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## DIGEST

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Connick

HB No. 573

**Abstract:** Allows for the inclusion of reasonable legal and consulting expenses for certain members of the Pilotage Fee Commission in the establishment of pilotage fees, rates or surcharges.

Present law creates the Pilotage Fee Commission made up of eleven members and nine alternates appointed as follow:

- (1) 4 members and 4 alternates appointed by the governor and designated by the board of directors of the 4 pilot associations to represent the interests of the pilot associations.
- (2) 4 members and 4 alternates appointed by the governor from nominees submitted by the N.O. Steamship Assoc., the Mississippi River Maritime Assoc., the Lake Charles Maritime Assoc. and the International Freight Forwarders and Customs Brokers of N.O. Inc., LABI, the La. Chemical Assoc. and La. Mid-Continent Oil and Gas Assoc. to represent the interests of the industry.
- (3) Three at-large members and one at-large alternate.

Present law gives the fee commission exclusive authority to fix and establish reasonable and just fees and rates for:

- (1) Pilotage service to ships and vessels.
- (2) Pilotage service to ships in distress.
- (3) Extraordinary pilotage service.
- (4) A pilot being carried to sea unwillingly, which fee and rate shall include reimbursement for his return to pilot station.
- (5) The detention of a pilot.

Present law provides that pilotage fees and rates provide for all ordinary and necessary operating and administrative costs, including but not limited to the cost of, replacement of, and reasonable return on investment of pilot stations, administrative offices, furniture and fixtures, communication equipment and facilities, vessels, launches and other required vehicles of

transportation and the expenses of maintaining and repairing same, other transportation expenses, the expense of maintaining necessary employees, operating materials, consumables and services, pensions, pension plans, hospitalization, disability compensation, taxes and licenses, life insurance, license insurance, trade promotions when requested to participate by industry or any port, required continuing education, legal expense, accounting expense, professional dues, administrative and professional publications, state pilot commissions, state and federal requirements, and fair average annual compensation for a state ship pilot, in comparison to regulated state ship pilotage in other United States ports. Further provides for all ordinary and necessary operating and administrative expenses of the fee commission.

Proposed law provides that pilotage fees and rates provide for reasonable legal and consulting expenses of the industry members of the fee commission. Defines "industry members" as those in present law members appointed by the governor from nominees submitted by the N.O. Steamship Assoc., the Mississippi River Maritime Assoc., the Lake Charles Maritime Assoc. and the International Freight Forwarders and Customs Brokers of N.O. Inc., LABI, the La. Chemical Assoc. and La. Mid-Continent Oil and Gas Assoc. to represent the interests of the industry.

Proposed law requires the fee commission to adopt rules and regulations as proposed by the industry members for the purpose of establishing any necessary fee, rate, or surcharge to fund the legal and consulting expenses.

Proposed law specifies that the rules should provide at a minimum that:

- (1) Industry members are solely responsible for retaining legal representation, overseeing the billing, and directing legal work performed on behalf of the industry members.
- (2) Industry members are solely responsible for retaining consultants, including accountants and technical experts, overseeing the billing and directing consulting work performed on behalf of the industry members.
- (3) Industry member are to base the fee, rate, or surcharge on the amount of expenses incurred and anticipated, and any available funds to pay the expenses.
- (4) Industry members are to adjust the fee, rate, or surcharge annually.
- (5) Only industry stakeholder are to participate in the annual proceedings to consider adjustments to the fee, rate, or surcharge.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 34:1122(B)(4))