



**AMERICAN  
GREAT LAKES PORTS  
ASSOCIATION**

## **PRESS RELEASE**

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### **Great Lakes Ports File Suit Against U.S. Coast Guard** Ports and Vessel Operators Challenge Flawed Pilotage Fees

**Washington, D.C. (May 31, 2016)** - A coalition of U.S. Great Lakes ports, vessel operating companies and maritime trade associations today filed suit in the U.S. District Court for the District of Columbia challenging the U.S. Coast Guard's 2016 increase in Great Lakes pilotage rates.

The American Great Lakes Ports Association, the Shipping Federation of Canada, and the U.S. Great Lakes Shipping Association were joined by vessel operating companies Fednav International Ltd, CanforNav Inc., Polish Steamship Company, Spliethoff Transport, Brochart Shipping, and Wagenborg Shipping in filing the complaint. The coalition disputes the agency's proposed 58 percent increase in pilotage fees to be implemented over 2016 and 2017, arguing key flaws in the agency's work.

"Pilotage is currently one of the single largest costs to vessel operators engaged in international trade on the Great Lakes. On average, the daily cost of a pilot now exceeds the cost of chartering the entire cargo ship and its crew," said Steve Fisher, Executive Director of the American Great Lakes Ports Association.

Will Friedman, President of the Cleveland-Cuyahoga County Port Authority explained, "Great Lakes pilotage costs have gone up 114 percent over the last ten years. The Coast Guard wants to increase them another 58 percent by 2017. These increases are unsustainable and will ultimately erode the viability of international trade through Great Lakes ports."

Marine pilots are expert navigators familiar with local conditions. Under federal law, all ocean-going vessels operating on the Great Lakes Seaway System must hire local

pilots to assist with navigation. The U.S. Coast Guard regulates all aspects of Great Lakes pilotage and has granted three private companies a monopoly to provide these services. Rates are set annually by the Coast Guard through a federal rulemaking.

In its 2016 rate-setting, the Coast Guard decided to expand the number of pilots, increase pilot compensation to \$326,000/year, and ensure that pilots have 10 days off each month during the nine-month shipping season.

In response to runaway pilotage costs, Rich Cooper, CEO of Ports of Indiana commented, "Shippers already face tremendous handicaps and higher costs when operating in the Great Lakes. Adding this excessive fee will discourage companies from doing business in the Great Lakes region and could shut down a vital transportation system."

Sharing a similar sentiment, John Loftus, Executive Director of the Port of Detroit, added, "The Coast Guard maintains a Great Lakes pilotage system largely unchanged since the 1960s. It is time that the agency modernize its approach, identify cost efficiencies and protect the thousands of jobs dependent on the Great Lakes navigation system."

In its complaint, the coalition argued that the Coast Guard violated the Administrative Procedures Act by making arbitrary and unsubstantiated decisions during development of the 2016 pilotage rates. The plaintiffs have asked the court to remand the rulemaking back to the Coast Guard for revision.

A copy of the complaint is attached.

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The American Great Lakes Ports Association (AGLPA) is an organization representing the interests of commercial ports and port users on the United States side of the Great Lakes. Learn more at [www.greatlakesports.org](http://www.greatlakesports.org)