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

**November 6, 2023**



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 **November 6, 2023** (the "**Notice**") providing for the coming into force of the revised pilotage charges on **February 5, 2024**. 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 2024.

**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](#)
5. [Proposed revision of pilotage charges rates](#)
6. [Justification of the proposal in relation to the charging principles](#)
7. [Information regarding the Notice and on making representations to the Authority](#)
8. [Pilotage charges and conditions](#)

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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.

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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>.

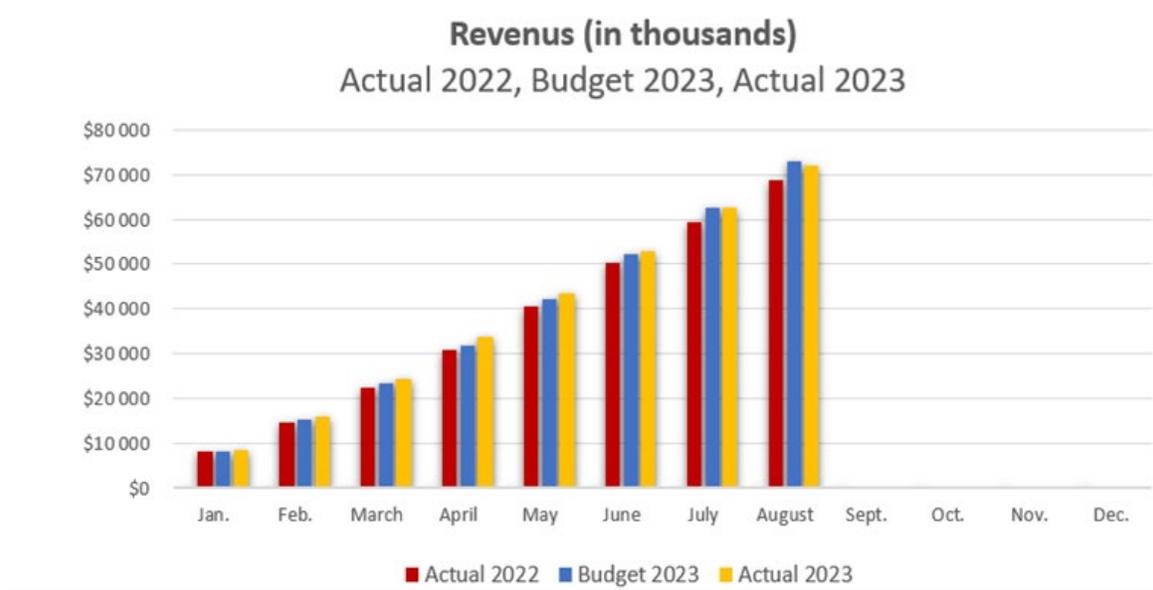
## 2. TRAFFIC AND ASSIGNMENT VOLUMES

### Current revenues versus budgeted revenues 2023

After the second quarter of 2023, the Authority's pilotage revenues are nearly 1.3% above budget. For this first half of the year, the Authority generated total revenues of \$53 M, compared to the forecast of \$52.3 M. Based on the current trend observed for the months of July and August, the financial results for the first eight months of 2023 are 2.8% under the approved budget for this year.

According to the most recent forecasts, as well as the actual number of assignments as of August, it seems that this trend could continue. Furthermore, a decrease in the number of assignments suggests that the Authority will not be able to achieve its 2023 budget targets for the second half of the year.

The chart below compares the previous year's actual total revenues with the current year's budget and actual total revenues.



**The assignment trend as compared to the previous year**

Annual assignment forecast is based on actual traffic history, announced vessel numbers, and information obtained from consultation with industry partners. For the first eight months of 2023, the number of assignments decreased by 1.8% compared to the same period last year. Although the first two months of the year were marked by an increase in assignments, a slight decrease was noted from March to June, a trend which appears to have subsided since July 2023. Considering the evolution of the market, the Authority does not foresee any significant increase in assignments for the latter part of 2023.

**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 forecast for 2024 is based on actual data for 2023 adjusted with various assumptions. The most important of these remains the uncertain economic situation, while weak growth in economic activity forecast for Canada. This should result in merchant traffic similarly of the current year.

More specifically, despite a significant slowdown in the Canadian economy over the coming months, many economists are predicting that the country will avoid recession. Although inflation in Canada is slowing, it remains high and is having an impact on overall consumption.

