

River Users Oppose Proposed Pilot Rate Increase

Regional shippers, ports and steamship operators strongly oppose proposals filed by the Columbia River Pilots and the Columbia River Bar Pilots to substantially increase their pay despite a worldwide recession and a 30 to 40 percent decline in ship traffic since the fall of 2008. The Columbia River Bar Pilots (“CRBP”) have filed a petition with the Oregon Board of Maritime Pilots seeking a 34.5 percent increase in pilot pay, an additional \$1.2 million to pay an extra four bar pilots, and another \$1.4 million in incentive income. Similarly, the Columbia River Pilots (“COLRIP”) filed a petition, seeking a nearly 100 percent increase in pilot pay.

Oregon licensed pilots currently earn a target net income of \$215,000 plus more than \$70,000 for pension and benefits annually. Many Oregon pilots have enjoyed incomes 15 to 20 percent above this level in previous years. In 2008 shippers paid more than \$30 million in pilot fees to fewer than 60 Columbia River system pilots.

In seeking this substantial increase, both COLRIP and CRBP say they want compensation equal to that received by pilots in San Francisco and Puget Sound.

Strongly opposing this, the Columbia River Steamship Operators Association (“CRSOA”) points out that a similar number of pilots in San Francisco and Puget Sound serve more than twice the number of ships handled by Oregon licensed pilots.

CRSOA, in addition to the Port of Portland and the Port of Vancouver (USA), seeks a reduction in pilotage costs, and wants to reduce the pilotage tariff to fund only the number of pilots necessary to serve the reduced volume of ship traffic in an effort to keep the Columbia River competitive and preserve family-wage and union jobs. CRSOA does not understand why the pilots are seeking any increase in fees during times when most others in the industry have reduced salaries, cut critical functions, furloughed employees, and are continuing to make big sacrifices to save jobs. CRSOA believes that global economic recovery combined with the construction of new industrial and exporting facilities on the Columbia River will restore river traffic to pre-recession levels, improving the situation for all river-related workers, not just the pilots. Any adjustments to pilot income should be postponed until there is commerce sufficient to support the additional costs.

The pilots’ income is established by the Oregon Board of Maritime Pilots. Members of the Oregon Board of Maritime Pilots are appointed by Governor Ted Kulongoski. The level of pay is examined periodically by this board. Each year the level of pay is adjusted for inflation.

Facts

- **Columbia River System Pilots – Fewer than 60 pilots served 1,650 ships in 2007, and will serve a predicted 1,400 ships in 2010. Current target net income: \$215,000, plus \$70,000 in pension and benefits.**

- **Puget Sound – 55 pilots served approximately 3,000 ships in 2008. Annual income: \$350,000 plus.**
- **San Francisco – 61 pilots served 3,500 ships in 2008. Annual income: \$400,000 plus.**
- **Average pay in the maritime industry is \$46,000 per year. More than 40,000 jobs depend upon Columbia River maritime commerce. An additional 59,000 jobs in the Pacific Northwest are connected to maritime commerce.**
- **The economic downturn of 2008 shares the blame for the dramatic drop in ship traffic on the Columbia River in the past year. There has been a downward trend in the number of ships calling the Columbia River over the past decade. From a high of 1,844 ships in 2000 to a low of 1,650 ships in 2007 and a predicted 1,400 ships in 2010, ship traffic on the Columbia River continues to decline.**
- **Shipping companies have had significant layoffs and reduced port calls. Ports have had to slash their budgets to account for drastic reductions in income caused by customers who can no longer afford to ship cargo through the Columbia River.**
- **While the number of pilots for the Columbia River remains stable, hundreds of family-wage workers have lost their jobs in the region’s maritime commerce.**
- **There is no competition for pilot services for the Columbia River.**
- **In a similar process earlier this year, the Puget Sound pilots were rebuffed in their attempt to raise their pay before the Washington Board of Pilotage Commissioners.**

Constraints on the Columbia River

- **Double Pilotage – ships calling at Columbia River ports must pay for both a Bar Pilot and a River Pilot – putting the Columbia River ports at a significant disadvantage.**
- **A car carrier calling a Columbia River port pays over \$18,000 more for pilots than the same ship calling Tacoma.**
- **A container ship calling a Columbia River port pays over \$11,500 more for pilots than the same ship calling Tacoma.**
- **A bulk cargo ship pays over \$16,000 more for pilots to call a Columbia River port than it pays for pilots in Seattle, and over \$12,000 more for pilots than it pays for pilots in San Francisco.**