

June 26, 2008

The Honorable Larry E. McNutt, Jr.  
Executive Administrator  
Louisiana Pilotage Fee Commission  
Two United Plaza, Ste. 702  
Baton Rouge, Louisiana 70809

*Re: Docket No. P07-001  
Crescent River Port Pilots' Association  
In re: Request for Tariff Redesign and for Increase in Allowed Expenses  
Pursuant to La. R.S. 34:1122 and for Related Relief  
Our File No. 08-002*

Dear Mr. McNutt:

As you know, on April 26, 2007, the River Port Pilots for the Port of New Orleans, duly organized as the Crescent River Port Pilots' Association (the "Crescent River Port Pilots") filed a Request for Action with the Louisiana Pilotage Fee Commission (the "Commission") pursuant to La. R.S. 34:1121, *et seq.*, to, among other things, recover certain storm-related costs and expenses extraordinarily incurred as a result of Hurricane Katrina (the "Request for Action").

An additional component of the Request for Action was a request to adjust tariff rates and fees upward by five (5%) percent to recover increased ordinary and necessary operating and administrative expenses incurred since the last tariff adjustment in 2004, exclusive of any increase in fair average annual compensation for pilots over the same period. The Request for Action was publicly noticed according to law and the proceeding was assigned Docket No. 07-001 by the Commission. Upon the filing of subsequent interventions, the matter was allotted to the Commission's contested docket.

In due course, the matter was considered by the Commission, which determined to assign the matter to a Hearing Master for expedited review and recommendation. Though the Hearing Master established an accelerated procedural schedule to comply with the Commission mandate, at hearing, he determined and ordered that the proceeding be bifurcated so that the issue of storm related damages could be first resolved, with further discovery and a separate hearing to be conducted later on the issue of increased expenses and other matters, including consideration of fair average annual pilot compensation.

As you are aware, the issues relating to the recovery of storm-related damages was resolved by stipulation in February 2008, and the Hearing Master has now established an

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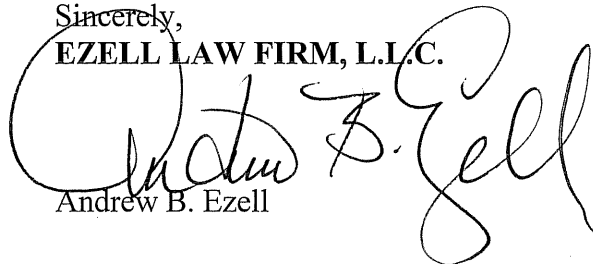
accelerated procedural schedule to hear the now expanded expense issue in November 2008. However, La. R.S. 34:1122(D)(9) provides that the proposed tariff increase shall go into effect immediately following the lapse of twelve (12) months from the date of certification of the request, and remain in effect unless and until a full and final decision is made disallowing the increase, subject to reasonable protective bonding and other security requirements set by the Commission.

Though the statutory provision provides that the requested tariff increases could have been implemented as early as April 26, 2008, pursuant to the earlier stipulation between the parties, the Crescent River Port Pilots committed not to seek approval of security arrangements and implementation of the proposed tariff increase prior to the July 10, 2008 regular meeting of the Commission.

Please consider this letter formal notice to the Commission that the Crescent River Port Pilots intend to implement the proposed tariff increase sought in the Request for Action on August 1, 2008, and to submit for consideration and approval the form of a surety bond or bank letter of credit in an amount necessary to adequately protect the interests of pilot users. In that regard, and for that purpose, we respectfully request that you place this matter on the Agenda for the next scheduled regular meeting of the Commission on July 10, 2008. Also, please be advised that, prior to the meeting, we will timely provide additional information to the Commission and Industry counsel concerning the form and amount of the security proposed for implementation by the Crescent River Port Pilots.

Sincerely,

**EZELL LAW FIRM, L.L.C.**

A handwritten signature in black ink, appearing to read "Andrew B. Ezell", written over a circular stamp or seal.

Andrew B. Ezell

ABE:

cc: Official Service List  
Captain A.J. Gibbs