Based on the maritime traffic, the Authority forecasts that, for most vessels, the current slowdown will continue until the end of 2023. According to those forecasts, only cruise ships should show an increase in the current year and continue into 2024. For the other vessels, we are expecting a slight overall decline in maritime traffic in 2024, but we believe that overall traffic will remain stable. It is also worth noting that the number of assignments forecast for 2024 is 21,681, a level comparable to that forecast for the current year.

### **3. PROJECTED FINANCIAL POSITION OF THE AUTHORITY**

Based on the volumes projected in [section 2](#) above, the Authority forecasts pilotage revenues of \$96.5 M for 2023, contributing to total revenues of \$111.9 M. As for the year 2024, the Authority forecasts pilotage revenues subject to this proposed revision of \$100 M, bringing the total budgeted revenues to \$117.1 M.

For fiscal year 2023, expenses are projected at \$112.7 M. This represents a 1.4% decrease in expenses over the original budget. This decrease is directly related to the decrease in traffic and therefore the number of assignments and pilotage fees.

In terms of total expenses for 2024, the forecast is 0.5% higher than the expenses presented in the 2023 budget. The Authority's cost structure and rigorous management are behind this stability in expenditure. It should be noted that, despite the anticipated increase in fees due to pilot corporations, pilotage costs are down. This is the result of the downward trend in traffic compared with the 2022.

Operating expenses (in thousands of dollars)	2023	2023	2024
	Budget	Forecast	Budget
Pilotage fees	\$88,145	\$86,170	\$87,476
Pilot boat services operating fees	\$12,158	\$12,821	\$13,064
Payroll	\$7,109	\$6,723	\$7,267
Special and professional services	\$1,901	\$2,300	\$1,761
Rent	\$360	\$440	\$454
Utilities, supplies ad procurement	\$462	\$319	\$362
Communication and Transport	\$343	\$284	\$267
Fees for the administration of the Act	\$1,034	\$884	\$900
Information	\$145	\$145	\$166
Amortization	\$2,512	\$2,367	\$2,910
Other expenses	\$170	\$293	\$292
<b>Total of operating expenses</b>	<b>\$114,339</b>	<b>\$112,746</b>	<b>\$114,919</b>

### 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	76.1%	Governed by service contracts and varies depending on the pilotage revenues
Pilot Boats Services	11.4%	Mainly governed by contracts and varies depending on the pilotage revenues
Payroll	6.3%	Mainly governed by collective agreements
Amortization and rent	2.9%	
Other administrative expenses	3.3%	Include the administration costs of the Act which alone represent 0.8% of the charges

### Cost analysis

The findings from the analysis of the results and trends for the first half of 2023 have allowed the 2024 budget to be refined to consider the slight decrease in the number of assignments. While remaining conservative in the planning of the various projects, the 2024 expenses and operating assumptions have been budgeted to ensure a realistic adjustment to the market based on the most recent information available.

In accordance with the *Act*, the Authority's ultimate objective is to ensure the financing of its operations by generating a reasonable profit to gradually finance its long-term projects and to ensure that it has the necessary means to mitigate the various market risks. This approach has allowed the Authority to maintain some of the lowest rates of increase in pilotage charges in the Canadian industry in recent years, with relatively stable levels of variation.

Compared to 2023, overall budgeted expenses for 2024 vary little. The increase of \$2.2 M (1.93%) is primarily due to the change in pilotage fees. Other factors with a more significant influence on expenses are:

- 1. Pilotage fees and pilot boats costs:** the pilotage fees are directly related to the increase in the indexation covered by the current service contracts with pilots' corporations but tempered by the slight decrease in overall traffic forecast.

2. **Staff costs:** The increase in personnel costs is related to increases in collective agreements as well as regular salary progressions. In addition, during the year 2023, the Authority's payroll was affected by several positions were left vacant for a large part of the year. Finally, optimization and rationalization of professional services enabled the creation of two new positions, generating overall cost savings of over \$50,000.
3. **Amortization costs:** The increase in amortization costs is due to the following:
  - The renewal of the portable pilot units ("PPU") (provided in pilots' contracts);
  - The acquisition of a new three-season pilot boat (financed by the chartering of a pilot boat by our service provider, as well as by a saving realized during the renegotiation of this service contract for one of the ports served);
  - The project for the "OPS" optimized pilotage service (optimized services for our customers is planned).
4. **Professional and special services costs:** the decrease related to consultation fees assumed in 2023 to cover the temporary absence of the General Counsel and Corporate Secretary, additional professional financial support costs and legal fees.
5. **Costs of the administration of the Act:** An amount of \$900k will be assumed in 2024. This represents the adjusted portion, for the Authority's fiscal year, of costs claimed by the Minister for the period January 1 to December 31, 2024.
6. **Other expenses for the year 2023** are of a current and recurring nature. These expenses vary only slightly, and their impact is negligible.

