHAIR JASON HODGE: What column are we on,  
8 sorry?

9 STEVE STEVENS: On the second column,  
10 Exams in Past 9 years, I'll come down to that  
11 column to the Miami line, add the number 3, and  
12 then two lines down the Tampa Bay, to the  
13 number 7.

14 The next column over, number of apps the  
15 Miami line should say the number 50. The Tampa  
16 Bay line should say 139. Pensacola line should  
17 say 15.

18 The next column, Number of Pass, Port  
19 Everglades should have 33, Miami should have  
20 15, the Tampa Bay line should show 33. Next  
21 column over, Pass Rate, Port Everglades should  
22 say 30 percent, Miami should have 30 percent,  
23 Tampa Bay 24 percent, Pensacola 7 percent, and  
24 then a note added under the table that says,  
25 note including the unusual two years in Panama

1 City and Key West, the overall average pass  
2 rate was only 39 percent.

3 CHAIR JASON HODGE: Can you repeat that,  
4 please?

5 STEVE STEVENS: Yes, sir. Note, including  
6 the unusual two years in Panama City and Key  
7 West, the overall average pass rate was only  
8 39 percent.

9 The next section, same page, under  
10 cross-licensed pilots, second paragraph, a  
11 sentence to be added at the end, so it says  
12 license in Pensacola, and then add, "this may  
13 be attributed to the isolation of Pensacola in  
14 the Florida panhandle."

15 Next paragraph, third line, GSA, right  
16 before GSA, it should say at the Federal  
17 General Services Administration, meals and  
18 incidental expenses rate, and then GSA M&IE  
19 rate can be in parentheses.

20 On page 25, on my copy, right above  
21 section 11, the last paragraph in section 10,  
22 the sentence should say, when a pilot dies it  
23 is as if a family member has passed away.  
24 Thank you for your patience. I hope I did not  
25 go too fast.

1 CHAIR JASON HODGE: No, I got it.

2 STEVE STEVENS: Very good. Thank you.

3 Captain Bushy and I, just back to the  
4 report, as a whole, reviewed the application.  
5 Had meetings with Captain Meilstrup, sent  
6 questions to say Captain Meilstrup and what I  
7 tried to do is add some bullets at the  
8 beginning, under Executive Summary for  
9 application highlights, and if it's okay with  
10 you, I'll hit those bullets quickly.

11 CHAIR JASON HODGE: Yeah.

12 STEVE STEVENS: Okay.

13 So the first bullet, the Port is served by  
14 Pensacola Pilots LLC, which is Captain Matt  
15 Meilstrup. He is the sole State and Federally  
16 licensed harbor pilot here in Pensacola.

17 The pilotage rate, second bullet, the  
18 change in rates is requesting a substantial  
19 increase in the rates, and we went through some  
20 of the income there, and based on the financial  
21 statements that were compiled and provided to  
22 us, the requested increase is 111 percent. The  
23 application also requests an automatic annual  
24 increase of 3 percent. We did review the CPI  
25 from 2012 to 2025, and it increased

1 36.42 percent.

2 And I'd like to point this out to the  
3 Committee, and I spoke with Stacey this, the  
4 application included compiled financial  
5 statements, and when we reviewed that  
6 50 percent ownership of Pensacola Launch  
7 Services, which is a related company to the  
8 Pensacola Pilots LLC was adjusted, total income  
9 was less than \$250,000, therefore an audit was  
10 not required. And Florida Administrative Code  
11 Section 61.G14-22.0051, does require an audit  
12 if income is over \$250,000.

13 So I wanted to point that out to the  
14 committee how we arrived at allowing Pensacola  
15 Pilots to bring forward a compilation instead  
16 of a financial audit.

17 In addition, and it's also attached to  
18 your package, the Pensacola Pilots is party to  
19 a revenue guarantee with the City of Pensacola  
20 due to low volume and unpredictable shipping  
21 traffic. The revenue guarantee provides up to  
22 \$10,000 per month, with a declining payment  
23 option adjusted around monthly pilotage  
24 revenues.

25 For the years ended December 31st, '23 and

1 '24, the total revenues received from the City  
2 of Pensacola under this contract were  
3 \$18,036.52, and \$46,714.37.

4 This equates to 30 percent and 24 percent  
5 of the Pensacola Pilots revenue, and we do have  
6 an exhibit on that, that includes the contract  
7 from the City.

8 CHAIR JASON HODGE: Was the 2025  
9 information not available?

10 STEVE STEVENS: I did not have that. I  
11 pulled these -- these numbers and amounts from,  
12 directly from the compiled financial  
13 statements.

14 CHAIR JASON HODGE: Okay.

15 STEVE STEVENS: I'm sure we can get that  
16 for you.

17 Last bullet, is just information,  
18 potential impacts for the Port of Pensacola  
19 Pilotage includes the use of port by SailGP,  
20 and American Magic with a five year agreement  
21 to bring the fleet to Pensacola in the off  
22 season.

23 City of Pensacola has received approval  
24 for a \$76 million-dollar project made grant  
25 from Triumph Gulf Coast that will establish

1 shipbuilder Birdon America, Inc.'s southeastern  
2 headquarters.

3 I just wanted to bring that to the  
4 committees attention.

5 And, Mr. Chairman, we would -- wanted to  
6 hit those bullets and then, as we -- as you  
7 guys review the application and our report,  
8 Captain Bushy and I are here to answer your  
9 questions. Thank you.

10 CHAIR JASON HODGE: Captain Bushy, do you  
11 have anything to add.

12 THOMAS BUSHY: No. He's covered the  
13 executive summary. I call it an executive  
14 summary. He covered it all.

15 CHAIR JASON HODGE: Thank you.

16 All right. Thank you, gentleman.

17 I believe the Pensacola Bay Pilots  
18 Association has a presentation that you would  
19 like to present?

20 CAPTAIN MATTHEW MEILSTRUP: Sure.

21 CHAIR JASON HODGE: You have the floor.

22 CAPTAIN MATTHEW MEILSTRUP: And I can help  
23 you with that number you requested. It's in  
24 the machine.

25 CHAIR JASON HODGE: Okay.

1           CAPTAIN MATTHEW MEILSTRUP: Good morning,  
2           Mr. Chairman, Commissioners. Thank you very  
3           much for being here today. I particularly  
4           wanted to note the effort you took to get here,  
5           Mr. Chairman. Thank you very much. I  
6           appreciate it.

7           CHAIR JASON HODGE: You're welcome.

8           CAPTAIN MATTHEW MEILSTRUP: I'm Matt  
9           Meilstrup. I am the State Pilot here in  
10          Pensacola. I'm going give you just a brief  
11          background of my -- of me, and how I got here  
12          for your awareness.

13          I'm a 1992 graduate of the Coast Guard  
14          Academy. I spent 29 years in Commission  
15          Service in the Coast Guard and retired in 2021.

16          Of that time I spent 18 years at sea on  
17          various ships, eleven of which were in command  
18          of those different types of ships. Five of my  
19          years were on Ace navigation vessels, which  
20          work very closely with pilots, and I learned  
21          from my first tour, and then later on as a  
22          command of one, how great it is to be a pilot,  
23          and what a neat job it is.

24          So I was helping design waterways through  
25          projects and we'd ride along with pilots. We

1 worked with pilots to figure out how best to  
2 mark the channels for them, and I gained an  
3 appreciation for the profession.

4 When I went to future ships, I had young  
5 officers and enlisted members who would be  
6 standing deck watch type of duties and do  
7 similar ride alongs and they all came back very  
8 impressed and with a greater skill set from  
9 what they gleaned from folks in this  
10 profession.

11 As I rose up in the ranks, it was kind of  
12 almost -- you're almost dissuaded from going  
13 that route. I always thought I wanted to do  
14 that, but it was sort of the like maybe  
15 reserved for the maritime academies. Didn't  
16 know anybody, so I kind of progressed on and  
17 did my own thing. And then later on, as I was  
18 getting close to retirement, one of my friends  
19 was able to break into Puget Sound, and he --  
20 he encouraged me to do the same thing, come on  
21 and join him. And I thought about that for a  
22 little bit and around -- around the Covid time,  
23 actually, and decided to go ahead and make that  
24 effort.

25 So I contacted a couple of pilots in Cape

1 Canaveral, who I had become acquaintances with,  
2 when I was stationed there and they pointed --  
3 they said they would be happy to help me with  
4 the Puget Sound knowledge that I would require  
5 and they pointed me towards this opening in  
6 Pensacola that had -- I might be a good fit  
7 for.

8 So I have a little bit of convoluted  
9 path -- path to get there. It's a topic for a  
10 different day, but I studied for a couple of  
11 weeks, passed the exam and eventually was  
12 accepted as the deputy pilot here in Pensacola.  
13 I reported for that duty in 2021. Spent two  
14 years with Brian McGee, my predecessor, and  
15 then I assumed full state pilot in 2023.

16 So this summer will be my third, and third  
17 year anniversary. So, thank you.

18 As I worked through a brief, I'm going to  
19 cover the 13-points that you need to consider,  
20 the 13 factors. I'll also try to hit on two  
21 unique themes for Pensacola. A, the unique  
22 aspect of the Pensacola being such a small  
23 port, and the second is the need to get a rate  
24 and the related compensation to retain or  
25 attract the best and most qualified individuals

1 for this job. And then I'll hit on that again.

2 I intend to use the data from the  
3 investigative committee to try and simplify  
4 things for the committee. If you wish me to go  
5 back to the original application I can, but I  
6 think that helps not get confused in the  
7 numbers, and also there is some more current  
8 information projections in their report that I  
9 reference.

10 And then, finally, I'd like to compliment  
11 the investigative committee to my left.  
12 They -- Mr. Steven Stevens, your first effort,  
13 well done. And Tom Bushy, I very much thank  
14 you for the help, and it was a pleasure to work  
15 with them. They were easy to work with. They  
16 were very professional, and I do think they  
17 captured the idiosyncrasies of our little port  
18 here very well.

19 I do have this. I'm sorry for the  
20 orientation of the room. I will click through,  
21 but I'm not intending to put up any data on the  
22 screen right now, so this is more of a guide.  
23 I can come back with data later, as you wish.

24 As sole pilot, I have all the  
25 responsibilities of a larger pilot group. All

1 the same requirements, with very, very limited  
2 assistance. That's well-covered in the  
3 investigative committee. You can see all those  
4 duties.

5 One aspect I wish to highlight is the  
6 planned time off. I don't get much planned  
7 time off unless I do a careful choreography  
8 with the cross-licensed pilots that we have in  
9 the port, and I look no further that Captain  
10 Phipps, sitting back here to my left. She's  
11 been a cross-licensed pilot here for over a  
12 decade, helping my predecessor and me in  
13 various situations, and, you know, honestly  
14 very valuable, very much appreciated. Thank  
15 you, Captain Phipps.

16 As I walk through the factors, they will  
17 not be necessarily in order, but I will  
18 highlight them, as I go through and make sure I  
19 hit them all. As outlined in the IC Report, I  
20 spend an average of 394 hours on pilotage and  
21 about 1,400 hours in the essential support  
22 services that are required to keep the pilotage  
23 services going.

24 I concur with the report. May have  
25 underestimated some of those numbers in there,

1 but it's an accurate report, so that's factor  
2 number 5. Anyway, this is a city run port.  
3 That brings unique challenges. It's no secret  
4 that there has not necessarily been the most  
5 support for commercial maritime world here in  
6 Pensacola over the years. Back to my right, we  
7 have a Port Director that does realize that  
8 value. We spent some time with him yesterday  
9 that was valuable. Thank you for your time  
10 yesterday, and I want to compliment him and the  
11 team for pushing forward a number of great  
12 initiatives here that are going to have a long  
13 lasting impact in Pensacola, bringing jobs,  
14 economic activity and notoriety.

15 It's fun to watch that happening, and the  
16 only downside to that is what's currently been  
17 happening, and what, in the near future, not  
18 much of it positively impacts the vessel  
19 traffic flow here. I know the Port Director  
20 has designs and hope to track it more in the  
21 future through various initiatives and I'm very  
22 hopeful that that comes to pass.

23 So, from Factor 8, the vessel traffic  
24 aspect, my projections in the original  
25 application were for 90 handles and I stress

1 handles, in 2025 and 96 in 2026. Reality, that  
2 became 70 for 2025, and now we're projecting 64  
3 handles for 2026. That is a major issue for  
4 Pensacola. Probably one of the issues.

5 I would also perhaps slip this even into  
6 Factor Number 11, as a special characteristic  
7 of this port but this is -- of all the other  
8 ports in this state.

9 So a large challenge, and would I venture  
10 risk is the difficulty attracting deputy  
11 pilots. My predecessor retired three years  
12 after he desired to retire because no one could  
13 pass the exam between 2017, and when I took the  
14 exam in 2020. In fact, data shows that no one  
15 even took the exam for two of those years. So  
16 attracting the best and most qualified  
17 applicants, that is a huge challenge for  
18 Pensacola.

19 Recognizing that I am somewhat of single  
20 point failure here, in cross-licensed pilots,  
21 that does jeopardize the statutory requirement  
22 to maintain sufficient an efficient, reliable  
23 and safe pilotage service in Pensacola.

24 So I work carefully with FHPA and the port  
25 to add an additional cross-licensed pilot.

1           When we solicited that, through DBPR, one of  
2           the 90 plus pilots in the state took us up on  
3           the offer. So, there's a number of valid  
4           reasons why people wouldn't do that. And I'm  
5           certainly not knocking the 89 plus that didn't  
6           come, but it does highlight the challenge of  
7           even attracting licensed and credentialed  
8           pilots to come out to Pensacola, in addition to  
9           the deputies.

10                   I will point out Captain Baker did pass  
11           the exam. He is fully qualified, so we do have  
12           two cross-licensed pilots he would have been  
13           here today, but he is working in Palm Beach, so  
14           that's a piece that I have to maneuver around.  
15           They have a day job, and Cheryl is retired. So  
16           there's not always a given that one of them is  
17           available.

18                   And that last piece there, attracting  
19           pilots, drove the rate, the compensation, the  
20           rate that I designed in the original  
21           application, compensation should be equal to,  
22           or greater than what an individual would obtain  
23           in a comparable maritime employment, and that  
24           was noted several times throughout the  
25           Investigative Committee Report, and what

1 potential change that a rate change might have  
2 on attracting people.

3 Moving to Factor 1, and really  
4 310.151(5)(a) at large, Pensacola Bay is a  
5 major Florida waterway. It has a tremendous  
6 number of recreational boaters, commercial  
7 vessels and also governmental vessels, that  
8 applies to waters.

9 GE Vernova and Cemex rely on the port to  
10 import --

11 COURT REPORTER: I'm sorry, what was that?

12 CAPTAIN MATTHEW MEILSTRUP: GE Vernova and  
13 Cemex, C-E-M-E-X, rely on the port to import  
14 their products. Offshore Inland Marine has  
15 their headquarters here. That's a maintenance  
16 and repair facility, and they currently have a  
17 contract with MSC through Crowley for some long  
18 range contract work, which is more on the  
19 security side of things.

20 And then down at the Naval Air Station,  
21 there is a wharf controlled by the Navy for,  
22 they have occasional vessels that come in there  
23 now, and there are three Concordant Coast Guard  
24 ships at that time that pier.

25 So, despite the low number of vessels,

1           there is still a need for efficient, reliable  
2           and safe pilotage, and it's in the public  
3           interests to maintain that.

4           Moving to the financials, I just want to  
5           point out Factor 9, I do not have a medical  
6           plan or retirement plan through the pilot  
7           group. I do contribute to a discretionary SEP  
8           program, so that is my retirement, and I want  
9           to come back to the cross-licensed pilot fee,  
10          on a financial aspect. I propose a fee inside  
11          of the rate application to provide fundings for  
12          cross-licensed pilot coverage. That was  
13          proposed at \$250. The intent is to make that a  
14          similar program to what you would see in other  
15          ports for installations, improvement --  
16          modernization, like new pilot station, pilot  
17          boat fund, it will go into a separate account.  
18          It will be used solely for cross-licensed pilot  
19          coverage. That's not income for me.

20          So I'd ask the Committee to consider that  
21          as we work through net income and any other  
22          aspects like that. I did rough calculation, 64  
23          ships at \$250 is \$16,000.

24          I do want to address, or discuss briefly,  
25          the Investigative Committee's use of the

1 average all classes methodology. You'll find  
2 that in table 5 on your Investigative Committee  
3 Report. The basically took the averages of the  
4 small, medium and large ships into one comp and  
5 made that average, and used that to calculate a  
6 revenue and then that rolled through into  
7 various comparisons that we went -- we used  
8 throughout the rest of the report.

9 That works great, you know, in a high  
10 volume port or one with a relatively homogenous  
11 fleet of vessels, say like Key West, with the  
12 cruise ships. It kind of averages out neatly.  
13 It makes perfect sense for the Investigative  
14 Committee to do that, so I am not challenging  
15 the use of that, in rate cases or rate  
16 packages.

17 In fact, it's a necessity, with the number  
18 of ships that most ports have; however the low  
19 volume here, and the -- the range of  
20 characteristics we have, particular in the  
21 small and the medium categories of vessels,  
22 usually that average actually inflates what the  
23 actual revenue that I would receive is going to  
24 be, in almost 20 percent, actually. So, I  
25 thought that was a pretty significant number to

1 bring up, otherwise I would not have said much  
2 about it.

3 So my proposal would be to use an adjusted  
4 revenue projection, based on the actual  
5 characteristics of the vessels, the 64 that  
6 I -- handles that I have in 2026. Whether a  
7 blessing or a curse, I can calculate that  
8 pretty easily, and follow that, because the  
9 number is so low. You can't possibly do  
10 something like that with 5,000 ships in port.

11 This proposed small port methodology will  
12 provide figures a little closer to what the  
13 actual revenue line will be, or certainly  
14 projected revenue, and enable better  
15 comparison. So I offer that for your  
16 consideration.

17 And speaking to the annual escalation that  
18 was brought up earlier by Mr. Seuter,  
19 I (inaudible) a timeline on that. I would ask  
20 for your consideration to put a timeline with a  
21 period of six years with the usual language,  
22 starting on the anniversary date, one year  
23 following effective date at this time rate --  
24 or this rate, sorry, at 3 percent, keep that,  
25 please.

1           I pick that because that is about the same  
2 time frame that, I think, I will be on a  
3 trajectory to retire, so I will be looking to  
4 attract a deputy pilot for training, at that  
5 point, and it gives me an opportunity to access  
6 where the rates shake out in the intervening  
7 years and determine if I need to come back to  
8 this group, this committee to review the rate.

9           On the comparison side, this is Factor 4,  
10 I'm going to acknowledge right up front,  
11 Pensacola's proposed rates are higher than all  
12 comparable ports. That is simply a function of  
13 what I call the denominator issue. There are  
14 so few ships to get a comparable rate to what  
15 some, a mariner could make in a comparable  
16 maritime employment. It's just mathematics, is  
17 going to be higher. Sadly, I don't see that  
18 changing in the very near future. I think  
19 we're going to be right about that same level  
20 for the foreseeable future, and hopefully if we  
21 can get some progress on attracting new  
22 business.

23           And as for the other -- the other revenue  
24 metrics, the Investigative Committee covered it  
25 well. They did cover the rates. It went very

1 well with comparable ports. So I have no  
2 objection to any of those comps.

3 If we use a different methodology, that  
4 might change some things, but that's up to the  
5 Committee's discretion.

6 I will point out -- I did beat Key West in  
7 one category, revenue per handle hour, I  
8 finished below Key West.

9 MICHAEL JACCOMA: If I -- may I ask you a  
10 question, on Table 5 --

11 CAPTAIN MATTHEW MEILSTRUP: Yes, sir.

12 MICHAEL JACCOMA: You have Pensacola  
13 (proposed), right underneath it is Port  
14 Manatee --

15 COURT REPORTER: I'm sorry, I can't -- I  
16 can't hear you.

17 MICHAEL JACCOMA: I'm asking on Table 5,  
18 we have Pensacola (proposed) and right  
19 underneath it, the Port Manatee, and it  
20 compares small, medium and large vessels, and  
21 then the average for all classes. Underneath  
22 it, the notes, I see that it says Port Manatee  
23 and Tampa Bay uses docking fees and then also  
24 transportation fees, and communication fee and  
25 training fee. Were those included in the those

1 numbers, or is that to be added on separately?

2 THOMAS BUSHY: Are you asking me or --

3 MICHAEL JACCOMA: Whoever --

4 THOMAS BUSHY: Okay. The table -- this  
5 table included the comparable rates of fees  
6 done in other ports, and the best example of,  
7 course, is most of the ports have put in  
8 recapitalization for pilot boats. Pensacola  
9 pilots have not put in for that. So that fee  
10 was eliminated from all the other comparative  
11 fees, but things like harbor control, that they  
12 were included.

13 MICHAEL JACCOMA: So that's in that figure  
14 that I see, let's say, small cargo \$2,798, that  
15 would includes those fees?

16 THOMAS BUSHY: Yes.

17 MICHAEL JACCOMA: Okay.

18 BRIAN SEUTER: Captain Meilstrup, I have a  
19 question about fees, if I may?

20 CAPTAIN MATTHEW MEILSTRUP: Yes, sir.

21 BRIAN SEUTER: I would like some  
22 assurance, to the Board, that the docking fee  
23 that you've included, which is very reasonable,  
24 but that it should only apply to vessels that  
25 you actually do the handling, the docking or

1 undocking, or that you utilize tugs with. So  
2 I'd like some assurance of that.

3 CAPTAIN MATTHEW MEILSTRUP: Yes, sir. You  
4 have my assurance.

5 BRIAN SEUTER: Very well. Thank you.

6 CAPTAIN MATTHEW MEILSTRUP: I would point  
7 out, I believe, and I'll ask Captain Bushy  
8 this, I guess, I think Key West does not have  
9 their docking fee included in that table  
10 because; is that correct, can I do -- can I  
11 ask?

12 THOMAS BUSHY: You're correct, Captain  
13 Meilstrup. It was correct and later on, but it  
14 was caught yesterday so we haven't computed all  
15 those tables, but it will be.

16 CAPTAIN MATTHEW MEILSTRUP: Okay.

17 DONNA MCNULTY: May I ask a question?  
18 What do you mean, it will be?

19 THOMAS BUSHY: I can't hear you.

20 DONNA MCNULTY: What do you mean it will  
21 be included? I mean, are you going to include  
22 it now, or are you going to note that it wasn't  
23 included?

24 THOMAS BUSHY: I can sit down and  
25 recompute it today, this morning.

1           DONNA MCNULTY:  If the Committee needs  
2           that information to be accurate then, you know,  
3           maybe during break, or before they vote, you  
4           can provide that information, because now is  
5           the time.

6           THOMAS BUSHY:  I'll do it.

7           CHAIR JASON HODGE:  Thank you.

8           DONNA MCNULTY:  Thank you.

9           CHAIR JASON HODGE:  I have a question.

10          CAPTAIN MATTHEW MEILSTRUP:  Sure.

11          CHAIR JASON HODGE:  So it's my  
12          understanding that the Port of Pensacola  
13          compensates you when there is a lack of volume  
14          in vessel movements; is that correct?

15          CAPTAIN MATTHEW MEILSTRUP:  Correct.

16          CHAIR JASON HODGE:  So your increases,  
17          you're putting all the burdens for lack of  
18          vessel movements on to the current customers of  
19          the port.  My question is:  Has the Port of  
20          Pensacola been willing to step up and give  
21          additional compensations, maybe relative to  
22          increases that you're asking us for?  I didn't  
23          notice any statement about that in the report,  
24          and I may have missed it, but I don't know if  
25          any other Commissioner saw that, but I'm just

1           curious about that piece of it, because the  
2           burden is completely on the industry if there's  
3           a lack of that and they were compensating you  
4           for that, has there been discussions with the  
5           Port of Pensacola regarding that?

6           CAPTAIN MATTHEW MEILSTRUP: A couple -- a  
7           couple of factors there, or responses. One,  
8           no, short answer is, no, I have not discussed  
9           that, to this point, with the Port of  
10          Pensacola. I am on a three year contract with  
11          them, that will come due next January. So as  
12          we discuss matters at -- that may be a  
13          consideration.

14          I designed it, hopefully, that much like  
15          every other port in Florida, that's how they  
16          work. The revenue guarantee doesn't exist for  
17          anybody else. It's a very unique, it may be in  
18          pilotage in the United State. I don't know of  
19          any other that has that. So my hope would be,  
20          indeed, that industry would pay for the  
21          pilotage, and the port would not be burdened  
22          with that, and the City.

23          That said, given the volatility here, my  
24          intent would be not to get rid of that  
25          guarantee, because my predecessor had a year

1 where he had 9 handles, or I'm sorry, 9 shifts,  
2 18 handles, and that is a pretty dramatic loss  
3 of revenue, if I don't have some kind of  
4 backstop insurance with that guarantee.

5 So does that answer your question, sir?

6 CHAIR JASON HODGE: It does. In your  
7 contract with the Port, is there escalators in  
8 that?

9 CAPTAIN MATTHEW MEILSTRUP: No.

10 CHAIR JASON HODGE: Okay. So it stays at  
11 the 1,000 or 2,000 --

12 CAPTAIN MATTHEW MEILSTRUP: Well, the one  
13 thousand and -- just, that is for the  
14 cross-licensed pilot payments, that I've worked  
15 out, to this point.

16 CHAIR JASON HODGE: Okay.

17 CAPTAIN MATTHEW MEILSTRUP: The ports  
18 guarantee is kind of a flat \$10,000 per month,  
19 that you articulated very well in the IC  
20 Report, is just based on how much revenue,  
21 based on ships that I have coming in. Does  
22 that make sense?

23 CHAIR JASON HODGE: Yeah. No, I'm with  
24 you on that. Okay. Thanks.

25 CAPTAIN MATTHEW MEILSTRUP: Yes, sir.

1           The last point I want to point out, up  
2 front, I know we cannot go back in time. Up  
3 front, I acknowledge that we are not just using  
4 CPI. I do want to point out, Pensacola's 2011  
5 rate review decision, increased the rates from  
6 1991. So it was a 20 year gap, 2011, the rate  
7 increase 25 percent. The CPI, for the  
8 corresponding period was 225 percent.

9           So I point that out, simply was we start  
10 to make comparisons on percentages, that was --  
11 that's a pretty dramatic delta, and you would  
12 know better than me if that's common or not, to  
13 have that big of a variance, but I caution  
14 comparisons on percentages, if you deem this a  
15 relevant point, because that data might be  
16 skewed based on the baseline, and that's --  
17 that's all I want to say about that.

18           Does that make sense how I articulated  
19 that?

20           (Board members respond).

21           CAPTAIN MATTHEW MEILSTRUP: Okay. Going  
22 to net income, Factor 3, operating expenses  
23 were accurately assessed by the Investigative  
24 Committee Report. I concur with their  
25 findings. And then moving to Factor 6. I have

1           become aware that MM&Ps new 2026 officer  
2           compensation for maritime masters was ratified  
3           and effective on 1, January of this year, 2026.  
4           The new figure they're using is \$455,411. The  
5           previous figure that we've been using,  
6           throughout the original application, and in the  
7           IC Report is \$408,000. I do have that  
8           documentation, if you'd like to see that  
9           yourselves. I handed it to Stacey. You may be  
10          already well aware of this. It was new to me.

11           MICHAEL JACCOMA: That figure came from  
12          MM&P?

13           CAPTAIN MATTHEW MEILSTRUP: It did. And  
14          there's an email attached to it.

15           I'm also -- is it all right if I move on?  
16          I'm aware that the various court cases that  
17          have established precedent, that the only real  
18          comparative, comparable maritime employment for  
19          a pilot is another pilot, and I announce  
20          there's differences, certainly between ship  
21          captains and pilots, in a number of factors.

22           COURT REPORTER: I'm sorry.

23           CAPTAIN MATTHEW MEILSTRUP: No, I'm sorry.  
24          I announce that the differences between ship  
25          captains and pilots, any number of factors, but

1 I am including this, as it does gives us an  
2 anchor for comparison.

3 For Factors 2 and 6, I noted the  
4 Investigative Committee Report reverted to the  
5 original applications projected numbers for  
6 revenue, the \$419,000 versus using the  
7 calculated average all classes number that was  
8 used for a lot of the comparison statistics.  
9 We can go either way. There's a little bit of  
10 different data there. I'll let you all decide  
11 which one you prefer to use. I concur with it.  
12 It's what was in my application. So I just  
13 wanted to point out the difference in data.

