March 12th, 2021





GENERAL

Pursuant to <u>section 33.4 of the *Pilotage Act* (R.S.C., 1985, c. P-14)</u>, the following document provides announcement of the revision (the "**Announcement**") of the Laurentian Pilotage Authority's (the "**Authority**") proposed pilotage charges which will come into effect on **May 12, 2021**, except as otherwise noted. The Authority revises these pilotage charges for the reasons described in the Notice, published on February 8, 2021, and in the Details and Principles document. All other provisions with respect to pilotage charges not revised by this Announcement remain in effect.

Persons interested in making a notice of objection regarding the establishment of the Authority's pilotage charges may do so by filing an application to the Canadian Transportation Agency. The application must be filed within ninety (90) days after the published date of this Announcement, pursuant to <u>section 34(1) of the *Pilotage Act*</u>. A pilotage charge is not suspended or prevented from taking effect by reason of a notice of objection.

Pursuant to section 34(3) of the *Pilotage Act*, a notice of objection may be filed only if

- a) the pilotage charge was not established or revised in accordance with the charging principles referred to in subsection 33.2(1) of the *Pilotage Act*; or
- **b)** the Authority did not comply with the requirements set out in <u>section 33.3 or 33.4</u> of the *Pilotage Act*.

Pursuant to section 33.4(2) of the *Pilotage Act*, this Announcement provides a summary of the written representations received under paragraph 33.3(2)(b) of the *Pilotage Act* and the Authority's analysis of the issues and concerns brought to its attention, including how it considered those issues and concerns in its decision.

This Announcement consists of three sections:

- 1. Summary of the written representations received under paragraph 33.3(2)(b) of the *Pilotage*Act and the Authority's analysis
- 2. Revision of pilotage charges rates
- 3. Implementation of the temporary charge for annualization of the increase



1. SUMMARY OF THE WRITTEN REPRESENTATIONS RECEIVED UNDER PARAGRAPH 33.3(2)(b) OF THE *PILOTAGE ACT* AND THE AUTHORITY'S ANALYSIS

The Authority received written representations on the Notice and the Details and Principles document relating to the charges proposal from two stakeholders, the Shipping Federation of Canada ("ShipFed") and the St. Lawrence Shipoperators ("SLS"). The comments received by these associations are essentially the same as those made during the pre-consultation meetings. These were taken into consideration and certain adjustments and modifications were subsequently made to the proposal. Now that the period for written comments has ended, the Authority has reviewed and considered all of the written representations received, has proceeded to their analysis and has set out below the reasons for its decision.

Representations were made regarding the 3% pilotage charge increase for year 2021 over 2020. This 3% increase was adjusted from the original proposal of 3.5% to reflect industry comments provided to the Authority during the pre-consultation phase. This adjustment will result in a larger projected loss than originally budgeted. Combined with the losses incurred in 2020 the total deficit assumed by the Authority for 2020-2021 will be over \$3 M. The ShipFed's proposal to reduce the pilotage charge increase to 2% while retaining the temporary charge of \$54.96 would result in significant additional losses for the Authority.

With respect to the comments on operating costs, it is important to remember that the vast majority of the Authority's expenses, 90%, are governed by service contracts and vary directly with the level of pilot assignments and traffic. The costs directly under its control account for 10% and are also related to the provision of services to users. As a result, traffic assumptions, validated with its industry partners, as well as increases in direct budgeted pilotage costs based on service contracts with the pilot corporations and the pilot-boat service subcontractor, account for the majority of the Authority's cost increases.

With regard to the comments made by the SLS on the proposed increases in the pilot detention rates, it must be noted that pilot detentions affect pilot availability and thus decreases the effectiveness and efficiency of pilotage services. The proposal to increase the rate for the second detention hour does not apply if the situation arises from one of the listed exceptions covering circumstances beyond the control of the client.

Furthermore, representations were made regarding potentially delaying the Authority's investment projects. These projects are mainly related to the refurbishing of the wood berthing dock at Les Escoumins, the purchase of a pilot boat as well as the acquisition of PPUs. The maintenance and acquisition of these assets are essential to the Authority's ability to meet its mission and support a safe, effective and efficient pilotage service.

Concerning the comments on the reserves level, the Authority must have sufficient resources to cover its capital investments to support safe, effective and efficient pilotage services while meeting all its obligations and risks. The Authority believes that the projected cash and reserves balance based on an objective analysis of the operating cost structure, the impacts of the pandemic and the capital program are reasonable. It allows the Authority to meet, at least in the short term, its obligations for 2021 and is consistent with the *Pilotage Act*.



With respect to the observations concerning the improvement of services, concrete actions and projects aimed at offering added value services to the industry have been put forward by the Authority. These include the Optimized Pilotage Services project, the use of the Authority's simulator to develop best practices and improve safety. Also, investments in PPUs have led to improvements in easing some restrictions on night navigation for large vessels.

With respect to the comments received regarding the *Pilotage Act* administration fee, it is essential to note that this fee is established by the Minister of Transport under <u>section 37.1 of the *Pilotage Act*</u> and that no profit margin is generated for the Authority from this fee.

The Authority has reviewed and considered all of the written submissions received and has concluded that the proposed charges are consistent with its clear charging methodology which is within the requirements and parameters of the *Pilotage Act*.

Accordingly, the Authority has decided to maintain the revision of its pilotage charges as published in the Notice and the Details and Principles – Proposed Revision of Pilotage Charges.



2. REVISION OF PILOTAGE CHARGES RATES

The chart herein below describes the revised pilotage charges effective **May 12, 2021**. These increases are consistent with the revision set out in this Announcement and are intended to allow the Authority to finance its operations, carry out the projects contained in the capital program, meet its contractual obligations and ensure the sustainability of the infrastructure, all of which are more fully explained in the Details and Principles document.

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
		1	\$554.86	\$18.28	N/A	N/A	\$2,466.49	N/A
2	Movage	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
	Anchorage during a trip or a movage	1	\$429.05	\$4.61	N/A	N/A	N/A	N/A
3		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
							1	
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
							ı	
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

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
		ı			ı			
	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
6	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



Column	1	2	3	4	5	6	7	8
ltem	Pilotage service	District	Basic charge	Charge per unit	Charge per time factor	Charge per hour or part of an hour	Minimum charge	Maximum charge
	I	Ī						
7		1	\$554.86	\$18.28	N/A	N/A	N/A	N/A
	Compass adjustment by pilot	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
			1					
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
	I	I						
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
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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
	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 Laurentian Pilotage Authority Regulations	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
10		2	\$2,727.81	N/A	N/A	N/A	N/A	N/A
10	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

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
	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
10	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 <u>Pilotage charges' chart</u> 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 <u>section 15 (2) of the Act</u> 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 <u>section 10</u>, 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 <u>Pilotage charges' chart</u>. (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 <u>Pilotage charges' chart</u> 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 <u>subsection 7(1)</u> 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.
 - 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 <u>subsection 7 (3)</u> 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 <u>Pilotage charges' chart</u> 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 <u>Pilotage charges' chart</u> 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 <u>Pilotage charges' chart</u>, 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 <u>Pilotage charges' chart</u>.
 - 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 <u>Pilotage charges' chart</u> 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 – Transhipment fees

6. When providing a transhipment 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 <u>section 6</u>, 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 <u>subsection (3)</u>, 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 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.
- Subject to <u>subsection (3)</u>, 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;
 - 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
 - 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.

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 movage in <u>section 1</u> 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;

I) 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.



3. IMPLEMENTATION OF THE TEMPORARY CHARGE FOR 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.