
DETAILS AND PRINCIPLES

PROPOSED ESTABLISHMENT OF PILOTAGE CHARGES

September 21, 2020



Administration de pilotage des Laurentides
Laurentian Pilotage Authority



GENERAL

Pursuant to [section 33.2 of the Pilotage Act \(R.S.C., 1985, c. P-14\)](#), this document (“**Details and Principles**” or “**Document**”) provides additional information, including the Authority’s methodology, to elaborate upon the Notice Establishing Pilotage Charges dated September 21, 2020 (the “**Notice**”). The Notice published by the Laurentian Pilotage Authority (“**Authority**”) proposed the establishment of pilotage charges to come into effect on December 21, 2020.

This Document includes a description of the proposal, including the Authority’s methodology in relation to establishing the pilotage charges, and the circumstances in which the charges will apply. In developing the charges, the Authority has observed all charging principles established under [section 33.2 of the Pilotage Act](#). The pilotage charges below are based upon the current budgetary forecasts and other information, and may be revised, following representations obtained under [section 33.3 of the Pilotage Act](#). The methodology and its application are set out in this Document for the proposed establishment of pilotage charges for 2020.

Except for the revisions proposed in the Notice, all the existing charges and related terms and conditions, as set out in the [Laurentian Pilotage Tariff Regulations \(SOR/2001-84\)](#) (“**Tariff Regulations**”), are to be reestablished without substantive change. The only changes that have been made have been to remove charges that have been repealed and simplify some of the language therein. Once the charges are reestablished, the [Tariff Regulations](#) will be rescinded.

This Document consists of the following sections:

1. [General overview of the Authority](#)
2. [Traffic and assignment volumes](#)
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4. [Cash and reserves](#)
5. [Proposed establishment of pilotage charges rates](#)
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1. GENERAL OVERVIEW OF THE AUTHORITY

The Authority is a Government of Canada non-agent Crown Corporation established in 1972 pursuant to the *Pilotage Act*. The objective of the Authority is to establish, operate, maintain and administer in the interests of safety of navigation, an efficient pilotage service within the Authority's regional jurisdiction. The Authority is tasked with achieving this objective while respecting the following principles:

- a) that pilotage services be provided in a manner that promotes and contributes to the safety of navigation, including the safety of the public and marine personnel, and that protects human health, property and the environment;
- b) that pilotage services be provided in an efficient and cost-effective manner;
- c) that risk management tools be used effectively and that evolving technologies be taken into consideration; and
- d) that an Authority's pilotage charges be set at levels that allow the Authority to be financially self-sufficient.

The system of governance at the Authority is intended to make the corporation financially self-sufficient. The Authority is governed by a 7-member Board of Directors (the "**Board**"). The Governor in Council appoints the Chairperson of the Authority, for a term determined by the Governor in Council, and the Minister of Transport appoints the other members of the Board, upon the Governor in Council's approval, for terms not exceeding four years.

The fundamental elements governing the mandate conferred on the Authority by the *Pilotage Act* include the exclusive right to provide pilotage services to ships in an area of water where ships are subject to compulsory pilotage. This includes the exclusive ability to set and collect charges for pilotage services provided or made available by the Authority or a contractor acting for the Authority, and the obligation by the Authority to provide these services.

When establishing a new charge for pilotage services or revising an existing charge, the Authority must follow the charging principles set out in [section 33.2\(1\) of the *Pilotage Act*](#). These principles prescribe that, among other things, charges must not be set at levels that, based on reasonable and prudent projections, would generate revenues exceeding the Authority's current and future financial requirements related to the provision of compulsory pilotage services. Pursuant to these charging principles, the Board approves the amount and timing of the establishment or changes to pilotage charges. The Board also approves the Authority's annual budget where the amounts to be recovered through pilotage charges for the ensuing year are determined. Moreover, the Board also takes into account the five-year corporate plan, including the capital investment plan. In addition, the Authority proceeds to a pre-consultation exercise with the industry stakeholders prior to the approval and publication of the Notice. A summary of the pre-consultation process is included in this Document.

Pursuant to [section 33.2 of the *Pilotage Act*](#), the Authority plans its operations to be financially self-sufficient and that based on reasonable and prudent projections would not result in revenues exceeding current and future financial requirements related to the provision of compulsory pilotage services.



Financial requirements include:

- a) operations and maintenance costs;
- b) management and administration costs;
- c) debt servicing requirements and financial requirements arising out of contractual agreements relating to the borrowing of money;
- d) capital costs and depreciation costs on capital assets;
- e) financial requirements necessary for the Authority to maintain an appropriate credit rating;
- f) tax liability;
- g) payments to the Minister for the purpose of defraying the costs of the administration of the *Pilotage Act*, including the development of regulations, and the enforcement of the *Pilotage Act*;
- h) reasonable reserves for future expenditures and contingencies; and
- i) other costs determined in accordance with accounting principles recommended by the Chartered Professional Accountants of Canada or its successor or assign.

The financial statements and Management's Discussion and Analysis issued quarterly and annually, provide extensive information on the revenues and expenses of the Authority.

These documents are available at <https://www.pilotagestlaurent.gc.ca/en/index.html>.

