
DETAILS AND PRINCIPLES PROPOSED REVISION OF PILOTAGE CHARGES

February 8th, 2021



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\)](#) (the "**Act**"), this document ("**Document**") provides additional details to expand upon the Notice of revised pilotage charges dated **February 8, 2021** (the "**Notice**") providing for the coming into force of the revised pilotage charges on **May 12, 2021**. This Document prepared by the Laurentian Pilotage Authority (the "**Authority**") provides further details on the pilotage charges proposed in the Notice, including the methodology and justification against the stated charging principles.

In reviewing the charges, the Authority has respected and applied the charging principles set out in [section 33.2 of the Act](#). The charges included in the Document are based, among other things, on current budget estimates, and may be revised based on representations received pursuant to [section 33.3 of the Act](#). The methodology and its application are set out in this Document for the proposed revision of the pilotage charges for 2021.

This Document consists of the following sections:

1. [General overview of the Authority](#)
2. [Traffic and assignment volumes](#)
3. [Projected financial position of the Authority](#)
4. [Cash and reserves](#)
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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 *Act*. The objective of the Authority is to establish, operate, maintain and administer in the interests of safety of navigation, an efficient and cost-effective 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, as required by the *Act*. 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 *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 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 revision 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 program. In addition, the Authority proceeds to a pre-consultation exercise with the industry stakeholders prior to the approval and publication of the Notice.

Pursuant to [section 33.2 of the Act](#), the Authority plans its operations to be financially self-sufficient and in which 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 *Act*, including the development of regulations, and the enforcement of the *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>.

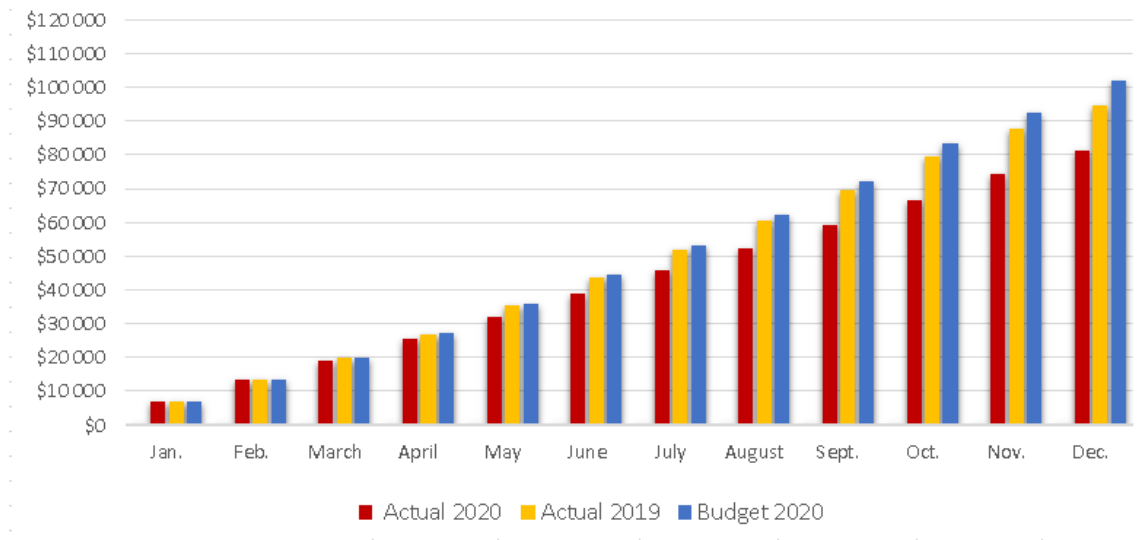
2. TRAFFIC AND ASSIGNMENT VOLUMES

Current revenues versus budgeted revenues (2020)

Once the financial results for the year 2020 was known, the Authority determined that its revenues were below the approved budgeted amount by 18.5% for that same year. Pilotage revenues alone represent a decrease of \$ 20.4M. This is due to the decrease in assignments following the impacts of the COVID-19 pandemic. This resulted in an overall financial loss for 2020 of \$ 2.3M for the Authority.

