

I N D E X

THE BOARD OF PILOT COMMISSIONERS  
OF THE PORTS OF HARRIS COUNTY, TEXAS

October 27, 2015

| <i>Minute No.</i> | <i>Event/Action</i>   |
|-------------------|---|
|                   | <b>General</b>  |
|                   | Chairman Longoria convened the meeting of the Board of Pilot Commissioners  |
|                   | <b>Minutes</b>  |
| (PB-2015-1027-01) | Approve the Minutes of the Board of Pilot Commissioners Meeting – September 29, 2015  |
|                   | <b>Pilot Matters</b>  |
| (PB-2015-1027-02) | Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Gregory J. Brown    |
| (PB-2015-1027-03) | Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Steven P. Housinger |
| (PB-2015-1027-04) | Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Craig P. Newkirk    |
| (PB-2015-1027-05) | Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Stephen M. Hill     |
| (PB-2015-1027-06) | Establish November 17, 2015 as the date for a Pilotage Rate Hearing   |
|                   | Adjourn the meeting of the Board of Pilot Commissioners   |

**Board of Pilot Commissioners for Harris County Ports  
Public Meeting**

**Houston, Texas  
October 27, 2015**

A public meeting of the Board of Pilot Commissioners for Harris County Ports (the "Pilot Board") was convened on October 27, 2015 at 10:10 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners, staff, and counsel were present:

Janiece Longoria, Chairman  
Theldon R. Branch, III, Commissioner  
Stephen H. DonCarlos, Commissioner  
Clyde E. Fitzgerald, Commissioner  
John D. Kennedy, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Secretary  
Erik Eriksson, General Counsel and Assistant Secretary

Chairman Longoria convened the meeting of the Board of Pilot Commissioners.

(PB-2015-1027-01) Chairman Longoria called for a motion to approve the minutes of the September 29, 2015 Pilot Board meeting. Commissioner Mease moved for approval of the minutes, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. The minutes were approved as written.

The Pilot Board then considered each Request for Pilot Board Action ("RPBA") submitted by Chairman Longoria and attached to these minutes as Exhibit "A."

(PB-2015-1027-02) RPBA F1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RPBA F1 PASSED.

(PB-2015-1027-03) RPBA F2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RPBA F2 PASSED.

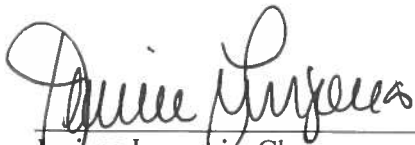
(PB-2015-1027-04) RPBA F3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RPBA F3 PASSED.

(PB-2015-1027-05) RPBA F4 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RPBA F4 PASSED.

(PB-2015-1027-06) RPBA F5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RPBA F5 PASSED.


At 10:13 a.m., Chairman Longoria adjourned the Pilot Board meeting.

The above is a correct copy of the Minutes of the October 27, 2015 meeting of the Pilot Board of the Port of Houston Authority.



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Janiece Longoria, Chairman



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Erik A. Eriksson, Assistant Secretary

## F. PILOT MATTERS

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**Subject**            **1. Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Gregory J. Brown.**

Meeting            Oct 27, 2015 - BOARD OF PILOT COMMISSIONERS FOR HARRIS COUNTY PORTS

Access             Public

Type                Action

Recommended Action    The Pilot Board, at its October 27, 2015 meeting, recommend to the governor the commission renewal of Captain Gregory J. Brown as Branch Pilot for the Houston Ship Channel and Galveston Bar for a four-year term effective January 26, 2016, and further authorize the Secretary of the Pilot Board to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
Pilot Matters

**Department:**  
Pilot Administration

**Staff Contact:**  
Erik Eriksson

**Background:**

The Application Review Committee (ARC) of the Pilot Board considers whether applicants meet the statutory and regulatory requirements for pilots on the Houston Ship Channel and Galveston Bar. Among other things, applicants undergo a physical examination to determine if an applicant is in good mental and physical health in order to perform the duties of pilotage on the Houston Ship Channel and Galveston Bar, and an investigation including a criminal background check and the applicant's accident history is conducted.