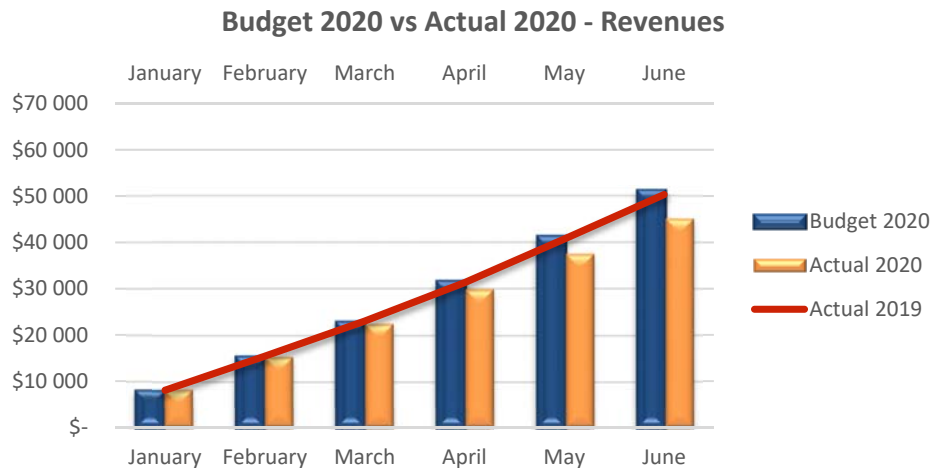
2. TRAFFIC AND ASSIGNMENT VOLUMES

Current revenue versus Budgeted revenue (2020)

Once the financial results for the year 2019 were known, the Authority determined that its revenues were below the approved budgeted amount by 2.3% for that same year. This trend was maintained in the first quarter of 2020 when the revenues were 2.2% below the amount budgeted. The second quarter of 2020 was impacted by the economic slowdown generated by the COVID-19 global pandemic, translating into revenue 12% lower than budgeted. Including the most recent quarter of 2020, the Authority generated total current revenue of \$45.1 M, while budgeted revenue was set at \$51.2 M. It is expected that the second half of the year will follow this trend and that the Authority's total revenues will decrease by more than \$19.6 M to reach \$95.8 M compared to the budgeted revenues of \$115.5 M. Pilotage revenues alone represent \$18.1 M of the decrease.



The chart below illustrates the gap between the current revenue and the budget:



The trend as compared to the previous year

The annual assignment projections are established on traffic history, number of announced ships and information obtained from industry stakeholders after consultation. In 2015, the number of assignments completed was 21,495 compared to 24,670 in 2019. For the first quarter of 2020, this trend of increase in assignments was maintained, but starting in March, when the pandemic was declared, the trend reversed. After more than two quarters in 2020, the current trend shows a decrease in assignments of 13.4%, totalling 13,177 in 2020, as compared to 15,223 for the same period the previous year. The traffic decrease due to the COVID-19 global pandemic is set to continue through the following months of 2020.

Main sources of information and traffic outlook

In order to establish the financial forecasts for future years, the Authority relies on the information obtained from its market analysis carried out throughout the year. This information is obtained through different sources, such as discussions with industry's stakeholders, news reports and various sources of information pertaining to the maritime industry and macroeconomic indicators. This information is then compared with historical traffic data and new trends that surfaced in the past year.

Forecasts for the year 2020 were based on actual data for the first 2 quarters of 2020, with the 2 last quarters figures being estimated. More specifically, these forecasts take into account various assumptions, such as the continued decline in traffic levels, the size of vessels and the absence of passenger vessels. These assumptions are validated by the Authority through consultations with business partners and stakeholders. Although the current pandemic situation is temporary, the Authority cannot predict the timing of the return to normal or the short or medium term impacts that the pandemic will have on the economy and the level of traffic in the remainder of 2020 and in 2021.



3. PROJECTED FINANCIAL POSITION OF THE AUTHORITY

Based on the level of traffic set out in [section 2](#), the preliminary budgeted costs for fiscal 2020 are expected to be \$99.2 M. This represents a 13.6% decrease in expenditures from the 2020 original budget. This decrease, which is directly related to the decrease in traffic and consequently in the number of assignments, is mainly made up of the decrease in pilotage fees paid to the pilot corporations and costs related to pilot boat services.

Operating expenses (in thousands of dollars)	2019	2020	2020
	Actual	Budget	Forecast
Pilotage fees	\$87,522	\$92,695	\$78,690
Pilot boat services operating fees	\$11,276	\$12,680	\$10,903
Payroll	\$5,137	\$5,804	\$5,750
Special and professional services	\$891	\$1,079	\$1,039
Rent	\$322	\$350	\$350
Utilities, supplies and procurement	\$280	\$347	\$348
Communication and Transport	\$184	\$239	\$193
<i>Pilotage Act</i> administrative fee	-	\$507	\$507
Information	\$73	\$92	\$92
Amortization	\$1,799	\$1,400	\$1,300
Other expenses	\$196	\$183	\$28
Total of operating expenses	\$107,680	\$115,376	\$99,200

Cost Structure

The Authority's costs associated with provision of pilotage services are dictated by the Authority's contractual obligations and vary depending on the level of assignments and volume of traffic.