14 Factor 6, the compensation comparison.  
15 The Investigative Committee reported that using  
16 the original application information would be  
17 within comparable compensation to other ports,  
18 and the comparable maritime employment, so I  
19 concur with what they said in the report.

20 Going to Factor 10, no one understands  
21 Factor 10's physical risk better than me.  
22 January 12th is -- it still haunts me.  
23 Probably be with me forevermore, so I won't  
24 belabor that, with your indulgence.

25 Pensacola's largest risk -- I'm going to

1 start wrapping up -- Pensacola's larger risk is  
2 still the inability to maintain efficient,  
3 reliable and safe piloting services if it  
4 cannot attract and hold on to the best and most  
5 qualified applicants. That is the issue. It  
6 is a -- certainly, it's well-portrayed. It's  
7 somewhat of a retention issue. It's certainly  
8 a detraction issue, and it is the challenge  
9 before us today, is how to resolve that. So,  
10 that concludes my presentation. I'm prepared  
11 to answer questions. I'm also prepared to  
12 discuss the modification proposed by the port,  
13 if the Committee so desires. I'm standing by.

14 CHAIR JASON HODGE: Go ahead, Tom.

15 THOMAS BUSHY: Mr. Chairman, at your  
16 pleasure, I'm prepared to update that Table 5  
17 with information that Ms. McNulty asked for.

18 CHAIR JASON HODGE: Yes, sir. What page  
19 is that on, Tom?

20 THOMAS BUSHY: Page 15.

21 CHAIR JASON HODGE: 1-5?

22 THOMAS BUSHY: Table 5 under Factor 4 --  
23 the line entitled -- in Table 5, Comparison of  
24 select Florida Ports Pilotage Rates with  
25 averages. The fourth port down is Key West,

1 and the corrected value is in the column, in  
2 the rows to the right, or the columns to the  
3 right, two, \$1,233 should be replaced with  
4 \$2,233. The \$2,117, should be replaced with  
5 \$2,867, and the \$3,301 should be replaced with  
6 three -- \$4,051, and finally the average  
7 \$2,217, should be replaced with \$3,050. Okay.  
8 Looking down at footnotes --

9 CHAIR JASON HODGE: Can you repeat the  
10 column three? I may have wrote that down  
11 incorrectly. What did you have there?

12 THOMAS BUSHY: Column --

13 CHAIR JASON HODGE: The 31 under large  
14 cargo?

15 THOMAS BUSHY: \$3,301 was replaced with  
16 \$4,051.

17 CHAIR JASON HODGE: Thank you.

18 THOMAS BUSHY: Okay. In the footnotes,  
19 footnote 3.c, it says Key West applies a Harbor  
20 Control Fee of \$25. Add to that sentence, and  
21 a docking/undocking fee of \$750.

22 Ms. McNulty, does that satisfy your  
23 question?

24 DONNA MCNULTY: I appreciate that you  
25 updated it for the record and for discussion

1 purposes. Thank you.

2 THOMAS BUSHY: You're welcome.

3 PATRICK GRAMLING: Is there anything else  
4 that needs to be you updated, that hasn't been?

5 THOMAS BUSHY: No, sir.

6 PATRICK GRAMLING: Okay.

7 CHAIR JASON HODGE: Any questions from the  
8 Commissioners?

9 (Board members respond nay).

10 CHAIR JASON HODGE: Nope. Okay. Public  
11 comment, please anyone?

12 CHERYL PHIPPS: I just have one brief  
13 comment. Cheryl Phipps. I'm the  
14 cross-licensed pilot.

15 COURT REPORTER: I'm sorry?

16 CHERYL PHIPPS: Do you need me to come  
17 up --

18 CHAIR JASON HODGE: Come up here, sure.

19 COURT REPORTER: And your name, again?

20 CHERYL PHIPPS: Cheryl Phipps,  
21 P-H-I-P-P-S. Your question, Commissioner  
22 Hodge, about the port giving more money to the  
23 pilots. I think --

24 THOMAS BUSHY: Cheryl, can you speak up a  
25 little bit?

1           CHERYL PHIPPS: Yeah. I'm sorry. I think  
2 that that is a very -- it's a phenom. I  
3 don't think any other port in the state does  
4 that, and it's not the port that makes the  
5 decision, it's the City Managers who also run  
6 the City, the port, if I'm not incorrect about  
7 that. This is our Port Director, so I don't  
8 know how easy it would be for him to say, hey,  
9 I want more out of the City. I think the City  
10 would probably answer, no, is my guess. I  
11 mean, he could certainly try to negotiate that  
12 contract, but I think it's very slim that they  
13 would increase the, actually, pretty generous,  
14 support that they give him now. That's all I  
15 had.

16           CHAIR JASON HODGE: Thank you, Cheryl.  
17 Anything else, public comment?

18           Would you like to say something, Port  
19 Director? You're welcome to speak.

20           LANCE SCOTT: Lance Scott. Director for  
21 the Port of Pensacola. Again, you all read my  
22 response letter. I concur with Captain  
23 Meilstrup's request for a rate hike. I know  
24 Ms. McNulty's comment that it could go up or  
25 down, clearly if it's going to move, it should

1 reflect a more current value for the services  
2 he provides.

3 I still maintain the disagreement on the  
4 amount, while I acknowledge low volume, and the  
5 risk of retention, I would question -- not  
6 question, but it would be interesting to me, in  
7 terms of, it's my understanding, from the  
8 testing aspect, that there has to be a request  
9 for either cross pilot or deputy pilots to open  
10 that testing. So it's hard to equate the value  
11 that is actually going to provide more  
12 applicants to this region, I guess in -- in my  
13 opinion.

14 It seems hard to kind of quantify that,  
15 but ultimately, again, I do agree with what he  
16 has characterized in the -- in his application,  
17 and the Investigative Committee's Report, in  
18 terms of low volume activity and the risk  
19 inherent in the business and the need to retain  
20 someone for him, because he will not,  
21 obviously, do this forever. And while I can't  
22 wrap him in bubble wrap, I do appreciate  
23 Captain Meilstrup's approach and collaborative  
24 partnership with the Port of Pensacola, and  
25 frankly, the tenants, as well.

1           And to the direct question, sir,  
2           Mr. Chairman, in terms of the contract, I can't  
3           characterize what City Counsel ultimately  
4           approves contracts, under the City through me.  
5           You know, I am mindful that, that is a tool  
6           that does offset low volume presently, and we  
7           have not had any substantive discussions on  
8           what will occur, and I would candidly say it  
9           probably depends on the outcome of this event,  
10          as well, and then where we go next, in terms of  
11          future traffic and demands.

12           So, I would just state for the record --  
13          I'm not opposed to advocating a continued  
14          retention assistance tool, to a certain degree,  
15          but I won't commit to an amount that would be  
16          either increased or decreased, depending on  
17          this outcome and your decisions, and I'm  
18          available for any other questions, based on  
19          Captain Meilstrup's report today.

20           CHAIR JASON HODGE: Commissioners, any  
21          questions?

22           (Board members responded).

23           I don't have anything, but we appreciate  
24          your statement. Thank you.

25           LANCE SCOTT: Thank you.

1           CHAIR JASON HODGE: Okay. I do have a  
2 question, back to our Investigative Committee.  
3 When it comes to the average hours of pilotage,  
4 in other ports, was there a chart that I  
5 missed, relative to that, Tom, did we have  
6 anything on that?

7           THOMAS BUSHY: What, sir?

8           CHAIR JASON HODGE: Hours of pilotage, I  
9 believe it's 394 annually for Pensacola?

10          THOMAS BUSHY: Yes.

11          CHAIR JASON HODGE: Do we have the average  
12 for pilots in other ports, just for me to  
13 reference?

14          THOMAS BUSHY: I haven't -- we didn't  
15 include that --

16          CHAIR JASON HODGE: You didn't --

17          THOMAS BUSHY: -- in the Investigative  
18 Report.

19          CHAIR JASON HODGE: Okay. In your  
20 professional opinion, I mean, does anybody have  
21 a guesstimate on that or something, to kind of  
22 help me gauge -- I mean, so I'm looking at a  
23 work or an average work week of 40 hours;  
24 right? Annualized, that's 2,040 hours a year,  
25 okay, so 394 is about 19 percent of that. I'm

1 just kind of looking at workload here, if you  
2 will, okay.

3 THOMAS BUSHY: In a professional opinion,  
4 I think that that is a rather low number,  
5 compared to other ports, especially in the high  
6 capacity ports, like Port Everglades, Miami,  
7 Tampa, Port Canaveral but it's probably higher  
8 than Key West.

9 CHAIR JASON HODGE: Okay.

10 MICHAEL JACCOMA: I would say, you've also  
11 got, if you're just looking at the 394 figure,  
12 but you also had the support hours that he had  
13 in there, which were I think 1,400.

14 CHAIR JASON HODGE: Okay.

15 BRIAN SEUTER: And, Chairman Hodge, I  
16 would also contend the fact that Captain  
17 Meilstrup never has any actual time off. He's  
18 always on duty. He's never off duty. That --  
19 that has to be considered, as well.

20 CHAIR JASON HODGE: Absolutely. Thank  
21 you. That is noted. Thank you. One other  
22 thing about, one other question I did have, I  
23 think you stated 30 less handles in 2026, so  
24 it's going down -- thereabouts, it's a guess?

25 CAPTAIN MATTHEW MEILSTRUP: Sure.

1           CHAIR JASON HODGE: I believe, in the  
2 Investigative Report, they thought there was  
3 some new business coming that was stated?

4           CAPTAIN MATTHEW MEILSTRUP: That's  
5 probably in the bullet point, the 6th bullet  
6 point --

7           CHAIR JASON HODGE: Yeah, the last bullet  
8 point. SailGP, American Magic and the five  
9 year agreement to bring a fleet to Pensacola in  
10 the off season, is there more details on that?  
11 Please.

12           LANCE SCOTT: Again, Lance Scott, Director  
13 for the Port of Pensacola. Just recently,  
14 America Magic entered into a partnership with  
15 SailGP, which is an international foiling,  
16 racing organization, and so they announced,  
17 basically a training partnership, so there are,  
18 I believe, presently 14 international teams,  
19 and the model is, as I understand it, that they  
20 will bring the teams to Pensacola to use the  
21 America Magic facility, from a training  
22 perspective, both simulation, actual on water  
23 racing. So, from a maritime commerce  
24 perspective, there may be a short bump in terms  
25 of a short race in vessel traffic to deliver a

1 couple of sailing vessels, but there will not  
2 be homeported here multiple teams, right. The  
3 goal for the City, and America Magic is to  
4 eventually host a SailGP event, which would  
5 certainly bring a couple of vessels, if not  
6 more, in terms of how they ship those, because  
7 they are international teams, but from a new  
8 business line, meaning true commercial cargo  
9 traffic to the vessel, I mean, to the port, I  
10 don't anticipate any significant change in  
11 what's been forecasted.

12 And I would just note, that decrease in  
13 handles within this past year, one of our  
14 tenants, Cemex, C-E-M-E-X, has lowered the  
15 amount of vessel traffic, and that is a product  
16 of current infrastructure status at the port,  
17 meaning the type of vessels that they can bring  
18 for bulk cement are few and far between, so  
19 that's been a change, as well as an uptick in  
20 domestic rail import of bulk cement to their  
21 facility on our port, as well as another  
22 tenant, Martin Marietta, that delivers  
23 aggregate and used to, about four vessels a  
24 year, give or take, four to five, and their  
25 lease is expiring, effective this month, and

1           they will no longer be using the Port of  
2           Pensacola. And so that's kind of the downturn,  
3           in the near term.

4           The variation or volatility, as Captain  
5           Meilstrup has highlighted, is that Cemex is  
6           unpredictable, in terms of demand, driven both  
7           by product and vessel. So, in previous years,  
8           while we would expect -- what would you say --

9           CAPTAIN MATTHEW MEILSTRUP: I planned for  
10          20 ships, in my projections.

11          LANCE SCOTT: Right. Clearly, that's less  
12          right now.

13          CHAIR JASON HODGE: Okay.

14          LANCE SCOTT: And to be determined going  
15          forward with Cemex. I don't think it will go  
16          away entirely, but the volume that we were used  
17          to has certainly changed, and been reduced in  
18          the nature.

19          CHAIR JASON HODGE: So there's no new  
20          business upcoming, that we don't know about?

21          LANCE SCOTT: There are discussions, with  
22          a couple of companies that my commercial ops  
23          person knows, but nothing -- nothing that I  
24          would point to, is a guarantee of various  
25          traffic. So Offshore Inland is the maintenance

1 repair overall, again, episodic with certain  
2 types of oil and gas offshore vessels that come  
3 in, for work, on occasion, and what was noted  
4 been Captain Meilstrup in the picture there  
5 recently, military sea lift command contracts,  
6 but those are long-term, so that's not a lot of  
7 activity. It works for the port, because the  
8 dockage rate continues. It doesn't work for  
9 the pilot, because it's one in and one out, at  
10 a long interval, currently.

11 CHAIR JASON HODGE: Okay.

12 LANCE SCOTT: But potential for Birdon  
13 America, that was noted earlier, will bring  
14 more vessel activity to the port, but it  
15 remains unclear on what that will really look  
16 like, in terms of types of product and demand,  
17 whether that's via barge for components. And  
18 while I note that it highlighted and has been  
19 approved by Triumph for 76 million, there are  
20 still many more negotiations to go before  
21 that's really a done deal.

22 CHAIR JASON HODGE: Okay. Nothing in ink;  
23 right?

24 LANCE SCOTT: Right.

25 CHAIR JASON HODGE: All right. I

1 appreciate that. Okay. Any other questions,  
2 Commissioners?

3 BRIAN SEUTER: No questions.

4 CHAIR JASON HODGE: Okay. So, I think the  
5 first is Item Number 10, I think everybody has  
6 got that in front of them.

7 DONNA MCNULTY: So I think -- do you  
8 want --

9 CHAIR JASON HODGE: Yes. Please.

10 DONNA MCNULTY: Okay. So I think the  
11 first item of business is to look at the  
12 individual factors, and you know, determine  
13 whether or not you agree with the Investigative  
14 Committee Report and it's amendments related to  
15 each factor.

16 CHAIR JASON HODGE: Okay.

17 DONNA MCNULTY: But you've done the  
18 previous cases, so this way you're stating, for  
19 the record, your support for these factors.  
20 Does that make sense to everybody?

21 (Board members responded.)

22 So, the Statute requires that, when you  
23 determine whether the requested rate change  
24 will result in fair, just and reasonable rates,  
25 the Committee has to give primary consideration

1 to the public interests and for boating and  
2 maintaining efficient, reliable and safe  
3 piloting services.

4 So the first one to look at, is the public  
5 interests of having qualified pilots available  
6 to respond promptly to vessels needing their  
7 service. And that starts on the Investigative  
8 Committee Report, page 10.

9 CHAIR JASON HODGE: Page 10. Thank you.

10 DONNA MCNULTY: Okay.

11 CHAIR JASON HODGE: You're keeping me  
12 straight.

13 DONNA MCNULTY: I'm just trying to help  
14 the process along.

15 CHAIR JASON HODGE: Yes.

16 BRIAN SEUTER: Commissioner, Chairman  
17 Hodge --

18 CHAIR JASON HODGE: Yes.

19 BRIAN SEUTER: -- do we have to decide  
20 whether we're going to change the rates before  
21 we start going down, line-by-line.

22 DONNA MCNULTY: So to -- may I jump in?

23 CHAIR JASON HODGE: Yes. Please.

24 DONNA MCNULTY: So, Commissioner Seuter,  
25 what we've done in all cases, is we look first

1 at the Investigative Committee Report, and if  
2 you agree with the analysis in the report, as  
3 it relates to the factors. Then you go through  
4 all of that and state your reason, if you agree  
5 or why, or if you need to change something.

6 The next step, after you do the factors,  
7 is to look at the proposed rates, and then you  
8 would provide a justification, if you agree or  
9 disagree, or whatever you decide you want to  
10 do, then you'll do, you know, look at the  
11 actual proposed rates, as well as the port's  
12 concern with specific rates, and any other  
13 comments made by the public, or your own  
14 opinion. You know, whatever it is, you can go  
15 rate-by-rate; does that make sense,  
16 Commissioner Seuter, like we've done  
17 historically?

18 MICHAEL JACCOMA: So you want to first go  
19 through each factor --

20 DONNA MCNULTY: Each of the factors --

21 MICHAEL JACCOMA: Accept them, based on  
22 the on the information provided in --

23 DONNA MCNULTY: In the IC Report, and any  
24 other information provided today.

25 MICHAEL JACCOMA: So you need a motion on

1 each item?

2 DONNA MCNULTY: Correct.

3 MICHAEL JACCOMA: So I'll make a Motion to  
4 accept Item 1, the public interest in having  
5 qualified pilots available to respond promptly  
6 to vessels needing their service, and accept as  
7 written in the Investigative Committee Report  
8 the need to do so.

9 CHAIR JASON HODGE: I'll second that.

10 All in favor?

11 (Board members responded.)

12 Anybody oppose?

13 Motion carries.

14 DONNA MCNULTY: So then the next Factor  
15 is, a determination of the average net income  
16 of pilots in the port, including the value of  
17 all benefits derived from the services of the  
18 pilot. And for purposes of that paragraph,  
19 "net income of pilots" refer to the total  
20 pilotage fees collected in the port, minus  
21 reasonable operating expenses, divided by the  
22 number licensed and active pilots within the  
23 ports.

24 So that starts on page 11 of the IC  
25 Report, and that was modified on page 12, and

1 it was for the report as modified.

2 CHAIR JASON HODGE: Do we have a motion?

3 MICHAEL JACCOMA: I'll make the motion to  
4 accept it as modified, the investigative  
5 report. Item 2, the determination of the  
6 average net income of pilots in the port,  
7 including --

8 COURT REPORTER: I'm sorry. You're going  
9 to have to speak up.

10 MICHAEL JACCOMA: All right. I'll have to  
11 say that all over again. All right. So I'll  
12 make a motion to accept the amended IC Report  
13 on Item 2, in determination of the average net  
14 income of pilots in the port, including the  
15 value of all benefits derived from the services  
16 as a pilot.

17 PATRICK GRAMLING: I have one question  
18 about it before we, why -- explain to me why  
19 benefits, retirement plan, is an expense  
20 deducted as a reasonable expense for -- for  
21 most people, if they decide to contribute to a  
22 benefit plan, that's sort of a personal choice.  
23 It's not necessarily -- like, I had a 401K. I  
24 contributed to it. I didn't consider that an  
25 expense of mine. That was sort of choice to

1 invest my own money. So how is that an expense  
2 to the pilot? I don't understand.

3 CHAIR JASON HODGE: Are you asking the  
4 Committee or the Investigative Committee?

5 PATRICK GRAMLING: I guess I'm asking the  
6 Investigative, yeah.

7 STEVE STEVENS: So, Mr. Chairman, I did  
8 it, because that's how it was done in the  
9 previous report, and that's why.

10 PATRICK GRAMLING: Okay.

11 STEVE STEVENS: So we read, you know, the  
12 Statute, and we read the Florida Administrative  
13 Code. They backed out, in previous rate  
14 hearings, those amounts, along with the  
15 lobbying piece, which makes sense to me.

16 PATRICK GRAMLING: Yeah.

17 STEVE STEVENS: It was a cookbook, from a  
18 prior report.

19 MICHAEL JACCOMA: I mean, I would respond  
20 to that, if you look at 310, it says it must  
21 include all income and benefits received, so  
22 that's what they've done.

23 STEVE STEVENS: Yes.

24 MICHAEL JACCOMA: So it show it is as a  
25 benefit, you know, so they chose it as a

1 benefit, you know.

2 PATRICK GRAMLING: Yeah. I don't know if  
3 it matters that much, since we don't have a  
4 comparison of net income on here to other  
5 places, but I just thought it was interesting.

6 STEVE STEVENS: And Mr. Chairman, if I  
7 may, with this report, and this rate request,  
8 we had more of a focus on the revenue area,  
9 because of the -- the expenses were like, when  
10 we looked at the compiled -- the compiled  
11 financial statements. So we looked at the  
12 compiled financial statements. Expenses  
13 appeared reasonable, based on that look, and we  
14 focused on the revenue side.

15 PATRICK GRAMLING: Okay.

16 CHAIR JASON HODGE: Thank you.

17 All right. So we need a second on that.

18 BRIAN SEUTER: Seuter will second.

19 CHAIR JASON HODGE: Okay. All opposed or  
20 all in favor, excuse me.

21 (Board members responded.)

22 All opposed?

23 Sorry I'm a little low on sleep everybody.

24 COURT REPORTER: Who made the motion on  
25 that?

1 CHAIR JASON HODGE: Motion carries.

2 STACEY BUCCIERI: Mr. Jaccoma made the  
3 motion.

4 DONNA MCNULTY: You made the motion?

5 MICHAEL JACCOMA: I did.

6 DONNA MCNULTY: All right. So the next  
7 factor to consider is the reasonable operating  
8 expense of the pilots, and that begins, and  
9 it's on page 12 of the IC Report.

10 BRIAN SEUTER: Chairman Hodge, I'd like to  
11 make a motion that the PRRC accepts and adopts  
12 the findings on page 12 of the Investigative  
13 Committee Report as fact. After considering  
14 the submitted financial statements, the pilots  
15 application and the Investigative Committee  
16 Report, it is determined that the expenses of  
17 the Pensacola Pilots are reasonable.

18 CHAIR JASON HODGE: Do we have a second on  
19 that?

20 MICHAEL JACCOMA: I'll second that.

21 CHAIR JASON HODGE: All in favor.

22 (Board members responded).

23 Any opposed?

24 Motion carries.

25 DONNA MCNULTY: Thank you. The next

1 Factor are the pilotage rates in other ports,  
2 and that information begins on page 13 of the  
3 IC Report, and there are amendments in there,  
4 as well.

5 BRIAN SEUTER: So Chairman, I believe  
6 before we make a motion on this one, we have to  
7 determine if we're going to consider the  
8 amended tiers or --

9 CHAIR JASON HODGE: Or if we --

10 BRIAN SEUTER: Or stay with the original.  
11 We can't really make a motion on this until we  
12 decide that.

13 DONNA MCNULTY: Well, what do you mean by  
14 that, Commissioner Seuter?

15 BRIAN SEUTER: Well, we're -- this one is  
16 pilot -- oh, this is pilot rates in other  
17 ports, okay.

18 CHAIR JASON HODGE: That and Manatee was  
19 fine. There is a no issues there, but are you  
20 referencing the term of the 3 percent?

21 BRIAN SEUTER: No, no.

22 CHAIR JASON HODGE: Okay.

23 BRIAN SEUTER: I would like to make a  
24 motion that the PRRC accepts and adopts the  
25 findings on page 13 through 17 of the

1 Investigative Committee Report as fact. The  
2 pilotage rates were analyzed and compared with  
3 those of other ports. The PRRC has deliberated  
4 and determined that these rates are necessary  
5 to protect state pilotage in Pensacola, retain  
6 the single full-time pilot that serves the port  
7 and attract well-qualified deputy applicants in  
8 the future.

9 DONNA MCNULTY: This is as amended; right,  
10 the IC as amended?

11 BRIAN SEUTER: That is not clear to me.

12 DONNA MCNULTY: All they're doing is  
13 making accurate their tables. If we could go  
14 look at the changes, the first change is to  
15 table 3, it included Tampa Bay plus Manatee.  
16 It corrected that the first line for Tampa Bay  
17 was for gross tonnage less than 22,000, instead  
18 of greater than 22,000.

19 BRIAN SEUTER: Okay.

20 DONNA MCNULTY: And it had the footnote  
21 about the escalator. Then on for table 4 it  
22 was just a typo, to the Gulf of America. Then  
23 it updated Captain Bushy's table 5 to  
24 accurately reflect what was -- what happened in  
25 Key West, and to add the clarification to the

1 methodology in 3.c. that that Key West included  
2 the docking fee of \$750. Then for table 7, it  
3 just, again, reflected the addition of the  
4 docking fee for Key West, which then updated  
5 the total base rate plus fees. So that seems  
6 all that we're doing was just correcting and  
7 updating the IC Report.

8 BRIAN SEUTER: Okay.

9 DONNA MCNULTY: Which seems sufficient.

10 CHAIR JASON HODGE: So we would need a  
11 motion to --

12 BRIAN SEUTER: Just to accept --

13 CHAIR JASON HODGE: -- the accept the  
14 corrections and the other details, as stated in  
15 the Investigative Report?

16 DONNA MCNULTY: It's a simple to IC as  
17 amended. You know, so everything here in this  
18 factor as amended.

19 BRIAN SEUTER: So moved.

20 MICHAEL JACCOMA: So I'll second that.

21 CHAIR JASON HODGE: All right. All in  
22 favor.

23 (Board members responded.)

24 Any opposed?

25 Motion carries.

1           DONNA MCNULTY: The next factor to  
2 consider the amount of time each pilot spends  
3 on actual piloting duty and the amount of time  
4 spent on other essential support services, and  
5 that information begins on page 18 of the  
6 Investigative Committee Report, as amended on  
7 the record.

8           CHAIR JASON HODGE: Do we have a motion  
9 for that?

10          BRIAN SEUTER: I'd like to make -- to make  
11 a motion that we accept those findings.

12          CHAIR JASON HODGE: I'll second that. All  
13 in favor? (Board members responded.) Any  
14 opposed?

15          Motion carries.

16          DONNA MCNULTY: The next factor for your  
17 consideration begins on page 20, it's factor  
18 number 6, the prevailing compensation available  
19 to individuals in other maritime services of  
20 comparable professional skill and standing as  
21 that sought by the pilots, etc.

22          BRIAN SEUTER: I'd like to make a motion  
23 that the PRRC accepts and adopts the findings  
24 on page 20 of the Investigative Committee  
25 Report as fact. In addition, the PRRC accepts,

1 as fact, the document submitted by the Master,  
2 Mates and Pilots that for 2026, an American  
3 Ship Master will have an income, including  
4 wages and benefits of \$455,410.50. This  
5 pilotage rate adjustment will elevate Pensacola  
6 pilot income to a sustainable level, but that  
7 remains below the majority of other pilot  
8 associations in the United States, as well as  
9 below the compensation of the United States  
10 ship master.

11 PATRICK GRAMLING: So, sorry, but I do  
12 have another question about this one. There is  
13 one -- one sentence in here that says, recent  
14 rate increases have helped Palm Beach and Key  
15 West attract more applicants, and that is where  
16 we are at Pensacola today. Upon review of the  
17 table, there was a rate increase in Palm Beach  
18 and I noticed that the applications in '25 were  
19 fairly consistent with what we saw in 2021 for  
20 the rate increase. I also saw Key West, no  
21 increase. In fact, no one else applied after  
22 rate increase. So I'm not sure where the  
23 support for that statement comes from.

24 DONNA MCNULTY: The Key West rate case --

25 CHAIR JASON HODGE: And that question is

1 for the Investigative --

2 PATRICK GRAMLING: Yeah.

3 CHAIR JASON HODGE: -- Investigative  
4 Committee?

5 PATRICK GRAMLING: All of my questions,  
6 yeah, are for the Investigative Committee.

7 MICHAEL JACCOMA: Where was that, that  
8 you're reading from?

9 PATRICK GRAMLING: So, if you go to page  
10 21, under the section 7, the third paragraph,  
11 last sentence, it is a statement that recent  
12 rate increases have helped Palm Beach and Key  
13 West to attract more applicants, and I was not  
14 sure I saw that in the data.

15 THOMAS BUSHY: In response, Palm Beach in  
16 2022 -- in 2021, had 23 applications, and you  
17 see in the table and only 122 people tested,  
18 and then only 4 passed it. We don't know why  
19 so many people dropped out.

20 PATRICK GRAMLING: Yeah.

21 THOMAS BUSHY: Okay. It could have been  
22 because of the Covid pandemic. It could have  
23 been travel. A lot of mariners, at that time,  
24 were being required to remain aboard their ship  
25 much longer than they planned on being. In

1 other words, they were on 75 day rotation, they  
2 actually -- some of them, were like 150 days.  
3 So whatever the reason was, there was a drop  
4 off.

5 Key West, just this last cycle, had an  
6 application -- had 14 applications, I believe  
7 it was, and 9 people examined for the test.