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

Actual 2020 vs Budget 2020 – Revenues (in thousands)



The trend as compared to the previous year

Annual forecasts of assignments are established on the basis of historical traffic patterns, the number of vessels announced and information obtained by industry partners after consultations. In 2015, the Authority made 21,495 assignments and 24,670 in 2019. This upward trend appeared to continue for the first quarter of 2020, but starting in March, when the pandemic was declared, it was reversed. As a result, the year 2020 ended with 21,215 assignments, a decrease of 14% from 2019. This decline in traffic level due to the impacts of COVID-19 is expected to persist for the next few months of 2021.

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.

The forecasts for the year 2021 were based on actual data of 2020, adjusted according to various assumptions. Among these we note the maintenance of the lower level of traffic for the first quarter of 2021, in particular for bulk carriers and tankers, the size of the ships and the absence of passenger ships confirmed by various sources. These assumptions are validated by the Authority and with business partners. Although the current pandemic situation is temporary, it is improbable to predict the time of a return to normal and the short to medium term impacts it will



have on the economy and the level of traffic for the year 2021. However, various stakeholders agree that the second half of 2021 should see a gradual recovery of the economy. Furthermore, a gradual recovery is foreseen from spring onwards. In terms of assignments, an increase of 9% is estimated compared to 2020.

3. PROJECTED FINANCIAL POSITION OF THE AUTHORITY

Based on the volumes projected in [section 2](#) above, the Authority forecasts pilotage revenues of \$88.7M, contributing to total revenues of \$101.6M.

Expenses for fiscal year 2021 will be \$102.1M. This represents a 6.4% decrease in expenses from the original 2021 budget. This decrease, directly related to the decrease in traffic and consequently in the number of assignments, is mostly made up of lower pilotage fees and pilot boat costs.

Operating expenses (in thousands of dollars)	2020	2021	2021
	Forecast	Budget	Forecast
Pilotage fees	\$75,782	\$86,464	\$79,932
Pilot boat services operating fees	\$10,805	\$11,125	\$11,125
Payroll	\$5,710	\$6,195	\$6,045
Special and professional services	\$963	\$1,228	\$1,028
Rent	\$350	\$338	\$338
Utilities, supplies ad procurement	\$306	\$289	\$289
Communication and Transport	\$148	\$284	\$234
Act administrative fee	\$507	\$775	\$773
Information	\$88	\$120	\$120
Amortization	\$614	\$2,164	\$2,064
Other expenses	\$529	\$181	\$181
Total of operating expenses	\$95,802	\$109,163	\$102,129

Cost structure

The Authority's costs associated with provision of pilotage services are dictated mainly 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:

Cost categories	Proportion of the total costs	Specificities
Pilotage fees	78,9%	Governed by contract and varies depending on the pilotage revenues
Pilot Boats Services	10,2%	Mainly governed by contract and varies depending on the pilotage revenues
Payroll	5,9%	Mainly governed by collective agreements
Amortization and rent	2,3%	
Other administrative expenses	2,7%	Include the administration costs of the Law which alone represent 0.8% of the charges

Cost analysis

The observations drawn from the analysis of the results and trend for the year 2020 led to a review of the budget for the year 2021 which had been established in the fall of 2020. The impact of the pandemic being more persistent than expected, all projects, expenses and operating assumptions have been revised in order to ensure a realistic adjustment to the market conditions and to minimize the impact on expenses. The ultimate objective is to avoid or minimize the risk of operating losses for the year 2021 and minimize the increase in pilotage charges to finance these costs. Overall spending for fiscal year 2021 is therefore expected to decrease by \$7M compared to the initial 2021 budget. The factors behind the significant changes in spending are as follows:





- 1. Pilotage and pilot boats costs:** As mentioned previously, the decrease in traffic and assignments are directly responsible for the decrease in these costs. Remember that these fees vary directly according to the volume of service offered. Thus, compared to the traffic assumptions within the framework of the established budget, according to the information shared by partners, a significant decrease particularly at the level of bulk carriers and tankers is foreseen for 2021.
- 2. Staff costs:** These remain relatively stable. The only variations come principally from increases set out in collective agreements as well as from changes in policies relating to the management of work hours.



3. **Depreciation costs:** The main variation is due to the postponement of certain investments.
4. **Costs of administering the Act** of \$773K will be assumed during fiscal year 2021. This is the portion adjusted for the fiscal year of the Authority of the fees claimed by the Minister for the period of April 1, 2021, to March 31, 2022.
5. **The other expenses for the year 2021** are of a current and recurring nature. They vary very little and their impact is negligible.

