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State Senate Refuses to Grant San Francisco Bar Pilots Big Pay Increases

**Senate Action Means No Rate Increases for Pilots, Already the Highest Paid on the West Coast;
Necessary Reforms of the Pilot Rate-Setting Process on the Agenda**

(Sacramento, CA) – The exclusive group of 58 San Francisco Bar Pilots who currently monopolize the business of bringing ships in and out of San Francisco Bay, and who each take home over \$450,000 a year in pay, will not get pay raises in the near future, as the California State Senate refused to act late last night on a bill that would have raised pilot salaries even higher starting in 2016.

AB 1432 was moved to the Senate Inactive file. The bill proposing the rate increase was opposed by a large coalition of vessel operators across the maritime industry, a wide variety of agricultural interests that rely on the Ports of Oakland, Stockton and West Sacramento to move most of California's agricultural exports overseas, and the business community.

The Pacific Merchant Shipping Association (PMSA), which represents vessels, ocean carriers, marine terminal operators doing business at all of the public ports in the San Francisco Bay and river system subject to the San Francisco Bar Pilot monopoly, offered several compromise proposals to the Bar Pilots during the legislative process but was rebuffed. PMSA ultimately opposed AB 1432.

"In addition to their sky-high pay of over \$450,000 per pilot, ocean going vessels, and ultimately their customers who rely on the Ports in the Bay, also already pay for all the pilots' expenses, their pilot boats, their training, their licensing board's operations, and 100% of their exceptionally generous and dangerously unfunded pension benefits," said Mike Jacob, Vice President and General Counsel of PMSA.

"These few dozen bar pilots already make more than any other pilots on the West Coast, but turned down an offer of an incremental three percent increase in rates to pay their expenses and for new Navigation Technology equipment, which the pilots stated was necessary to ensure higher levels of marine safety on the San Francisco Bay. Obviously willing to risk losing the millions of dollars offered by industry to pay for expenses and enhanced maritime safety, the pilots instead gambled that the Legislature would give them millions more in pay increases over and above their expenses. They've rolled the dice and lost."

"This is the third time in the last five years that the San Francisco Bar Pilots have tried and failed to have rate increases passed by the Legislature.

"We applaud the Legislature's continual good sense to say 'No' to the last three pilot rate increase bills, but this politicized process must be reformed. The pilot monopoly has a rate-setting system that is highly arbitrary and that does not have the procedural safeguards you find at other state agencies that engage in monopoly rate setting. We need checks and balances, real evidentiary standards, and procedural protections to ensure due process and avoid the continued push by pilots for higher income in the Capitol. Pursuing this reform is a priority for the maritime industry," concluded Jacob.

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