8 DONNA MCNULTY: May I ask a question, and  
9 this might help you to your question.

10 The Key West, Notice of Intent was filed  
11 in April of 2025, and didn't become final, you  
12 know, until basically sometime in May. So this  
13 is in 2025, so Captain Bushy, the numbers for  
14 Key West, that you're talking about, when you  
15 said for this cycle, does that mean for the  
16 exam cycle beginning in January, 2026, or I  
17 mean --

18 THOMAS BUSHY: Well, we just finished a  
19 deputy pilot exam two or three weeks ago.

20 DONNA MCNULTY: Okay. Does that answer  
21 your question?

22 PATRICK GRAMLING: Okay. So, for Key  
23 West, the rate increase just went into  
24 affect --

25 DONNA MCNULTY: In mid --

1 PATRICK GRAMLING: -- in '25?

2 DONNA MCNULTY: -- in mid 2025.

3 PATRICK GRAMLING: Mid 2025. So we don't  
4 have '26 data, so you're telling me, if we had  
5 it, I would have seen a large increase in  
6 applicants?

7 THOMAS BUSHY: Based upon that -- that  
8 rate increase went into force, and subsequently  
9 in December of 2025, we had 14 applications for  
10 Key West.

11 PATRICK GRAMLING: Okay. Understood. I  
12 don't -- I didn't understand the 2021, only  
13 because it looked like, or sorry Palm Beach, in  
14 2021, they had 22 applicants, assuming that the  
15 rate increase went into affect after that, then  
16 they had 16 --

17 THOMAS BUSHY: Interestingly enough --

18 PATRICK GRAMLING: -- in 2025.

19 THOMAS BUSHY: -- in 2021, a pilot was  
20 assigned to Palm Beach and he declined it.

21 PATRICK GRAMLING: I'm just looking at  
22 overall data here, not antidotal, but so you've  
23 got 22 applications in, 16 in 2025, after rate  
24 increase. That's all I'm -- I'm just flagging  
25 the statement, that recent rate increases have

1 attracted more applicants. I'm just  
2 suggesting, I don't see that, and I'm asking  
3 you to educate me, and you did educate me on  
4 Key West, and I understand that completely.  
5 I'm not sure I see it yet in Palm Beach. I'm  
6 not saying it isn't there but --

7 THOMAS BUSHY: If it's the pleasure of the  
8 rate committee, if you'd like, we can strike  
9 that sentence.

10 PATRICK GRAMLING: It would be easier to  
11 accept if it was factual, yeah.

12 DONNA MCNULTY: But, it might be factual  
13 for Key West.

14 PATRICK GRAMLING: It might be factual --  
15 yeah, I would strike Palm Beach from it then.

16 DONNA MCNULTY: So, could you please point  
17 me to that sentence?

18 PATRICK GRAMLING: Yeah. It's page, let's  
19 move back to page 21, section 7. And then move  
20 down to the third paragraph, the last sentence.

21 DONNA MCNULTY: Okay. I see. So the  
22 Committee's desire to strike the words Palm  
23 Beach and -- so it says recent right increases  
24 have felt Key West to attract more applicants,  
25 and that's where Pensacola is today. But this

1 is --

2 THOMAS BUSHY: Are you just taking those  
3 two main ports out or are you going to strike  
4 the whole sentence?

5 PATRICK GRAMLING: I would strike the  
6 whole sentence, personally, because it's not --  
7 I mean, you had one that did, and one that  
8 didn't. I'm not sure it's a meaningful  
9 statement. It's just easier to accept if it's  
10 not in, I think.

11 DONNA MCNULTY: Or it might be evidence to  
12 show that Key West might be comparable to  
13 Pensacola to support. Your decision.

14 PATRICK GRAMLING: Okay. Is that how you  
15 guys want to present it?

16 MICHAEL JACCOMA: I'm not sure where we're  
17 at now. What is it we're recommending?

18 CHAIR JASON HODGE: He's striking --

19 PATRICK GRAMLING: I'm recommending that  
20 we amend this sentence, and it's their report,  
21 so however they want to amend it, I'd just like  
22 it to be factual.

23 STEVE STEVENS: Strike the whole sentence.

24 DONNA MCNULTY: Strike the whole sentence?

25 STEVE STEVENS: Just strike the whole --

1 strike the whole sentence.

2 PATRICK GRAMLING: Okay.

3 MICHAEL JACCOMA: That's on Item 7 --

4 DONNA MCNULTY: Yeah. We're not there  
5 yet.

6 MICHAEL JACCOMA: We were on 6, weren't  
7 we?

8 DONNA MCNULTY: Yes.

9 PATRICK GRAMLING: Oh, that was 7?

10 DONNA MCNULTY: Uh-huh.

11 PATRICK GRAMLING: I'm sorry.

12 BRIAN SEUTER: Chairman, I did make the  
13 motion, and it's not yet seconded.

14 CHAIR JASON HODGE: Can second have a  
15 second?

16 MICHAEL JACCOMA: Can we restate it?

17 CHAIR JASON HODGE: Restate it?

18 MICHAEL JACCOMA: Yeah.

19 BRIAN SEUTER: I'll make a motion that the  
20 PRRC accepts and adopts the findings on page 20  
21 of the Investigative Committee Report as fact.  
22 In addition, the PRRC accepts as fact, the  
23 document submitted today, by the Masters, Mates  
24 and Pilots, that for 2026, the American Ship  
25 Master will have an income, including wages and

1 benefit of \$455,410.50. This pilotage rate  
2 adjustment, if it is enacted, will elevate  
3 pilot -- Pensacola pilot income to a  
4 sustainable level, but that remains below the  
5 majority of other pilot associations in the  
6 United States, as well as below the  
7 compensation of the United States Ship Master.

8 MICHAEL JACCOMA: I'll second that.

9 DONNA MCNULTY: Just one little tweak,  
10 that it's the IC Report as amended, because the  
11 Investigative Committee has --

12 COURT REPORTER: I'm sorry. I can't hear  
13 you.

14 DONNA MCNULTY: I'm sorry. So it's the  
15 suggested motion just same, except to say the  
16 Investigative Committee as fact, as amended by  
17 the Investigative Committee, and then as  
18 amended, as suggested by Commissioner Seuter.

19 BRIAN SEUTER: So moved.

20 MICHAEL JACCOMA: Second.

21 CHAIR JASON HODGE: Did you second that?

22 MICHAEL JACCOMA: (Witness nods head).

23 CHAIR JASON HODGE: All in favor?

24 (Board members responded).

25 Any opposed?

1 Motion carries.

2 DONNA MCNULTY: Now, we go to the Factor  
3 7, the impact rate change may have how on  
4 individual pilot compensation and whether such  
5 change will be to a shortage of licensed  
6 pilots, certified -- certificated deputy pilots  
7 or qualified pilot applicants, and the IC  
8 Reports begins on page 21, and they have  
9 amended this section.

10 BRIAN SEUTER: I'd like to make a motion  
11 that the PRRC accepts and adopts the findings  
12 on page 21 through 23 of the Investigative  
13 Committee Report, as fact, as amended, and it  
14 is determined that Pensacola pilot income will  
15 rise, if these rates are adopted, to a level  
16 that is necessary to prevent a shortage of  
17 licensed state pilots, cross-licensed pilots,  
18 certificated deputy pilots, or qualified pilot  
19 applicants.

20 PATRICK GRAMLING: I'll second that.

21 DONNA MCNULTY: Do you also want to  
22 include your strike through on page 21 to the  
23 sentence that rate -- recent rate increases  
24 have felt Palm Beach and Key West attract more  
25 applicants?

1 PATRICK GRAMLING: I think he --

2 BRIAN SEUTER: I said as --

3 DONNA MCNULTY: Well, you said as amended  
4 by the IC and by Commissioner --

5 BRIAN SEUTER: So moved.

6 PATRICK GRAMLING: Seconded.

7 CHAIR JASON HODGE: All in favor? (Board  
8 members responded.)

9 Any opposed?

10 Motion carries.

11 DONNA MCNULTY: Thank you.

12 The next Factor is Factor 8, the projected  
13 changes in vessel traffic.

14 This begins on page 24.

15 BRIAN SEUTER: I'd like to make a motion  
16 that the PRRC accepts and adopts the finding on  
17 page 8 and 24, of the Investigative Committee  
18 Report, as fact, and as amended. It is  
19 determined that there is forecast to be a  
20 decrease in vessel traffic for 2026 to 64 total  
21 handles, after handling 70 total handles in  
22 2025.

23 PATRICK GRAMLING: Second.

24 CHAIR JASON HODGE: All in favor. (Board  
25 members responded.)

1 Any opposed?

2 Motion carries.

3 DONNA MCNULTY: Thank you.

4 Next is the cost of retirement and medical  
5 plans, and that's on page 24.

6 BRIAN SEUTER: I'd like to make a motion  
7 that the PRRC accepts and adopts the findings  
8 on page 24 of the Investigative Committee  
9 Report as fact. It is determined that the  
10 stated costs of retirement and medical plans  
11 are accurate.

12 PATRICK GRAMLING: Second.

13 CHAIR JASON HODGE: All in favor? (Board  
14 members responded.)

15 Any opposed?

16 Motion carries.

17 DONNA MCNULTY: Thank you.

18 The next Factor is Factor 10, physical  
19 risk in piloting. That's on page 25.

20 BRIAN SEUTER: I would like to make a  
21 motion that the PRRC accepts and adopts the  
22 findings on page 25 of the Investigative  
23 Committee Report as fact. The PRRC recognizes  
24 and affirms that there is inherent physical  
25 risk in piloting.

1 CHAIR JASON HODGE: Do you also accept the  
2 amendments?

3 BRIAN SEUTER: I don't think there were  
4 any to this section but if --

5 PATRICK GRAMLING: Just two words.

6 DONNA MCNULTY: Just two words.

7 BRIAN SEUTER: As amended.

8 CHAIR JASON HODGE: I'll second that.

9 All in favor? (Board members responded.)

10 Any opposed?

11 Motion carries.

12 DONNA MCNULTY: Thank you.

13 The next Factor, is Factor 11, special  
14 characteristics, dangerous and risks of port.  
15 That discussion starts on page 25 of the IC  
16 Report.

17 BRIAN SEUTER: I would like to make a  
18 motion that the PRRC accepts and adopts  
19 findings on page 25 through 26 of the  
20 Investigative Committee Report, as fact and as  
21 amended, per our amendment. The PRRC  
22 acknowledges the unique special  
23 characteristics, dangers and risks of piloting  
24 in Pensacola, with particular regard to the  
25 dimensions of the channel, in relation to the

1 size of the vessels typically calling the port.

2 CHAIR JASON HODGE: I'll second that.

3 All in favor. (Board members responded.)

4 Any opposed?

5 Motion carries.

6 DONNA MCNULTY: And then the last item is,  
7 also, on page 26, related to the CPI or other  
8 economic indicators.

9 BRIAN SEUTER: I'll make a motion to the  
10 PRRC accepts and adopts the findings on page 26  
11 of the Investigative Committee Report, as fact  
12 and as amended. There has been no pilotage  
13 rate adjustment for Pensacola since August  
14 19th, 2011. Since the last rate adjustment,  
15 until 2025, CPI has risen 36.4 percent. The  
16 PRRC has considered CPI, has only one in a  
17 comprehensive series of factors in determining  
18 potential new rates.

19 CHAIR JASON HODGE: I'll second that. All  
20 in favor? (Board members responded.)

21 Any opposed?

22 Motion carries.

23 DONNA MCNULTY: Thank you.

24 CHAIR JASON HODGE: Let's take a quick  
25 break. Ten minute, 15 minutes, what do you

1 need?

2 DONNA MCNULTY: Fifteen.

3 CHAIR JASON HODGE: A 15 minute break.

4 (WHEREUPON, a brief recess was  
5 taken, after which the Piloting  
6 Board Review Committee  
7 continued.)

8 CHAIR JASON HODGE: All right. Everybody,  
9 let's he get started again. So, the formula  
10 has changed, as presented by the pilots here in  
11 Pensacola. I hope everybody has had a chance  
12 to review that. It gets in line with what we  
13 see at other ports, and I will make a motion to  
14 accept it, as it was presented, and that is the  
15 formula change, that it's a tiered adjustment  
16 on the pilotage rate calculations.

17 DONNA MCNULTY: And so, for clarification,  
18 you're solely talking about the, just the  
19 formula itself, not the actual components of  
20 it, as this point?

21 CHAIR JASON HODGE: Correct. Only the  
22 formula, which you can see at this time.

23 MICHAEL JACCOMA: This was provided by --

24 DONNA MCNULTY: No. I made a little  
25 chart, based on the actual application, and

1           also the ports letter, as well, and I have one  
2           extra copy. I don't know if Dillon has any  
3           extra copies.

4           CAPTAIN MATTHEW MEILSTRUP: Could I get a  
5           copy?

6           DONNA MCNULTY: How about once for Lance  
7           and one for Meilstrup, the port, and that's --

8           CHAIR JASON HODGE: It's extracted from  
9           what you --

10          CAPTAIN MATTHEW MEILSTRUP: I'm assuming,  
11          yes, sir.

12          DONNA MCNULTY: All I did was, take your  
13          application, put it -- enumerated it, and so  
14          now you get the inner workings of my mind.  
15          It's very scary.

16          CHAIR JASON HODGE: We're entering the  
17          danger zone.

18          DONNA MCNULTY: Yeah, it's very dangerous.

19          EDWARD TELLECHEA: The mind of a lawyer.

20          CHAIR JASON HODGE: So, Commissioners, in  
21          terms of how the calculation is made, there was  
22          a proposal to change it, which I see is in line  
23          with what we see in Tampa, Miami and other  
24          ports.

25          BRIAN SEUTER: This is typically referred

1 to as the Miami Box Method.

2 CHAIR JASON HODGE: Okay. Miami Box  
3 Method.

4 BRIAN SEUTER: That's what it's typically  
5 known as in the State.

6 CHAIR JASON HODGE: Thank you for that. I  
7 didn't realize that.

8 BRIAN SEUTER: The famous Miami Box  
9 Method.

10 CHAIR JASON HODGE: So, I think we need to  
11 have a motion to accept that formula change  
12 before we get into the other items --

13 BRIAN SEUTER: Specific items --

14 CHAIR JASON HODGE: -- the specific items.  
15 So I'll make in the motion for the change, if  
16 somebody will second that.

17 MICHAEL JACCOMA: I'll second that.

18 BRIAN SEUTER: Before we vote on it, who  
19 is proposing that we do this?

20 MICHAEL JACCOMA: This isn't getting into  
21 that right now, I don't think. It's just  
22 accepting a change in modifying the way they  
23 are going to charge, what the actual rate will  
24 be, will be determined.

25 DONNA MCNULTY: If this is on -- this is

1 their application, page 29 of their  
2 application. Well, I mean, page 2 of the  
3 application, but 29 as Bates stamped in your  
4 material.

5 CHAIR JASON HODGE: So to get framework  
6 around the rates, we have to understand how we  
7 calculate it. So we're going to use the Miami  
8 Box Rate Calculation, that method. We would  
9 want to make sure that we all understand that  
10 that's what we're going to use, and then we  
11 will go through the items and determine if we  
12 want to adjust the rates, with that  
13 calculation, if it makes sense to everybody.

14 MICHAEL JACCOMA: Second.

15 CHAIR JASON HODGE: Okay. Seconded by  
16 Jaccoma. All in favor? (Board members  
17 responded.)

18 Any opposed?

19 Motion carries.

20 Okay. So, now we move into the LOA  
21 rate --

22 DONNA MCNULTY: First you need --

23 CHAIR JASON HODGE: I thought that was  
24 timing for that.

25 DONNA MCNULTY: It is, but unit charges,

1           you know, under the current methodology has  
2           charges. Under the proposed Miami Box Formula  
3           methodology they would be proposed to be not  
4           applicable. Is there a motion?

5           BRIAN SEUTER: I'll make the motion to  
6           strike the unit charges from the application.

7           CHAIR JASON HODGE: I'll second that. All  
8           in favor? (Board members responded.)

9           Any opposed?

10          That motion carries.

11          Okay. Now we're on the LOA rate. So  
12          there is a proposal by the Port Authority to  
13          make adjustments in the GT on materials.

14          DONNA MCNULTY: In your materials there's  
15          the letter from the Port Authority. In the  
16          materials, I believe, it begins, the letter  
17          dated March 6th, begins on page 195, and then  
18          beginning a couple of pages later, is the  
19          response dated March 11th from Captain  
20          Meilstrup is the impact of those proposed  
21          modifications.

22          MICHAEL JACCOMA: So I would ask Captain  
23          Meilstrup, according to his letter, it says,  
24          while I am not prepared to take position on it,  
25          the tonnage and tiers, at this time, have you

1 -- do you have a position now?

2 CAPTAIN MATTHEW MEILSTRUP: Well, before  
3 hearing you deliberate, I -- I have a good  
4 relation with the port. The port, it is  
5 important to maintain that relationship.

6 COURT REPORTER: It's what, I'm sorry?

7 CAPTAIN MATTHEW MEILSTRUP: It's important  
8 to maintain that relationship. If it is the  
9 Committee's desire to, I guess, adopt this,  
10 then I'm certainly willing to consider it, or  
11 use that. Do you want a definitive answer  
12 right now before you talk about it?

13 MICHAEL JACCOMA: I just, I mean, I didn't  
14 know if you changed your -- re-evaluated your  
15 position or not on this. That's all. I'm just  
16 trying to determine.

17 CHAIR JASON HODGE: I have a question for  
18 the IC. Did you guys consider the port's  
19 recommendation and have we done any  
20 calculations on that to see how that effects  
21 the income? There's going to have to be some  
22 impact there, I would assume.

23 STEVE STEVENS: So -- so, yes, we have  
24 looked at it. We received this information  
25 after the draft was pretty much complete, so we

1 did not factor it into our report.

2 CHAIR JASON HODGE: Okay.

3 STEVE STEVENS: But I wanted to make sure  
4 that you have the information, and that's why  
5 we included it, as an exhibit.

6 BRIAN SEUTER: And, Chairman Hodge, if you  
7 can refer to page 200 of 201, of the full  
8 agenda, there is a breakdown that is similar to  
9 what might have been found with the IC, and  
10 that shows an income breakdown with the new  
11 charges -- well, with the tiers, not  
12 necessarily the Box Method, but it's probably  
13 closer.

14 CAPTAIN MATTHEW MEILSTRUP: If I may  
15 offer, I have some slides that I can show you  
16 that has some of this depicted, if you so  
17 desire.

18 MICHAEL JACCOMA: Well, wasn't this part  
19 of your letter, wasn't it?

20 CAPTAIN MATTHEW MEILSTRUP: It is. I  
21 anticipated we might go here today. I did  
22 continue on, and I crafted some slides that  
23 show the impact, you know, revenue and revenue  
24 per handle, and things like that.

25 CHAIR JASON HODGE: Okay. So starting on

1 page -- okay, I see it here, so Captain  
2 Meilstrup, may I ask a question?

3 CAPTAIN MATTHEW MEILSTRUP: Yes.

4 DONNA MCNULTY: So your analysis on the  
5 first two charts of your response letter, the  
6 first one shows kind of the impact on the  
7 standard vessel fees, like how much were those  
8 types of vessels. And then table 2 shows the  
9 impact in projected years one and two of the  
10 port's modifications to your total income for a  
11 pilot.

12 CAPTAIN MATTHEW MEILSTRUP: That is  
13 correct. And I would add, those are based on  
14 the original applications numbers, and also the  
15 fact that I used inbound and outbound trips,  
16 so --

17 DONNA MCNULTY: You used what?

18 CAPTAIN MATTHEW MEILSTRUP: Inbound and  
19 outbound trips. So it's doubled. It's the  
20 round trip, instead of just the inbound trip  
21 panhandle, which the IC Report only used the  
22 inbound legs for their comparisons, so.

23 DONNA MCNULTY: So I'm just trying to --

24 CAPTAIN MATTHEW MEILSTRUP: So I'm just, I  
25 guess, I'll try that one more time. So both

1           these charts are my analysis, you're correct on  
2           your assertion. They are based on the figures  
3           I submitted in my original application, and not  
4           necessarily comparable directly to the  
5           Investigative Report. I do have information,  
6           if you wish, it is in line with the  
7           Investigative Committee's methodology and  
8           process they used in the report.

9           BRIAN SEUTER: Captain Meilstrup, so these  
10          numbers were calculated with the unit method as  
11          opposed to box method; is that true?

12          CAPTAIN MATTHEW MEILSTRUP: No, no, that's  
13          not --

14          BRIAN SEUTER: These are box method, is  
15          this --

16          CAPTAIN MATTHEW MEILSTRUP: This is the  
17          Miami Box Method, yes.

18          BRIAN SEUTER: Okay. Understood. Thank  
19          you.

20          CHAIR JASON HODGE: Is everyone -- I know  
21          we have a representative from the Port  
22          Authority here, would you like to comment, sir,  
23          on what you submitted regarding the tonnage  
24          adjustments, or tonnage suggestion time, I  
25          might say?

1           LANCE SCOTT: In my letter I just  
2 highlighted in the disparity in terms of what  
3 Captain Meilstrup had further on in his report,  
4 computed more as an error, in terms of how he  
5 was breaking out vessel tonnage categories.  
6 And so, obviously -- well, I won't say  
7 obviously, to me, at least, the Banana Spirit  
8 falling into a different category, based on the  
9 size or the weight, seemed more in line with  
10 what he was actually trying to get at, and I  
11 failed to capture that in its initial  
12 application, and obviously anything that  
13 reduces -- again, I'm sorry for the word  
14 obviously -- but clearly anything that reduces  
15 the overall rate, enhances potentially,  
16 competitiveness for me in terms of markets.

17           I will note that the Banana Spirit calls,  
18 on behalf of Martin Marietta, and will no  
19 longer be calling here, at least, in the  
20 foreseeable future, based on the cargo that by  
21 carries, but that size of vessel, in terms of  
22 weight, certainly fits the Pensacola Port  
23 characteristics in terms of ability to handle  
24 it, both from the channel to the port. Does  
25 that answer your question, sir?

1 CHAIR JASON HODGE: Yeah. Thank you.

2 LANCE SCOTT: Okay.

3 CHAIR JASON HODGE: Any questions?

4 BRIAN SEUTER: Did you want to present  
5 something or he has -- he says he has more  
6 materials to offer. Are we interested in  
7 seeing that or -- I think we should see that.

8 CHAIR JASON HODGE: Okay. Yeah. We'll  
9 take a look at it.

10 CAPTAIN MATTHEW MEILSTRUP: I apologize.  
11 I only have five copies of it. I will put this  
12 on the screen for the rest of the -- I hope  
13 this answers your question. So I'll show you  
14 the four slides that you have attached on the  
15 screen. The first one, simply, is the  
16 depiction of what Port Director Scott had in  
17 his letter, and I changed the original  
18 application's wording in white, and the yellow  
19 is the proposal from the port. As you shift on  
20 table 2, this is the impact to your table 5 in  
21 the Investigative Report, and that reflects  
22 simply vessels, mainly, the Grit Cement and the  
23 Banana Spirit, sliding into the next lower  
24 tiered column. The third slide, same as table  
25 9, this gives you revenue, gives you the

1 handles that we discussed earlier, revenues per  
2 handle, the average hours, and revenue/handle  
3 hour in the Investigative Report, table 9. The  
4 black is the average, all classes figure, used  
5 in the Investigative Report. The red is the --  
6 I'm sorry, if you're not interested in seeing  
7 that -- the red the, my more precise  
8 calculation based on inbound and outbound and  
9 the 64 actual vessels and their characteristics  
10 that I referenced earlier in my conversation.  
11 And the blue would be the results of the port's  
12 proposal of the tonnage to your columns being  
13 changed.

14 MICHAEL JACCOMA: So looking at this, I'll  
15 look at the last slide.

16 CAPTAIN MATTHEW MEILSTRUP: Yes, sir.

17 MICHAEL JACCOMA: You've got the IC Report  
18 using average all cases, comes out to \$388,864.

19 CAPTAIN MATTHEW MEILSTRUP: Correct.

20 MICHAEL JACCOMA: And you're saying that  
21 using your methodology, that the inbound and  
22 outbounds, that would actually be \$320,643?

23 CAPTAIN MATTHEW MEILSTRUP: Yes, sir.

24 MICHAEL JACCOMA: And then if we were to  
25 adopt the recommendation from the port, it

1 would be \$283,424?

2 CAPTAIN MATTHEW MEILSTRUP: Yes, sir.

3 CHAIR JASON HODGE: I'd like to ask the IC  
4 to --

5 STEVE STEVENS: I can't hear you.

6 CHAIR JASON HODGE: I'd like to ask the IC  
7 to agree or disagree with that.

8 STEVE STEVENS: I'd have to see Captain  
9 Meilstrup's breakdown of the handles. We've  
10 got a little spreadsheet that we built on this,  
11 and it -- the numbers per handle are similar,  
12 but the chart provided in number 1 to his  
13 response to the City to show the comparisons in  
14 table 5, if my understanding is correct, the  
15 \$5,509, is for an in and an out. So if I  
16 divided it in half, it would be \$2,754.5, and  
17 what I'm showing per handle, with the rates and  
18 the tonnage is dollar amount \$2,965.98. So I'm  
19 a little bit off, and I included the  
20 cross-license fee, dispatch, dock fee, along  
21 with the different rates, using for the small  
22 vessel, the length overall 440 feet, a beam of  
23 68 feet, a draft of 27, and gross tonnage of  
24 9,299, which came from the table 4 in our  
25 report on page 15. So, the numbers are close

1           so, you know, I think the difference is  
2           reasonable, and you know, it would depend on  
3           the handles of what the gross revenue would be,  
4           and I think Captain Meilstrup mentioned 64 as  
5           his new projection, but we don't have the  
6           breakdown of the handles between small, medium  
7           and large for the 64 handles.

8                   CHAIR JASON HODGE:  Yeah, I noticed that,  
9           as well.

10                   So I'd like to ask the Port Authority, who  
11           is your biggest competitor?  Who do you compete  
12           with the most?  Is it Tampa, is it Mobile or --

13                   PATRICK GRAMLING:  Panama City.

14                   LANCE SCOTT:  I would view, based on our  
15           market, that Mobile is the one that can satisfy  
16           folks from a service transportation  
17           perspective.  I don't have analysis behind  
18           that.

19                   CHAIR JASON HODGE:  Okay.

20                   LANCE SCOTT:  I would state, for the  
21           record, that as a Florida port network, 16 and  
22           gateways, the unwritten rule is, you're not  
23           competing within Florida ports for business.  
24           We want to grow from the outside.

25                   CHAIR JASON HODGE:  Sure.  So is that part

1 of the reason why you submitted a little bit  
2 different tonnage, I guess?

3 LANCE SCOTT: Correct. More comparable  
4 rates.

5 CHAIR JASON HODGE: Dealing with -- okay.

6 LANCE SCOTT: Every comparative advantage  
7 makes sense, yes.

8 CHAIR JASON HODGE: For the record, I just  
9 wanted to make sure that everybody understands  
10 that that's why, really why you've done it, to  
11 stay competitive?

12 LANCE SCOTT: Correct.

13 CAPTAIN MATTHEW MEILSTRUP: The slight  
14 variance may be that I used different inbound  
15 drafts --

16 CHAIR JASON HODGE: Yes.

17 CAPTAIN MATTHEW MEILSTRUP: -- and  
18 outbound drafts.

19 CHAIR JASON HODGE: Okay. And that would  
20 make sense.

21 MICHAEL JACCOMA: So it's basically, that  
22 you're a discharge port --

23 (Cross-talk)

24 CAPTAIN MATTHEW MEILSTRUP: Projected.

25 MICHAEL JACCOMA: Projected.

1 CHAIR JASON HODGE: That makes sense.

2 Okay.

3 PATRICK GRAMLING: So I have a question.

4 LANCE SCOTT: Sure.

5 PATRICK GRAMLING: So I understand that if  
6 we don't compete within Florida, it makes  
7 perfect sense, but if I look across, and  
8 obviously there's disparity in the rates, so if  
9 I was, you know, looking at Panama City, for  
10 example, right now, and I understand they're  
11 coming up, at some point, also for a rate  
12 review, when you talk about competitive, you  
13 know, staying competitive, I guess I just want  
14 to make sure I understand, do you have concerns  
15 that these rate changes would drive people to  
16 Panama City, even though you're not competing  
17 with them, but it would significantly hamper  
18 your ability to --

19 LANCE SCOTT: Sir, thanks for the  
20 question. I think my intent in that letter was  
21 to highlight, what I thought was, a pretty high  
22 change in rates, and at the same time,  
23 comparatively, across both Florida, as  
24 provided, as well as, other ports within the  
25 Gulf, that we would be at the high end, and I

1 do -- I do believe that would be an impact, in  
2 terms of seeking additional growth.