The costs incurred by the Authority are broken down as follows on an approximate basis:

Charge Category	Proportion of the total charges	Particulars
Pilotage Charges	81.8%	Governed by contract and varies depending on the pilotage revenues
Pilot Boats Services	11.1%	Mainly governed by contract and varies depending on the pilotage revenues
Payroll	4.8%	Mainly governed by collective agreements
Amortization and rent	0.8%	
Other administrative expenses	1.5%	






Cost analysis

If the forecast for the second half of 2020, is consistent with the actual results seen in the first half of the year, overall spending in FY 2020 is expected to decrease by \$16.1 M from the original FY 2020 budget. Factors that explain the significant changes in expenditures include the following:

- 1. Pilotage charges and pilot boats:** As noted above, lower traffic and assignments are directly responsible for the decrease in the overall expenses in 2020 in this category;
- 2. Personnel costs:** These are, for all intents and purposes, in line with the original budget;
- 3. Amortization costs:** The implementation of the new dispatch and billing system had to be postponed. As a result, the amortization of the new system will be lower this year;
- 4. Pilotage Act administration costs** of \$507,095 have been added in FY 2020. This is a new fee payable to the Minister of Transport, upon request, by the Authority for the administration of the *Pilotage Act*; and
- 5. Other expenses** for the year 2020 include one-time costs required to ensure continuity of service delivery during the current pandemic.

Capital Projects

The Authority anticipates that its capital program will require investments in the order of \$2.4 M for 2020. For the most part, these are projects already underway, arising from contractual obligations or requirements in order to ensure business continuity. These are mainly made up of:

-  development of the pilot control software;
-  financial participation in the acquisition of the Corporation of Lower St. Lawrence Pilots' PPU ("CLSLP");
-  acquisition of a pilot boat;
-  repairs to the wood berthing dock at Les Escoumins; and
-  upgrading of computer and office equipment.




The capital investment program for the next five years includes major repairs to the wood berthing dock at Les Escoumins estimated at \$3.2 M as well as the upgrading of pilot boat services in the order of \$4.9 M. The Authority expects to maintain its capital program which will require \$2.4 M in expenditures in fiscal 2020, primarily related to the new dispatch, billing system, a pilot boat purchase and the financial contribution for the purchase of CLSLP' PPU. The Authority has the necessary reserves to cover these capital investments to support safe, efficient and cost-effective pilotage services.

4. CASH AND RESERVES








Pilotage charges are set according to the Authority's financial requirements, which take into account projected traffic volumes and anticipated revenues and expenses. As actual revenues and expenses will differ from these estimates, methods to accumulate the differences are required so that they can be taken into account when establishing or revising future charges and so to mitigate potential risks to the Authority including business interruptions. The reserves also help provide pilotage charges stability for the foreseeable future.

It is also necessary to take into account unpredictable factors, primarily fluctuations in traffic volumes, resulting from unforeseen events.

As discussed in more detail in [section 5](#), in determining the level of pilotage charges required, the Authority takes into account its current and future financial requirements. Among other things, the following elements are taken into account when establishing or revising pilotage charges:

-  the Authority's financial requirements and the extent to which operating costs are variable;
-  anticipated capital costs and the extent to which borrowing is being introduced; and
-  current and projected cash and reserve account balances.

The Authority's cash and reserve accounts are determined based on an analysis of the following items:

-  analysis of the Authority's financial situation;
-  financial impact of projects;
-  analysis of the economic context;
-  identification and analysis of risks;
-  projection of environmental issues;
-  determination of a margin of uncertainty; and
-  cash flow calculation required.

While establishing the 2020 budget, the required cash and reserve levers were as follows:






(in thousands of dollars)	2019	2020	2020	2021
	Actual	Actual 6 months	Forecast	Forecast
Cash	\$11,899	\$10,119	\$8,033	\$4,654
Investments	\$2,391	\$1,876	\$1,876	\$1,876
Total reserve	\$14,290	\$11,995	\$9,909	\$6,530

It should be noted that the reserve account was created within the Authority to enable it to meet unanticipated contingencies and deal with various risks without necessarily having a major impact on the level of pilotage charges. The reserve enables the Authority to make essential investments required to maintain and improve the safety, effectiveness and efficiency of its services, in accordance with its legislative mandate.

The Authority believes that the projected cash and reserve balance, based on an objective analysis of the magnitude of its operating costs, the impacts resulting from the pandemic, and the capital expenditure program, will enable it to meet, at least in the short term, its obligations for 2020.

5. PROPOSED ESTABLISHMENT OF PILOTAGE CHARGES RATES

The Authority establishes the required pilotage charges as follows:

-  volumes as outlined in [section 2](#);
-  expenditures based on volumes and contractual requirements as outlined in [section 3](#);
-  capital expenditures and financing as outlined in [section 3](#);
-  reserve account and funding requirements as set out in [section 3](#); and
-  the rate required to complete all of the above steps.

The Authority also conducts a cost-benefit analysis of the result obtained in relation to proposed increases in charges above estimated CPI levels and, as appropriate, a summary is set out in this Document.

The following table shows the impact of new pilotage charges for the year 2020 versus those already effective and published for this same year, in the *Tariff Regulations*. Since the rates are equivalent, no impact was observed.