### Capital Expenditure Program

The Authority anticipates that its capital expenditure program will require investments of approximately \$1.8 M for 2024. The investments are the result of contractual obligations, such as optimization of pilotage services, or emergency measures to ensure continuity of operations. These investments are mainly made up of:

- A financial contribution provided to the Corporation of Lower St. Lawrence Pilots ("CPBSL") for the acquisition of PPU for their pilots. These PPU are renewable every 4 years. This element stems from a contractual commitment with the CPBSL and is aimed directly at maintaining equipment required to ensure safe navigation;
- The development of an optimized pilotage service;
- The implementation of remote monitoring for Taukamaim and Grandes-Eaux; and
- Maintaining a secure and up-to-date computer and office software infrastructure.

The five-year capital expenditure program amounts to \$7.9 M. This program considers the Authority's strategic directions and contractual obligations. It includes the renewal of the pilot

corporations' PPU, as well as various other investments, including in IT infrastructure and the refurbishment of pilot boats. Certain other needs of the Authority concerning asset replacement, technological evolution, optimization and redesign of certain services are currently being analyzed and cannot be reflected with sufficient precision in this five-year plan.

The Authority is aware of the funds required for this program and has, over the years, built up the necessary financial reserves to cover these capital investments to support safe, efficient and cost-effective pilotage services. However, with the financial losses incurred as a result of the pandemic crisis as well as the investments made and planned the Authority financial reserve has been reduced by the \$7.5 M and \$3.9 M in 2022 and 2023 respectively. Although these investments were wisely planned in Authority's financial strategy over the past few years, their completion has brought the Authority's current cash position to a critical level, making it impossible to ensure the sustainability of its assets without a solid rebuilding of its financial reserve.

#### **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 account for unpredictable factors - primarily fluctuations in traffic volumes resulting from unforeseen events, such as those faced by the Authority in 2020 and 2021.

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;
- current and projected cash and reserves account balances; and
- current and future obligations under federal government priorities, notably sustainable development and environmental protection.

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 2024 budget, the required cash and reserves levers were as follows:

(in thousands of dollars)	2022	2023	2023	2024
	Actual	Budget	Forecast	Budget
Cash	\$7,633	\$5,906	\$5,235	\$8,437
Investments	\$0	\$0	\$0	\$0
<b>Total reserves</b>	<b>\$7,633</b>	<b>\$5,906</b>	<b>\$5,235</b>	<b>\$8,437</b>

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, efficiency and cost-effectiveness of its services, in accordance with its legislative mandate.

The Authority believes that the projected cash and reserve balances based on an objective analysis of the magnitude of operating costs, pandemic impacts and the capital expenditure program are sufficient to meet its 2024 obligations, at least in the short term. However, the projected level of the reserve for 2024 remains very low and the Authority could experience difficulties in meeting significant contingencies affecting its expenses or reducing its revenues. Based on the above criteria, the Authority has opted for a strategy of gradually replenishing its cash position, enabling it to finance the renewal of its assets over the long term, establish its sustainable development strategy, and provide flexibility in the event of the materialization of various risks impacting the maritime industry.

## 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 expenses and financing as outlined in [section 3](#);
- reserves account and funding requirements as set out in [section 4](#); and
- the rate required to complete all of the above steps.

This table presents the effect of the revised pilotage charges for the year 2024 compared to what is currently in effect since February 8, 2023. The pilotage charges that will come into effect on **February 5, 2024**, include:

Category	Pilotage charges	New / Adjustment	Application Methodology	Effect on Customers
Base Rate for District No. 1 and 1-1	4% increase	Adjustment	All rates affected	Cost increase of \$2.3 M
Base Rate for District No. 2	6% increase	Adjustment	All rates affected	Cost increase of \$1.8 M
Administration of the Act	48.6% decrease	Adjustment	Fee per assignment	Cost decrease per assignment \$26.71

The CPI at the end of the second quarter of 2023 continues to rise, but more moderately, reaching 3.3% in July. It should be noted, however, that the sharp increases in CPI over the past year - an average annual rise of 6.8% - have still had a significant impact on the Authority's expenses. In particular, the increase of contractual fees for St. Lawrence pilots will be 3.51% and 4.39% for the Central St. Lawrence and Lower St. Lawrence pilot corporations respectively. This impact has a major influence on the revised pilotage charges level of increase.