3 PATRICK GRAMLING: Yeah.

4 LANCE SCOTT: My -- my two current tenants  
5 that provide clearly the bulk of any traffic to  
6 the port, you could argue, are potentially  
7 grounded in here, but it may become cost  
8 probative. I do know either of those companies  
9 are in -- in this room right now.

10 PATRICK GRAMLING: Yeah.

11 STACEY BUCCIERI: But, at the same time,  
12 every dollar matters in the margin. So I don't  
13 know if that answers your question directly,  
14 sir?

15 PATRICK GRAMLING: It does, and I'm going  
16 to follow on and say, Mobile being a, let's  
17 say, let's call it a greater concern for the  
18 State, the rates that you've proposed, you  
19 believe would not hamper you in competing with  
20 Mobile?

21 LANCE SCOTT: No, the rate -- I didn't  
22 propose a rate.

23 PATRICK GRAMLING: Okay.

24 LANCE SCOTT: I proposed a change in  
25 classification for tier.

1           PATRICK GRAMLING: Okay.

2           LANCE SCOTT: I don't agree with the rate  
3 as requested.

4           PATRICK GRAMLING: Okay.

5           LANCE SCOTT: I do agree with the fact  
6 that he's entitled to an increase --

7           PATRICK GRAMLING: Yeah.

8           LANCE SCOTT: -- based on the last rate in  
9 2011. And I'll leave it at that, because  
10 that's up to you as a Committee.

11          PATRICK GRAMLING: Okay.

12          BRIAN SEUTER: Commissioner Gramling, as  
13 part of our deliberations, or conversation  
14 here, I think it's important to note, pilotage  
15 costs are a relatively small part of the total  
16 understanding of how much it brings -- how much  
17 it costs to bring a vessel to a particular  
18 port. So when we consider stevedoring costs,  
19 tugboat costs, pilot costs, line handlers, all  
20 those things have to go into account, and  
21 pilotage costs, pilotage is a relatively small  
22 portion of the total costs, and so I think that  
23 is -- there are many reasons that ships either  
24 come, or do not come to a port. In my  
25 experience, I have never known a ship to either

1           come, a serve to either come or not come, based  
2           on pilotage rates. So, yes, the total amount  
3           in dollars of a port cost is important to  
4           consider, yet this is a relatively small  
5           portion of it. And in that vein of  
6           conversation, Captain Meilstrup, the Bahri, for  
7           example, she comes here as opposed to going  
8           where?

9           CAPTAIN MATTHEW MEILSTRUP: Mobile has  
10          been the port.

11          BRIAN SEUTER: And if she went to Mobile,  
12          would there be a cost -- are they saving money  
13          by coming here?

14          CAPTAIN MATTHEW MEILSTRUP: Substantially,  
15          and I do not have that information in front of  
16          me, of course. I have been told, by several  
17          knowledgable folks, that they save somewhere in  
18          the neighborhood of \$200,000 in land  
19          transportation costs. It's 13 miles from the  
20          Port of Pensacola to their plant. It's 60 from  
21          Mobile to their plant, so it's a substantial  
22          figure there, and that could, be give or take.

23          BRIAN SEUTER: So when a company like that  
24          is considering whether to go to Mobile or to  
25          Pensacola, they're making it based on total of

1 all of those costs, and not necessarily on  
2 pilotage costs, so that needs to be considered.  
3 It's not so simple as just looking at pilotage  
4 is expensive, so ships aren't going to come  
5 here anymore. They're coming for other  
6 reasons. I just wanted to make that clear to  
7 all of us.

8 PATRICK GRAMLING: No, and I appreciate  
9 you doing that, and it seems very clear, and  
10 I -- but I don't want to minimize what we're  
11 trying to do here, which is get fair rates for  
12 pilotage, right, so that's our job.

13 CHAIR JASON HODGE: Well, and it's  
14 important that we don't put Port Authority, or  
15 the State of Florida at a disadvantages because  
16 of a rate that we have. Again, I agree with  
17 what you say, and I have been on the line of  
18 sight of things, so I understand how these  
19 things work, but we still need to be careful  
20 and make sure we're, you know, we're doing the  
21 right thing for our customers, and for the  
22 State of Florida. So I appreciate those  
23 comments. Thank you very much. So, do we have  
24 a motion to accept the Port Authority's  
25 recommendation on tonnage tiers, or to accept

1           what was presented by Captain Meilstrup. Are  
2           we prepared to do that?

3                     (Mumbling, cross-talk)

4           MICHAEL JACCOMA: Sorry, I'm just trying  
5           to understand where we are on that.

6           PATRICK GRAMLING: So the motion that  
7           you're looking for would be accepting the rate,  
8           or I'm sorry --

9           CHAIR JASON HODGE: Accepting the tonnage  
10          tiering --

11          PATRICK GRAMLING: Yeah.

12          CHAIR JASON HODGE: -- for the rate. We  
13          haven't talked about the rate yet.

14          PATRICK GRAMLING: Okay.

15          CHAIR JASON HODGE: We're looking at the  
16          change in the tonnage that the port  
17          recommended.

18          PATRICK GRAMLING: Got it.

19          CHAIR JASON HODGE: Versus what was  
20          submitted in the application.

21          PATRICK GRAMLING: Understood.

22          CHAIR JASON HODGE: So I'll make a motion  
23          to accept what the Port Authority has submitted  
24          in their application for the LOA rate tiering,  
25          the tonnage adjustments that they recommend.

1 PATRICK GRAMLING: Second.

2 CHAIR JASON HODGE: All in favor.

3 (Board member responded).

4 MICHAEL JACCOMA: Can we have additional  
5 discussion?

6 CHAIR JASON HODGE: Absolutely. That's  
7 why we're here.

8 MICHAEL JACCOMA: Before I vote. You  
9 know, the impact, what we're trying to  
10 determine, and I think is what you're asking  
11 was, what will that do to specific vessels that  
12 call here, right, and we were trying to get  
13 their number from them. They, I guess, Steve,  
14 you said, that it's pretty much in line with  
15 Captain Meilstrup's --

16 STEVE STEVENS: Yes, it's close.

17 CAPTAIN MATTHEW MEILSTRUP: It's close.

18 MICHAEL JACCOMA: I mean, because, I mean,  
19 I agree to definitely take into consideration  
20 the port. I'm just wondering if maybe there's  
21 always more than one way to skin the cat you  
22 know, and like in Tampa, what we did was, we  
23 did a decrease for the first year, and then the  
24 second year, and eventually got them to where  
25 they wanted to be. So I was just wondering

1           maybe if we wanted to look at that, rather than  
2           just jumping to, you know -- I mean, that's one  
3           proposal. There's other ways to do it, you  
4           know, and maybe that's a --

5           COURT REPORTER: I'm sorry, you're going  
6           to have to speak up.

7           MICHAEL JACCOMA: I'm sorry. You didn't  
8           hear me?

9           COURT REPORTER: I didn't hear the last  
10          part.

11          MICHAEL JACCOMA: I said that may get him  
12          to where he was hoping to get, and maybe they  
13          both get a little, you know, are happy with the  
14          end result. And so I'm just thinking that  
15          there might be another way to get this done.

16          CHAIR JASON HODGE: Any discussions from  
17          the IC?

18          STEVE STEVENS: Well, so, Commissioner,  
19          please forgive the interruption. I think the  
20          motion involved what the City was requesting  
21          and going from the application request for  
22          small of 5,000 gross tons, medium, 5,000 to  
23          20,000, and then large, greater than 20,000,  
24          and the City requested a proposed modification  
25          of less than 10,000 gross tons, 10,000 to

1 30,000 gross tons, or 10,001, and then greater  
2 than 30,000 gross tons. I don't think the  
3 motion, and please correct me if I'm wrong, I  
4 don't think the motion was considering the  
5 different rates per tier, it was just changing  
6 the three tiers.

7 MICHAEL JACCOMA: Right. But that, in  
8 essence, gets you a different rate per vessel.

9 STEVE STEVENS: Yes, sir.

10 MICHAEL JACCOMA: Right. Does anyone want  
11 to look at that, or do we just want to -- I'm  
12 just throwing it out there before --

13 PATRICK GRAMLING: Yeah. I had -- I'm,  
14 you know, I'm new, right, so I'm asking more  
15 questions probably than anyone else, because of  
16 that, hopefully. So I apologize in advance for  
17 asking for education, but a couple of things.  
18 Right now, it's a binary sort of decision is do  
19 we increase the rate or not, and then, I guess,  
20 how much do we increase by.

21 So another question I had, which maybe  
22 this is absurd, and it's okay to just point it  
23 out if it is, I have thick skin, what if --  
24 would we ever consider proposing that Panama  
25 City and Pensacola share pilots, for example,

1 or is that just silly to even mention?

2 MICHAEL JACCOMA: I mean, it's considered  
3 in the certain ports like Fernandina and  
4 Jacksonville are combined ports.

5 PATRICK GRAMLING: Yeah.

6 MICHAEL JACCOMA: But that's not something  
7 that I think we can do today --

8 DONNA MCNULTY: That's not --

9 PATRICK GRAMLING: Okay.

10 MICHAEL JACCOMA: It's not something --

11 DONNA MCNULTY: It's not on the -- it's  
12 not before you today.

13 PATRICK GRAMLING: Understood.

14 DONNA MCNULTY: So that's not what you're  
15 here today for.

16 PATRICK GRAMLING: Got it. That's off the  
17 table.

18 BRIAN SEUTER: As we continue our  
19 conversation, I think it's important to  
20 remember that we, primary among our tasks is to  
21 adopt rates that will secure the future of  
22 pilotage, protects a pilotage in Pensacola,  
23 compensate Captain Meilstrup at a level at  
24 which we secure it, not only his presence now,  
25 but going forward, and I would -- does this --

1 do we risk that by cutting what is -- what was  
2 proposed? I would ask directly, Captain  
3 Meilstrup, can you live with what is being  
4 proposed?

5 CAPTAIN MATTHEW MEILSTRUP: The port  
6 adjustment with the tiers, so I'm  
7 understanding?

8 BRIAN SEUTER: Can you live with that?

9 CAPTAIN MATTHEW MEILSTRUP: Yes.

10 BRIAN SEUTER: And it's your understanding  
11 that it secures the possibility for us to  
12 attract someone, which is chief among our  
13 goals, in the future. We have to vote on  
14 whether we're going to be able to do that.

15 CAPTAIN MATTHEW MEILSTRUP: I would stop  
16 short of an absent guarantee on that based on,  
17 define traffic. I have no idea to predict the  
18 future of that port.

19 BRIAN SEUTER: But, as of today, you can  
20 live with this -- and it is a compromise.

21 CAPTAIN MATTHEW MEILSTRUP: I can live  
22 with a compromise.

23 BRIAN SEUTER: And it's a compromise the  
24 port is comfortable with? Do I understand that  
25 correctly, sir?

1           LANCE SCOTT:  It's a compromise I  
2 requested in terms of tiering.

3           BRIAN SEUTER:  Okay.

4           LANCE SCOTT:  Not on the rate itself.

5           BRIAN SEUTER:  So, Captain Jaccoma, does  
6 that satisfy your conversation?

7           MICHAEL JACCOMA:  Yeah.

8           BRIAN SEUTER:  So we have --

9           MICHAEL JACCOMA:  I mean, it's not --  
10 interest in, instead of modifying the tonnages,  
11 but, and just taking, you know, a percentage  
12 off, like we did in Tampa, it sounds like you  
13 want to go with the proposal.

14           BRIAN SEUTER:  We have two ayes, and we're  
15 still -- are we still voting?

16           LANCE SCOTT:  Can I make one more  
17 statement?  I'm sorry to interrupt, sir.

18           BRIAN SEUTER:  Please, yes.

19           LANCE SCOTT:  I just would note that  
20 this -- this tiering piece, again, on the  
21 volume of traffic that we get, the Bahri, as  
22 your example, I don't disagree with the  
23 comments you made in terms of multiple factors  
24 for shipping ports of call, it does not get  
25 affected.  Is that a true statement, Captain

1 Meilstrup?

2 CAPTAIN MATTHEW MEILSTRUP: That is true.  
3 The Bahri, and that would also extend to the  
4 military sealift command ships.

5 LANCE SCOTT: Right.

6 CAPTAIN MATTHEW MEILSTRUP: That size.

7 LANCE SCOTT: Large vessels.

8 CAPTAIN MATTHEW MEILSTRUP: So,  
9 Commissioner, Chairman, you had asked for a  
10 breakdown of vessels, based on my calculations.  
11 The 64 pre-port tonnage change, would be 22  
12 large, 32 medium, and 10 small. The breakdown  
13 in vessels, after or incorporating the tonnage  
14 tier change, both by the port, would be 22  
15 large, stays consistent, 2 medium, and 40  
16 small.

17 CHAIR JASON HODGE: IC, could you punch  
18 those numbers real quick for us?

19 STEVE STEVENS: Yes, sir.

20 CHAIR JASON HODGE: I want to see the  
21 impact here --

22 STEVE STEVENS: Yes, sir. So --

23 CHAIR JASON HODGE: -- at the -- at the  
24 proposed rates.

25 STEVE STEVENS: Yes, sir. So, at the

1 proposed rates, based on the tonnage of -- that  
2 I have for these ships, and 64 handles split  
3 into the new tonnage breakdown tier from the  
4 City of Pensacola, I'm showing gross revenue  
5 for the smalls of \$118,000; mediums, \$10,000,  
6 larges, one hundred sixty-seven, and then the  
7 total for the 64 handles that I have is  
8 \$296,763.54 for gross revenue. I did not  
9 factor in any expenses and within that range  
10 includes, for each tier \$400 for each handle  
11 for dock -- docking, \$25 for each handle for  
12 dispatch and \$250 per handle for cross-license  
13 fees.

14 CAPTAIN MATTHEW MEILSTRUP: One minor  
15 difference is our one -- is the docking fee  
16 would be \$200 for smaller ships.

17 STEVE STEVENS: Okay.

18 CAPTAIN MATTHEW MEILSTRUP: So there will  
19 be a little delta in there, some significance.

20 STEVE STEVENS: Two hundred, thank you.  
21 So that changes the \$118,000 to \$110,000, and  
22 changes the total to \$288,763.54, for the 64  
23 handles.

24 CHAIR JASON HODGE: Thank you.

25 STEVE STEVENS: Yes, sir.

1 CHAIR JASON HODGE: Any other questions,  
2 Commissioners, on this?

3 (Mumbling, cross-talk).

4 MICHAEL JACCOMA: So we got two  
5 eighty-eight, is that what you're coming out  
6 for if we adopt the rate and the tiers, that  
7 the -- as requested from the port?

8 STEVE STEVENS: Yes, sir. For the gross  
9 revenue, not net income to the pilot, that's  
10 correct.

11 MICHAEL JACCOMA: And then what would the  
12 gross income as -- I just don't have it right  
13 in front me, as proposed from the pilot's  
14 application? So what's the --

15 STEVE STEVENS: Oh, the projected was, I  
16 think it was, with the update and the increase  
17 was around, I think, it was \$400,000.

18 THOMAS BUSHY: Four hundred and nineteen.

19 CHAIR JASON HODGE: Four nineteen?

20 BRIAN SEUTER: So the income for the pilot  
21 goes from three forty-two to one eighty-nine;  
22 am I reading that correctly, from page 8 of the  
23 -- it's on 37 of 201, it says total income for  
24 the pilot is \$342,000.

25 PATRICK GRAMLING: Where is that?

1           CAPTAIN MATTHEW MEILSTRUP: Hold on. I've  
2 just got to find, is it a page -- is it in the  
3 Investigative Committee Report?

4           BRIAN SEUTER: It's in the total agenda.

5           DONNA MCNULTY: Is it on -- is it from the  
6 application, maybe page 35, which is page 8 of  
7 the application, page 35 on your material.

8           BRIAN SEUTER: That's right.

9           DONNA MCNULTY: Is it table 4?

10          BRIAN SEUTER: It is table 4.

11          DONNA MCNULTY: Okay. Thank you.

12          CAPTAIN MATTHEW MEILSTRUP: I just want to  
13 clarify, that's the one that falls under --

14          STEVE STEVENS: I think that's it --

15          CAPTAIN MATTHEW MEILSTRUP: Okay. So your  
16 question, sir? I'm sorry.

17          BRIAN SEUTER: It says in that table, in  
18 the last column, 2026 requested rates,  
19 \$342,000. So we're proposing to change the  
20 pilot income from \$342,000 to \$189,000, which  
21 is a very dramatic lowering.

22          PATRICK GRAMLING: Well, when will you say  
23 lowering, you're anchoring on the number that  
24 was just proposed.

25          BRIAN SEUTER: Well, it is lower.

1 PATRICK GRAMLING: Yeah. Fair.

2 DONNA MCNULTY: The proposed --

3 PATRICK GRAMLING: Captain Meilstrup, or  
4 Meilstrup?

5 CAPTAIN MATTHEW MEILSTRUP: Meilstrup.

6 PATRICK GRAMLING: Meilstrup. I  
7 apologize. When you agreed to move here and  
8 take this job, what was the pilot making then?

9 CAPTAIN MATTHEW MEILSTRUP: Same rates.

10 PATRICK GRAMLING: I assume the activity  
11 might have been greater, but when you decided  
12 to take the job, what were --

13 CAPTAIN MATTHEW MEILSTRUP: They're the  
14 same rates.

15 PATRICK GRAMLING: But there was more  
16 activity, I assume? Maybe not?

17 CAPTAIN MATTHEW MEILSTRUP: It was pretty  
18 comparable, sir. I could go back --

19 PATRICK GRAMLING: Okay.

20 CAPTAIN MATTHEW MEILSTRUP: -- but it was  
21 pretty comparable, within 10 or 15, probably.

22 PATRICK GRAMLING: Yeah, yeah, okay.

23 LANCE SCOTT: Vessels or current vessels?

24 CAPTAIN MATTHEW MEILSTRUP: Probably  
25 vessels -- it's somewhere in that ballpark. We

1 have not gone from 200 to a hundred.

2 PATRICK GRAMLING: Fair. Okay. I was  
3 just, you know, trying --

4 CAPTAIN MATTHEW MEILSTRUP: If you want to  
5 know the exact number, I can get you -- I can  
6 get you through 2023, half of 2023, that's when  
7 I took over.

8 PATRICK GRAMLING: Okay.

9 CAPTAIN MATTHEW MEILSTRUP: And it would  
10 take a little more legwork, I could probably  
11 get the rest --

12 PATRICK GRAMLING: Now, it's more just a  
13 question of when you decided to take the job,  
14 was there some expectation that you would  
15 double your pay within a few years, or did you,  
16 like what -- I'm not trying to be sarcastic,  
17 I'm just saying, this is a massive increase  
18 which is fine, if it's fair, it's fair, but I  
19 guess, when I think of -- if I was CFO of the  
20 company right now, and you were coming to me  
21 for a pay increase, and said, hey, this is not  
22 market, and I would say, well, you took the job  
23 five years ago, right? It's been five years,  
24 and I understand things have gone up in five  
25 years, but what's changed in respect to the

1 market rate five years ago, and now and I'm  
2 assuming you accepting, and them offering a  
3 rate makes it a market rate five year ago;  
4 right?

5 CAPTAIN MATTHEW MEILSTRUP: Well, I guess  
6 the first comment I would make on that is, it's  
7 been 15 years since the rate has been  
8 increased.

9 PATRICK GRAMLING: Yeah. But five since  
10 you decided to come work for that rate?

11 CAPTAIN MATTHEW MEILSTRUP: Fair. But  
12 it's still a very dated rate.

13 PATRICK GRAMLING: Yeah.

14 CAPTAIN MATTHEW MEILSTRUP: And so  
15 bringing it into the modern times, yes, I would  
16 have expected that to be done, or expect to do  
17 that --

18 PATRICK GRAMLING: Okay.

19 CAPTAIN MATTHEW MEILSTRUP: -- for sure.

20 PATRICK GRAMLING: So, in the back of your  
21 head, it's like, this is coming up for review,  
22 I know this, and I'll live with it but --

23 CAPTAIN MATTHEW MEILSTRUP: Right. I was  
24 hoping it would be done by my predecessor.

25 PATRICK GRAMLING: Fair.

1           CAPTAIN MATTHEW MEILSTRUP: But this is  
2 not -- this is an arduous process.

3           PATRICK GRAMLING: I recognize that.

4           CAPTAIN MATTHEW MEILSTRUP: And that's  
5 probably another -- something for another day,  
6 is to look at this system and figure that  
7 out --

8           PATRICK GRAMLING: Yeah.

9           CAPTAIN MATTHEW MEILSTRUP: -- and how do  
10 you make that less arduous and less painful and  
11 less time consuming and expensive --

12          PATRICK GRAMLING: Yeah. By the way --

13          CAPTAIN MATTHEW MEILSTRUP: -- sidebar --

14          PATRICK GRAMLING: -- I'm not insinuating  
15 that you shouldn't get any pay increase at all.  
16 I'm not saying that. I'm not even inferring  
17 that, and I don't even believe that. I believe  
18 you should get an increase, no question. I'm  
19 just trying to understand, you know, how do we  
20 determine what's fair, and I'm trying to take a  
21 devil's advocate argument that, hey, I'm  
22 looking at a port that's declining in revenue,  
23 while we're asking for massive increases in  
24 pay, and I know what you do, and what the port,  
25 it's unrelated, to some degree, but if you

1 think of it as a business, you say, man, that's  
2 a tough spot to be in for the port, who's  
3 experiencing declining revenue, and potentially  
4 higher competition, and then we're talking  
5 about doubling pay. Even after the change,  
6 it's double, so that's a -- so, when we say,  
7 hey, it's going down from \$349 to \$200, I would  
8 say it's going up by 90 percent. That's really  
9 what we're talking about, because I could throw  
10 any number out, and say I'd like a million  
11 dollars, and come back at 200, and I'd say, oh,  
12 I just took an 80 percent discount.

13 BRIAN SEUTER: It is -- we'll look at  
14 table 3, if we can, while we're having this  
15 conversation, and so the present year that's  
16 shown on table 3.

17 PATRICK GRAMLING: Comparable rate  
18 structure.

19 DONNA MCNULTY: Table 3 of what?

20 BRIAN SEUTER: It's Item 7 in the  
21 application.

22 PATRICK GRAMLING: Oh, you're in the  
23 application.

24 BRIAN SEUTER: Page 37 of 201, and it  
25 shows what the income would be, 145, almost

1           \$146,000, and this is proposing to take it only  
2           to \$189,000.

3           MICHAEL JACCOMA: It even says projected  
4           year 2026 under the current rates is \$161,000.

5           BRIAN SEUTER: Okay.

6           MICHAEL JACCOMA: So we're only talking a  
7           difference there of \$27,000.

8           BRIAN SEUTER: And I would contend that  
9           that's not enough of an adjustment.

10          MICHAEL JACCOMA: I don't think it is  
11          either.

12          CHAIR JASON HODGE: Okay. Tell me  
13          what's -- repeat that, please.

14          MICHAEL JACCOMA: Well, right here, it's  
15          got projected year, current rates, total income  
16          for pilot, and that's total -- that's not net  
17          income, that's total income.

18          BRIAN SEUTER: That's total income for  
19          pilot, and they account for expenses in that.

20          MICHAEL JACCOMA: And that includes the  
21          current rate --

22          PATRICK GRAMLING: Got it.

23          DONNA MCNULTY: And on this table --

24          PATRICK GRAMLING: So we're going from  
25          161, you're saying, to 190 under the current.

1           BRIAN SEUTER: And I'm saying that --

2           PATRICK GRAMLING: I understand.

3           BRIAN SEUTER: -- I would guess that's not  
4 enough.

5           DONNA MCNULTY: But that rate, based on  
6 not 64, based on the 90 something; right? I  
7 mean, based on a different number of vessels.

8           CAPTAIN MATTHEW MEILSTRUP: That is  
9 correct. I would also --

10          PATRICK GRAMLING: By the way, I agree  
11 with you, that makes more sense to me then,  
12 what you're saying. I had the wrong numbers.  
13 We're going from 160 to 190, which you're  
14 saying is not enough. I've got you.

15          CHAIR JASON HODGE: So I'd like to ask the  
16 IC, with the port's calculation the difference  
17 is around the \$130,000-dollar gross, what's the  
18 net impact to the pilot's income? I mean, is  
19 that direct reflective minus 130, or there's  
20 some variables in there that I don't  
21 understand.

22          STEVE STEVENS: So if I take -- let me  
23 make sure I understand your question. So if I  
24 take the gross revenues that we calculated of  
25 the \$288,763.54, and then I back out the

1 operating expenses, is that what -- I can do  
2 that.

3 CAPTAIN MATTHEW MEILSTRUP: I would  
4 propose, also -- I was trying to respond to  
5 your question.

6 PATRICK GRAMLING: Yeah.

7 CAPTAIN MATTHEW MEILSTRUP: I took the  
8 ports dockage rates and factored that -- they  
9 used a 2006, and I was holding still in 2011,  
10 best to my knowledge, to 2025, and that's an 80  
11 percent increase.

12 PATRICK GRAMLING: Okay.

13 CAPTAIN MATTHEW MEILSTRUP: So I also  
14 would plan to get -- because I am not privy to  
15 the details.

16 PATRICK GRAMLING: Yeah.

17 CAPTAIN MATTHEW MEILSTRUP: But the tug  
18 company is being subsidized by the two big  
19 companies that come here --

20 PATRICK GRAMLING: Yeah.

21 CAPTAIN MATTHEW MEILSTRUP: -- because  
22 they can't keep tugs alive with no traffic.

23 PATRICK GRAMLING: Yeah.

24 CAPTAIN MATTHEW MEILSTRUP: So if you  
25 wanted more precise details on that, that would

1 have to come from the tug company.

2 PATRICK GRAMLING: Yeah.

3 CAPTAIN MATTHEW MEILSTRUP: But there is a  
4 monthly subsidy --

5 PATRICK GRAMLING: Yeah.

6 CAPTAIN MATTHEW MEILSTRUP: -- to trigger  
7 here.

8 (Multiple people talking, cross-talk)

9 PATRICK GRAMLING: Yeah.

10 CAPTAIN MATTHEW MEILSTRUP: Otherwise,  
11 they're going to go --

12 PATRICK GRAMLING: Understood. All  
13 around, it's a tough spot for the port, it  
14 seems like.

15 CAPTAIN MATTHEW MEILSTRUP: A tough spot  
16 for all involved.

17 PATRICK GRAMLING: Yeah.

18 CHAIR JASON HODGE: I just want to know  
19 exactly what that net impact is.

20 STEVE STEVENS: Yes, sir.

21 CHAIR JASON HODGE: No, I know you're  
22 working on it. Thank you.

23 STEVE STEVENS: No, I've got it. So the  
24 \$288,763.54, based on 64 handles, and the  
25 current requested rates, I add to it \$88,583

1 for -- I'm sorry, for gross launch service  
2 revenue. I back out operating expenses of  
3 \$149,247, then I back out the non-pilot partner  
4 share of income, \$16,654, and I arrive at a net  
5 income per -- for the pilot of \$211,445.54.

6 PATRICK GRAMLING: Calculated based on  
7 their proposed --

8 STEVE STEVENS: Sir?

9 PATRICK GRAMLING: -- calculated based on  
10 this proposed tier-age that we've got?

11 STEVE STEVENS: Yes.

12 PATRICK GRAMLING: Okay.

13 CHAIR JASON HODGE: The port authority's  
14 proposed tiering.

15 STEVE STEVENS: Yes, sir.

16 PATRICK GRAMLING: All right. That's very  
17 helpful.

18 STEVE STEVENS: Did I go too fast? Do I  
19 need to repeat that? Are we good?

20 CHAIR JASON HODGE: No, I'm good. That's  
21 what I needed. Thank you.

22 STEVE STEVENS: Yes, sir.

23 PATRICK GRAMLING: So that \$211,000 would  
24 compare then to the one sixty-four or whatever  
25 we were just looking at, one sixty-eight?

1           STEVE STEVENS: Yes, sir.

2           PATRICK GRAMLING: Okay. Thank you. I  
3 hope that wasn't my car that just got broken  
4 into.

5           MICHAEL JACCOMA: That's a 24 percent  
6 increase from the projected that was submitted  
7 to the number that we just heard,  
8 approximately.