**Staff Evaluation/Justification:**

Captain Gregory J. Brown has applied for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. The application includes proof of continued education training in Radar Observer (recertification), Raven Wheelhouse II pilot carry aboard Navigation System and AIS (Automatic Information System), Manned Model Ship Handling, Restricted Visibility Navigation for Pilots, Col-Regs for Pilots (Collision Regulations for Pilots), and a request on his behalf from the Houston Pilots with evidence of his ability to enter into a faithful performance bond in the amount of \$25,000 payable to the governor.

After an assessment of his qualifications and the documents filed with his application, the ARC determined that Captain Gregory J. Brown meets the requirements of Chapter 66 of the Texas Transportation Code, Houston Pilots Licensing and Regulatory Act, Section 66.041, and the Rules and Regulations Governing Pilots and Pilotage on the Houston Ship Channel and Galveston Bar.

Accordingly, the ARC respectfully submits to the Pilot Board the application of Captain Gregory J. Brown for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. Such commission is for a four-year term.

## F. PILOT MATTERS

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**Subject**            **2. Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Steven P. Housinger.**

Meeting            Oct 27, 2015 - BOARD OF PILOT COMMISSIONERS FOR HARRIS COUNTY PORTS

Access             Public

Type                Action

Recommended Action    The Pilot Board, at its October 27, 2015 meeting, recommend to the governor the commission renewal of Captain Steven P. Housinger as Branch Pilot for the Houston Ship Channel and Galveston Bar for a four-year term effective February 23, 2016, and further authorize the Secretary of the Pilot Board to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Pilot Matters

**Department:**

Pilot Administration

**Staff Contact:**

Erik Eriksson

**Background:**

The Application Review Committee (ARC) of the Pilot Board considers whether applicants meet the statutory and regulatory requirements for pilots on the Houston Ship Channel and Galveston Bar. Among other things, applicants undergo a physical examination to determine if an applicant is in good mental and physical health in order to perform the duties of pilotage on the Houston Ship Channel and Galveston Bar, and an investigation including a criminal background check and the applicant's accident history is conducted.

**Staff Evaluation/Justification:**

Captain Steven P. Housinger has applied for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. The application includes proof of continued education training in Bayport flare turn using manned model, ECDIS (Electronic Chart Display and Information System), Raven Wheelhouse II pilot carry aboard Navigation System & AIS (Automatic Information System), BRM-P (Bridge Resource Management Pilots), Incident Management for Pilots, Col-Regs for Pilots (Collision Regulations for Pilots), Error Detection and use of Advanced Radar Techniques in restricted visibility, Legal Aspects of Piloting, and a request on his behalf from the Houston Pilots with evidence of his ability to enter into a faithful performance bond in the amount of \$25,000 payable to the governor.

After an assessment of his qualifications and the documents filed with his application, the ARC determined that Captain Steven P. Housinger meets the requirements of Chapter 66 of the Texas Transportation Code, Houston Pilots Licensing and Regulatory Act, Section 66.041, and the Rules and Regulations Governing Pilots and Pilotage on the Houston Ship Channel and Galveston Bar.

Accordingly, the ARC respectfully submits to the Pilot Board the application of Captain Steven P. Housinger for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. Such commission is for a four-year term.

## F. PILOT MATTERS

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**Subject**           **3. Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Craig P. Newkirk.**

Meeting            Oct 27, 2015 - BOARD OF PILOT COMMISSIONERS FOR HARRIS COUNTY PORTS

Access             Public

Type                Action

Recommended Action   The Pilot Board, at its October 27, 2015 meeting, recommend to the governor the commission renewal of Captain Craig P. Newkirk as Branch Pilot for the Houston Ship Channel and Galveston Bar for a four-year term effective February 27, 2016, and further authorize the Secretary of the Pilot Board to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
Pilot Matters

**Department:**  
Pilot Administration

**Staff Contact:**  
Erik Eriksson

**Background:**

The Application Review Committee (ARC) of the Pilot Board considers whether applicants meet the statutory and regulatory requirements for pilots on the Houston Ship Channel and Galveston Bar. Among other things, applicants undergo a physical examination to determine if an applicant is in good mental and physical health in order to perform the duties of pilotage on the Houston Ship Channel and Galveston Bar, and an investigation including a criminal background check and the applicant's accident history is conducted.

