
# PILOTAGE ACT REVIEW

## PRELIMINARY COMMENTS BY THE SHIPPING FEDERATION OF CANADA

Submitted to Mr. Marc Grégoire, Chair of the *Pilotage Act* Review

30 October 2017

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## 1. EXECUTIVE SUMMARY

The *Pilotage Act* has served as an excellent tool for ensuring the safety of navigation in Canadian waters. However, the current structure has led to a pilotage system that is unable to **control costs** or **consistently provide users with the level of service they require** in a highly competitive marine transportation economy. We are in this situation because the *Pilotage Act* does not provide adequate checks and balances to counteract the effects of the **monopoly structure** under which the pilotage system operates.

### RECOMMENDATIONS

**1. Governance:**

Introduce changes to the current governance structure in order to re-focus the mandate of the pilotage authorities on the need to provide a safe **and efficient** pilotage service rather than to merely achieve financial self-sufficiency. As a minimum, amend the governance structure to achieve the following objectives:

1. Strengthen the mandate and requirements to deliver a cost-efficient pilotage service;
2. Ensure a greater focus on the identification and introduction of new technologies that will support safe AND efficient pilotage services;
3. Strengthen the use of Key Performance Indicators in order to increase transparency and ensure greater focus on service efficiency;
4. Strengthen accountability and transparency in providing cost-efficient pilotage services to users;
5. Review the composition of the Authorities' boards of directors to address issues related to appointments, conflicts of interest and expertise on the boards.

Consider whether the minimum objectives under recommendations 1 to 5 can be achieved under the current BUT IMPROVED governance model OR whether an alternative governance structure is required to achieve our objectives. A constructive discussion with all parties needs to take place in order to identify the best governance model.

**2. Labour Model:**

Given that the current labour model has been in existence since 1972, we believe that any serious effort to review the current system must include consideration of alternative labour models. As part of this discussion:

6. Consider implementing a multi-source approach whereby shipowners would have the option of employing their own Canadian mariners with pilotage certificates dedicated

solely to their regular fleet/vessels. These pilots would be Canadian mariners certified under the same scheme applicable to other pilots as defined under Canadian regulations, and would be able to pilot any of the company's ships with similar characteristics;

**7.** In conjunction with – or independent of – recommendation 6, allow pilotage authorities (or any entity tasked with overseeing pilotage services) to have the ability to hire employee pilots, corporation pilots, or a combination of the two for the same pilotage area;

**8.** Alternatively, explore a third avenue, under which pilot corporations would cease to exist and all service providers would become employees.

Working under a scenario in which the existing labour model remains in place, amend the *Pilotage Act* to:

**9.** Drive greater accountability from pilot corporations by requiring them to publicly file their audited financial statements;

**10.** Strengthen and/or develop key performance indicators (KPIs) for both pilotage authorities and pilots in order to increase transparency and ensure greater focus on service efficiency;

**11.** Amend the dispute resolution mechanism (Final Offer Selection process) provided under the Pilotage Act to:

i. Require the arbitrator to consider all relevant information, including ministerial directives, comments and findings from the CTA, the financial situation of the Pilotage Authorities and the industry;
ii. Require that FOS arbitration awards remain within the confines of the pilotage regulatory framework, with a view to avoiding situations in which FOS awards establish operational standards that contradict the existing regulatory framework;
iii. Require the arbitrator to compare compensation and working conditions to the salaries of individuals doing similar work in a non-monopoly sector;
iv. Review all existing pilotage service contracts in order to remove any matters that are subject to regulation;
v. Ensure greater transparency in pilotage contracts by making the service contracts between the pilots and the Pilotage Authorities public.

## 3. <u>Safety:</u>

**12.** Address any perceived/existing shortfalls within the Act, so that pilotage authorities can in fact regulate all aspects of safety;

**13.** Amend the Act to ensure the primacy of the Pilotage Act and its regulations over pilotage service contracts - in all cases;

**14.** Provide pilotage authorities with the ability to adopt binding practices and procedures over all pilots – including contract pilots - in support of safe and efficient pilotage services; Such powers should include the ability to require pilots to adopt new technologies;

**15.** Ensure that pilotage authorities have disciplinary authority over both employee and contractual pilots;

**16.** Require the pilotage authorities to assess the need to review compulsory pilotage areas every three to five years rather than adhering to a pre-determined schedule for conducting such review;

**17.** Review the PRMM process to address concerns regarding its cost and length and determine whether an alternative process would be more efficient;

**18.** Initiate immediate discussions between the Canadian and US governments on abolishing compulsory pilotage on the open waters of the Great Lakes.