9           PATRICK GRAMLING: Yeah.

10          DONNA MCNULTY: But that projected -- I  
11 mean, the projected, that included more  
12 vessels; is that correct? This number reflects  
13 the 64.

14          STEVE STEVENS: That is correct.

15          DONNA MCNULTY: Versus what was in the  
16 application.

17          MICHAEL JACCOMA: Oh, sorry, I lost you.

18          DONNA MCNULTY: Okay. So in the  
19 application, the projection included, like, was  
20 it ninety something?

21          STEVE STEVENS: I think it was 96.

22          DONNA MCNULTY: Ninety-six vessels.

23          CAPTAIN MATTHEW MEILSTRUP: (Inaudible,  
24 cross-talk).

25          DONNA MCNULTY: This says down to 64

1 vessels projected. So I think -- so keep that  
2 in mind, as well --

3 COURT REPORTER: I'm sorry. I missed what  
4 you were saying.

5 PATRICK GRAMLING: So what is the apples  
6 to apples is what --

7 DONNA MCNULTY: One at a time, please.

8 STEVE STEVENS: So Ms. McNulty had  
9 mentioned ships. It's actually 96 handles down  
10 to 64 handles.

11 PATRICK GRAMLING: Thank you.

12 CHAIR JASON HODGE: So we're not comparing  
13 the same amount of handles in our comparison,  
14 we've got more in the proposal than what we  
15 have for 2026 estimated; correct?

16 STEVE STEVENS: Yes, sir.

17 CHAIR JASON HODGE: Which affects this --

18 STEVE STEVENS: Absolutely.

19 CHAIR JASON HODGE: -- paper. So is there  
20 a way that we can adjust the proposal number so  
21 --

22 STEVE STEVENS: Yes. I can give you -- I  
23 can give you the gross revenue. It will be the  
24 same iteration with the 96 handles from --

25 CHAIR JASON HODGE: I think that's what we

1 should do --

2 STEVE STEVENS: Okay.

3 CHAIR JASON HODGE: Because that's the  
4 only way we're going to get on level with the  
5 percentages.

6 STEVE STEVENS: Yes, sir. Just a second.  
7 So when we go to the 96 handles, and my  
8 assumption, so this is an assumption -- I have  
9 62 small vessels, 12 medium vessels --

10 THOMAS BUSHY: No, it can't be 62.

11 STEVE STEVENS: Sixty-two smalls, 12  
12 mediums, 22 larges, for a total of 96. That 96  
13 gives us a gross revenue of \$401,000, and then  
14 let me do the iteration with the other numbers  
15 to give you a net. So the net here of  
16 \$324,507.60, compared to net of the 64 handles  
17 of \$211,445.54. So, \$110,000-dollar  
18 difference, because of the decrease of 96  
19 handles to 64 handles.

20 PATRICK GRAMLING: I think we're just  
21 trying to understand, comparatively --

22 STEVE STEVENS: Yeah.

23 PATRICK GRAMLING: -- whether it's 64, or  
24 whatever you want to use, we want to know, sort  
25 of before and after the proposal, what does it

1 look like.

2 BRIAN SEUTER: So what's the last net  
3 income number we have? We should maybe go back  
4 to that?

5 STEVE STEVENS: So, from the compilation  
6 that was provided in the application.

7 BRIAN SEUTER: Present year, 2024.

8 CHAIR JASON HODGE: Are you referring to  
9 pilot income?

10 PATRICK GRAMLING: On page 11 -- on 11 of  
11 the report, there are, appears to be '24, '25  
12 and '25 estimated with rate increase, pilot  
13 income numbers there, can we use those or --

14 MICHAEL JACCOMA: Are those net?

15 PATRICK GRAMLING: They have net and  
16 gross.

17 MICHAEL JACCOMA: That's, what page is  
18 that?

19 PATRICK GRAMLING: That's on page 11 of  
20 the report. So maybe it we stick to that page  
21 and work off of it, that would be easier.

22 BRIAN SEUTER: Okay.

23 DONNA MCNULTY: Can I ask a question of  
24 Mr. Stevens? So, on the page 11, that chart  
25 everybody is looking at, the net income was

1 under -- within 2025 estimated, with the rate  
2 increase was approximately, net income of three  
3 thirty-two, okay.

4 STEVE STEVENS: Yes. But that did not  
5 include the gross launch service revenue or the  
6 launch service expenses.

7 PATRICK GRAMLING: Is there a table with  
8 all of that combined where we can look?

9 STEVE STEVENS: That would be in the  
10 compiled financial statements that's included  
11 in your package.

12 PATRICK GRAMLING: But those aren't  
13 comparative. Those are single year, if I  
14 recall.

15 STEVE STEVENS: That is correct.

16 PATRICK GRAMLING: So there is no  
17 comparative schedule, at the moment, that we --

18 STEVE STEVENS: That is correct.

19 PATRICK GRAMLING: Okay.

20 CHAIR JASON HODGE: 2025 estimated with  
21 the rate increase, it doesn't say here how many  
22 vessels.

23 PATRICK GRAMLING: Can we just add a line  
24 to this table on page 11, can you give us the  
25 two lines that you would add for whatever you

1           said, pilot rental -- pilot who -- I can't  
2           remember what the two things were that --

3           STEVE STEVENS: Yes, sir.

4           PATRICK GRAMLING: Maybe we can just add  
5           them on here, and then we'll have it all in one  
6           spot.

7           STEVE STEVENS: Okay.

8           MICHAEL JACCOMA: And how many vessels is  
9           that one?

10          DONNA MCNULTY: Handles, 96.

11          MICHAEL JACCOMA: This table -- yeah, how  
12          many handles?

13          DONNA MCNULTY: Would that include the 96,  
14          that was from the original application, this  
15          table?

16          STEVE STEVENS: I'm sorry, were you asking  
17          me? I'm sorry, what was your question?

18          MICHAEL JACCOMA: The table on page 11,  
19          our page 11.

20          STEVE STEVENS: Yes, sir.

21          MICHAEL JACCOMA: How many handles would  
22          be involved with that estimated with rate  
23          increase for 2025? It gave \$332,000, how many  
24          handles would we be looking at there?

25          CAPTAIN MATTHEW MEILSTRUP: 2025 is 90;

1 2026 is 96.

2 CHAIR JASON HODGE: Okay. So a slight  
3 difference.

4 So that being said, with the Port  
5 Authority suggestion, it's a slight difference.  
6 I think he's still -- the IC is still doing  
7 some calculations on the net, so --

8 BRIAN SEUTER: Chairman Hodge, should we  
9 take a moment to allow them to properly find  
10 the information? Maybe take a few minutes?

11 CHAIR JASON HODGE: Yeah. I need a cup of  
12 coffee, so I think that's a great idea.

13 (WHEREUPON, a brief recess was  
14 taken, after which the Board of  
15 Pilot Commissioners hearing  
16 continued.)

17 CHAIR JASON HODGE: Is everybody with us?  
18 Mr. Stevens --

19 STEVE STEVENS: Yes, sir.

20 CHAIR JASON HODGE: Have you concluded  
21 your calculations?

22 STEVE STEVENS: Yes, sir. So on my page  
23 11, under section 2, where we have the table of  
24 the compiled financial statements, we have the  
25 existing rate column, 2024 -- 2024 if I take

1 the net income of \$127,406, I add the launch  
2 services revenue of \$85,234, I subtract,  
3 \$48,442 for expenses, and that comes up to --  
4 the 85 minus 48, that's \$36,792 of a net for  
5 launch services. I take half of that, because  
6 we share that, if I understand Captain  
7 Meilstrup correctly. We add the \$18,396 to the  
8 \$127,406, and we come up with \$145,802 for net  
9 income to the pilot, including launch services  
10 for 2024, using existing rates, and that's with  
11 107 handles.

12 In 2025, the column without rate increase,  
13 which is at 90 handles, I add \$82,883 for  
14 revenue for launch service, I subtract \$55,000  
15 for expenses of launch services, I come up with  
16 \$27,878, divide it in half, that's \$13,939. I  
17 add that to the \$142,170, that comes up with  
18 \$157,109, and that's in 2025, with 90 handles  
19 estimated, at the current rates.

20 CHAIR JASON HODGE: Can you -- let me stop  
21 you there for a moment --

22 STEVE STEVENS: Yes, sir.

23 CHAIR JASON HODGE: -- if you don't mind  
24 please.

25 STEVE STEVENS: Nope.

1           CHAIR JASON HODGE: I know we were  
2           discussing 96 handles versus 90. Now, can we  
3           adjust to 96 on the numbers that you just gave  
4           us, without the rate increase? You're showing  
5           90, I'd like it to be 96, because I want to  
6           make sure that we're as close as we can be, if  
7           you will, on our numbers. Does that make that  
8           much of a difference, I guess, the six --

9           STEVE STEVENS: So -- so I don't have the  
10          detail, the breakdown detail of where the --  
11          how the gross revenue was calculated based on  
12          the different --

13          CHAIR JASON HODGE: Oh, that's a  
14          calculation that you didn't do?

15          STEVE STEVENS: I did not. This is --

16          CHAIR JASON HODGE: Okay. I'm sorry.  
17          Never mind.

18          STEVE STEVENS: No. No worries. And then  
19          2025, estimated with the rate increase and 90  
20          handles, again, the \$82,883 in launch service  
21          revenue, \$55,005 in expenses, gives us a net  
22          for launch services of \$27,878. Fifty percent  
23          is \$13,939. I add that to the \$332,000, that  
24          gives us \$346,023, as net income --

25          CHAIR JASON HODGE: Can you repeat that --

1 STEVE STEVENS: Yes, sir.

2 CHAIR JASON HODGE: -- net income number,  
3 please?

4 STEVE STEVENS: Yes, sir. \$346,023.  
5 Again, that's with 90 handles.

6 CHAIR JASON HODGE: Okay.

7 STEVE STEVENS: And that's with the  
8 requested rate increase in the application,  
9 which is under a different tiering situation,  
10 also.

11 CHAIR JASON HODGE: In the port  
12 authority's tiering; correct?

13 STEVE STEVENS: Yes.

14 DONNA MCNULTY: This is with the tiering  
15 or without the tiering?

16 STEVE STEVENS: This is with the original  
17 application tiering.

18 DONNA MCNULTY: So it's the original  
19 application tiering, not -- not the Port  
20 Authority's.

21 STEVE STEVENS: Not Pensacola ports.

22 DONNA MCNULTY: And was it -- I thought  
23 that column was 96 handles for 2025 estimated  
24 with rate increase?

25 STEVE STEVENS: The 2026 is 96 handles,

1 2025 is 90 handles.

2 DONNA MCNULTY: Okay.

3 STEVE STEVENS: And I took those numbers  
4 from page 7 of the application.

5 CHAIR JASON HODGE: Okay. So what I would  
6 like to know is the difference now, the net to  
7 the pilot, okay, the net income, the difference  
8 between Port Authority's tiering suggestion, or  
9 what they submitted versus the original  
10 application. That's what we're trying to get  
11 to.

12 STEVE STEVENS: So, with the Port  
13 Authority's tier structure, and 64 handles,  
14 well, and again -- now, I'm in '26.

15 CHAIR JASON HODGE: Right. We went to 96,  
16 I believe, for 26 --

17 STEVE STEVENS: Yes.

18 CHAIR JASON HODGE: -- so we can  
19 compare --

20 STEVE STEVENS: Yep. Yes, sir, we can.

21 CHAIR JASON HODGE: -- apples to apples.

22 STEVE STEVENS: So that net income number  
23 is, for the 96, is \$324,507.

24 CHAIR JASON HODGE: Okay.

25 STEVE STEVENS: And if you're trying to

1 compare that to the \$346,023.

2 CHAIR JASON HODGE: So the difference is  
3 \$22,000, basically.

4 MICHAEL JACCOMA: So one of them is 96 and  
5 the other is 90 handles?

6 STEVE STEVENS: Yes.

7 CHAIR JASON HODGE: Correct. There is a  
8 difference in the handles.

9 STEVE STEVENS: Yes, sir.

10 CHAIR JASON HODGE: All right. So from my  
11 perspective, I think an 111 percent increase is  
12 too aggressive, okay. I'm going to state that  
13 for the record. I am willing, you know, to  
14 figure out how we can get into something in the  
15 60 percentile. Given the CPI adjustments,  
16 would be around 36 to 37 percent over the time  
17 period that was stated, we could go -- in my  
18 opinion, I would be willing to go beyond that,  
19 somewhere in the 60 percentile. I feel like  
20 that's fair. I feel like it's fair for the  
21 Port Authority, and for the industry, and I  
22 would ask the Committee, Investigative --  
23 Investigative Committee, if you could tell me  
24 the best way for us to get there, with the  
25 existing numbers and formula that we have. Is

1           there a way that you can get us there, that we  
2           can take a look at?

3           STEVE STEVENS: Yes, sir. But I need to  
4           think about it first.

5           CHAIR JASON HODGE: You're going to need a  
6           few minutes?

7           STEVE STEVENS: Yes, sir.

8           CHAIR JASON HODGE: I understand that.

9           MICHAEL JACCOMA: That would be, in  
10          essence, reducing by 50 percent; is that right,  
11          because 111, take away 50, you would be at 60  
12          percent.

13          CHAIR JASON HODGE: Right.

14          MICHAEL JACCOMA: So you basically cut it  
15          in half.

16          CHAIR JASON HODGE: Well, I don't look at  
17          it as taking anything away.

18          MICHAEL JACCOMA: No, I understand.

19          CHAIR JASON HODGE: I'm looking at it as  
20          we're getting 60 percent.

21          MICHAEL JACCOMA: Right. But does it, is  
22          what I want to know. By doing that, does it  
23          get there? I mean, it seems like it should.

24          PATRICK GRAMLING: So 60 percent on top --  
25          so, effectively, if I understood you, you take,

1 let's say, what resulted in \$157,000 in 2025,  
2 and you would be willing to accept a structure  
3 that would provide a 60 percent higher?

4 CHAIR JASON HODGE: That is what I'm  
5 proposing.

6 PATRICK GRAMLING: Which should be, okay,  
7 which would be 250 then, if everything was  
8 exactly the same using that --

9 CHAIR JASON HODGE: Right. And then we  
10 would need to back into these calculations to  
11 get there.

12 PATRICK GRAMLING: I understood, okay.

13 CHAIR JASON HODGE: And I think, over some  
14 time, we can do that.

15 BRIAN SEUTER: Are we adjusting from net  
16 or from gross, or I guess, it doesn't really  
17 matter.

18 CHAIR JASON HODGE: Well, I'm looking at  
19 net income to the pilot, because I think the  
20 big concern here is, we need to have  
21 sustainability in terms of his current  
22 functions and duties. He needs to want to work  
23 here, and down the road, somebody else is going  
24 to need to want to work here, too. Now there's  
25 increases coming down the road. I'm not

1 looking at this as trying to give you a package  
2 so you can retire in six years, right, and I  
3 don't want it to be viewed that way. I'm  
4 trying to be fair to the Port Authority and to  
5 the industry; right, and I understand that we  
6 need to get closer to what the Florida market  
7 is with pilots, but you know, this a small  
8 port, you know, it's hard to compare, you know,  
9 a New York to Georgia, or if you understand my  
10 point, in terms of the Port Authority, and the  
11 industrial base here. So that's what I would  
12 like to say about that.

13 Now, you're welcome to comment to me --

14 CAPTAIN MATTHEW MEILSTRUP: Can I comment?

15 CHAIR JASON HODGE: Sure.

16 CAPTAIN MATTHEW MEILSTRUP: I understand.  
17 My concern is that we'll be back here, because  
18 you won't be able to attract somebody --

19 COURT REPORTER: I'm sorry. I can't hear  
20 you.

21 CAPTAIN MATTHEW MEILSTRUP: We will be  
22 back here, because I don't know that anyone is  
23 going to look at the port, and can make  
24 \$455,000 as a Master unlimited. So the best  
25 and most qualified could be an issue. And the

1           only other thing I would point out is, if the  
2           port's docking rates went up 80 percent, then  
3           maybe 80 percent is where we should be,  
4           somewhere in that area, but I offer it up just  
5           as consideration.

6                    PATRICK GRAMLING:  Would be it be fair to  
7           say that -- that working in Pensacola port is a  
8           lifestyle choice, to some degree, meaning I'm  
9           now no longer a CFO, but I'm teaching.  I work  
10          two days a week; right, 9 months out of the  
11          year.  People talk about teachers not getting  
12          paid a lot.  I also don't work a lot.

13                   So, if I were selling this job, if I was  
14          somebody trying to convince somebody to come  
15          here and be pilot, I might contemplate, hey,  
16          it's a little slower paced here, it's not such  
17          a bad thing.  You can have a nice, you know,  
18          nice place like you have, on the river or  
19          whatever, and then it's like, you don't have to  
20          work every day.  Now, I don't mean it like  
21          you're doing nothing.  I understand there's  
22          paperwork and you're doing all the behind the  
23          scenes stuff.  I'm not suggesting there isn't a  
24          lot there, but I'm guessing that it's a little  
25          bit less than, let's say, a Miami or a Tampa

1 pilot is probably working?

2 CAPTAIN MATTHEW MEILSTRUP: I would  
3 contest, on the support services, no.

4 PATRICK GRAMLING: Okay.

5 CAPTAIN MATTHEW MEILSTRUP: Because I do  
6 it all myself.

7 PATRICK GRAMLING: Right.

8 CAPTAIN MATTHEW MEILSTRUP: They have 18  
9 of them or whatever.

10 PATRICK GRAMLING: Right.

11 CAPTAIN MATTHEW MEILSTRUP: From the  
12 number of hours on the ship, yes. So  
13 there's -- there's a balance there.

14 PATRICK GRAMLING: Okay.

15 CAPTAIN MATTHEW MEILSTRUP: And I would --

16 PATRICK GRAMLING: -- but the number of  
17 hours you're working --

18 CAPTAIN MATTHEW MEILSTRUP: I mean, I can  
19 certainly have a quality of life in a different  
20 port, too.

21 PATRICK GRAMLING: Yeah.

22 CAPTAIN MATTHEW MEILSTRUP: And that's  
23 what somebody that's looking to come here will  
24 have to decide. You know, Florida ports are  
25 all pretty good --

1           PATRICK GRAMLING: Yeah.

2           CAPTAIN MATTHEW MEILSTRUP: -- and  
3 individual tastes, I guess. The question is,  
4 will you get the best and most qualified, and  
5 that is a crystal ball. I mean, I don't know.

6           PATRICK GRAMLING: Yeah.

7           CAPTAIN MATTHEW MEILSTRUP: But it is  
8 certainly with -- depending on the rate we come  
9 up with, that is going to be a factor for a lot  
10 of pilots, especially if they're younger.

11          PATRICK GRAMLING: Yeah. Understood.

12          MICHAEL JACCOMA: I would say like, in a  
13 major port, you generally have almost equal  
14 time off to time, you know, that you're on  
15 schedule, to be ready to do a ship; right.

16          PATRICK GRAMLING: Got it.

17          MICHAEL JACCOMA: Where he's on 365,  
18 unless he can get some --

19          PATRICK GRAMLING: On call, yeah.

20          MICHAEL JACCOMA: Yeah.

21          PATRICK GRAMLING: I get that. All right.  
22 I withdraw my -- but I was asking, genuinely I  
23 wanted to understand, is that the selling  
24 point, and because you took the job, so I'm  
25 curious, like what was the mindset, and I was

1           assuming it was lifestyle, and I now know I was  
2           mistaken.

3           CAPTAIN MATTHEW MEILSTRUP: Well, the  
4           mindset, honestly was, I can be a pilot  
5           anywhere on the planet --

6           PATRICK GRAMLING: Yeah.

7           CAPTAIN MATTHEW MEILSTRUP: -- so I was  
8           looking at Puget Sound, initially.

9           PATRICK GRAMLING: Yeah.

10          CAPTAIN MATTHEW MEILSTRUP: And then this  
11          thing came up with Pensacola, hey, Matt, I like  
12          the weather down there, it's great, it's a  
13          lifestyle choice, and then you come in and this  
14          rate hasn't been increased in 15 years, you  
15          look at your peers --

16          PATRICK GRAMLING: Right.

17          CAPTAIN MATTHEW MEILSTRUP: -- what  
18          they're making --

19          PATRICK GRAMLING: Yeah.

20          CAPTAIN MATTHEW MEILSTRUP: -- which isn't  
21          what I'm making --

22          PATRICK GRAMLING: That I get.

23          STACEY BUCCIERI: -- and should I go  
24          elsewhere, and then something like that pops on  
25          the screen, I didn't have awareness of all

1 this. Most the folks grew up in the industry.  
2 They have a little bit more familiarity. I was  
3 a public servant, Coast Guard, so --

4 PATRICK GRAMLING: Got it. No, that's  
5 super --

6 CAPTAIN MATTHEW MEILSTRUP: -- that's my  
7 mindset, if that helps, to answer the question.

8 PATRICK GRAMLING: Very helpful. Very  
9 helpful, thank you.

10 BRIAN SEUTER: Chairman Hodge, what number  
11 were you looking to go to 60 percent from?

12 CHAIR JASON HODGE: From the current --

13 BRIAN SEUTER: From the current. And  
14 what -- do we have an agreement what number  
15 that is?

16 PATRICK GRAMLING: Well, what we're -- I  
17 think what we're doing, because it's so hard --  
18 it's like trying to pick a number, we started  
19 with this 2025 number that's \$157,109, based on  
20 90 handles. So given that we don't know how  
21 many handles, it could be 60, it could be 90,  
22 it could be 110, probably 60, I think we  
23 thought, we're just saying, let's level set on  
24 handles for now, and use that to come up with a  
25 comparable, to see what would happen, if you

1 had the same amount of handles, how would that  
2 affect pilot income, is what we're trying to  
3 do. So get something comparable to the 157. I  
4 think his suggestion is, if the same level of  
5 activity were to take place in 2025 or 2026, as  
6 2025, the pilot would earn 60 percent more than  
7 what he earned.

8 BRIAN SEUTER: Currently.

9 PATRICK GRAMLING: Currently, what he's  
10 earning now. So when you say how do we  
11 compare, given that there's a lot of moving  
12 pieces here, I think we're just saying, let's  
13 level set, and hold activity and volume  
14 constant, and then just look at, if constant  
15 activity, what would the pay be, and then we  
16 asked the CPA to help us think about what a  
17 structure might be that would result in a 60  
18 percent increase, considering similar volume.  
19 Is that a right way to say that?

20 CHAIR JASON HODGE: That is.

21 PATRICK GRAMLING: Okay.

22 BRIAN SEUTER: So if we agree on that  
23 logic, is there room to grow from that  
24 60 percent to go higher? I hear that 80  
25 percent, and that makes sense to me from the

1           docking perspective. Is there somewhere we can  
2           find common ground in that?

3           PATRICK GRAMLING: So build, sort of a  
4           tiered --

5           (Cross-talk)

6           COURT REPORTER: I can't hear you. I'm  
7           sorry.

8           CHAIR JASON HODGE: The -- agreement, is  
9           that what you're asking?

10          BRIAN SEUTER: If we agree on this  
11          methodology, that will that this number that we  
12          can commonly agree on, and agree on a  
13          percentage increase, would you be willing to go  
14          higher to match what the ports docking, which  
15          that fee is 80 percent higher than it was, that  
16          gets us a little bit closer, if we can find  
17          common ground on that?

18          CHAIR JASON HODGE: Well, I would be  
19          willing go, you know, discuss the following  
20          years, right. I think 6 years was proposed or  
21          was it more than that.

22          MICHAEL JACCOMA: Six.

23          CHAIR JASON HODGE: Six.

24          DONNA MCNULTY: Wait, well, I want to be  
25          clear, the rate stays in effect; right?

1 CHAIR JASON HODGE: Right. But there's  
2 going to be --

3 MICHAEL JACCOMA: An escalator.

4 BRIAN SEUTER: An escalator.

5 DONNA MCNULTY: So the escalator, you  
6 know --

7 CHAIR JASON HODGE: Well, but that's going  
8 to be part of this conversation, because we've  
9 got to agree that here's the base rate now, and  
10 then we know, in the future, it's going to go  
11 to, six years from now, it's going to be 300  
12 and whatever, right, and that's when we're  
13 going to be looking for another pilot,  
14 potentially. Hopefully, you can retire.

15 CAPTAIN MATTHEW MEILSTRUP: Maybe.

16 CHAIR JASON HODGE: So that's kind of my  
17 methodology here.

18 BRIAN SEUTER: So what, Chairman Hodge,  
19 what if we did, say, a 60 percent increase, and  
20 then take our lessons from Tampa, and maybe we  
21 did two years at 10 percent, and then four more  
22 at 3, a piece?

23 CHAIR JASON HODGE: Well, that's what I'm  
24 getting at.

25 BRIAN SEUTER: That's a structure proposal

1           then?

2                   CHAIR JASON HODGE: From an industry  
3 perspective, 110 percent or 111 percent  
4 increase is a huge pill to swallow, okay.

5                   PATRICK GRAMLING: Anywhere.

6                   CHAIR JASON HODGE: Somebody has got to  
7 pay for that, and somebody is going to see that  
8 number and go, holy smokes, what's going on in  
9 Pensacola, and we don't want that to happen.  
10 The Port Authority doesn't want that to happen.  
11 So, I feel like 60 percent is justifiable based  
12 on CPI that you have not got, okay, because of  
13 the last agreement, over the term, since 2011,  
14 whatever, it comes up to 36 or 37 percent,  
15 right, okay, 100 percent, I agree that needs to  
16 come. And then, on top of that, we can do  
17 additional, up to 60 percent. That's what I'm  
18 proposing. And then in years two, three, four,  
19 five, let's discuss an escalator, that is  
20 reasonable for everybody, considering the fact  
21 that it will be six year agreement, or do we  
22 want to shorten that agreement and revisit the  
23 rate structure, because we don't know what the  
24 handles are going to be. If the handles go  
25 down to 30, now what?

1           PATRICK GRAMLING: Well, we've got a  
2 bigger problem then.

3           CHAIR JASON HODGE: We've got a bigger  
4 problem. So I think we really need to look at  
5 the term of the agreement, also, because if it  
6 goes down to 30, then we've got to sit down and  
7 reset this thing and we've got to look at it in  
8 two years.

9           DONNA MCNULTY: So I want to be clear, for  
10 the record, what you all are doing. You're  
11 setting the appropriate rates based on the  
12 information you have based, like what should be  
13 the appropriate rate of pilotage, based on the  
14 revenue requirements, all the operating  
15 expenses, everything that you know at this  
16 date.

17           CHAIR JASON HODGE: Yes.

18           DONNA MCNULTY: And it will remain in  
19 place, you know, you can have your escalator,  
20 or whatever you do later, but everything is  
21 going to remain in place, until a pilot comes  
22 in, to ask for a change in the rates, or anyone  
23 else comes and asks for a change in rates?  
24 It's not like, it just going poof, after X  
25 amount of time? I just want to be clear, you

1 know, that you're setting the appropriate rate.

2 CHAIR JASON HODGE: So if we agree --  
3 question, if we go, let's say six years, then  
4 there cannot be a rate adjustment for six  
5 years --

6 DONNA MCNULTY: No, no, no.

7 CHAIR JASON HODGE: Okay. So that --  
8 there could still be application put in --

9 DONNA MCNULTY: Some day after --

10 CHAIR JASON HODGE: -- anytime during that  
11 period?

12 DONNA MCNULTY: After 18 months.

13 CHAIR JASON HODGE: Eighteen months. The.

14 MICHAEL JACCOMA: After the last rate  
15 increase, which is -- if the escalator goes in,  
16 is that a rate increase?

17 DONNA MCNULTY: No. Okay. Because the  
18 rates are set at a point, you know, when the  
19 final order is set, that's the time. The final  
20 order says, here are what the -- where the  
21 rates are going, it's when the rates are set.

22 MICHAEL JACCOMA: I do not think that the  
23 pilot groups are going on that opinion, legal  
24 opinion. I know the Panama City folks are  
25 waiting for their 18 month window before they

1 submit their repackage, and I've been told that  
2 has not been yet decided in the Statute, but  
3 I'm just --

4 DONNA MCNULTY: It's just, I don't know, I  
5 mean --

6 CHAIR JASON HODGE: Well, I think --

7 EDWARD TELLECHEA: The rate is set in that  
8 Final Order.

9 DONNA MCNULTY: I think so, too.

10 MICHAEL JACCOMA: Yeah.

11 DONNA MCNULTY: Even though it has an  
12 escalator, their rate is set on when that final  
13 order went into effect.