Effective **December 21, 2020**, establishment of pilotage:

Category	Pilotage charges	New / Adjustment	Application Methodology	Effect on Customers
Base Rate	0% increase	New	All rates affected	None
Administration of the <i>Pilotage Act</i>	No change	New	Per assignment charge	None
Total Effect				None

The CPI observed in the last months of 2020 is approximately 0.6%. It is important to note that most of the Authority's expenses are governed by contracts and agreements that anticipate increases greater than the current CPI. These increases are taken into account in the analysis supporting the establishment of the 2020 charges.

Use of Pilot Boat Services

Charges pertaining to transshipment services, such as pilot boat services to embark or disembark a pilot, including at a pilot boarding station, are applied and charged in an amount equal to the cost incurred by the Authority to provide the service. This applies whether the pilot boat or service is owned or operated by the Authority or provided by a third party on behalf of the Authority. Those pilotage charges include all cost incurred by the Authority, including but not limited to lease or rental fees, if applicable.

Fees for the Administration of the *Pilotage Act*

It should be noted that the \$39.64 per assignment charge, which came into effect on July 6, 2020, was expected to generate \$507 K in revenues during the 2020 fiscal year. The amount of \$39.64 was determined by prorating the amounts due to the Minister based on the estimated number of assignments for the year. These amounts are intended to offset the new administrative charges imposed on the Authority under [section 37.1 of the *Pilotage Act*](#). This section allows the Minister of Transport to impose charges on the Authority for costs associated with the administration of the *Pilotage Act*. No additional revenue is generated for the Authority from this charge. In the context of the pandemic and the traffic downturns discussed above, it is possible that the Authority may not be able to recover the amounts provided for this expense.

Consultations Undertaken Prior to Publication of Notice

The Authority has consulted marine industry associations regarding the establishment for the pilotage charges proposed herein. Industry views have been considered and taken into account, and as appropriate, reflected in the proposal contained in this Document.



6. JUSTIFICATION OF THE PROPOSAL IN RELATION TO THE CHARGING PRINCIPLES

The principles governing the establishment of new charges or the revision of existing charges by the Authority are set out in [section 33.2 of the Pilotage Act](#). Each of the principles is presented below in italics, followed by an explanation of how the Notice complies with that principle.

33.2 (1) a. Pilotage charges shall be established and revised in accordance with an explicit methodology – that includes and conditions affecting the pilotage charges – that the Authority has established and published;

The methodology, which is reflected in this Document and the Notice has been placed on the Authority's website as required under [section 33.2 of the Pilotage Act](#). Based on this information, any person subject to the Authority's charges can calculate the amount that would be payable for a given pilotage job.

33.2 (1) b. that pilotage charges be structured in a way that does not encourage the user to engage in practices that diminish safety for the purpose of avoiding a charge;

The Authority's charges are not structured in such a manner that safety may be impacted. Since pilotage services are compulsory for all foreign-flag vessels 35 metres or more in length and for Canadian-flag vessels 2,400 tons and 70 metres or more in length for District 1 or 1.1, and 3,300 tons and 80 metres or more in length for District 2 when within the Authority's compulsory pilotage area, users have no choice but to use the services of a pilot. In addition, the Authority's fee structure is such that the largest portion of a charge is not related to time or route, but rather to the unalterable dimensions of the vessel, which do not change from one voyage to the next. In addition, the structure of the Authority's charges is such that they cannot be avoided or diminished through adjusting operations in a manner that reduces safety.

33.2 (1) c. that pilotage charges be the same for Canadian users or ships and foreign users or ships;

There is no differentiation in the proposed establishment of pilotage charges for an assignment whether the vessel is domestic or foreign.

33.2 (1) d. that pilotage charges be set at levels that allow the Authority to be financially self-sufficient and be fair and reasonable;

The proposed charges are based on an allocation of operating and capital costs, that allows the Authority to fulfill its mandate and achieve its mission and remain financially self-sufficient. The charges established allow the Authority to fulfill its mandate while being fair and reasonable.

33.2 (1) e. that pilotage charges not be set at levels that, based on reasonable and prudent projections, would generate revenues exceeding the Authority's current and future financial requirements related to the provision of compulsory pilotage services;

The Authority's charges are set to recover its expenses, net of other revenues determined in accordance with International Financial Reporting Standards and costs to meet certain financial



requirements, including the maintenance of reasonable reserves, as detailed in [section 33.2 of the Pilotage Act](#).

7. INFORMATION REGARDING THE NOTICE AND ON MAKING REPRESENTATIONS TO THE AUTHORITY

This Details and Principles document is available on-line and a copy may be downloaded from the Authority's website at <https://www.pilotagestlaurent.gc.ca/en/index.html>.

Additional copies of this Notice or a copy of the Details and Principles document can be obtained through request at the following address:

In writing: Chief Financial Officer
Laurentian Pilotage Authority
999 De Maisonneuve Blvd. West, Suite 1410
Montreal, Quebec, H3A 3L4

By email: josee.leroux@apl.gc.ca
By telephone (514) 283-6320 ext. 208

Pursuant to [section 33.3 of the Pilotage Act](#), any person may make representations about the proposal to the Authority, in writing, on or before the date set out in this Notice. Any person making written representations is to include a summary of those representations. The summary may be made public by the Authority. In addition, any person making written representations by the date set out in this Notice will have an opportunity to file a notice of objection related to the proposal with the Canadian Transportation Agency.

