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21 November 2025  
M. Anthony Sebastiampillai  
Chief Financial Officer  
Laurentian Pilotage Authority  
999, boul. De Maisonneuve Ouest, bur. 1410  
Montréal, Québec, H3A 3L4  
Via email: [antony.sebastiampillai@apl.gc.ca](mailto:antony.sebastiampillai@apl.gc.ca)

**Dear M. Sebastiampillai,**

On behalf of the Shipping Federation of Canada and its membership, we would like to thank the Laurentian Pilotage Authority (LPA) for the opportunity to provide comments on the proposed 2026 Pilotage Charges in accordance with the consultation provisions of the Pilotage Act. We value the continued engagement between the Authority and the industry and appreciate the clarity of the financial and operational context provided in the consultation documents.

### **General Comments on the Proposed 2026 Charges**

#### **Moderate Increase:**

The proposed 2.5% across-the-board increase represents a balanced approach that is notably lower than the previous year's adjustment. This demonstrates sensitivity to the economic realities facing ship operators while supporting the Authority's operational needs.

#### **Financial Reserve:**

On another note, we have significant concerns regarding the LPA's reserve management strategy, particularly the proposed target range of \$10 million to \$13 million. We understand that the reserve must be sufficient to support the LPA's operating costs, mitigate potential fluctuations in traffic volumes, and enable essential investments to maintain and enhance the safety, efficiency, and cost-effectiveness of its services. That said, the rationale provided to the Federation for the tariff increases does not clearly explain how the proposed reserve supports these objectives.

The consultation materials do not offer a detailed explanation of how the reserve target was established, what specific risks it is intended to address, or how it aligns with the LPA's actual financial exposure. Without this information, it is difficult to assess whether the reserve level is justified.

Maintaining a reserve of this magnitude results in increased charges to ship operators at a time when the maritime sector continues to face economic pressures and global uncertainty. We are concerned that users are being asked to fund a reserve that may exceed operational needs.

For these reasons, we respectfully request that the LPA provide a detailed explanation of the reserve calculation, including:

- A breakdown of the risks and financial exposures being mitigated;
- The methodology used to determine the \$10–\$13 million reserve range;
- An assessment of whether a lower reserve could adequately meet the Authority's requirements.

Until such analysis is made available, it remains difficult for the industry to support the proposed reserve strategy.

### **Transport Canada Administration Fee**

Regarding the Transport Canada Administration Fee included in the 2026 tariff, we must reiterate our objection to passing these charges onto the industry. Neither Transport Canada nor the Authority has provided a clear breakdown of the costs associated with this fee. The lack of transparency and the decision to impose these charges leave us without a clear justification or tangible benefits. Furthermore, this raises ongoing concerns about potential duplication of efforts and costs between Transport Canada and the Authorities.

### **Closure of the Ship Simulator Center:**

We also would like to commend the leadership demonstrated by the LPA in making the difficult but necessary decision to close the ship simulator center. While the simulator represented a significant investment by the industry, it unfortunately did not achieve the expected outcomes and constituted a considerable ongoing financial burden.

### **Conclusion**

The Shipping Federation of Canada appreciates the opportunity to comment on this proposal and values the continued collaboration with the LPA. While we support many aspects of the 2026 tariff proposal, we urge the Authority to revisit and clarify its reserve strategy to ensure that reserves are not being over-funded by industry.



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We remain available to discuss these comments further and look forward to continued constructive engagement.

Best Regards,

**Yours sincerely,**

A handwritten signature in blue ink, appearing to read "Cédric Baumelle".

Capt. Cédric Baumelle  
Director, Marine Operations