14 CHAIR JASON HODGE: And then 18 months  
15 after that --

16 DONNA MCNULTY: Is a bar, that nobody can  
17 file anything for that 18 months. After 18  
18 months, the pilots can come in to ask for  
19 another rate change, as well as anybody else  
20 who's effected by that.

21 CHAIR JASON HODGE: Okay. So that will  
22 help protect him. If the number goes down, he  
23 could then come back, after 18 months --

24 DONNA MCNULTY: Yes.

25 CHAIR JASON HODGE: -- if the number of

1 handles go down. I want to make sure you're  
2 protected, too, and the port is protected.

3 CAPTAIN MATTHEW MEILSTRUP: And you  
4 understand what you're asking, the amount of  
5 pain and work that you're asking for that? For  
6 a one person pilot to submit a rate package  
7 like this is no small endeavor.

8 CHAIR JASON HODGE: And I appreciate your  
9 efforts there. Okay. And that is noticed, but  
10 my point in this is, the 111 percent for me,  
11 okay, is too much.

12 PATRICK GRAMLING: Yeah. And let me say,  
13 because I think we all -- well, it doesn't  
14 matter -- I think we have to balance the  
15 concept of the port. You, all the -- everybody  
16 who's a party to this, and my concern would be  
17 this, and I like, sometimes I speak in  
18 extremes, to make a point, but if we increase  
19 the rates of all the people that are vendors to  
20 the port, and the port stops getting any  
21 traffic, it doesn't matter how much you make if  
22 there are no boats coming in, right? So you  
23 have to balance the needs of the port,  
24 maintaining a viable business, and the pilot  
25 who needs to get paid fairly, too. So I'm

1       trying to walk this sort of the tight rope, if  
2       you can understand, and I understand, hey, it's  
3       easy to say, and I don't -- I'm not be flip,  
4       it's easier to say, yeah, but the pilot is only  
5       this much and the stevedores are only this  
6       much, but collectively, they make a big number;  
7       right, and there is a competitive factor going  
8       on here. The port needs to be able to compete,  
9       or it won't be a port any more; right? At some  
10      point, I don't care how much infrastructure you  
11      have inland, that can be moved, in time, and  
12      people make decisions, very frequently,  
13      because, I mean, you raise the minimum wage and  
14      McDonald's now has kiosks in there. You walk  
15      in and now you order from a machine. The  
16      machine was not viable until they raised the  
17      minimum wages; right? So I'm just throwing out  
18      the point, we have to consider everything, I  
19      believe. So 111 percent, I think, I'm with you  
20      a hundred -- a 111 percent on that, that's too  
21      much. What I'd like to do is, tight -- walk  
22      that tight rope between how can we keep the  
23      port reasonably viable, with costs and what  
24      have you, as well as keeping a pilot who's  
25      happy, and wants to continue to work, and

1           that's kind of where -- I don't know where that  
2           line is, but that's what we're trying to find,  
3           and you've got a proposal out there at  
4           60 percent. That's a reasonable, to me, by the  
5           way, walking in the door, I would say, in a  
6           business setting, the 60 percent would be like  
7           incredibly generous. This isn't business, so I  
8           get that; right, it's different, but a 60  
9           percent increase, five years after you started  
10          working somewhere, I've never had that  
11          personally, and I'd love it. It's terrific,  
12          and I'm not -- I don't begrudge you that, but  
13          my point is, we've got to find a reasonable  
14          thing here, and it's not 111, so now where is  
15          it?

16                   CHAIR JASON HODGE: Right.

17                   PATRICK GRAMLING: That's the question.

18                   CHAIR JASON HODGE: Steve, have you  
19          concluded?

20                   STEVE STEVENS: So because of the  
21          variables, with the handles, the new way to  
22          calculate the rates, I can manipulate some  
23          numbers and get back to the gross pilot income  
24          of \$193,654 with 90 handles, but I've got to  
25          look at tiers and figure out how to mess with

1 that, or we're not going to get an accurate  
2 number. So what would I suggest is, if we  
3 could look at -- look back at that table 5, on  
4 page 15 of the Pilotage Rates, and that's where  
5 we see the proposed, and the last row is  
6 Pensacola existing, and that existing  
7 calculation, Captain Meilstrup, please correct  
8 me if I'm mispronouncing it --

9 CAPTAIN MATTHEW MEILSTRUP: Are we in the  
10 IC Report?

11 STEVE STEVENS: Yes, sir.

12 CAPTAIN MATTHEW MEILSTRUP: On page 5?

13 STEVE STEVENS: Yes, page 15.

14 CAPTAIN MATTHEW MEILSTRUP: Table 5.

15 STEVE STEVENS: Yes, sir. Those existing  
16 rates per handle for small, medium and large,  
17 my understanding is, those rates were  
18 calculated the old methodology, and the new  
19 proposed rate was with the new methodology, and  
20 so if we take the existing, for the small,  
21 medium and large, multiply it by 1.6, to add 60  
22 percent to it, then I come back into the  
23 handles, and get to that handle rate, and then  
24 we can see that rate for the 64 handles.

25 CAPTAIN MATTHEW MEILSTRUP: So you're

1 looking at the 64 handle rate with the ports  
2 new tiering; is that correct?

3 STEVE STEVENS: Yes.

4 CAPTAIN MATTHEW MEILSTRUP: It's right  
5 there.

6 BRIAN SEUTER: And, Chairman Hodge, if I  
7 may, I think we're skewing our conversation too  
8 heavily on income, because we are supposed to  
9 be focused on rates. And, I mean, Tampa is one  
10 of the ones that is close, if you mimic  
11 Tampa/Port Manatee, that gives you -- we -- we  
12 are tasked with setting rates. We are --  
13 income is important, but it's not our primary  
14 consideration. I think our conversation seems  
15 like it's more focused on pilot income, and we  
16 do need to keep focused on the rates. So if we  
17 look at nearest competitors for this port,  
18 perhaps you would adopt something very close to  
19 Tampa, and it takes all this kind of guess work  
20 out of it, and focus on setting a firm rate,  
21 and then the income is what it is, and --

22 CAPTAIN MATTHEW MEILSTRUP: I -- I agree  
23 with that.

24 CHAIR JASON HODGE: Well, I think the  
25 reason that the income conversation has come up

1 is --

2 BRIAN SEUTER: It's part of it. It's part  
3 of it.

4 CHAIR JASON HODGE: Because it's a big  
5 part of it.

6 BRIAN SEUTER: It is.

7 MICHAEL JACCOMA: He has to be able to  
8 sustain his business, and we have to be able to  
9 get new pilots. That's why I'm basing the  
10 conversation on that piece of it.

11 BRIAN SEUTER: And so --

12 PATRICK GRAMLING: It's one of the  
13 factors, for sure.

14 BRIAN SEUTER: The Tampa rates are not  
15 far, so far off.

16 CHAIR JASON HODGE: Okay.

17 PATRICK GRAMLING: But why Tampa? We've  
18 got -- you've got Port Manatee at -- I'm just  
19 looking now at --

20 BRIAN SEUTER: Port Manatee is Tampa.

21 MICHAEL JACCOMA: It's Tampa.

22 PATRICK GRAMLING: No, understood. You've  
23 got Port Manatee/Tampa. I see them at the high  
24 end of all other ports in Florida, and I  
25 understand that's unique. But then I see

1 Panama City, I see Key West, I see -- well,  
2 that's all I see on my table, but I look at  
3 Panama City and Key West, they're fairly  
4 comparable to one another, right now, and  
5 they're looking at about half of what the  
6 proposed Pensacola rates are, if I'm looking at  
7 the rate table right, on table 5. So if I just  
8 went small cargo, medium cargo, large cargo,  
9 Pensacola proposed, and compared it to Panama  
10 City and Key West, which looked very comparable  
11 to one another, they're about half of what  
12 Pensacola proposed is, at rate.

13 BRIAN SEUTER: Mr. Stevens, these Tampa  
14 rates, I mean, the Key West rates, are those  
15 the newest rates that had been adopted?

16 THOMAS BUSHY: Yes. Yes, sir.

17 STEVE STEVENS: So, the changes --

18 COURT REPORTER: I'm sorry, I can't hear  
19 you.

20 CAPTAIN MATTHEW MEILSTRUP: Sorry. My  
21 chart, if you're looking at it, does not  
22 reflect the new adjustments we made in this  
23 meeting for Key West.

24 STEVE STEVENS: Right. And neither does  
25 this table, but -- so, what I did is, I took

1 the small cargo, \$1,273 for existing, and  
2 multiply it by 1.6, 60 percent increase, to  
3 come up with \$2,037 per handle. Then the  
4 medium cargo, I did the same thing, \$3,366 per  
5 handle. Same thing for the large, came up with  
6 three thousand \$3,822. When I plug that in, as  
7 the total per handle, and that includes all the  
8 tonnage rate, draft rate, beam rate, so forth,  
9 plus docking, dispatch, cross-license, at the  
10 64 handles, when I get to the net income to the  
11 pilot with the expenses, and even the launch  
12 service revenue, you're down to \$94,978. What  
13 we're talking about, because of the 30 percent  
14 decrease in handles, because we were around 96,  
15 now we're, you know, we're looking at 64 on a  
16 forecast, at 30 percent, and that's a round  
17 number --

18 CHAIR JASON HODGE: Yeah.

19 STEVE STEVENS: We're skewing numbers and  
20 we have to determine which direction we want it  
21 to go, and y'all tell me, and we'll do it.

22 PATRICK GRAMLING: Well, what you just  
23 said was very helpful, I think, so thank you.  
24 If I took your numbers, \$2,037, \$3,366, \$3,822,  
25 for small, medium and large cargo,

1           respectively, that works out to an average of  
2           \$3,075, all classes, which is the metric we've  
3           got on the schedule. That compares to Key West  
4           at \$3,050, pretty comparable, although not even  
5           across the Board.

6           BRIAN SEUTER: But, Commissioner, it's,  
7           every port is so unique.

8           PATRICK GRAMLING: But you chose Tampa, so  
9           I'm choosing Key West.

10          BRIAN SEUTER: Okay. But I'll address Key  
11          West. Key West is a very unique situation.

12          PATRICK GRAMLING: Yeah.

13          BRIAN SEUTER: As is this one, because  
14          large cruise ships, with very large gross  
15          tonnage, they make, per handle, a lot -- a lot  
16          more --

17          PATRICK GRAMLING: Yes.

18          BRIAN SEUTER: -- because they're 90, I  
19          don't know 60, 80, 90,000 tons per ship. It's  
20          not comparable.

21          PATRICK GRAMLING: Well, Tampa has cruise  
22          ships, as well, as you're aware.

23          BRIAN SEUTER: They do have some. They  
24          do.

25          PATRICK GRAMLING: Yeah, so when I look at

1 Panama City, which I'm assuming has no cruise  
2 ships, then this would come in higher, and I  
3 understand they're up for a rate increase, but  
4 it would be -- you could use this as a guide.  
5 I'll read Panama City compared to the proposal  
6 that we're got, that we're discussing right  
7 now, Panama City, \$2,170, Pensacola proposed,  
8 \$2,037, \$2,963, Pensacola, \$3,366, Panama City,  
9 \$3,329 for large, Pensacola, \$3,822. Average,  
10 Panama City, no cruise ships, \$2,821, proposed  
11 right now, Pensacola \$3,075. So, and I  
12 understand, Pensacola is going to come --  
13 sorry, Panama City comes up for rate review,  
14 and they're going to go pointing to this  
15 discussion, by the way, when we have that, fair  
16 enough, and this would be for them, and for  
17 this port, a rate increase. So I'm just -- I  
18 agree with you, by the way, we can't -- we  
19 clearly, by the rules, can't face -- can't base  
20 the decision only on pilot income, and we  
21 should be looking at rates. It's a rate  
22 review. So then the question is, what rates?  
23 Does Tampa fair? I would argue no, and Key  
24 West, you would argue no. Is Panama City, I  
25 don't know? Maybe. They seem reasonably

1 close, and I know they're up for rate review.  
2 So all I'm suggesting though, is if you take  
3 everyone as an average, what we're proposing  
4 right now, puts Pensacola at the high end of  
5 this group, just under Tampa though, which  
6 again, Tampa is, you know, a different animal,  
7 like you said.

8 MICHAEL JACCOMA: Well, actually Port  
9 Manatee is the one that they cited, and it is  
10 part of Tampa, but it's a shorter run than the  
11 regular Tampa run.

12 PATRICK GRAMLING: Okay. So Port Manatee  
13 was carved out from the Tampa?

14 MICHAEL JACCOMA: It's closer to this  
15 port, and to say Tampa.

16 PATRICK GRAMLING: So you -- we you did  
17 this, Port Manatee is carved out of the  
18 Tampa/Port Manatee, and this isn't the full  
19 Tampa port?

20 THOMAS BUSHY: The numbers are -- they're  
21 all in there.

22 COURT REPORTER: I'm sorry.

23 PATRICK GRAMLING: He said they're all in.

24 STEVE STEVENS: Port Manatee and Tampa are  
25 together.

1 PATRICK GRAMLING: Okay.

2 STEVE STEVENS: It's the same.

3 MICHAEL JACCOMA: I'm just saying that  
4 particular part of Tampa is more similar to  
5 compare --

6 PATRICK GRAMLING: Yeah, I get it, but we  
7 don't have Port Manatee info alone?

8 MICHAEL JACCOMA: Well, I mean, it's the  
9 same rate so the numbers would be what they  
10 show. You know, I mean, that's what I'm  
11 saying.

12 PATRICK GRAMLING: I see what you're  
13 saying.

14 BRIAN SEUTER: Chairman Hodge, I'd like to  
15 bring it back to sort of center.

16 CHAIR JASON HODGE: And taking the S off  
17 is --

18 BRIAN SEUTER: I'd like to bring it back  
19 to center, and we have a proposal, that we have  
20 all the numbers that support, or most of them.  
21 Captain Meilstrup has indicated he is  
22 comfortable with this compromise, and it is a  
23 compromise off what was originally proposed.  
24 The port has indicated that they could live  
25 with this, and so the parties that are most

1 interested in this have indicated that they can  
2 move forward with what we have, and I feel like  
3 we're overcomplicating this by our feelings of  
4 it's too much, and it may feel that way, but  
5 the interested parties, they've agreed --  
6 they've indicated in their testimony, that they  
7 are comfortable living with this. I don't know  
8 that we should interject our thoughts about  
9 that, and I think we should move forward and  
10 adopt what they've proposed.

11 CHAIR JASON HODGE: To be clear, I think  
12 the Port Authority is not agreeing to the rate.  
13 They are agreeing, or they agree with the  
14 tiering that is suggested, but not at rate  
15 associated with the tiering. So can we all  
16 agree with the tiering is the question, at this  
17 point, and then we can talk about what the  
18 rates are for the tiering and move forward.

19 I'll make a motion to accept the tiering  
20 for LOA and for beam rate, that the Port  
21 Authority has suggested, along with draft  
22 charges and tonnage charges. I'll make a  
23 motion that we --

24 BRIAN SEUTER: That's the letter at the  
25 end.

1 CHAIR JASON HODGE: -- accept those as  
2 presented by the Port Authority. Will anybody  
3 second that?

4 MICHAEL JACCOMA: So what you're saying  
5 is, we adopt their sizing --

6 CHAIR JASON HODGE: Yeah.

7 MICHAEL JACCOMA: -- and then from there,  
8 we then decide what rate to go along with that  
9 to generate a proper revenue?

10 CHAIR JASON HODGE: Which I believe the  
11 Port Authority presented it, and I believe that  
12 the pilot will agree to it.

13 PATRICK GRAMLING: Chairman Hodge, I  
14 noticed, Mr. Scott raised his hand a moment ago  
15 to say something. I would love to give him a  
16 chance, if we could.

17 LANCE SCOTT: I just actually, Chairman  
18 Hodge, reiterated the point --

19 CHAIR JASON HODGE: Okay. All right.

20 LANCE SCOTT: That I've stated multiple  
21 times, so I appreciate you calling that back  
22 in. Thank you.

23 CHAIR JASON HODGE: Thank you.

24 PATRICK GRAMLING: So I'll second your  
25 motion, if we're waiting on a second.

1           CHAIR JASON HODGE: All in favor. (Board  
2 members responded.)

3           MICHAEL JACCOMA: I'm not -- it's hard for  
4 me, because I don't know where we're going from  
5 there; do you know what I mean?

6           PATRICK GRAMLING: Yeah.

7           MICHAEL JACCOMA: So that's my only -- I  
8 mean, look, we need to give this man proper  
9 compensation for this port. Unfortunately,  
10 there's a small number of vessels that call on  
11 the port, and so we've got a tough knot ahead  
12 of us. I think that's the reluctance on a lot  
13 of our parts, is how to increase such a huge,  
14 which comes out to 111 percent. I just --

15          BRIAN SEUTER: I just -- I would like to  
16 tie them together, our final proposal so we  
17 know, really what we're, the tiers and the  
18 rates, so we actually know the number before we  
19 vote for the tiers. That would be enough.

20          MICHAEL JACCOMA: The thing is, I think,  
21 you know, I know you were opposed to him  
22 looking at the income, but I think you have to  
23 look at the income.

24          BRIAN SEUTER: It's certainly tied.

25          MICHAEL JACCOMA: The Chair is right

1           there, you have to look them there and you work  
2           from there, and it's a matter of how much we  
3           can give him to, you know, the best we can do  
4           for him and for the port.

5           CHAIR JASON HODGE: Well, the tiering is  
6           the framework that will be used for the rates.

7           MICHAEL JACCOMA: Right.

8           CHAIR JASON HODGE: So when we move to the  
9           rate component; right, that can be moved, and  
10          we can move that where we need it to be, and  
11          then we can agree or disagree on that but we've  
12          got to come to some type of terms on that, as  
13          well.

14          So I think it makes sense that we agree  
15          with the Port Authority's tiering.  
16          Mr. Meilstrup said he agreed with it.

17          MICHAEL JACCOMA: Yeah. And I think he  
18          agreed with it, based on the idea that he was  
19          going to then get the rate that he asked for,  
20          you know, so that's the disparity there.

21          CHAIR JASON HODGE: Okay.

22          MICHAEL JACCOMA: So you've got the Port  
23          Authority saying I don't like the rate, but I  
24          like these tiers --

25          CHAIR JASON HODGE: Well, he didn't --

1           MICHAEL JACCOMA: -- and Matt is saying,  
2 well, I'll take the tiers if I get my rate, you  
3 know, so I think that's -- that's the issue  
4 there, and if you give him the tiers with his  
5 rates, that's calculated it out in his letter  
6 and said, here's what it will give me for  
7 revenue. And where I was going to make three  
8 forty-two, I'll now make two eight-eight, and  
9 I'm okay with that, you know. What is that  
10 percentage? It can't be 111 percent anymore,  
11 so what is that percentage, you know.

12           CHAIR JASON HODGE: Well, that leads me to  
13 a question for the Investigative Committee, is  
14 this something that they have not -- did they  
15 not get this?

16           MICHAEL JACCOMA: They looked it over and  
17 they said, in essence, these numbers were  
18 correct.

19           DONNA MCNULTY: But remember to address  
20 your question, Mr. Hodge, the Investigative  
21 Committee Report was first.

22           CHAIR JASON HODGE: First.

23           DONNA MCNULTY: After, you know, after the  
24 deadline for that, they came in, you know,  
25 included in the package you received, would be

1 the information from the port, and then the  
2 response. So, they -- it was too late for them  
3 to change the Investigative Committee Report,  
4 for your benefit, okay.

5 CHAIR JASON HODGE: Okay. Understood.

6 DONNA MCNULTY: So in this, we just kind  
7 of timewise. But you have the information --  
8 maybe, now we do, from the IC, based on your  
9 discussions.

10 CHAIR JASON HODGE: Uh-huh.

11 DONNA MCNULTY: So you've got numbers to  
12 throw around.

13 MICHAEL JACCOMA: Well, I think Steve did  
14 look it over and said, basically, he said that  
15 it's very close.

16 DONNA MCNULTY: Yeah.

17 MICHAEL JACCOMA: So we can be able to  
18 accept those numbers, from what I understand?

19 STEVE STEVENS: Yes, sir.

20 CHAIR JASON HODGE: So this -- that was  
21 submitted after the Investigative --

22 DONNA MCNULTY: Well, what is the "that"?

23 MICHAEL JACCOMA: This is Captain  
24 Meilstrup's --

25 DONNA MCNULTY: Yes.

1           MICHAEL JACCOMA: -- response to the  
2 port's letter.

3           DONNA MCNULTY: Letter, yes. Because keep  
4 in mind, the port -- the Investigative  
5 Committee Report issues, then the Port  
6 Authority, or anybody else has a chance to look  
7 at it, okay, and review the Investigative  
8 Committee Report, which the Port Authority did.  
9 So that's why it's a timing.

10          MICHAEL JACCOMA: Right. I understand all  
11 of that. You know, so \$288,979 is the total  
12 income for a pilot versus \$342, it would that  
13 been under his application. So he's you know,  
14 he's taking a fair amount of the money off --  
15 just by changing the tiers.

16          DONNA MCNULTY: Remember that number,  
17 Mr. Stevens, please correct me if I'm wrong,  
18 the number that Captain Meilstrup's response of  
19 the \$288,979, has like 96 handles; is that  
20 right?

21          STEVE STEVENS: I'd have to yield to  
22 Captain Meilstrup. I think that has 64 in it.

23          CAPTAIN MATTHEW MEILSTRUP: To remain  
24 consistent --

25          DONNA MCNULTY: Oh, that's 64.

1           CAPTAIN MATTHEW MEILSTRUP:  -- with the  
2 application that was submitted, when I  
3 responded to the port's letter, I used  
4 application, original application information,  
5 so that would have been for 2026, 96 handles.  
6 I didn't want to --

7           PATRICK GRAMLING:  So -- so it's 96.

8           LANCE SCOTT:  Ninety-six.

9           BRIAN SEUTER:  But Steve gave us the 64 --

10          DONNA MCNULTY:  Yeah, he did.

11          BRIAN SEUTER:  He gave us --

12          DONNA MCNULTY:  Yes.

13          BRIAN SEUTER:  -- that number as \$211,445.

14          DONNA MCNULTY:  Right.  So I just want to  
15 make sure everybody is on the same page because  
16 they were talking --

17          BRIAN SEUTER:  So if we adopted -- if we  
18 adopted the new tiers with the rates, as  
19 submitted previously, it's \$211,445, at 64  
20 handles --

21          DONNA MCNULTY:  Yes.

22          BRIAN SEUTER:  -- which how can that be  
23 unreasonable?  That's where I am.

24          CAPTAIN MATTHEW MEILSTRUP:  And can I just  
25 ask, make one more point to consider, \$16,000

1 of that is from the cross-licensed pilot fund  
2 to cover down.

3 PATRICK GRAMLING: That comes out of that?

4 CAPTAIN MATTHEW MEILSTRUP: It's ensuring  
5 there's efficient, safe piloting if I'm out of  
6 town for a conference or --

7 PATRICK GRAMLING: That comes out of --

8 CAPTAIN MATTHEW MEILSTRUP: That's -- that  
9 is factored into the number, but it's not going  
10 to be income for me. It's in a separate  
11 account and it will go to someone like Captain  
12 Phipps, if she comes up --

13 PATRICK GRAMLING: Got it.

14 DONNA MCNULTY: But I thought that was  
15 subtracted out, and then that made that \$211  
16 number?

17 BRIAN SEUTER: It was.

18 DONNA MCNULTY: Okay. That's what I  
19 thought.

20 BRIAN SEUTER: Oh, okay, you did --

21 PATRICK GRAMLING: That's a net number --

22 COURT REPORTER: Okay. I can't get  
23 everyone.

24 STEVE STEVENS: No the number the \$211 --  
25 let me go through this and make sure I'm saying

1 this correctly, the gross was \$288,763.54, with  
2 64 handles. Then we added the launch service  
3 revenue, then we decreased for the \$149,000 in  
4 operating expenses, and then we decreased the  
5 \$16,000 PLS no pilot partner, so that's the  
6 \$16,000 --

7 MICHAEL JACCOMA: No. That is from the  
8 launch service.

9 STEVE STEVENS: That's the launch service,  
10 okay.

11 MICHAEL JACCOMA: In your IC Report, the  
12 launch service numbers were not basically  
13 calculated. They were left out, because that  
14 is not part of the my rate proposal.

15 STEVE STEVENS: Well, I pulled the \$16,000  
16 from this chart.

17 MICHAEL JACCOMA: But, you know, by and  
18 large, the \$16,000, if you just supplant that  
19 with the cross-license pilot fund, it's \$16,000  
20 something there, it's \$16,000 straight up, for  
21 the cross-licensed pilot fund.

22 STEVE STEVENS: So what you're saying,  
23 it's a wash?

24 CAPTAIN MATTHEW MEILSTRUP: It's a wash.  
25 I mean, whatever you call it there, the number

1 still, in effect, is correct.

2 BRIAN SEUTER: Well, I would contend the  
3 \$211,000 is the cost of doing business for  
4 keeping this port viable and protecting state  
5 pilots, and not having a gap. And fair, just  
6 and reasonable at one port is not fair, just  
7 and reasonable at every other port, and this  
8 number, it is fair, and just and reasonable,  
9 for this pilot, in this port, and nowhere else.  
10 I think this is the path forward. I think he's  
11 made a compromise, a reasonable compromise. I  
12 feel like this is our path forward.

13 MICHAEL JACCOMA: So you're saying that  
14 with 64 moves --

15 BRIAN SEUTER: That he's at \$211,000.

16 MICHAEL JACCOMA: And that's his net  
17 income will be \$211?

18 BRIAN SEUTER: Yes. And he has indicated  
19 that he can live with this and stay here and  
20 remain committed, or remain committed to state  
21 pilotage and not have a gap, which is our  
22 primary task here is to protect the State from  
23 having no pilots here.

24 MICHAEL JACCOMA: Steve, do you agree with  
25 that number?

1           STEVE STEVENS: Yes, sir. That -- I put  
2 that number out there so, yes, sir.

3           CHAIR JASON HODGE: Okay.

4           MICHAEL JACCOMA: So then we could still  
5 adopt the structure that the port has  
6 requested, as you've made a motion for, and  
7 then we would adopt the rate as -- as asked --  
8 requested.

9           CHAIR JASON HODGE: Okay.

10          MICHAEL JACCOMA: Is that right?

11          PATRICK GRAMLING: I'm still trying to  
12 make sure I know where all the -- so the 64  
13 handles, \$211, is the net income, and that  
14 compares to what -- what are comparing that to  
15 now?

16          CHAIR JASON HODGE: The previous number, I  
17 think, was \$145 or something?

18          PATRICK GRAMLING: The \$157 was 90  
19 handles.

20          MICHAEL JACCOMA: That was 90 handles.

21          PATRICK GRAMLING: That was 90 handles.

22          MICHAEL JACCOMA: It would be less.

23          PATRICK GRAMLING: Yeah. So 90 handles  
24 was \$157, 64, under the new structure is \$211.

25          BRIAN SEUTER: That's 64 handles.

1           PATRICK GRAMLING: Sixty-four handles is  
2           \$211.

3           MICHAEL JACCOMA: Right.

4           CHAIR JASON HODGE: Which is what we have  
5           to --

6           PATRICK GRAMLING: But that comparative  
7           number in '25 is 90 handles. That's what we're  
8           comparing to, so it's a little harder.

9           CHAIR JASON HODGE: So it's going to skew  
10          it, because you're dealing with a lot less  
11          handles. So based on that, I feel a lot more  
12          comfortable myself.

13          MICHAEL JACCOMA: Yeah.

14          CHAIR JASON HODGE: And it takes the Port  
15          Authority's tiering into consideration.

16          BRIAN SEUTER: So we still have that  
17          motion on the table --

18          CHAIR JASON HODGE: Right.

19          BRIAN SEUTER: -- and so I would -- I will  
20          change my vote to a yes, to support the change  
21          in tiering.

22          MICHAEL JACCOMA: Right. And I'll vote,  
23          yes, as well.

24          BRIAN SEUTER: So that's passed.

25          MICHAEL JACCOMA: To adopt the tiering as

1 requested by the port.

2 BRIAN SEUTER: I will make a motion --  
3 I'll make the motion to adopt the rates, as  
4 proposed in Captain Meilstrup's counter letter  
5 to the port's proposal for the change of tiers.