Capital program

The Authority anticipates that its capital program will require investments in the order of \$7.4M for 2021. For the most part, these are projects already underway, arising from contractual obligations, optimizing pilotage services or requirements in order to ensure business continuity. These are mainly made up of:

-  the acquisition of PPU's for the Mid St. Lawrence Pilots Corporation (“CPSLC”);
-  acquisition of a pilot boat;
-  repairs to the wood berthing dock at Les Escoumins; and
-  upgrading of computer and office equipment.

The capital program for the next five years includes major repairs to the wood berthing dock at Les Escoumins valued at \$3.2M and \$6.1M to upgrade the pilot boat service. A renewal of the PPU's for CPSLC pilots is estimated at \$2.3M.




The Authority has the necessary reserves to cover these capital investments to support safe, cost-effective, and efficient 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 calculate 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 consider unpredictable factors, primarily fluctuations in traffic volumes, resulting from unforeseen events, such as those faced by the Authority in 2020.

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 considered 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 reserves account balances.

The Authority's cash and reserves 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 2021 budget, the required cash and reserves levers were as follows:






(in thousands of dollars)	2019	2020	2021	2021
	Actual	Actual	Budget	Forecast
Cash	\$11,899	\$6,826	\$4,094	\$4,529
Investments	\$2,391	\$5,948	\$2,580	\$1,876
Total reserves	\$14,290	\$12,774	\$6,674	\$6,405

It should be noted that the reserves 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 reserves enable 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 reserves balance, based on an objective analysis of the magnitude of its operating costs, the impacts resulting from the pandemic, and the capital program, will enable it to meet, at least in the short term, its obligations for 2021.

5. PROPOSED REVISION 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](#);
-  reserves account and funding requirements as set out in [section 3](#); and
-  the rate required to complete all of the above steps.

This table presents the effect of the revised pilotage charges for the year 2021 compared to what is currently in effect since December 21, 2020. The pilotage charges that will come into effect on **May 12, 2021** include:

Category	Pilotage charges	New / Adjustment	Application Methodology	Effect on Customers
Base Rate	3% increase	Adjustment	All	Cost increase of \$2.55M
Administration of the Act	31.4% decrease	Adjustment	Fee per assignment	Cost decrease per assignment \$12.45
Temporary charge applicable until December 31, 2021 - Annualization of the increase	\$54.96 Temporary increase	New	Fee per assignment	\$989K

The CPI observed at the end of the year 2020 is approximately 1%. 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 revision of the 2021 pilotage charges. Finally, note that the average CPI forecast by Canadian banks for 2021 is approximately 2.4%.

For 2021, the expected increase in fees exceeds the CPI forecast for that same year by 0.6% according to various economic sources. It is important to remember that the Authority's gross profit margin is very low, at 9.6% expected for 2021. However, the administrative and operational expenses to be borne by the Authority, being largely fixed and mainly governed by agreements, leases and contracts of service, is 10.9% of its cost structure. The Authority is taking the risk of assuming a portion of the loss resulting from the 2021 drop in traffic revenues, but must ensure the financing of its operating costs for the adequate maintenance of its services in order to preserve the proper conduct of its operations and respond to its legislative mandate.

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 Act

It is important to note that on January 6, 2020, the Authority received the Minister's Order outlining the allocation of the administrative costs of the amended *Act*. Based on this communication, for the period from April 1, 2021 to March 31, 2022, the total amount due to the Minister of Transport is \$862K. Of this amount, \$94K, a surplus generated by the application of the charge provided for the recovery of these costs in 2020, will be reduced. This surplus was caused by a lower estimate of the number of assignments over which the amount invoiced by the Minister had to be spread and in consideration of a shorter payback period. As a result, the amount to be allocated for the targeted 12 months is \$768K (i.e. \$862K less the 2020 surplus of \$94K). Projected assignments for this period have been determined based on the assumptions described in [section 2](#) of this document. The allocation of the total fees over the number of assignments forecast from April 1, 2021 to March 31, 2022 amounts to \$27.19 which will be invoiced per assignment upon implementation of the revised pilotage charges. It should be noted that these amounts are intended to offset the administrative costs imposed on the Authority under [section 37.1 of the Act](#). This section allows the Minister of Transport to levy fees on the authorities for costs associated with the administration of the *Act*. No margin is generated for the Authority from this charge.

