



Tuesday, February 28, 2023

TO: INTERESTED MEDIA

FROM: FLORIDA TAXWATCH

RE: Florida Taxwatch Letter To State Sen. Jay Collins On Tampa Bay Pilots Association Request For Increase In Pilotage Fees

Good afternoon,

Please find below a letter from Florida TaxWatch President and CEO, Dominic M. Calabro, sent to state Sen. Jay Collins (R-Tampa), related to the senator's request that the government watchdog review the [Tampa Bay Pilots Association's](#) request for an increase in pilotage fees prior to the Pilotage Rate Review Committee's meeting on Thurs., March 2.

**Florida TaxWatch recommends that the Pilotage Rate Review Committee's Thurs., March 2 public meeting be postponed so that its impact can be fully examined and considered and to ensure the proposal conforms with state law. In addition, the Tampa Bay Pilots Association proposal should be rethought and scaled back considerably.**

Content from this letter may attributed directly to Mr. Calabro.

Please let us know if we may provide any additional information.

Thank you.

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Senator Collins:

Thank you very much for asking Florida TaxWatch to examine the request by the Tampa Bay Pilots Association for an increase in pilotage fees, which are governed by [Section 310.151 Florida Statutes](#).

Florida's 16 publicly owned ports are vital to the economic success of Florida. These ports

support 900,000 direct and indirect jobs, provide \$117.6 billion in economic value, and comprise 13.3 percent of Florida's GDP. This issue is important to the ports and pilots, and therefore important to Florida.

Florida TaxWatch's initial review of the issues surrounding the requested pilotage fee increase finds that there has not been adequate time for all stakeholders to consider the issues and provide input to the Pilotage Rate Review Committee prior to its meeting on March 2 and 3. The two member seats on the committee that are currently vacant heighten that concern.

The magnitude of the requested fee hike, which involves a large initial increase followed by significant annual increases over the following ten years, is also problematic. The introduction of new factors for the formula that calculates individual vessel rates, as well as proposed new fees, make adequate review time even more essential.

According to Port Tampa Bay, the proposed rate increase would result in the more than doubling of fees for all vessels over the next ten years, with increases as high as 183 percent, nearly triple current rates. This is on top of fees that the Port states are already near the highest in Florida and the region.

In the first year under the proposed rates, increases would range from 38 percent to 98 percent. Following that initial jump, there would be annual increases of six percent if each of the next three years, followed by three percent increases in each of the following seven years. This would continue to compound that very large first-year increase at a rate exceeding expected inflation. (The Federal Reserve Bank of Cleveland expects inflation to average two percent over the next two years.)

Included in these new rates are several fees that, for the first time, would be charged per vessel movement, adding \$395 per trip. These fees are not authorized in statute and are not listed in statute among the "vessel characteristics" upon which fees are to be based.

The limited notice and time for review, along with the absence of citizen representatives on the committee, require the postponement of the March 2 meeting. Port Tampa Bay and other stakeholders were not aware of this new fee proposal until late January 2023, after the investigative hearing had already occurred, excluding their input. In addition, the statute that governs the setting of pilotage rates establishes the membership of the seven-member Pilotage Rate Review Committee. The committee is required to be comprised of two actively practicing state pilots, two persons actively involved in the maritime, marine shipping, or passenger cruise industries, one certified public accountant, and two citizens. Both citizen committee seats are currently vacant. Because pilot services are considered essential to the economy and public welfare, the law requires the setting of rates to be done by the committee "in the public interest." Undertaking this rate review process without the two members representing the interests of Florida's citizens/consumers undermines the intent of the state's regulation of pilots and their rates.

As the eyes and ears of Florida taxpayers, Florida TaxWatch has guarded the interests of the state's citizens and consumers for more than 40 years. We conclude that the new fee proposal could have a negative impact on the Port, along with shipping companies, longshore labor, and other transportation and logistics service providers throughout the supply chain, as well as customers such as exporters, importers and the cruise industry and its passengers. This impact could ripple through Florida's economy. And of course, the impact will ultimately be felt by consumers in the form of higher prices.

Florida TaxWatch recommends that the Pilotage Rate Review Committee's March 2 public meeting be postponed so that its impact can be fully examined and considered and to ensure the proposal conforms with state law. In addition, the Tampa Bay Pilots Association proposal should be rethought and scaled back considerably.

Senator Collins, thank you for asking for Florida TaxWatch's input on this important issue. Please let me know if you have any questions or if we can assist you further.

Sincerely,

Dominic M. Calabro  
President and CEO  
Florida TaxWatch