6 PATRICK GRAMLING: That's what results in  
7 \$211?

8 MICHAEL JACCOMA: Yes.

9 PATRICK GRAMLING: Okay.

10 DONNA MCNULTY: Well, now you're confusing  
11 --

12 MICHAEL JACCOMA: One motion at a time.

13 DONNA MCNULTY: Okay. So the first motion  
14 is to accept the Port Authority's modification  
15 to the tiered rate structure.

16 BRIAN SEUTER: And that passed.

17 MICHAEL JACCOMA: Well, not --

18 DONNA MCNULTY: No, we have to --

19 MICHAEL JACCOMA: You've got to call it  
20 again. We didn't --

21 CHAIR JASON HODGE: It never passed.

22 DONNA MCNULTY: Just, there was moved and  
23 second --

24 MICHAEL JACCOMA: Call it now.

25 PATRICK GRAMLING: So who --

1 CHAIR JASON HODGE: All in favor?

2 (Board members responded.)

3 Any opposed?

4 Motion carried.

5 DONNA MCNULTY: Okay. So the tiered rate  
6 structure, they voted for, for the reasons --  
7 well, we'll get to in a minute, based on all of  
8 that. Then Commissioner Seuter?

9 BRIAN SEUTER: I've made a propos -- I've  
10 made a motion to adopt the rates kept that  
11 Captain Meilstrup proposed in his response  
12 letter to the port's proposal for the change of  
13 tiers.

14 DONNA MCNULTY: So the response letter --  
15 nobody has changed -- those are the same.

16 BRIAN SEUTER: They're the same -- they're  
17 the same, but --

18 DONNA MCNULTY: I just want to be clear  
19 that Captain Meilstrup, in what you have as  
20 your motion, is what really what's in the  
21 application, as what rates --

22 BRIAN SEUTER: To adopt the rates as  
23 proposed in the initial application.

24 DONNA MCNULTY: For the LOA rate?

25 MICHAEL JACCOMA: That's not actually

1 right though. You've got to adopt the ones  
2 from the letter, because his is now tied to the  
3 actual tiers.

4 STEVE STEVENS: That's correct.

5 DONNA MCNULTY: Okay. Well --

6 PATRICK GRAMLING: So the port -- the  
7 port's proposal took the original letter,  
8 changed the tiers, but left the rates --

9 DONNA MCNULTY: The same for the small,  
10 medium, and large.

11 PATRICK GRAMLING: So we're accepting the  
12 port's proposal effectively.

13 MICHAEL JACCOMA: The port's proposal with  
14 then, on his response, he's put in now the  
15 port's proposal with the rate.

16 DONNA MCNULTY: And, just to be clear, the  
17 rates for each, like small, medium, large, so  
18 the LOA rate is \$1.25 for GT, \$1.75 for GT, and  
19 you know --

20 MICHAEL JACCOMA: For ten and --

21 DONNA MCNULTY: -- and, you know for 10 to  
22 30 and then \$2.25 for greater than 30.

23 BRIAN SEUTER: There's a question from the  
24 audience.

25 LANCE SCOTT: Again, I just want to

1 clarify that my letter was specific to the  
2 tiering, based on the fact there was a mismatch  
3 in the original application.

4 MICHAEL JACCOMA: Got it.

5 DONNA MCNULTY: Got it.

6 LANCE SCOTT: So I was not proposing  
7 tiering and the rate as is.

8 MICHAEL JACCOMA: Oh, understood.

9 CHAIR JASON HODGE: Understood.

10 PATRICK GRAMLING: Got it.

11 DONNA MCNULTY: And it will be clear that  
12 is -- that's where I was going with that.

13 MICHAEL JACCOMA: Okay.

14 DONNA MCNULTY: So it was not the Port  
15 Authority's rates.

16 MICHAEL JACCOMA: No.

17 DONNA MCNULTY: Okay. I just want to be  
18 clear --

19 MICHAEL JACCOMA: They just recommended  
20 the tiering.

21 DONNA MCNULTY: Just the tiering. They  
22 just modified what is the small, what is  
23 medium, what is large and the rates contained  
24 in the -- I'll say, the rates contained in the  
25 proposed rates in the application for small,

1 for LO -- small, medium and large for LOA, they  
2 stay --

3 PATRICK GRAMLING: Right. They stay the  
4 same, it's just the tier structure changed?

5 DONNA MCNULTY: Correct.

6 CHAIR JASON HODGE: Yes.

7 BRIAN SEUTER: My motion should reflect  
8 that.

9 DONNA MCNULTY: Is it for all the LOA  
10 beam, drafts and tonnage?

11 BRIAN SEUTER: Yes.

12 PATRICK GRAMLING: So Commissioner Hodge,  
13 are you coming off of your 60 percent proposal  
14 then?

15 CHAIR JASON HODGE: Yes. This puts us at  
16 73.

17 PATRICK GRAMLING: Seventy-three, okay.

18 CHAIR JASON HODGE: According to my  
19 calculation.

20 PATRICK GRAMLING: I trust your  
21 calculation.

22 CHAIR JASON HODGE: Well, I haven't had a  
23 lot of sleep, so.

24 LANCE SCOTT: Can I ask a question  
25 before -- I don't want to muddle the proposal,

1 and the motion on the floor, I just want to  
2 make sure that we're clear on what we're  
3 stating because it was, as I understood it,  
4 specific to Pensacola, from a rate perspective;  
5 correct, which is actually tied to an income,  
6 which assumes a level of job satisfaction and  
7 potentially retention later.

8 CHAIR JASON HODGE: That's correct.

9 LANCE SCOTT: So, for the record, as you  
10 continue through other rate reviews, I think  
11 you ought to consider how you weigh rates,  
12 because we're putting -- we're putting a value  
13 on, depending on your decision, we're putting a  
14 value on the Pensacola pilot, in terms of what  
15 -- what they should make here. Does that make  
16 sense what I'm saying?

17 MICHAEL JACCOMA: To some degree --

18 PATRICK GRAMLING: Yeah.

19 DONNA MCNULTY: Well, I want to clarify  
20 for the discussion purposes, it's not that  
21 you're setting his salary, okay, I want to be  
22 clear --

23 PATRICK GRAMLING: Right.

24 DONNA MCNULTY: All right. That you're  
25 setting, you know, like the cost of doing

1 business, with what Commissioner Seuter said,  
2 fair, just and reasonable rates for this  
3 particular port, given the variables, going on  
4 in this particular port, that you're trying to  
5 retain a pilot in this port, in trying to  
6 motivate somebody to apply to be a deputy, so  
7 that something can provide service of pilotage  
8 to this port; is that --

9 PATRICK GRAMLING: And balancing that  
10 with --

11 MICHAEL JACCOMA: The --

12 COURT REPORTER: I'm sorry, I didn't --  
13 what did you say?

14 PATRICK GRAMLING: I just said, and  
15 balancing that with the needs of the port.

16 MICHAEL JACCOMA: It's a tough one. It's  
17 not an easy one here, by any means.

18 PATRICK GRAMLING: So based on the  
19 proposal that I think you made now, you said  
20 Commissioner Hodge, you said 73 percent is,  
21 roughly, sort of the increase in rates that  
22 we're -- we would be agreeing to; is that going  
23 over simplification, or is that -- like, we  
24 just did something where we were looking at the  
25 rates by port, and we had increased them by

1           60 percent and kind of compared across the  
2 board. Would a fair thing now to do, is take  
3 those rates and increase them by 73, and then  
4 look at where those rates put Pensacola,  
5 vis-a-vis the other ports, or is that not the  
6 right way to do it?

7           MICHAEL JACCOMA: I think, because of the  
8 different categories or tiers --

9           PATRICK GRAMLING: It's more complicated?

10          MICHAEL JACCOMA: It may be more  
11 complicated.

12          BRIAN SEUTER: And we also have to get our  
13 head around that, for the duration of how long  
14 this will last, and how much each fixed annual  
15 increase will be --

16          PATRICK GRAMLING: Yeah.

17          BRIAN SEUTER: -- for that period of time.

18          PATRICK GRAMLING: Before we deal with an  
19 increase -- yeah, I just want to make sure if  
20 -- what are we telling customers of the port  
21 we're charging them now, is what I'm trying to  
22 understand? What is the best way to say it?

23          BRIAN SEUTER: These rates --

24          DONNA MCNULTY: There will be a Notice of  
25 Intent and it specifies exactly what these

1 rates will be.

2 PATRICK GRAMLING: No, I got that. I  
3 guess, what I'm suggest -- I'm just trying to  
4 understand, in a very simple way, which it's  
5 clearly not a simple topic, is how do I look at  
6 what, after this proposal, the rates for  
7 Pensacola would be vis-a-vis the other ports in  
8 Florida.

9 DONNA MCNULTY: Okay. What will be  
10 published is that Notice of Intent, is  
11 essentially a tariff.

12 PATRICK GRAMLING: No, for me, I want to  
13 know. I'm not worried about --

14 DONNA MCNULTY: Well, I'm just trying to  
15 tell you --

16 PATRICK GRAMLING: Okay.

17 DONNA MCNULTY: Like, it will be a tariff.  
18 I mean, to anybody who cares will see what  
19 these rates are.

20 PATRICK GRAMLING: Sure.

21 DONNA MCNULTY: And then know what they  
22 were, because they were paying them.

23 PATRICK GRAMLING: Right.

24 DONNA MCNULTY: So they will see, okay, my  
25 vessel is --

1           PATRICK GRAMLING: I don't even know what  
2 we're putting on the schedule that you're  
3 talking about.

4           DONNA MCNULTY: When you say schedule --

5           PATRICK GRAMLING: -- I'm trying to  
6 understand.

7           DONNA MCNULTY: Look at this chart. It  
8 will look a lot like what they put in their  
9 application. I mean, that's -- that's what the  
10 order will look like, okay, and that's what  
11 become --

12          PATRICK GRAMLING: I want just the  
13 numbers. I'm just trying to understand,  
14 numerically speaking, what is --

15          DONNA MCNULTY: So numerically, it will  
16 say, go to the application, page -- the  
17 application, say, page 29, of your material,  
18 the application, page 2.

19          PATRICK GRAMLING: Yeah.

20          DONNA MCNULTY: That's basically what they  
21 will see the 2 number. So they will see what  
22 the new formula is. They'll see, how much does  
23 it cost, the LOA rate for the 10,000, you know,  
24 the small, medium, large, they'll see the beam  
25 rate.

1 PATRICK GRAMLING: No, I got --

2 DONNA MCNULTY: And that's what they will  
3 see, the customers will see.

4 PATRICK GRAMLING: Yeah. My -- let me --  
5 I'm not doing a good job of asking the  
6 question.

7 DONNA MCNULTY: Okay. Sorry.

8 PATRICK GRAMLING: Clearly. I'm a numbers  
9 guy, words are hard for me.

10 DONNA MCNULTY: I like numbers, too.

11 PATRICK GRAMLING: Well, so what I'm  
12 trying -- what I'm just trying to do is, there  
13 was a schedule we were looking at, and I think  
14 it was table 5, maybe -- let me see -- and it  
15 showed rates per port --

16 DONNA MCNULTY: So it was table --

17 PATRICK GRAMLING: -- small, medium and  
18 large ships.

19 DONNA MCNULTY: Okay.

20 PATRICK GRAMLING: I forgot where that is.

21 DONNA MCNULTY: That's on page 15.

22 PATRICK GRAMLING: Page 15, okay. Yeah,  
23 that's the one. What I just want to know now  
24 is, based on what the proposal is on the table,  
25 what would the numbers be, in this chart, for

1           that proposal?  Where it says Pensacola  
2           proposed, what are those numbers now, that  
3           we're agreeing to?

4           MICHAEL JACCOMA:  I think that's on his  
5           witness letter.

6           BRIAN SEUTER:  That's in this addendum.

7           PATRICK GRAMLING:  Okay.

8           CAPTAIN MATTHEW MEILSTRUP:  I think, if I  
9           understand correctly, it might be the slide.

10          PATRICK GRAMLING:  Okay.  I've got it now.  
11          Thank you.

12          DONNA MCNULTY:  That would be number 1,  
13          right, on the vessel pilotage rate compared to  
14          table 5, page 9, that's like --

15          MICHAEL JACCOMA:  It's the one that says  
16          IC Report, table 9, so I think it's the second  
17          page, if I'm not mistaken.

18          DONNA MCNULTY:  Yes.

19          CHAIR JASON HODGE:  Yeah.  On the second  
20          make.

21          PATRICK GRAMLING:  It's this one; right?

22          DONNA MCNULTY:  Okay.

23          MICHAEL JACCOMA:  It has 904 in the blue  
24          number --

25          PATRICK GRAMLING:  It would show Pensacola

1 proposed, \$2,961 small cargo, Port Manatee,  
2 \$2798, that one?

3 DONNA MCNULTY: No. Like in the letter,  
4 this one. So it would be Pensacola proposed,  
5 \$5,509.

6 CAPTAIN MATTHEW MEILSTRUP: I think we're  
7 on a different animals.

8 STEVE STEVENS: So Ms. McNulty is on the  
9 right track. The numbers are slightly  
10 different, because you have to cut them in  
11 half, and when I put them through this little  
12 spreadsheet, the small, per handle number is  
13 \$2,765.98.

14 PATRICK GRAMLING: Okay.

15 STEVE STEVENS: Medium, \$5,221.05, and the  
16 large is \$7,621.92. And I apologize for  
17 interrupting.

18 DONNA MCNULTY: No. That was very good.

19 PATRICK GRAMLING: No, that's helpful.

20 DONNA MCNULTY: So you just took that  
21 number and divided by two because --

22 STEVE STEVENS: So Captain Meilstrup's  
23 number, if you take the number and divide it by  
24 2, it's close to the numbers that I just gave  
25 to you. His number includes in and out, and

1 I'm just naming that --

2 PATRICK GRAMLING: Yeah.

3 STEVE STEVENS: With the nautical  
4 terminology --

5 DONNA MCNULTY: Okay.

6 STEVE STEVENS: -- but I did it with the  
7 handles, with the rate --

8 PATRICK GRAMLING: That's basically this  
9 schedule.

10 DONNA MCNULTY: Okay.

11 MICHAEL JACCOMA: So it's not --

12 CAPTAIN MATTHEW MEILSTRUP: A slight  
13 variance in the small cargo.

14 PATRICK GRAMLING: It's this one right  
15 here that says, IC Report, table 5 on the --

16 MICHAEL JACCOMA: Table 5.

17 PATRICK GRAMLING: It's just the small  
18 heading above the table.

19 MICHAEL JACCOMA: Thank you.

20 PATRICK GRAMLING: No, that one shows  
21 then, you know, we're now above Tampa.

22 BRIAN SEUTER: But a very small amount.

23 PATRICK GRAMLING: But above --

24 BRIAN SEUTER: A very small amount above,  
25 which accounts for the unique circumstances,

1 again, in this port, that we do have to be  
2 mindful of.

3 CAPTAIN MATTHEW MEILSTRUP: And not to add  
4 any more variables, but this was -- these  
5 numbers basically were done from last years  
6 rates --

7 PATRICK GRAMLING: Yeah.

8 CAPTAIN MATTHEW MEILSTRUP: So Tampa is  
9 kicked in with some escalator --

10 PATRICK GRAMLING: Yeah, yeah.

11 CAPTAIN MATTHEW MEILSTRUP: -- I assume,  
12 of some sort.

13 PATRICK GRAMLING: Yeah.

14 CAPTAIN MATTHEW MEILSTRUP: But it's  
15 nominal, not --

16 PATRICK GRAMLING: Well, yeah, and that's  
17 helpful. Tampa, in a lot of cases, is double  
18 every other port on this schedule. So we're  
19 just putting Pensacola in line with Tampa.  
20 Tampa, being the largest numbers I see on this  
21 schedule.

22 DONNA MCNULTY: Mr. Seuter, do you mind  
23 stating, for the record, what are some of the  
24 unique circumstances in this port, so we can  
25 put it in the order?

1           BRIAN SEUTER: Yes. The volume of the  
2 port is very low. There is one pilot that is  
3 on duty all the time. It is a long transit,  
4 and there's a whole bunch of other things in  
5 the report. What else makes this port unique?  
6 I prospects of the future are uncertain. The  
7 prospect for recruiting another pilot in the  
8 future is uncertain. Those are a few of the  
9 things.

10           DONNA MCNULTY: Thank you.

11           PATRICK GRAMLING: And some of those  
12 factors could be used to argue against this big  
13 of an increase, right, like it's a small port,  
14 it's trying to compete with other ports, and by  
15 effectively doubling this cost, and I know  
16 there's other costs going up, too, but like  
17 we're making, you could be putting the port in  
18 a position where, at some point, they have no  
19 traffic, and then we don't need a pilot at all,  
20 right, because there's nothing coming in.

21           BRIAN SEUTER: Again, I'll restate  
22 something I said earlier, pilot fees are a  
23 relatively small portion of overall port costs.  
24 This port has the unique necessity to pay a  
25 higher amount, because we need to protect state

1 pilotage in this port, and we cannot afford to  
2 have a gap. It is not fair, in a way, it is  
3 unique, we can't compare Pensacola to any other  
4 place in some of these intangibles. So not all  
5 of this is able to be black and white numbers.

6 PATRICK GRAMLING: Yeah. Well, I'm  
7 told -- I'm told I need to make a decision  
8 based on these factors listed on the schedule.  
9 One is comparison to other ports. One is net  
10 income of pilot --

11 BRIAN SEUTER: Right.

12 PATRICK GRAMLING: And you're telling me  
13 not to consider any of them.

14 BRIAN SEUTER: I'm not saying not to  
15 consider them --

16 PATRICK GRAMLING: Well, I mean, at first  
17 you said we should not make this about  
18 (inaudible, cross-talk), but I have to --

19 BRIAN SEUTER: It's --

20 PATRICK GRAMLING: And then it shouldn't  
21 be about comparing to other ports, because it's  
22 a unique port, so it's sort of like, got to do  
23 something.

24 MICHAEL JACCOMA: No, you're right, and  
25 we've got to use all the factors --

1 PATRICK GRAMLING: Yeah.

2 MICHAEL JACCOMA: And need to determine  
3 which factors apply to, you know, they all  
4 apply.

5 PATRICK GRAMLING: Yeah.

6 MICHAEL JACCOMA: But, maybe, to a higher  
7 degree, certain ones might --

8 PATRICK GRAMLING: Yeah.

9 MICHAEL JACCOMA: -- apply on a certain  
10 point. You know that's all I would say.

11 PATRICK GRAMLING: Fair. So, the proposal  
12 right now on the table is, do we agree with  
13 these rates, basically?

14 MICHAEL JACCOMA: That's it.

15 DONNA MCNULTY: Well, I want to be  
16 clear --

17 PATRICK GRAMLING: Not rates --

18 DONNA MCNULTY: You're not agreeing with  
19 those, you're agreeing with --

20 PATRICK GRAMLING: Understood.

21 DONNA MCNULTY: -- these rates. That's  
22 the --

23 PATRICK GRAMLING: Which would result in  
24 this.

25 DONNA MCNULTY: -- those are projections,

1 and be clear it's projections --

2 PATRICK GRAMLING: Yeah.

3 DONNA MCNULTY: -- because it could go  
4 lower, it could go higher, it could, who knows.

5 PATRICK GRAMLING: You're right.

6 DONNA MCNULTY: We don't have a crystal  
7 ball.

8 PATRICK GRAMLING: I should be more  
9 specific.

10 DONNA MCNULTY: So that is why you're  
11 voting on the actual rate.

12 PATRICK GRAMLING: Fair. Thank you.

13 CHAIR JASON HODGE: So i think the  
14 challenging part to this is volume --

15 MICHAEL JACCOMA: Right.

16 CHAIR JASON HODGE: -- and I think that's  
17 where the numbers get skewed really bad --

18 PATRICK GRAMLING: Yeah.

19 CHAIR JASON HODGE: -- when you're having  
20 a 30 percent reduction --

21 PATRICK GRAMLING: Lower numbers.

22 CHAIR JASON HODGE: -- in handles. We  
23 still have to be able to maintain a boat and a  
24 pilot and all the associated costs with that.  
25 So we really have to put a strong consideration

1 on -- on that piece of it, compared to other  
2 ports of that more volume, or bigger vessels --

3 PATRICK GRAMLING: Yeah.

4 CHAIR JASON HODGE: -- and things like  
5 that. So I think everybody agrees that that's  
6 the biggest factor that is here.

7 MICHAEL JACCOMA: It is.

8 CHAIR JASON HODGE: So we need to move on  
9 the next motion, Donna, if you can --

10 DONNA MCNULTY: Well, you still need to --  
11 you have, somebody made a motion, was it  
12 Mr. Seuter?

13 STACEY BUCCIERI: Yes.

14 BRIAN SEUTER: But the duration, do we  
15 need to incorporate that into this or that's a  
16 secondary --

17 DONNA MCNULTY: What -- oh, no, that's  
18 separate.

19 BRIAN SEUTER: Okay.

20 DONNA MCNULTY: So was there a second?

21 MICHAEL JACCOMA: I'll second it.

22 DONNA MCNULTY: Okay.

23 CHAIR JASON HODGE: All in favor?

24 (Board members responded.)

25 DONNA MCNULTY: And you have to vote.

1           PATRICK GRAMLING: I'm waiting for him to  
2 say all opposed.

3           DONNA MCNULTY: Okay.

4           CHAIR JASON HODGE: All opposed?

5           PATRICK GRAMLING: Aye --

6           DONNA MCNULTY: Okay.

7           PATRICK GRAMLING: Nay. Whatever I'm  
8 supposed to say.

9           DONNA MCNULTY: Whatever you want to say.  
10 So 3-to-1.

11          CHAIR JASON HODGE: Motion carries.

12          DONNA MCNULTY: Okay.

13          CHAIR JASON HODGE: Okay. Next item under  
14 special evolutions, Shift at Port Docks. We're  
15 going to be voting on the unit charge only.

16          DONNA MCNULTY: The old rate was the unit  
17 charge. It's going to be proposed modification  
18 to 50 percent of base pilotage rate less  
19 applicable fees.

20          CHAIR JASON HODGE: Okay. Now I  
21 understand. I'm sorry.

22          DONNA MCNULTY: That's okay.

23          CHAIR JASON HODGE: So Steve, what's the  
24 impact on that? I mean, this is a assessorial  
25 charge that probably happens, not very often;

1 right? It's a one off kind of thing, but what  
2 is the difference in this?

3 STEVE STEVENS: I'd have to yield to  
4 Captain Meilstrup.

5 CAPTAIN MATTHEW MEILSTRUP: Well,  
6 50 percent of base pilot rate, plus the  
7 applicable fees would be for dispatch.

8 CHAIR JASON HODGE: Yeah.

9 CAPTAIN MATTHEW MEILSTRUP: Cross-licensed  
10 pilot, and probably the docking, undocking part  
11 of it.

12 STEVE STEVENS: Okay. I'm sorry, so  
13 that's the 200, and the, or 200 and 400 and  
14 then \$25 and the \$250?

15 CAPTAIN MATTHEW MEILSTRUP: So whatever  
16 that rate would be divided by 2 plus the fees  
17 applied and the -- whenever you use, so those  
18 are pretty close. And the shift at port docks  
19 would be, we're taking it from the south face,  
20 around to the west face, or vice-versa, perhaps  
21 down -- most of the times, on the south face,  
22 if they do that, they line shift so they don't  
23 have to have a pilot on board, or use a tug, so  
24 very rare, I would think, it would be along the  
25 same face. Does that answer your question,

1 sir?

2 CHAIR JASON HODGE: Well, kind of.

3 CAPTAIN MATTHEW MEILSTRUP: Okay.

4 CHAIR JASON HODGE: So what was the  
5 previous charge of that?

6 DONNA MCNULTY: It was unit charge only.

7 CAPTAIN MATTHEW MEILSTRUP: Unit charge  
8 only.

9 COURT REPORTER: Excuse me, I didn't get  
10 that.

11 CAPTAIN MATTHEW MEILSTRUP: Unit charge  
12 only.

13 CHAIR JASON HODGE: Steve, do you have  
14 what that unit charge was, by any chance?

15 THOMAS BUSHY: The unit charge?

16 BRIAN SEUTER: That's just the base --  
17 that's essentially the base fee, is what it  
18 was, because it was a different system of unit  
19 -- the unit charge, so it divided by number  
20 there, based on --

21 CHAIR JASON HODGE: But there's one number  
22 -- is there one number or is it based on size,  
23 type, all of that or --

24 BRIAN SEUTER: The old methodology of  
25 calculating pilotage yielded a rate. So they

1 had a full tariff to shift, is what it appears  
2 to be.

3 CAPTAIN MATTHEW MEILSTRUP: Okay. Yes.  
4 Unit charge only --

5 BRIAN SEUTER: That was only a part --

6 CAPTAIN MATTHEW MEILSTRUP: That would  
7 have been, I think the normal box formula,  
8 which would have by length times width divided  
9 by a hundred times the factor above which is 2,  
10 a minimum of 200 units.

11 BRIAN SEUTER: So it's basically the  
12 base --

13 CAPTAIN MATTHEW MEILSTRUP: Move the --  
14 move the object, the ship.

15 MICHAEL JACCOMA: So unit charge only --

16 CAPTAIN MATTHEW MEILSTRUP: Because below  
17 that, the longer shift, it went from the port  
18 down to the Navy base --

19 MICHAEL JACCOMA: Right.

20 CAPTAIN MATTHEW MEILSTRUP: Which is  
21 really the only option here, that would be full  
22 pilot --

23 MICHAEL JACCOMA: And now you're reducing  
24 that, you want 75 percent.

25 CAPTAIN MATTHEW MEILSTRUP: Correct. I've

1 never done that, taking a ship from the port  
2 down to the Navy base.

3 MICHAEL JACCOMA: And you didn't used to  
4 have a dead ship moment, now you would get the  
5 1.5?

6 CAPTAIN MATTHEW MEILSTRUP: That's  
7 correct.

8 CHAIR JASON HODGE: Okay. Something that  
9 rarely ever happens, if a customer decides they  
10 need to move their ship in one berth to  
11 another, they'll look at your schedule and see  
12 what the rates going to cost them, and make the  
13 decision from there?

14 CAPTAIN MATTHEW MEILSTRUP: Yes.

15 CHAIR JASON HODGE: So it's kind --

16 CAPTAIN MATTHEW MEILSTRUP: I'd like to  
17 try to use other pilot groups fees for that, as  
18 I'm not that familiar. For example, the dead  
19 ship with Tampa, Manatee, I think is the double  
20 the regular base rate.

21 MICHAEL JACCOMA: Okay.

22 CHAIR JASON HODGE: Well, I'll make a  
23 motion to accept that proposed rate, 50 percent  
24 of base pilotage rate, plus applicable fees for  
25 shifting at port docks.

1 BRIAN SEUTER: I'll second.

2 CHAIR JASON HODGE: All in favor?

3 (Board members responded).

4 Any opposed? Motion carries.

5 I'm sorry?

6 DONNA MCNULTY: I was going to state for  
7 the record the justification, for the record --

8 COURT REPORTER: I can't hear you.

9 DONNA MCNULTY: Oh, sorry. The  
10 justification for the record.

11 BRIAN SEUTER: These are standard.

12 DONNA MCNULTY: Okay.

13 BRIAN SEUTER: I would -- I would  
14 stipulate that these are standard charges, that  
15 almost every other pilot association would  
16 charge for shifting. It's an industry  
17 standard, pilot standard, and it brings him in  
18 line or maintains being in line with other  
19 pilot associations.

20 DONNA MCNULTY: Thank you.

21 CHAIR JASON HODGE: Thank you,  
22 Commissioner. All right. The next item will  
23 be long shift between port docks, Navy base  
24 and/or anchorage. Previously, it was full  
25 pilotage rate. The proposal is 75 percent of

1 the base pilotage and applicable fees. So that  
2 appears to me, that is going -- the price is  
3 going down, essentially.

4 MICHAEL JACCOMA: Right.

5 PATRICK GRAMLING: Well, the rate goes up  
6 and then the percentage goes down.

7 CHAIR JASON HODGE: The rate goes -- but  
8 the percentage is going down.

9 PATRICK GRAMLING: Yeah. Of the increased  
10 rate.

11 CHAIR JASON HODGE: Very similar to the  
12 previous one, it's something that would be  
13 requested on a case-by-case basis. Nobody is  
14 forced to pay it. They would know what the  
15 money is up front and they can make a decision  
16 from there. So I make a motion that we accept  
17 the proposal for the 75 percent of the base  
18 pilotage rate and applicable fees for long  
19 shift between port docks, Navy base, and/or  
20 anchorage, and the reason behind that is, as  
21 stated previously by Commissioner Seuter, that  
22 brings the Port of Pensacola in line with the  
23 charges that other Florida ports have. And  
24 does anybody second that?

