

De : Michael H. Broad [<mailto:mhbroad@shipfed.ca>]
Envoyé : 11 mars 2021 15:19
À : Leroux, Josée <josee.leroux@apl.gc.ca>
Cc : Fracassi, Fulvio <fulvio.fracassi@apl.gc.ca>
Objet : SFC Comments on 2021 Tariff Published Feb. 8th, 2021

**To: Ms. Josee Leroux,
Chief Financial Officer, Laurentian Pilotage Authority**

Dear Ms. Leroux,

Please find attached the Federation's comments on the Notice of Revised Pilotage Charges, published February 8th, 2021. In accordance with section 33.3(2)c) of the Pilotage Act, we provide the following summary of the document:

On the 2021 proposed tariffs published by the Laurentian Pilotage Authority (LPA) on February, 8, 2021, the Shipping Federation Canada does not support a 3% service charge increase and recommends a maximum of 2.0% leaving the temporary surcharge at \$54.96. The new Pilotage Act states that pilotage services must be provided in an efficient and cost – effective manner. The need to deliver on these two issues is key to users and is highly relevant in a tariff setting context. While we understand that the LPA expects an operating loss for 2021, we see no concrete steps to increase efficiency as a way to make up for lost revenue - only an increase in the tariff. In fact, looking at the financial situation of the LPA, we note that the authority's reserve has exceeded \$12M since 2015 and peaked in 2019 at \$14,290,000, with average annual capital expenditures below \$2 million. Keeping a large balance of funds in a reserve - generated from users – without a link to efficiency, serves neither the users nor the Authority. Should the LPA introduce a tariff increase of 2%, while maintaining a temporary surcharge at \$55.00 per assignment, we calculate (based on LPA figures) that at the end of 2021, there would be an operating loss of \$1.374 million, positive cash flow of \$650,000 and a cash reserve of well over \$5 million.

Furthermore, we note that for a second year in a row, the LPA (and the three other pilotage authorities for that matter) is simply passing on TC Fees for the Administration of the Act to users, who have yet to see any benefits. For a second year in a row, users are facing a complete lack of transparency, with no information being provided to demonstrate that shipowners are not paying twice for the unnecessary duplication of activities between Transport Canada and the LPA. This fee should be removed from the 2021 tariffs in the absence of the necessary information to demonstrate that users are not paying twice for the same activities.

Yours truly,

Michael H. Broad
President
Tel: 514-849-2325 x228
Cel: 514-707-7983