Temporary charge - annualization of the increase

Considering the economic, market and traffic conditions resulting from the pandemic, the Authority has chosen to wait until the end of 2020 before finalizing its pilotage charges revision proposal in order to better assess the situation and determine the increases necessary to finance its operations. The result of this exercise indicates that an annual increase of 3% for 2021 is required for pilotage charges. However, this approach, where the Authority makes sure it has the latest information on market conditions before revising its charges, means that the proposed increase cannot take effect on January 1. Instead, the increase will come into effect on May 12, 2021. This will result in a discrepancy in the revenues generated by pilotage charges intended to finance the Authority's operations.



The Authority estimates that the situation will generate a shortfall of \$989K in revenues for 2021. In order not to generate a loss greater than that already forecast of \$514K and assumed through the Authority's reserves for 2021, the Authority will apply a temporary charge, on each assignment, equivalent to \$54,96. This amount represents the distribution of income to be recovered of \$989K over the number of assignments expected for the months of May to December 2021. This charge will end on December 31, 2021.

Increase to the rate for the detention of a pilot

Since pilot detentions are an element that affects the availability of pilots and thus diminishes the effectiveness and efficiency of the pilotage service, the Authority has decided to increase the rate aimed at reducing detentions. Thus, for cases of detention on board within the limits of a port or ashore, for the first hour of detention, the charge will be at a single rate and for the second hour at \$419.20, unless detention falls under one of the listed exceptions as set out in [paragraph 9](#) of the pilotage charge conditions document.

Consultations undertaken prior to publication of Notice

The Authority has consulted marine industry associations regarding the revision for the pilotage charges proposed herein. Industry views have been considered and taken into account, and as appropriate, reflected 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 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 published on the Authority's website as required under [section 33.2 of the 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 are 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 pilotage 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.

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 revision of pilotage charges for an assignment whether the user or vessel is domestic or foreign.

33.2 (1) d. that pilotage charges are 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 and cash and reserves, that allows the Authority to achieve its mission and remain financially self-sufficient. The revised charges 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 Act](#).



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

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

Additional copies of the Notice or the 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 Act](#), any person may make representations about the proposal to the Authority, in writing, on or before the date set out in the 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 the 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 Act](#), persons interested in making representations in writing to the Authority regarding the [section 1](#) of the Notice may do so in writing to the following address:

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

By email: josee.leroux@apl.gc.ca

Note: Representations must be received by the Authority not later than the close of business on March 11, 2021.



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	\$48.20	\$23.72	N/A	\$2,466.49	N/A
		2	N/A	\$29.05	\$16.73	N/A	\$1,942.49	N/A
2	Movage	1	\$554.86	\$18.28	N/A	N/A	\$2,466.49	N/A
		1.1	\$510.56	\$16.81	N/A	N/A	\$2,269.58	N/A
		2	\$528.44	\$17.40	N/A	N/A	\$2,349.04	N/A
3	Anchorage during a trip or a movage	1	\$429.05	\$4.61	N/A	N/A	N/A	N/A
		1.1	\$394.78	\$4.25	N/A	N/A	N/A	N/A
		2	\$408.63	\$4.41	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	\$328.41	\$3.39	N/A	N/A	N/A	\$638.51
		2	\$312.75	\$3.23	N/A	N/A	N/A	\$608.12
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	\$528.44	\$11.95	N/A	N/A	\$1,942.49	N/A
		2	\$528.44	\$11.95	N/A	N/A	\$1,942.49	N/A



**DETAILS AND PRINCIPLES – PROPOSED REVISION
OF PILOTAGE CHARGES**

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
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, \$127.99 for the first hour including first half-hour and \$419.20 for each subsequent hour	N/A	N/A
		1.1	N/A	N/A	N/A	\$0.00 for the first half-hour, \$117.76 for the first hour including first half-hour and \$419.20 for each subsequent hour	N/A	N/A
		2	N/A	N/A	N/A	\$0.00 for the first half-hour, \$121.87 for the first hour including first half-hour and \$419.20 for each subsequent hour	N/A	N/A
	Detention of a pilot on board ship in transit	1	N/A	N/A	N/A	\$0.00 for the first half-hour, \$127.99 for the first hour including first half-hour and \$255.98 for each subsequent hour	N/A	N/A
		1-1	N/A	N/A	N/A	\$0.00 for the first half-hour, \$117.76 for the first hour including first half-hour and \$235.52 for each subsequent hour	N/A	N/A
		2	N/A	N/A	N/A	\$0.00 for the first half-hour, \$121.87 for the first hour including first half-hour and \$243.74 for each subsequent hour	N/A	N/A