Pursuant to [section 33.3 of the Pilotage Act](#), persons interested in making representations in writing to the Authority regarding the [section 1](#) of this Notice may do so in writing to the following address:

Laurentian Pilotage Authority
999 De Maisonneuve Blvd. West, Suite 1410
Montreal, Quebec, H3A 3L4

Attention: Chief Financial Officer

Note: Representations must be received by the Authority not later than the close of business on October 21, 2020.



8. PILOTAGE CHARGES AND CONDITIONS

Pilotage charges' chart

Column	1	2	3	4	5	6	7	8
Item	Pilotage service	District	Basic charge	Charge per unit	Charge per time factor	Charge per hour or part of an hour	Minimum charge	Maximum charge
1	Trip	1	N/A	\$46.80	\$23.03	N/A	\$2,394.65	N/A
		2	N/A	\$28.20	\$16.24	N/A	\$1,885.91	N/A
2	Mouage	1	\$538.70	\$17.75	N/A	N/A	\$2,394.65	N/A
		1.1	\$495.69	\$16.32	N/A	N/A	\$2,203.48	N/A
		2	\$513.05	\$16.89	N/A	N/A	\$2,280.62	N/A
3	Anchorage during a trip or a mouage	1	\$416.56	\$4.48	N/A	N/A	N/A	N/A
		1.1	\$383.29	\$4.13	N/A	N/A	N/A	N/A
		2	\$396.73	\$4.28	N/A	N/A	N/A	N/A
4	Docking of a ship at a wharf or pier at the end of a trip	1	\$318.84	\$3.29	N/A	N/A	N/A	\$619.92
		2	\$303.64	\$3.13	N/A	N/A	N/A	\$590.41
5	A docking or undocking performed at the request of a master, owner or agent of a ship, by a pilot designated by the Corporation	1	\$513.05	\$11.60	N/A	N/A	\$1,885.91	N/A
		2	\$513.05	\$11.60	N/A	N/A	\$1,885.91	N/A



DETAILS AND PRINCIPLES – PROPOSED ESTABLISHMENT OF PILOTAGE CHARGES

6	Detention of a pilot at a pilot boarding station or on board ship	1	N/A	N/A	N/A	0.00 for the first half-hour, \$124.26 for the second half-hour and \$248.52 for each subsequent hour	N/A	N/A
		1.1	N/A	N/A	N/A	0.00 for the first half-hour, \$114.33 for the second half-hour and \$228.66 for each subsequent hour	N/A	N/A
		2	N/A	N/A	N/A	0.00 for the first half-hour, \$118.32 for the second half-hour and \$236.64 for each subsequent hour	N/A	N/A
7	Compass adjustment by pilot	1	\$538.70	\$17.75	N/A	N/A	N/A	N/A
		1.1	\$495.69	\$16.32	N/A	N/A	N/A	N/A
		2	\$513.05	\$16.89	N/A	N/A	N/A	N/A
8	Cancellation of a request for pilotage services if the pilot reports for pilotage duty	1	\$668.30	N/A	N/A	0.00 for the first hour, \$248.52 for the second hour and \$124.26 for each subsequent hour*	N/A	N/A
		1.1	\$614.95	N/A	N/A	0.00 for the first hour, \$228.66 for the second hour and \$114.33 for each subsequent hour*	N/A	N/A
		2	\$636.46	N/A	N/A	0.00 for the first hour, \$236.64 for the second hour and \$118.32 for each subsequent hour*	N/A	N/A



9	Carrying a pilot on a ship beyond the district for which the pilot is licensed	1	N/A	N/A	N/A	\$124.26	N/A	N/A
		1.1	N/A	N/A	N/A	\$114.33	N/A	N/A
		2	N/A	N/A	N/A	\$118.32	N/A	N/A
10	Except in the case of a pilot having to be relieved after an accident, a move or departure that occurs, at the request of a master, owner or agent of a ship, before that set out in the notice required by section 8 or 9 of the <i>Laurentian Pilotage Authority Regulations</i>	1	\$2,780.78	N/A	N/A	N/A	N/A	N/A
		1.1	\$2,558.77	N/A	N/A	N/A	N/A	N/A
		2	\$2,648.36	N/A	N/A	N/A	N/A	N/A

* The number of chargeable hours of service is calculated from the later of the time when the pilotage services are requested and the time the pilot reports for pilotage duty until the time of cancellation.