**Staff Evaluation/Justification:**

Captain Craig P. Newkirk has applied for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. The application includes proof of continued education training in Col-Regs for Pilots (Collision Regulations for Pilots), Incident Management for Pilots, Raven Wheelhouse II pilot carry aboard Navigation System & AIS (Automatic Information System), Restricted Visibility for Pilots, Radar Observer (recertification), and a request on his behalf from the Houston Pilots with evidence of his ability to enter into a faithful performance bond in the amount of \$25,000 payable to the governor.

After an assessment of his qualifications and the documents filed with his application, the ARC determined that Captain Craig P. Newkirk meets the requirements of Chapter 66 of the Texas Transportation Code, Houston Pilots Licensing and Regulatory Act, Section 66.041, and the Rules and Regulations Governing Pilots and Pilotage on the Houston Ship Channel and Galveston Bar.

Accordingly, the ARC respectfully submits to the Pilot Board the application of Captain Craig P. Newkirk for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. Such commission is for a four-year term.

## F. PILOT MATTERS

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**Subject**        **4. Recommendation for renewal of Branch Pilot Commission for the Houston Ship Channel and Galveston Bar: Captain Stephen M. Hill.**

Meeting         Oct 27, 2015 - BOARD OF PILOT COMMISSIONERS FOR HARRIS COUNTY PORTS

Access           Public

Type             Action

Recommended Action    The Pilot Board, at its October 27, 2015 meeting, recommend to the governor the commission renewal of Captain Stephen M. Hill as Branch Pilot for the Houston Ship Channel and Galveston Bar for a four-year term effective February 27, 2016, and further authorize the Secretary of the Pilot Board to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Pilot Matters

**Department:**

Pilot Administration

**Staff Contact:**

Erik Eriksson

**Background:**

The Application Review Committee (ARC) of the Pilot Board considers whether applicants meet the statutory and regulatory requirements for pilots on the Houston Ship Channel and Galveston Bar. Among other things, applicants undergo a physical examination to determine if an applicant is in good mental and physical health in order to perform the duties of pilotage on the Houston Ship Channel and Galveston Bar, and an investigation including a criminal background check and the applicant's accident history is conducted.

**Staff Evaluation/Justification:**

Captain Stephen M. Hill has applied for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. The application includes proof of continued education training in Legal Aspects of Piloting, Manned Model Ship Handling, Col-Regs for Pilots (Collision Regulations for Pilots), Incident Management for Pilots, and a request on his behalf from the Houston Pilots with evidence of his ability to enter into a faithful performance bond in the amount of \$25,000 payable to the governor.

After an assessment of his qualifications and the documents filed with his application, the ARC determined that Captain Stephen M. Hill meets the requirements of Chapter 66 of the Texas Transportation Code, Houston Pilots Licensing and Regulatory Act, Section 66.041, and the Rules and Regulations Governing Pilots and Pilotage on the Houston Ship Channel and Galveston Bar.

Accordingly, the ARC respectfully submits to the Pilot Board the application of Captain Stephen M. Hill for commission renewal as Branch Pilot for the Houston Ship Channel and Galveston Bar. Such commission is for a four-year term.

## F. PILOT MATTERS

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**Subject**            **5. Establish November 17, 2015 as the date for a Pilotage Rate Hearing.**

Meeting            Oct 27, 2015 - BOARD OF PILOT COMMISSIONERS FOR HARRIS COUNTY PORTS

Access            Public

Type                Action

Recommended    The Board of Pilot Commissioners, at its October 27, 2015 meeting, establish  
Action            November 17, 2015 as the date for a hearing on the Houston Pilots' October 14,  
2015 application for a change in pilotage rates, and further authorize the  
Secretary of Board of Pilot Commissioners to do any and all things in his opinion  
reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Pilot Administration

**Staff Contact:**

Erik Eriksson

**Background:**

The Houston Pilots Licensing and Regulatory Act, Chapter 66 of the Texas Transportation Code (the "Act"), requires the Board of Pilot Commissioners for the Ports of Harris County ("Pilot Board") to establish pilotage rates for the ports of Harris County, as provided therein.