**DETAILS AND PRINCIPLES – PROPOSED REVISION
OF PILOTAGE CHARGES**

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
7	Compass adjustment by pilot	1	\$554.86	\$18.28	N/A	N/A	N/A	N/A
		1.1	\$510.56	\$16.81	N/A	N/A	N/A	N/A
		2	\$528.44	\$17.40	N/A	N/A	N/A	N/A
8	Cancellation of a request for pilotage services if the pilot reports for pilotage duty	1	\$688.35	N/A	N/A	\$0.00 for the first hour, \$419.20 for the second hour including the first hour and \$127.99 for each subsequent hour*	N/A	N/A
		1.1	\$633.40	N/A	N/A	\$0.00 for the first hour, \$419.20 for the second hour including the first hour and \$117.76 for each subsequent hour*	N/A	N/A
		2	\$655.55	N/A	N/A	\$0.00 for the first hour, \$419.20 for the second hour including the first hour and \$121.87 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	\$127.99	N/A	N/A
		1.1	N/A	N/A	N/A	\$117.76	N/A	N/A
		2	N/A	N/A	N/A	\$121.87	N/A	N/A



DETAILS AND PRINCIPLES – PROPOSED REVISION
OF PILOTAGE CHARGES

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
10	Special Request Except in the case of a pilot having to be relieved after an accident, a movage 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	\$2,864.20	N/A	N/A	N/A	N/A	N/A
		1.1	\$2,635.54	N/A	N/A	N/A	N/A	N/A
		2	\$2,727.81	N/A	N/A	N/A	N/A	N/A
	Expenses allowances, applicable to Contrecoeur, Bécancour, Cacouna, Tadoussac and Pointe-au-Pic	1	\$269.58	N/A	N/A	N/A	N/A	N/A
		1.1	\$269.58	N/A	N/A	N/A	N/A	N/A
		2	\$269.58	N/A	N/A	N/A	N/A	N/A



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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
10	Administration fees Transport Canada of the <i>Pilotage Act</i>	1	\$27.19	N/A	N/A	N/A	N/A	N/A
		1.1	\$27.19	N/A	N/A	N/A	N/A	N/A
		2	\$27.19	N/A	N/A	N/A	N/A	N/A
	Temporary charge (effective May 12, 2021 to December 31, 2021) - Annualization of the increase	1	\$54.96	N/A	N/A	N/A	N/A	N/A
		1.1	\$54.96	N/A	N/A	N/A	N/A	N/A
		2	\$54.96	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

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

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)

Corporation means a legal entity with which the Authority enters into a contract of service under [section 15 \(2\) of the Act](#) for the services of licensed pilots in District No. 2. (Corporation)

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)

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)

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)

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)



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)

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

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

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)

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

Pilot Boarding Station Location where pilots embark or disembark in Les Escoumins, Saguenay (La Baie, Lepage Wharf and Port-Alfred), Saguenay (Chicoutimi and Grande-Anse), Québec City, Trois-Rivières, Sorel-Tracy, Lanoraie and Montréal. (pilot boarding station)

Draught In respect of a ship, the number of metres, to the nearest one-hundredth, that corresponds to the maximum depth of the immersed portion of the ship at the time the pilotage services are provided. (draught)

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)

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

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)

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.



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- (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 \$27.19 is payable for each pilot assignment for the administration of the *Act*, in force since July 6, 2020.
- 2.2.** A temporary charge of \$54.96 is payable for each pilot assignment for the annualization of increase of pilotages charges. This charge will cease to apply as of December 31, 2021 at 11h59 PM.
- 3.** A pilotage charge is adjusted in accordance with [subsection 7 \(3\)](#) 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 \$269.58 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 Montreal;



- c) a pilot embarks to replace a pilot who has performed a moorage;
 - 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 detained there; or
 - i. to a position prior to the commencement of the trip or journey;
 - ii. at a berth within the limits of the port and is subsequently moved within the limits of the same port;
 - iii. at a berth after the voyage or movement has been completed and until disembarkation.



- b) the pilot is detained in transit when, outside the limits of a port, after having been under way a ship berths, anchors or makes a mandatory stop.

(2) However, 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 the same as the first hour 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 moorage 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) **Montreal**

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) Quebec

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.