Conditions

- The definitions in this section apply to the [Pilotage charges' chart](#) herein above:

Berth means a wharf, pier, anchorage or mooring buoy, and includes a berthed ship or a ship at anchor. (poste)

Breadth, in respect of a ship, means the number of metres, measured to the second decimal place, that represents the maximum distance between the outside edges of the shell platings of the ship. (largeur)

Composite unit means a ship consisting of a tug rigidly connected to the stern of a barge. (unité composite)

Corporation means a body corporate with which the Authority contracts pursuant to [subsection 15\(2\) of the Pilotage Act](#) for the services of licensed pilots in District No. 2. (Corporation)



Deck Watch Officer means a person who has the immediate charge of the navigation and safety of a ship, but does not include a pilot. (officier de quart à la passerelle)

Depth, in respect of a ship, means the number of metres, measured to the second decimal place, that represents the vertical distance at amidships from the top of the keel plate to the uppermost continuous deck that extends fore and aft and to the sides of the ship, with the continuity of the deck not being considered to be interrupted by a tonnage opening, engine space or a step in the deck. (creux)

District No. 1 means all waters between the northern entrance to Saint-Lambert Lock and a line running across the St. Lawrence River at longitude 71°08' W. (circonscription no 1)

District No. 1-1 means all waters between the northern entrance to Saint-Lambert Lock and a line running from east to west across the St. Lawrence River at the northernmost tip of Sainte-Thérèse Island. (circonscription no 1-1)

District No. 2 means all waters between a line running across the St. Lawrence River at longitude 71°20' W and a line running across the St. Lawrence River bearing 121° (True) at latitude 48°20'48" N and longitude 69°23'24" W, including the Saguenay River. (circonscription no 2)

Draught, in respect of a ship, means the number of metres, measured to the second decimal place, that represents the greatest vertical distance, at the time pilotage services are performed, from the water surface to the most submerged part of a ship. (tirant d'eau)

Length, in respect of a ship, means the number of metres, measured to the second decimal place, that represents the distance from the foremost to the aftermost point of the hull of a ship, excluding the bowsprit. (longueur)

Movage means the movement of a ship within the geographical limits of a harbour set out in [section 10](#), whether the ship is moved from one berth to another or is returned to the same berth, but does not include

- a) the manoeuvring of a ship that is leaving the wait wall at Saint-Lambert Lock to enter the lock or is leaving the lock to go to the wait wall, unless a pilot boards the ship for the purpose of carrying out the manoeuvre; or
- b) the warping of a ship from one berth to another solely by means of mooring lines attached to a wharf if the warping is over a distance less than the length of the ship and the wharf between the two berths is straight, unless the services of a pilot are used. (déplacement)

Pilot Boarding Station means a place where a pilot embarks or disembarks from a ship at Les Escoumins, Saguenay (La Baie, Quai Lepage and Port-Alfred), Saguenay (Chicoutimi and Grande-Anse), Québec, Trois-Rivières, Sorel-Tracy, Lanoraie or Montréal. (station d'embarquement de pilotes)



Tariff Length, in respect of a ship, means the lesser of

- a) the length, and
- b) the breadth multiplied by 7.5. (longueur tarifaire)

Time Factor means the result obtained by multiplying the draught of a ship by the number of hours, or parts of an hour, during which the ship is underway under the conduct of a pilot, but does not include any period during which charges are payable in accordance with item 6 or 9 of [Pilotage charges' chart](#). (facteur temps)

Trip means the piloting of a ship from one point to another within the region of the Authority, but does not include a movage, a docking or an undocking. (voyage)

Unit is the number obtained by multiplying the tariff length of the ship by its breadth and depth, dividing by 850 and rounding to the second decimal place. (unité)

Pilotage Charges Generally

2. (1) A pilotage charge payable to the Authority for a pilotage service set out in column 1 of the [Pilotage charges' chart](#) that is provided in a district set out in column 2 of that chart is calculated based on the information provided on the pilotage service form under [subsection 7\(1\)](#) and is equal to the sum of the following:
 - a) the basic charge set out in column 3,
 - b) the charge per unit set out in column 4,
 - c) the charge per time factor set out in column 5, and
 - d) the number of chargeable hours of service multiplied by the charge per hour or part of an hour set out in column 6.
- (2) The pilotage charge is subject to the minimum charge set out in column 7 of [Pilotage charges' chart](#) and the maximum charge in column 8.
- (3) Subject to subsections [\(4\)](#) to [\(6\)](#) and [section 4](#), a pilotage charge is multiplied by the number of pilots assigned to perform the pilotage service.
- (4) A pilotage charge is determined on the basis of the services of a single pilot in respect of the following pilotage services:
 - a) an anchoring;
 - b) a movage;
 - c) a docking;
 - d) an undocking; and
 - e) a compass adjustment.
- (5) A pilotage charge is determined on the basis of the services of a single pilot if a second pilot is assigned for the sole purpose of responding to one of the following circumstances:
 - a) it is likely that, between the time the pilots embark and the time they disembark, the ship will be underway in District No. 1 for more than either



- 10 consecutive hours for trips starting between 05:00 and 19:59, or 8 consecutive hours for trips starting between 20:00 and 04:59;
 - b) it is likely that the ship will be underway for more than 11 consecutive hours in District No. 2; and
 - c) the ship is underway in winter navigation conditions at any time during the period that starts on March 16 and ends on December 31.
- (6) A pilotage charge is determined on the basis of the services of a single pilot if
- a) a second pilot is assigned for the sole reason that the ship will likely be underway for more than 10 consecutive hours in District No. 2; and
 - b) the second pilot is assigned to board the ship at any time during the period that starts at 19:00 and ends at 00:59.
- 2.1. A charge of \$39.64 is payable for each pilot assignment for the administration of the *Pilotage Act*, in force since July 6, 2020.
3. A pilotage charge is adjusted in accordance with [subsection 7\(4\)](#) if there is a discrepancy between the information provided on a pilotage service form and the information contained in the documents listed in that subsection.