Section 66.062(c) of the Act requires the Pilot Board to set a hearing date on any application for a change in pilotage rates within two weeks of its receipt. Section 66.062(c) additionally requires that the hearing be held not earlier than the 20th day and not later than the 40th day after the date the Pilot Board sets the hearing date.

By letter dated October 14, 2015, the Houston Pilots submitted an application to the Pilot Board for a change in pilotage rates: a line item charge to support a capital fund to purchase or retire debt for new pilot boats. The Houston Pilots expect that the proposed charge of \$162, which would be applied to all vessel sailings and arrivals, would generate sufficient funding to service the debt incurred for the purchase of new vessels.

**Staff Evaluation/Justification:**

Staff recommends that the Pilot Board set the pilot rate hearing for a Pilot Board meeting scheduled November 17, 2015, which would be held on the 21st day after the date the Pilot Board set the hearing date at its meeting of October 27, 2015.





# HOUSTON PILOTS

203 DEERWOOD GLEN DRIVE / DEER PARK, TEXAS 77536



October 14, 2015

Chairman Janiece M. Longoria  
The Board of Pilot Commissioners for the  
Ports of Harris County, TX  
P.O. Box 2562  
Houston, TX 77252

Dear Madam Chairman,

In accordance with Section 9 of Rules and Regulations Governing Pilots and Pilotage on the Houston Ship Channel, and Chapter 66 of the Texas Transportation Code, an application for change in pilotage rates to be effective January 1, 2017 is hereby submitted by the Houston Pilots to the Board of Pilot Commissioners for the Ports of Harris County, TX.

In concept, Houston Pilots proposes that the Pilot tariff include a line item charge to support a Pilot Boat Capital Fund. The revenue generated from the proposed new charge will be kept in a separate account and will be used solely to purchase or retire debt for two new Pilot boats. This Pilot Boat Capital Fund is consistent with other pilot tariffs around the U.S. and a wholly transparent funding of the largest capital asset purchased by any group of Pilots. The Houston Pilots seek no changes to the existing tariff, other than the addition of this pilot boat surcharge.

To ensure the continued high level of uninterrupted service that the customers of the Port of Houston expect and deserve, Houston Pilots is in the process of acquiring two new offshore Pilot boats at an estimated cost of \$28M. The debt service for this purchase is approximately \$3.4M/year for a term of ten years. The proposed charge, which will be applied to all vessel sailings and arrivals (sea transits) is \$162. There will be no pilot boat surcharge for shifts within the Port. Assuming 18,500 sea transits/year and a vessel traffic growth rate of 1.5%, the charge will generate approximately \$3.4M/year of funding for the Pilot Boat Capital Fund, equal to the funding necessary to service the debt generated by the purchase of the new boats.

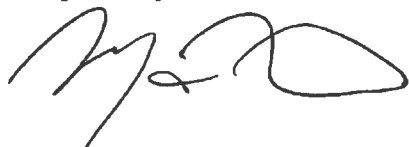
We propose the following draft language for how funds may be used:

“Charge for each inbound, as well as for each outbound movement (called “per movement”) which involves the use of a pilot boat. Said per movement charge shall be paid into a fund to be used for payment of a new vessel(s). Said fund is to be accounted for and to be kept in a specific account. The monies from said fund shall be used only for paying for the purchase of a new pilot boat(s), or to pay for the retirement of the indebtedness incurred due to the construction of said vessel(s). Any funds received for the sale of boats being replaced will be applied to this account and reduce the funding total needed. Once the agreed to funding total is met the charge will cease. Charge per movement: \$162”

October 14, 2015

As stated above, considering the economic factors currently affecting the shipping industry, no other increases to unit, draft, or ancillary charges are proposed.

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Morris', written in a cursive style.

Captain Michael Morris  
Presiding Officer, Houston Pilots

Copy: Mr. Roger Guenther  
Mr. Erik Eriksson  
Mr. Paul Caruselle  
Mr. Nathan Wesely