

PILOTAGE RATES

Rates for regulated vessels are determined by the Legislature for vessels arriving at or departing from the Port of New York/New Jersey, the Long Island Sound/Block Island Sound and the Hudson River. The Board retains authority to establish intermediate rates for other services, as well as to review and recommend surcharges for:

- Sandy Hook Capital Construction Fund: Implemented in 1999, reviewed/adjusted annually;
- Sandy Hook Pension Fund: Implemented in 1995, reviewed/adjusted quarterly;
- Hudson River Pilot Station and Communications Fee: Implemented in 1998 renewed/adjusted annually;
- Hudson River Pension Surcharge: Implemented in 2015, rate for first sixty months set by legislation;
- Long Island Sound/Block Island Sound pilot boat fuel surcharge: Implemented in 2006, adjusted quarterly.

State pilotage revenues for vessels in international trade, arriving from or departing for sea, are earned from statutory pilotage fees paid by vessels according to terms and tariffs established by the Legislature under authority of the New York State Navigation Law and by the Board, as described above. No subsidies are received, or are any tax revenues used, by New York State licensed pilots. Pilotage fees are established by the Legislature for entry into and departure from the ports, and by the Board for supplemental services such as docking, undocking and intra-port movements. In 1999, the Legislature enacted variable rate surcharges which provide for the cost recovery of certain investments in durable capital equipment, such as pilot boats and electronic navigation equipment in the Port of New York/New Jersey and for the recovery of certain operating cost expenditures for pilot boats, pilot stations and communications equipment on the Hudson River. In 2000, the Legislature began to authorize multi-year general tariff increases for vessels bound to and from sea in the Port of New York/New Jersey and the Hudson River as described below. Rates for supplemental pilotage services are established by the Board under authority of the New York State Navigation Law. In 2017, legislation for a five-year rate adjustment was introduced for the Port of New York/New Jersey. The legislation was passed by the New York State Senate and Assembly during the 2017 legislative session, signed by the Governor on 23 October 2017, and became effective on 1 January 2018.

- **SUMMARY OF PORT OF NEW YORK/NEW JERSEY LEGISLATIVE RATE AUTHORIZATIONS:**

- 2018 - 1% pilotage rate adjustment*
- 2019 - 1% pilotage rate adjustment
- 2020 - 2% pilotage rate adjustment
- 2021 - 2% pilotage rate adjustment
- 2022 - 3% pilotage rate adjustment

HUDSON RIVER: An operational cost recovery surcharge has been in place since 1999 for Hudson River pilot boats, pilot station and communications equipment as implemented by the Legislature. The surcharge is evaluated and adjusted, if necessary, by the Board in January of every year. In 2015, the New York Navigation Law was amended in order to establish a pension fund for Hudson River Pilots. The amendment created a Hudson River Pilot's Surcharge Board, which will determine the rate of the surcharge necessary to fund retirement benefits for active Hudson River Pilots. The rate for the first sixty months was set by legislation, as follows:

- 2016 - 8.0% pension surcharge
- 2017 - 2.0% pilotage rate adjustment, 3.5% pension surcharge
- 2018 - 2.0% pilotage rate adjustment, 2.5% pension surcharge
- 2019 - 1.5% pilotage rate adjustment, 2.0% pension surcharge
- 2020 - 1.5% pilotage rate adjustment, 1.5% pension surcharge

LONG ISLAND SOUND/BLOCK ISLAND SOUND: The Long Island Sound is boundary waters with the State of Connecticut. Pilotage rates in Connecticut are determined by the Connecticut Port Authority upon recommendation by the Connecticut Pilot Commission, and in New York by the Legislature. General rate increase legislation was introduced in New York State in conjunction with proposals made to the Connecticut Pilot Commission and Connecticut Port Authority in 2017. The legislation passed the New York State Assembly and Senate during the 2017 legislative session and was signed by the Governor on 23 October 2017. The general rate increase is awaiting approval by the Connecticut Port Authority as of 31 December 2017.

- **SUMMARY OF LONG ISLAND SOUND/BLOCK ISLAND SOUND LEGISLATIVE RATE AUTHORIZATIONS:**

- 2018 - \$8.95 per pilotage unit
- 2019 - \$9.04 per pilotage unit
- 2020 - \$9.22 per pilotage unit
- 2021 - \$9.40 per pilotage unit
- 2022 - \$9.68 per pilotage unit

*Includes a surcharge effective 1 January 2018, on vessels above 1,650 pilotage units.