25 PATRICK GRAMLING: Second.

1           CHAIR JASON HODGE: All right. All in  
2 favor.

3           (Board members responded.)

4           Any opposed?

5           That one carries.

6           The next item is the dead ship movement.  
7 A lot of reading the small letters here. Let's  
8 see, defined as the moment of any vessel  
9 equipped with motive power and/or steering  
10 capability, when such motive power and/or  
11 steering capability is or becomes unavailable,  
12 for any reason, during any part of the vessel's  
13 transit. There was no previous charge for that  
14 and their -- the proposal is 150 percent of  
15 total pilotage rate, plus applicable fees.

16          PATRICK GRAMLING: Is that also a  
17 customary, 150 percent?

18          BRIAN SEUTER: Two times --

19          MICHAEL JACCOMA: I think he was saying  
20 it's actually double in Tampa, or something.  
21 So it's actually adding 50 percent, right --

22          PATRICK GRAMLING: Yeah.

23          MICHAEL JACCOMA: -- because it would be a  
24 hundred percent fee already, for the transit of  
25 the vessel and you're 50 percent to that; is

1 that correct?

2 CAPTAIN MATTHEW MEILSTRUP: Yes.

3 BRIAN SEUTER: And other ports,  
4 Commissioner Gramling, they might have two  
5 pilots on board a dead ship.

6 PATRICK GRAMLING: Got it.

7 BRIAN SEUTER: But they're doubling it.

8 PATRICK GRAMLING: Yeah.

9 CHAIR JASON HODGE: I know Jacksonville,  
10 I'm familiar with that port, that that's what  
11 they would do there, typically.

12 PATRICK GRAMLING: Yeah.

13 CHAIR JASON HODGE: It's very challenging,  
14 obviously, with a dead ship, and you know,  
15 weather conditions and current, and so forth.

16 PATRICK GRAMLING: No. It seems  
17 reasonable. I'm just curious.

18 CHAIR JASON HODGE: Yeah. All right.  
19 There's no distance stated here. Is this, I  
20 mean, a movement all the way out of the  
21 channel, is this a movement from berth to berth  
22 on your proposal, is there -- do we need more  
23 language there or --

24 CAPTAIN MATTHEW MEILSTRUP: Well, I kind  
25 of used what I've seen in other rate packages.

1 CHAIR JASON HODGE: Okay.

2 CAPTAIN MATTHEW MEILSTRUP: So  
3 interpreting that. The one situation I had  
4 was, we had a ship, one of the military sea  
5 lift commands come in from Mobile. It was dead  
6 ship. So we met it at a sea buoy, brought it  
7 all the way into the pier, and basically, they  
8 used three pilots to go down in Mobile, and I  
9 brought it myself over here, so.

10 CHAIR JASON HODGE: Okay.

11 CAPTAIN MATTHEW MEILSTRUP: So that's the  
12 scenario I envision. I think if it was dead  
13 ship, and we did a berth shift, the berth shift  
14 rate, which seems most applicable, to move them  
15 around.

16 CHAIR JASON HODGE: Well, I would disagree  
17 with you, but I would say it's a dead ship.

18 CAPTAIN MATTHEW MEILSTRUP: Dead ship,  
19 yeah.

20 CHAIR JASON HODGE: It you're moving a  
21 dead ship, it's a dead ship.

22 CAPTAIN MATTHEW MEILSTRUP: Yeah.

23 CHAIR JASON HODGE: It doesn't matter to  
24 me whether it's going, you know, a mile or 10  
25 miles.

1 CAPTAIN MATTHEW MEILSTRUP: Fair enough.

2 CHAIR JASON HODGE: I think that's true.

3 So I'll make a motion that we accept the  
4 proposed 150 percent of total pilotage rate  
5 plus applicable fees for a dead ship moment,  
6 defined as to movement of any vessel equipped  
7 with motive power and/or steering capability,  
8 when such motive power and/or steering  
9 capability is or becomes unavailable, for any  
10 reason, during any part of the vessel transit.  
11 Do we have a second on that?

12 BRIAN SEUTER: Seuter will second it.

13 CHAIR JASON HODGE: All in favor.

14 (Board members responded.)

15 Any opposed?

16 That is industry standard.

17 BRIAN SEUTER: Mr. Hodge, I would suggest  
18 that, for all of these, we could add that  
19 stipulation, that they're industry standard --

20 CHAIR JASON HODGE: Yes.

21 BRIAN SEUTER: -- or, to bring them in  
22 line with other ports.

23 PATRICK GRAMLING: For everything  
24 remaining, you would say, based on your  
25 experience, they're all in line with what

1           you've seen elsewhere?

2           BRIAN SEUTER:  Very much so.

3           PATRICK GRAMLING:  Okay.  Thank you.

4           CHAIR JASON HODGE:  I would agree with  
5           that statement.  Okay.  Next item --

6           PATRICK GRAMLING:  Could we move to accept  
7           them as a group, or do we need to do them  
8           individually?

9           CHAIR JASON HODGE:  Donna?  That would be  
10          a Donna question.

11          DONNA MCNULTY:  You could do them as -- I  
12          mean, provided that that's your rationale for  
13          all of the ones that will be mentioned, you  
14          could do them as a group.  Do you mind if I  
15          read it into the record with the proposed  
16          change is so it's just clear for the record  
17          what you're voting on?

18          CHAIR JASON HODGE:  Yeah.

19          DONNA MCNULTY:  Because it's not that  
20          many.  Is that all right with you?

21          CAPTAIN MATTHEW MEILSTRUP:  I have one  
22          statement to make, if I can.  The  
23          cross-licensed pilot fee, you should probably  
24          do separately, because that is not standard.

25          BRIAN SEUTER:  Fair enough.

1 PATRICK GRAMLING: Fair. Thank you.

2 CHAIR JASON HODGE: So that will be a  
3 separate motion you're saying, okay.

4 DONNA MCNULTY: And the escalator do  
5 separate, as well.

6 MICHAEL JACCOMA: Right.

7 CHAIR JASON HODGE: Yes. Standard on the  
8 size of the vessel document --

9 COURT REPORTER: I'm sorry?

10 CHAIR JASON HODGE: The size of the vessel  
11 docking and undocking, we chose 400 feet.

12 BRIAN SEUTER: I can only speak about  
13 Fernandina with personal knowledge, but we do  
14 have a size breakdown for our docking fee  
15 because there's 3 tiers of size in Fernandina  
16 where we have different docking fees. So I  
17 would suggest that that is not outside the  
18 norm.

19 MICHAEL JACCOMA: Well, key West we found  
20 earlier was \$750, and that was just for all  
21 vessels; correct?

22 BRIAN SEUTER: Yeah.

23 MICHAEL JACCOMA: So here you're  
24 specifying only if they're under -- under or  
25 over, but then the amount changes.

1 CHAIR JASON HODGE: It doubles, yes.

2 MICHAEL JACCOMA: So it's standard but  
3 unique somewhat to this port.

4 CHAIR JASON HODGE: I'm okay with that,  
5 but what he's proposing here, if we can add  
6 that in, is what I'm saying, the docking --

7 MICHAEL JACCOMA: The docking and  
8 undocking.

9 CHAIR JASON HODGE: We can add that in to  
10 this.

11 MICHAEL JACCOMA: Right.

12 DONNA MCNULTY: I mean, that is part of  
13 the --

14 MICHAEL JACCOMA: We can because it is a  
15 standard charge.

16 CHAIR JASON HODGE: Okay. I didn't know  
17 if you were contesting it --

18 MICHAEL JACCOMA: I wasn't sure. I was  
19 trying to -- you could change that --

20 CHAIR JASON HODGE: I think you could --

21 MICHAEL JACCOMA: -- you could do it and  
22 say it's standard that, you know, there's  
23 docking fees and undocking fees.

24 CHAIR JASON HODGE: Well, there's no  
25 docking pilots here.

1           MICHAEL JACCOMA: Right.

2           CHAIR JASON HODGE: -- which most of the  
3 ports have.

4           BRIAN SEUTER: Only Jacksonville.

5           MICHAEL JACCOMA: Only Jacksonville.

6           CHAIR JASON HODGE: Okay. Jacksonville  
7 has got them. Wow, we're unique in that.

8           So, I have a question for the other, or  
9 maybe Commissioner Seuter, is there a docking  
10 -- so there is a docking fee to Key West and  
11 the other ports, and I'm not familiar with what  
12 those charges are. Is this in line with those  
13 charges? I know you said there is three  
14 tiers --

15          BRIAN SEUTER: These are lower than  
16 Fernandina.

17          EDWARD TELLECHEA: You're all talking  
18 yourselves out of the doing this all in mass.  
19 You understand that; right?

20          MICHAEL JACCOMA: He's just basically done  
21 that.

22          CHAIR JASON HODGE: I'm making sure I  
23 understand that --

24          MICHAEL JACCOMA: Yeah.

25          CHAIR JASON HODGE: -- I want to agree --

1 because I don't know what the other --

2 DONNA MCNULTY: Well, maybe we just do  
3 them item by item and get your questions out of  
4 the way.

5 CHAIR JASON HODGE: Well, I think we can  
6 add it, now that I understand what he's asking.

7 DONNA MCNULTY: Okay.

8 MICHAEL JACCOMA: Yeah, I'm comfortable  
9 adding it under the industry standard.

10 DONNA MCNULTY: Okay. Well, you said  
11 under industry standard, or brings in line with  
12 other ports, is what --

13 MICHAEL JACCOMA: Correct. Exactly.

14 CHAIR JASON HODGE: All right. So we're  
15 going to have a motion for everything except  
16 for --

17 MICHAEL JACCOMA: The cross-license.

18 CHAIR JASON HODGE: The cross-license and  
19 the duration --

20 DONNA MCNULTY: The escalator.

21 CHAIR JASON HODGE: The escalator.

22 DONNA MCNULTY: And so may I read them  
23 into the record?

24 CHAIR JASON HODGE: You may read them into  
25 the record.

1           CAPTAIN MATTHEW MEILSTRUP: Late payment  
2 charge, also. I don't know how you handled  
3 that, just it's buried at the bottom there.

4           DONNA MCNULTY: Well, I see that but I  
5 think -- I've read that in a lot of the other  
6 cases --

7           MICHAEL JACCOMA: Right.

8           DONNA MCNULTY: That seems industry  
9 standard.

10          CHAIR JASON HODGE: That's industry  
11 standard for many contracts that I see.

12          CAPTAIN MATTHEW MEILSTRUP: Sorry to  
13 interrupt you.

14          DONNA MCNULTY: No, it's all right.

15          PATRICK GRAMLING: And have you allowed  
16 those as avoidable, if you, you know --

17          CHAIR JASON HODGE: If you pay on time.

18          PATRICK GRAMLING: Right. It's avoidable  
19 by the customer.

20          CAPTAIN MATTHEW MEILSTRUP: Which I don't  
21 have right now and I have one that's six months  
22 out still, so, yes, that's one I really want.

23          CHAIR JASON HODGE: You may proceed  
24 Ms. Donna.

25          DONNA MCNULTY: Okay. So these are the

1 proposed modifications that you will be voting  
2 on for additional fees, docking, undocking  
3 under 400 feet, \$200; over 400 fees, \$400.  
4 Port dispatch, \$25 per vessel movement.  
5 Anchorage/departing anchorage, \$250. Detention  
6 as defined in the application, \$150 per half  
7 hour, \$300 per half hour after the first half  
8 hour. Vessel late on ETA at sea buoy, \$150 per  
9 half hour, \$300 per half hour after the first  
10 half hour. Cancelled sailing, \$500 assessed if  
11 cancelled within two hours of arrival or sail  
12 time. Pilot carried to sea, as defined in the  
13 application, \$1,000 per day, plus first class  
14 return to transport per pilot, if necessary.  
15 And then the information on the second pilot,  
16 the second pilot, just information that the  
17 second pilot may be assigned to any vessel that  
18 ship tow, abnormal transit, etc, or when there  
19 are special weather circumstances. When  
20 Pensacola pilots deem that a second pilot is  
21 required, that vessel will be charged two base  
22 pilotage rates plus applicable additional fees.  
23 And the late payment charge of 3 percent  
24 interest per month, charged on the unpaid  
25 balance of all monies unpaid after 30 days from

1 date of service, compounded monthly.

2 CHAIR JASON HODGE: I'll make a motion to  
3 accept the proposed charges as Ms. Donna has  
4 just explained.

5 PATRICK GRAMLING: Second.

6 CHAIR JASON HODGE: All in favor?

7 (Board members responded.)

8 Any opposed?

9 Motion carries.

10 DONNA MCNULTY: Your next item for  
11 consideration is a cross-licensed pilot  
12 additional fee of \$250 per vessel movement.

13 CHAIR JASON HODGE: Mr. Seuter, I would  
14 like your input on that.

15 BRIAN SEUTER: Well, there's no choice but  
16 to have occasional coverage from a  
17 cross-licensed pilot, and there are -- this  
18 does not apply to every vessel. It only --

19 PATRICK GRAMLING: No, it's every vessel.

20 BRIAN SEUTER: Every vessel. Well, this  
21 is help defray the cost of training and  
22 transportation, and I presume, lodging and all  
23 expenses associated with a cross-licensed pilot  
24 process. I don't know how they can avoid --  
25 avoid this.

1           CHAIR JASON HODGE:  So this money he  
2           escrowed, I would assume?

3           CAPTAIN MATTHEW MEILSTRUP:  Separate,  
4           segregated, yes.

5           BRIAN SEUTER:  It's not meant to be a  
6           money maker for the port.

7           CHAIR JASON HODGE:  Okay.

8           BRIAN SEUTER:  Or for the pilots.

9           CAPTAIN MATTHEW MEILSTRUP:  For the --

10          MICHAEL JACCOMA:  How it doled out then?  
11          So you've gotten this money that you're  
12          collecting and now a cross-licensed pilot is  
13          needed.

14          CAPTAIN MATTHEW MEILSTRUP:  Invoice, we'll  
15          work up an invoice against it so we have a  
16          record and it can be auditable that way, just  
17          draw it from that account, pay the person out  
18          of that account, is what I envision.

19          PATRICK GRAMLING:  Currently though, it's  
20          not maintained separately, it's just  
21          co-mingled; right?

22          CAPTAIN MATTHEW MEILSTRUP:  Currently,  
23          FHPA is covering it --

24          PATRICK GRAMLING:  Yeah.

25          CAPTAIN MATTHEW MEILSTRUP:  -- generously,

1           because there is no provision for any of this  
2           in the current rates.

3           PATRICK GRAMLING: Got it.

4           CHAIR JASON HODGE: So, for the record,  
5           it's per vessel moment, that does not include a  
6           shift -- it says per vessel movement.

7           CAPTAIN MATTHEW MEILSTRUP: I intended  
8           that for per vessel movement.

9           THE COURT: So if somebody shifts one from  
10          berth to another, they would get the \$250, as  
11          well?

12          CAPTAIN MATTHEW MEILSTRUP: Yes. That  
13          would be my intent.

14          BRIAN SEUTER: \$16,000 a year, roughly,  
15          what you --

16          CAPTAIN MATTHEW MEILSTRUP: At 64 handles.

17          BRIAN SEUTER: At 64 handles. And that's  
18          roughly the cost of --

19          CAPTAIN MATTHEW MEILSTRUP: Probably,  
20          maybe 2, maybe 3 trips, probably 3 trips. It  
21          depends on how you pay for lodging and every --  
22          summer, you know, all those things come into  
23          play. That's what gets you that little bit of  
24          money to cover for the work they do, and really  
25          it's designed for a short term type of

1 scenario. If I have a year absence, for some  
2 reason -- well \$16,000 won't -- won't make it.  
3 That will have to be something we'll have to  
4 figure out, at that point. That will be an  
5 extreme situation, for all parties involved, at  
6 the port.

7 CHAIR JASON HODGE: Well, that is intended  
8 just for their lodging, the transportation  
9 costs, meals, what have you, while they're  
10 covering for you, for a weeks vacation; right?  
11 They're still making money, or the association  
12 is still making revenue from the movements,  
13 which could -- would essentially pay the pilot  
14 the salary that they would be paid for the time  
15 that they're here. That's just to cover costs?

16 CAPTAIN MATTHEW MEILSTRUP: That's just  
17 the costs, yeah.

18 CHAIR JASON HODGE: Understand.

19 CAPTAIN MATTHEW MEILSTRUP: And if I go on  
20 an extravagant vacation, and it exceeds that  
21 amount, then I would expect that I would pay  
22 the difference out of my pocket, if it came to  
23 that.

24 CHAIR JASON HODGE: Okay.

25 CAPTAIN MATTHEW MEILSTRUP: So that seems

1 fair. Really, it's to cover me to to go to a  
2 conference, those type things.

3 CHAIR JASON HODGE: No, you deserve a  
4 vacation. There's no question about that. I  
5 just want to make sure I understood exactly  
6 what the money is used for, okay.

7 PATRICK GRAMLING: He's going to need a  
8 vacation after this meeting.

9 CAPTAIN MATTHEW MEILSTRUP: This is a fun  
10 one.

11 CHAIR JASON HODGE: Me, too. So, I'll  
12 make a motion that we, for the cross-licensed  
13 pilot fee, \$250 per vessel movement, as  
14 proposed, and this is a charge is that, similar  
15 to what we've seen in other ports, to cover  
16 costs associated with -- with the  
17 cross-licensed pilot. So, I will make a motion  
18 that we accept that, as proposed.

19 MICHAEL JACCOMA: I'll second that.

20 CHAIR JASON HODGE: All in favor?

21 (Board members responded.)

22 Any opposed?

23 PATRICK GRAMLING: Yeah. I'm opposed,  
24 only because I'm now, as I think about it,  
25 we've just set the rates higher than Tampa, and

1           then we threw this on top. Theoretically, if  
2           the rates are at the high level already, it  
3           should compensate for some of this, but that's  
4           fine.

5           CHAIR JASON HODGE: My argument to you  
6           would be, if you're -- if you're on vacation  
7           and somebody has to come from out of town to  
8           cover your job at work, the company is going to  
9           pay for it.

10          PATRICK GRAMLING: Yeah. Right.

11          CHAIR JASON HODGE: And that's just how I  
12          view that.

13          PATRICK GRAMLING: Yeah.

14          CHAIR JASON HODGE: So --

15          PATRICK GRAMLING: No, I don't disagree.  
16          I sort of feel like I might have already  
17          given -- given that I was opposed to last time,  
18          to the increase, it feels consistent right now  
19          to be saying opposed to this.

20          CHAIR JASON HODGE: Okay. Motion carried.

21          PATRICK GRAMLING: It would be  
22          inconsistent for me to agree to this and  
23          then --

24          COURT REPORTER: It would be what?  
25          Consistent?

1           PATRICK GRAMLING: I just said, it would  
2 be inconsistent for me to agree to that --

3           COURT REPORTER: Okay.

4           PATRICK GRAMLING: And disagree to what I  
5 had already disagreed with, I think.

6           CHAIR JASON HODGE: I think the last item  
7 that we need to review is the escalator.

8           COURT REPORTER: I'm sorry, I can't  
9 understand you.

10          CHAIR JASON HODGE: I'm sorry. We need to  
11 discuss the rate escalator and the term. So  
12 I'll open it up to Commissioners to discuss  
13 this.

14          MICHAEL JACCOMA: Well, we can look at  
15 Tampa. They started off the 6 percent per year  
16 for the first three years, and then the  
17 remaining 7 were at 3 percent.

18          THOMAS BUSHY: Three, 3 percent, yeah.

19          MICHAEL JACCOMA: So, I know in Miami we  
20 have an escalator, I think, whatever -- just  
21 about every port has --

22          BRIAN SEUTER: Jacksonville is 2 1/2  
23 percent.

24          THOMAS BUSHY: Two and a half percent.

25          MICHAEL JACCOMA: Yeah. I mean, they're

1           within, maybe a percentage of that. Miami's, I  
2           think, were the lowest, probably --

3           DONNA MCNULTY: You'd have to look at our  
4           chart.

5           COURT REPORTER: I'm sorry. I can't hear.

6           MICHAEL JACCOMA: But they're all pretty  
7           similar. All pretty similar. So I would say  
8           that's an industry standard right now.

9           DONNA MCNULTY: Well, they kind of vary a  
10          little bit, and they vary by amount and length  
11          of time. It varies from like 5 to 10 years, in  
12          terms of time. The lowest is like 2 percent;  
13          the highest, as you mentioned, was like  
14          6 percent. They're all over the place.

15          BRIAN SEUTER: And Captain Meilstrup, in  
16          his testimony, has requested 6 years.

17          MICHAEL JACCOMA: Right.

18          DONNA MCNULTY: For the duration.

19          MICHAEL JACCOMA: Yeah, I mean they're all  
20          a little different, but it's still kind of a  
21          standard thing the ports have been putting in  
22          escalators. It's just the percentage and the  
23          duration.

24          DONNA MCNULTY: Correct.

25          BRIAN SEUTER: It's also to help the Board

1 not to have to meet quite so frequently, to  
2 partially, at least keep up with some of the  
3 inflationary costs and make the burden on the  
4 Board and this Board lighter, and it does help  
5 that.

6 CHAIR JASON HODGE: CPI is common, in  
7 agreement, that I deal with from -- from the  
8 industry side. Baring any extreme  
9 circumstances when it comes to, you know,  
10 equipment that's broke down, or things that may  
11 cost, especially in a small operation like  
12 this. I mean, so, what do you guys think about  
13 CPI? It could be more --

14 MICHAEL JACCOMA: The trouble with CPI is  
15 I think we couldn't go that route in the past,  
16 because we need to actually --

17 PATRICK GRAMLING: Well, you've got to the  
18 decide what CPI you're talking about.

19 MICHAEL JACCOMA: Right.

20 DONNA MCNULTY: Well, I mean, I think it's  
21 more -- they are not basing the rates solely on  
22 CPI. I mean, that can be a reason that you're  
23 looking at it, right, but I think somebody just  
24 mentioned that it also alleviates the need for  
25 additional quick review by the PRC to, you

1 know, for port, that's like an addition to  
2 maybe, just inflation, CPI. There are other  
3 reasons why one has an escalator.

4 In Tampa, after the rate hearing, you  
5 know, it was part of the rate hearing and -- 0.

6 PATRICK GRAMLING: What are the other  
7 rates, just across the Board?

8 DONNA MCNULTY: Okay. So I'll just read  
9 what I have, and I think I have Tampa wrong,  
10 but for Key West it's 3 percent for a period of  
11 6 years, beginning on the four year anniversary  
12 of the effective date of the pilotage rates  
13 Tampa was -- and now that one was entered, it  
14 was very contentious, like extremely  
15 contentious. After a year long discussion and  
16 debate at the hearing, there was ultimately a  
17 settlement agreement approved by the Board, by  
18 all the concerned parties, a 5 percent increase  
19 or 6 percent -- it's 5 or 6, I might have  
20 number wrong -- and then collected for 3 years  
21 and then a 3 percent, for a period of 7 years,  
22 starting 4 years after the October 1, 2023  
23 effective date of the final order. Palm beach  
24 was 5 percent increase for 10 years, beginning  
25 six months after implementation, and there some

1 -- that include everything. It applied for all  
2 rates. Canaveral was carve out draft rate for  
3 vessels with a draft of 32 feet or deeper,  
4 increased by 6 percent for 9 years. All other  
5 rates 2.5 percent for 9 years. Then Fort  
6 Pierce, 5 percent per year for 10 years,  
7 beginning January 1.

8 PATRICK GRAMLING: All right. I've got an  
9 idea.

10 DONNA MCNULTY: Et cetera, et cetera.

11 PATRICK GRAMLING: Three percent is pretty  
12 easy. So I move -- I move to accept 3 percent.

13 DONNA MCNULTY: It will be --

14 BRIAN SEUTER: I -- for the duration of 6  
15 years?

16 PATRICK GRAMLING: Yeah.

17 BRIAN SEUTER: I'll second Commissioner  
18 Gramling's proposal.

19 DONNA MCNULTY: Okay. Beginning on the  
20 one year anniversary of the approved rate of  
21 the implementation.

22 BRIAN SEUTER: One year anniversary --

23 DONNA MCNULTY: That's when it starts.

24 BRIAN SEUTER: It's his proposal.

25 DONNA MCNULTY: Is that --

1 PATRICK GRAMLING: Sure.

2 DONNA MCNULTY: For 6 years. So it starts  
3 on that one year anniversary of the rate for  
4 then 6 years. Is that your motion?

5 PATRICK GRAMLING: Yes. That is my  
6 motion.

7 CHAIR JASON HODGE: I'll second that  
8 motion. All in favor?

9 (Board members responded).

10 Any opposed?

11 Motion carries.

12 DONNA MCNULTY: It is the rationale, just  
13 for the record, based in part on CPI because  
14 it's common as an industry standard and  
15 alleviates additional review -- necessitating  
16 additional review by the PRC, is that kind of  
17 the rationale of this committee?

18 MICHAEL JACCOMA: Yes. That's good.

19 DONNA MCNULTY: Thank you. One other  
20 thing is, FYI, this -- we will get a copy of  
21 the transcripts, and after that, we are -- our  
22 office will prepare a draft Notice of Intent to  
23 approve the modification of the rates, as  
24 discussed, but that will go back to this  
25 Committee for review, to make sure that that

1 order reflects your vote today. So, we could  
2 put an effective date tentatively in the order,  
3 or we could wait until the date that it's  
4 actually brought to the Committee. I don't  
5 know exactly how long it will take to get the  
6 transcript, and to actually write the order.

7 BRIAN SEUTER: In the past, Donna, you've  
8 proposed a date that, using the sort of  
9 historical timeline. Would you be willing to  
10 do that again?

11 DONNA MCNULTY: Of course. Don't shoot  
12 me, like is June 1st, like do you want the  
13 first of the month?

14 CAPTAIN MATTHEW MEILSTRUP: That seems  
15 like a logical way to do it, whatever month you  
16 pick.

17 DONNA MCNULTY: Because we also have to,  
18 like even once an order is issued, they have to  
19 publish it in the FAR, and then in the  
20 newspaper.

21 CHAIR JASON HODGE: It takes time.

22 DONNA MCNULTY: So I'll put a attentive  
23 date of June 1st, but we may revisit that when  
24 the time comes.

25 CHAIR JASON HODGE: Okay. Do we need to

1 make a Motion for that now?

2 DONNA MCNULTY: Go ahead. It doesn't  
3 matter.

4 STACEY BUCCIERI: Sure. Why not.

5 CHAIR JASON HODGE: Make --

6 DONNA MCNULTY: Just move that the  
7 effective date is June 1st, but may be modified  
8 when it comes back.

9 CHAIR JASON HODGE: Okay. I'll make a  
10 motion that the effective date is June 1st of  
11 2026, and that could be modified once it's  
12 returned back to the Board.

13 MICHAEL JACCOMA: I'll second that.

14 CHAIR JASON HODGE: All in favor.

15 (Board members responded.)

16 Any opposed?

17 Motion carries.

18 Okay.

19 MICHAEL JACCOMA: Motion to --

20 CHAIR JASON HODGE: I appreciate  
21 everybody's time. I know this took quite a  
22 while, but I think it was important that we  
23 tried to do what was best for everyone here,  
24 and to get an understanding of exactly what --  
25 what we were doing for the Port of Pensacola,

1           and the sustainability of the pilots here. So  
2           I appreciate your time, once again, and I'll  
3           make a motion to adjourn.

4           BRIAN SEUTER: I'll second.

5           CHAIR JASON HODGE: All in favor.

6           (Board members responded).

7           Motion carries.

8           (WHEREUPON: The meeting of the Board of  
9           Pilot Commissioners was adjourned).

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REPORTER'S CERTIFICATE

I, ELAINE RICHBourg, Court Reporter, certify that I was authorized to and did stenographically report the foregoing Board hearing; and that a review of the transcript was not requested; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, attorney or counsel connected with the action, nor am I financially interested in the action.

Dated this 1st day of April, 2026.

*/s/Elaine Richbourg*

\_\_\_\_\_

ELAINE RICHBourg  
Court Reporter  
Notary Public, State of Florida  
Commission No. HH461492  
Commission Expires: 3/6/2028