Pilotage Charges for Towing and Pushing Operations

4. (1) In the event that a tug pulls or pushes one or more barges attached in a non-fixed manner, pilotage charges are payable, on the one hand, for the tug which is under the control of a pilot according to its own units and its time factor or the minimum according to this [Pilotage charges' chart](#), and, on the other hand, for each barge pulled or pushed according to its units and time factor or the minimum according to the [Pilotage charges' chart](#), regardless of the number of pilots assigned to the towing operation.
- a) However, the deduction is applicable for each pilot;
 - b) Docking and mooring fees are applicable to the barge. These fees apply to the tug if it is individually subject to compulsory pilotage.
 - c) In the case of a displacement, the charges payable are the greater of the amount provided for in the [Pilotage charges' chart](#) using a single base amount and the sum of the units of the tug (s) and of the (s) barges
- (2) In the case of a towing operation where a tug is pushing a barge, and which is coupled for the duration of the trip in a fixed manner to the rear of the barge in composite unit, as if it were a single vessel, pilotage charges are payable for all units considering the length of the tug and barge coupled, the maximum width and the strongest hollow and a single time factor according to the strongest draft water or the minimum according to the [Pilotage charges' chart](#).
- a) However, the deduction is applicable to a single pilot;
 - b) Mooring charges are applicable using a single base amount and units considering the length of the tug and barge mated, the maximum width and the strongest hollow;
 - c) Docking fees are applicable only once to the whole unit;



- d) In the case of a displacement, the charges payable are the highest of the amount provided for in the [Pilotage charges' chart](#) using a single base amount and the units considering the length of the tug and barge coupled, the maximum width and the strongest hollow.

(3) In the case of a towing operation where one or more tugs pull or push one or more dead vessels, pilotage charges are payable, on the one hand, for each tug under the pilot's control according to their own units and their time factor or the minimum according to the [Pilotage charges' chart](#), and, on the other hand, for each vessel pulled or pushed according to their respective units and time factor or the minimum according to the [Pilotage charges' chart](#).

- a) However, the deduction is applicable for each pilot;
b) Docking and anchoring costs are applicable to the dead vessel. These charges apply to the tug if it is individually subject to compulsory pilotage;
c) In the case of a displacement, the charges payable are the highest of the amount provided for in the [Pilotage charges' chart](#) using a single base amount and the sum of the tug units.

Pilotage Charges for Travel and other Expenses

5. (1) A pilotage charge of \$261.73 is payable if a pilot is required to embark on or disembark from a ship at a place other than a pilot boarding station but within the compulsory pilotage area.

(2) If a pilot is required to embark on or disembark from a ship outside the compulsory pilotage area, travel and other expenses reasonably incurred by the pilot are payable as a pilotage charge.

Pilotage Charges – Transshipment fees

6. When providing a transshipment service serving to embark or disembark a pilot including at a pilot boarding station, a pilotage charge in an amount equal to the cost incurred by the Authority in providing the service is payable.

Pleasure Craft Under Eight Units

6.1. Except for those fixed under [section 6](#), the pilotage charges payable for services rendered to a pleasure craft under eight units are reduced by 15%.

Pilotage Service Form

7. (1) With the assistance of the master or the deck watch officer of the ship, the pilot must complete the pilotage service form provided by the Authority.

(2) The pilot must then submit the pilotage service form to the Authority as soon as possible.



- (3)** If a discrepancy occurs between the information provided on the pilotage service form and the information contained in the following documents, the particulars of a ship are those contained, in order of priority, in
- a)** the official papers of the ship;
 - b)** the Register of Ships published by Lloyd’s Register of Shipping; or
 - c)** a publication by any classification society other than Lloyd’s Register of Shipping.

Trip Rules

- 8. (1)** Subject to [subsection \(3\)](#), a trip begins from the time that a ship is underway and one of the following events occurs:
- a)** the ship enters the region of the Authority after the pilot has embarked;
 - b)** the ship leaves a berth in a harbour or leaves a place within the region of the Authority after the pilot has embarked at the harbour or place, except if the ship is in transit and there is a change of pilot at Trois-Rivières, Sorel-Tracy or Montréal;
 - c)** a pilot embarks to replace a pilot who has performed a movage;
 - d)** a pilot embarks to replace a pilot who has performed an undocking as a result of a request by a master, owner or agent of the ship for a pilot designated by the Corporation to perform an undocking;
 - e)** the ship leaves a wharf or pier to which it was secured in a harbour, or another ship to which it was secured, after the pilot referred to in paragraph (a) or (b) has embarked; or
 - f)** the ship weighs anchor after having used Saguenay (La Baie, Quai Lepage and Port-Alfred) as a port of call, in the case of a passenger ship.
- (2)** Subject to [subsection \(3\)](#), a trip ends when one of the following events occurs:
- a)** the ship enters Saint-Lambert Lock;
 - b)** the ship leaves the region of the Authority;
 - c)** the pilot referred to in paragraph (1)(a), (b), (c) or (d) leaves the ship, except if the ship is in transit and there is a change of pilot at Trois-Rivières, Sorel-Tracy or Montréal;
 - d)** a pilot embarks the ship to perform a docking as a result of a request by a master, owner or agent of the ship for a pilot designated by the Corporation to perform the docking;
 - e)** the ship is secured at a wharf or pier in a harbour, unless the ship is secured at the wait wall at Saint-Lambert Lock;
 - f)** the ship is secured to another ship;
 - g)** the ship is anchored or is unable to move on account of ice while waiting for a berth within the limits of a harbour if the ship is later moved within the limits of the same harbour; or
 - h)** the ship uses Saguenay (La Baie, Quai Lepage and Port-Alfred) as a port of call, in the case of a passenger ship.