Thus, for 2024, the forecasted pilotage fees are in line with the slowdown in CPI growth, the traffic outlook and the continuing impact on pilotage fees of a previously very high CPI.

It should be noted that the Authority's gross profit margin is low, estimated at 13.4% for 2024. However, the Authority's administrative and operational expenses, which are largely fixed and governed by agreements, leases and service contracts, represent 11.7% of its cost structure, excluding costs related to the administration of the *Act*. The objective remains to ensure the self-financing of operations and investments, as well as to establish and maintain a sufficient reserve to face risks.

### **Use of pilot boat services**

Pilot transfer services charges, including at a pilot boarding station, such as pilot boat services to embark or disembark a pilot 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 or operation fees if applicable.

### **Fees for the administration of the Act**

In June 2023, the Authority received the Minister's Order outlining the updated allocation of the administration costs of the *Act* for 2022-2023. Based on this communication, the total amount owing to the Minister of Transport for the period April 1, 2022, to March 31, 2023, has been revised downwards, generating a \$275k excess paid by the industry to the Authority in 2023. As agreed, this excess has been applied against the amounts to be billed to the industry for 2024, to cover the administration costs of the *Act* that will be claimed by Transport Canada for this period.

The charge which would normally have been \$40.91 for 2024, has been decrease to \$28.23 per assignment. The current rate compared with 2023, represents a decrease of \$26.71, just about 49%.

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.

### **Consultations undertaken prior to publication of Notice**

The Authority has consulted with the various marine industry associations regarding the revision for the pilotage charges proposed herein. Certain comments and suggestions from the industry have been considered and taken into account where appropriate and are 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 No. 1 or 1-1, and 3,300 tons and 80 metres or more in length for District No. 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](#).

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## 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: Executive Director, Finance & Administration  
Laurentian Pilotage Authority  
999 De Maisonneuve Blvd. West, Suite 1410  
Montreal, Quebec, H3A 3L4

By email: [josee.leroux@apl.gc.ca](mailto: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:

Executive Director, Finance & Administration  
Laurentian Pilotage Authority  
999 De Maisonneuve Blvd. West, Suite 1410  
Montreal, Quebec, H3A 3L4

By email: [josee.leroux@apl.gc.ca](mailto:josee.leroux@apl.gc.ca)