(3) A change of pilots at Trois-Rivières, or the anchoring or securing of the ship, on the pilot's advice, at a wharf or pier at Trois-Rivières owing to navigational restrictions, does not have the effect of beginning or ending a trip.

Detention Rules

9. (1) For the purposes of determining if a pilotage charge for the detention of a pilot, as described in item 6 of the [Pilotage charges' chart](#), is payable, a pilot is detained if
- a) the pilot whose services have been requested reports to the pilot boarding station and is delayed there; or
 - b) the pilot is on board a ship that is
 - (i) at anchorage, or moored to a wharf, a pier, a mooring buoy or a berthed, anchored or grounded ship
 - (i.1) in the Saint-Lambert Lock or moored to its approach wall,
 - (ii) unable to move on account of ice or for any other reason,
 - (iii) compelled to remain stopped as a result of a mechanical breakdown, or
 - (iv) waiting for a berth at the end of a trip.

(2) When the pilot is detained for more than one hour, the charges set out in item 6 of the [Pilotage charges' chart](#) for each subsequent hour are reduced by half if the detention is caused by a docking, an anchoring, ice conditions that force the ship to stop, weather conditions, a change in the expected time of arrival of the ship, delays associated with pilot boat services, the delay of a replacement pilot, a shortage of pilots, delays at wharf or at anchor as a result of maritime traffic management by the competent authorities, or the grounding of the ship.

Harbours and Their Geographic Limits

10. For the purposes of the definition of movage in [section 1](#) of the current section for pilotage charges, the harbours and their geographical limits are as follows:

a) **Bécancour**

All waters located within the following boundaries: latitude 46°24'01" N and longitude 72°22'46" W; latitude 46°24'18" N and longitude 72°23'51" W; latitude 46°25'04" N and longitude 72°22'29" W; and latitude 46°24'07" N and longitude 72°22'27" W;

b) **Contrecoeur**

All waters located within the following boundaries: latitude 45°49'36" N and longitude 73°17'16" W; latitude 45°49'48" N and longitude 73°17'34" W; latitude 45°50'30" N and longitude 73°16'45" W; and latitude 45°50'18" N and longitude 73°16'27" W;



c) Gros-Cacouna

All waters located within the following boundaries: latitude 47°52'28" N and longitude 69°32'58" W; latitude 47°53'16" N and longitude 69°35'42" W; latitude 47°59'42" N and longitude 69°31'58" W; and latitude 47°57'32" N and longitude 69°27'06" W;

d) Montréal

All waters between the northern entrance to Saint-Lambert Lock and a line running east and west across the St. Lawrence River at the northernmost tip of Sainte-Thérèse Island;

e) Pointe-au-Pic

All waters located within the following boundaries: latitude 47°40'36" N and longitude 70°03'45" W; latitude 47°40'00" N and longitude 70°02'36" W; latitude 47°35'00" N and longitude 70°08'17" W; and latitude 47°35'56" N and longitude 70°10'06" W;

f) Québec

All waters located between a line running across the St. Lawrence River bearing 345° (true) at latitude 46°43'40" N, longitude 71°20'08" W and a line running across the St. Lawrence River bearing 350° (true) at latitude 46°49'42" N, longitude 71°07'48" W;

g) Rivière-du-Loup

All waters located within the following boundaries: latitude 47°46'02" N and longitude 69°36'40" W; latitude 47°46'48" N and longitude 69°39'25" W; latitude 47°52'16" N and longitude 69°35'42" W, and latitude 47°52'28" N and longitude 69°32'58" W;

h) Saguenay (Chicoutimi and Grande-Anse)

All waters located westerly of a line bearing 011° (true) and running across the Saguenay River at latitude 48°22'59" N, longitude 70°45'00" W;

i) Saguenay (La Baie, Quai Lepage and Port-Alfred)

All waters located westerly of a line bearing 315° (true) and running across the Saguenay River at latitude 48°20'58" N, longitude 70°42'06" W;

j) Sorel-Tracy

All waters located between a line running across the St. Lawrence River bearing 285° (true) at latitude 45°58'00" N, longitude 73°11'30" W and a line running across the St. Lawrence River bearing 317° (true) at latitude 46°06'55" N, longitude 72°57'09" W; and



k) Tadoussac

All waters located northerly of a line bearing 090° (true) and running across Tadoussac Bay at latitude 48°08'08" N, longitude 69°42'59" W;

l) Trois-Rivières

All waters located between a line running across the St. Lawrence River bearing 333° (true) at latitude 46°17'06" N, longitude 72°35'06" W and a line running across the St. Lawrence River bearing 352° (true) at latitude 46°22'35" N, longitude 72°26'21" W.