**Note: Representations must be received by the Authority not later than the close of business on December 6, 2023.**

## 8. PILOTAGE CHARGES AND CONDITIONS

### Pilotage charges' chart

Column	1	2	3	4	5	6	7	8	
Section	Pilotage service	District	Basic charge	Charge per unit	Charge per time factor	Charge per hour or part of an hour	Minimum charge	Maximum charge	
	Trip	1-1		\$ 54,22	\$ 26,68		\$ 2 774,21		
		1		\$ 54,22	\$ 26,68		\$ 2 774,21		
		2		\$ 34,10	\$ 19,63		\$ 2 279,87		
	Morage	1-1	\$ 574,26	\$ 18,91			\$ 2 552,73		
		1	\$ 624,08	\$ 20,56			\$ 2 774,21		
		2	\$ 620,23	\$ 20,43			\$ 2 757,03		
	Anchorage during a trip or a morage	1-1	\$ 444,03	\$ 4,78					
		1	\$ 482,58	\$ 5,19					
		2	\$ 479,61	\$ 5,17					
	Docking of ship at a wharf or pier at the end of a trip	1	\$ 369,39	\$ 3,82				\$ 718,17	
		2	\$ 367,07	\$ 3,79				\$ 713,74	
	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	\$ 594,37	\$ 13,44			\$ 2 184,83		
		2	\$ 620,23	\$ 14,02			\$ 2 279,87		
9 (1) a)	Detention of a pilot at a pilot boarding station or on board ship (except when section 9(2) of pilotage charges' Conditions is applicable)	1-1	First half-hour			\$ 0,00			
			For the first hour, including the first half-hour			\$ 132,45			
			and for each subsequent hour			\$ 457,77			
		1	First half-hour			\$ 0,00			
			For the first hour, including the first half-hour			\$ 143,94			
			and for each subsequent hour			\$ 457,77			
2	First half-hour			\$ 0,00					
	For the first hour, including the first half-hour			\$ 143,04					
	and for each subsequent hour			\$ 477,68					
9 (1) b)	Detention of a pilot on board ship in transit (except when section 9(2) of pilotage charges' Conditions is applicable)	1-1	First half-hour			\$ 0,00			
			For the first hour, including the first half-hour			\$ 132,45			
			and for each subsequent hour			\$ 264,90			
		1	First half-hour			\$ 0,00			
			For the first hour, including the first half-hour			\$ 143,94			
			and for each subsequent hour			\$ 287,88			
2	First half-hour			\$ 0,00					
	For the first hour, including the first half-hour			\$ 143,04					
	and for each subsequent hour			\$ 286,08					
Compass adjustment by pilot	1-1		\$ 574,26	\$ 18,91					
	1		\$ 624,08	\$ 20,56					
	2		\$ 620,23	\$ 20,43					
10	Cancellation of a request for pilotage services if the pilot reports for pilotage duty (except when section 10(3) of pilotage charges' Conditions is applicable)	1-1	Basic	\$ 712,42					
			First hour			\$ 0,00			
			For the second hour including the first hour			\$ 457,77			
		1	Basic	\$ 774,23					
			First hour			\$ 0,00			
			For the second hour including the first hour			\$ 457,77			
2	Basic	\$ 769,41							
	First hour			\$ 0,00					
	For the second hour including the first hour			\$ 477,68					
5 (2)	Carrying a pilot on a ship beyond the district for which the pilot is licensed	1-1	Each hour			\$ 132,45			
		1	Each hour			\$ 143,94			
		2	Each hour			\$ 143,04			
Special Request Except in the case of a pilot having to be relieved after an accident, a morage 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 23.09 or 23.10 of the <i>General Pilotage Regulations</i>	1-1		\$ 2 964,35						
	1		\$ 3 221,54						
	2		\$ 3 201,59						
5 (1)	Expenses allowances, applicable to Contrecoeur, Bécancour, Cacouna, Tadoussac and Pointe-au-Pic	1-1	Each assignment	\$ 303,21					
		1	Each assignment	\$ 303,21					
		2	Each assignment	\$ 316,40					
2.1	Administration fees of the <i>Pilotage Act</i> (section 37.1)	1-1	Each assignment	\$ 28,23					
		1	Each assignment	\$ 28,23					
		2	Each assignment	\$ 28,23					

\* 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.

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## Conditions

1. 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**, with respect to a vessel, the number of meters and centimeters, which corresponds to the maximum distance between the outer faces of the outer planks of the vessel.

The Authority shall apply the extreme width shown in the official data (IHS Sea-Web or official ship plans) except in the following cases:

- (a) In the event that the extreme width is not available or is equal to the "molded" width shown in the official data, the Authority shall apply the "molded" width by adding four (4) centimeters;
- (b) If the difference between the extreme width and the moulded width exceeds six (6) centimetres, the width shall be equivalent to the value calculated in (a). (largeur)

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

**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 within a district. (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 n° 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 n° 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 n° 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 11](#), 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 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. (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 section 5, 9 or 10 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)

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## 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 [section 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 is payable for each pilot assignment for the administration of the *Act*.

3. A pilotage charge is adjusted in accordance with [section 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 section.

#### 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 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) Reasonable travel and other expenses incurred by a pilot in boarding or disembarking a ship outside the compulsory area are payable as pilotage charges in addition to the pilotage charges set out in the [Pilotage charges' chart](#) in section 5(2).

#### **Pilotage Charges – Pilot transfer fees**

6. When providing a pilot transfer 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%.

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### 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.

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- (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 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 on the ship; or
    - i. at a berth prior to the commencement of the trip or movage;
    - ii. at a berth within the limits of the harbour and is subsequently moved within the limits of the same harbour;
    - iii. at a berth after the trip or movage has been completed and until disembarkation.
  - b)** the pilot is detained in transit when 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 section 9 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.

### Cancellation

10. (1) A charge for a cancellation of pilotage services shall be made whenever the services requested are cancelled after the pilot(s) have been assigned to the vessel, whether or not the pilot(s) are on board the vessel.

(2) If the pilot(s) have been on board the vessel at the time of cancellation of services, the first hour after cancellation is free of charge. From the second and subsequent hours onward, charges are provided for in section 10 of the [Pilotage charges' chart](#).

(3) Where the pilot has boarded the ship prior to the cancellation, the exceptions in section 9(2) that apply to extensions of a pilot's stay on board a ship apply, with the necessary modifications

### Harbours and Their Geographic Limits

11. 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.