## 4. Tariff Setting Process

**19.** Support any increase in pilotage tariffs with a clear and quantitative increase in service to users;

**20.** Maintain an effective appeal process for users; while adding factors to the list of elements that the CTA must consider when assessing whether a proposed tariff increase is “fair and reasonable”, including ministerial directives and the compounding effect of past increases on the financial situation of the industry;

**21.** Consider alternatives to the current sequencing of the tariff-setting process, under which contract negotiations with the pilots precede the tabling of new tariffs.

## 5. Enforcement:

**22.** Continue the discussion initiated by the Minister of Transport on the liability of pilots in major incidents, while also ensuring that sanctions which are due to pilot error are not applied against the ship.

## 2. INTRODUCTION

The Shipping Federation of Canada was incorporated by an Act of Parliament in 1903 to represent international shipping in Canada. The Federation's membership consists of the owners, operators and agents of ocean ships that carry Canada's imports and exports to and from overseas ports. Our members use the services of all four pilotage authorities.

The *Pilotage Act* has served as an excellent tool for ensuring the safety of navigation in Canadian waters. However, the current structure has led to a pilotage system that is unable to **control costs** or **consistently provide users with the level of service they require** in a highly competitive marine transportation economy. We are in this situation because the *Pilotage Act* does not provide adequate checks and balances to counteract the effects of the **monopoly structure** under which the pilotage system operates.

Indeed, over the last decade:

- Pilotage tariffs have increased by between 23 percent and 83 percent across all four authorities, while CPI has increased by 17.6 percent. In some regions (e.g., APA, GLPA, and PPA), multi-annual surcharges have been added to the pilotage tariff per se, further increasing the financial burden imposed on users;
- The total cost per pilotage assignment has increased by between 5 percent and 7.4 percent annually;
- At the same time, pilot compensation has increased between 26 percent and 55 percent.[1]

With respect to service levels in particular, our experience over the years has shown that pilotage authorities have been constrained in their ability to provide the kind of service that users need unless service providers have been prepared to act as willing partners in this respect. The absence of such willingness with regard to a number of key service areas has made it difficult to modernize and upgrade the service or to develop cost efficiencies. Annex 2 provides concrete examples of some of these inefficiencies from a user's perspective.

In this context, we wish to submit the following preliminary comments on elements that should be considered as part of the discussion on the modernization of the *Pilotage Act.*

## 3. GOVERNANCE

Under the current pilotage system, we believe that **pilotage authorities lack any real incentives AND powers to rein in costs or drive efficiency**, and have often been relegated to a role of fee collectors (to meet their self-sufficiency mandate) and pilot dispatchers.

We also believe that there is an inherent challenge in the current structure whereby pilotage authorities (as Crown corporations operating under a self-sufficiency mandate with only one source from which to recoup the costs (i.e., shipowners)) have to negotiate with commercial service providers who operate under a "for-profit" mandate. In the context of a legally imposed

[1] See Annex 1 for additional details on costs

monopoly under which pilotage is an essential service that supports safe transportation AND the Canadian economy, there should not be an element of "for-profit" in the equation.

Another issue of concern is the lack of focus on achieving "greater efficiency" in pilotage services. Although sections 18 and 19 of the *Pilotage Act* mention the concept of "efficient (and economical) pilotage services," we believe there is a need to strengthen this mandate and introduce a greater commitment to actually delivering in this respect. The current accountability structure (including the requirement to file annual reports and audits under the *Financial Administration Act)* places too much emphasis on ensuring that pilotage authorities meet the financial self-sufficiency requirement. In our opinion, pilotage authorities have not been enacted to be financially self-sufficient; they have been enacted to provide SAFE AND EFFICIENT pilotage services, with financial self-sufficiency serving as a means of fulfilling their mandate. There is therefore a need to develop a culture of continuous improvement with respect to efficiency, which should at some point materialize into reduced customer charges and/or an increased level of service (as opposed to the continuous increases in pilotage charges we have seen over the last decade, as per Annex 1).

For example, double pilotage in winter has been in place in the St. Lawrence River long before the introduction of modern technologies (including ECDIS, AIS, PPUs, advancement to radar display, etc.), and yet to our knowledge, no risk assessment has been made in the last few years with regard to the necessity of a second pilot (see Annex 2). Under a culture of continuous improvement, we would expect to see periodic reviews of these "additional pilotage" services, keeping in mind both safety AND efficiency.

We also believe that there is also a lack of a strong collective vision as to what "efficiency" in pilotage service means. Keeping in mind the importance of factoring in the different geographical / operational realities across pilotage regions, we nevertheless believe that there is a way of identifying a common vision for Key Performance Indictors (KPIs) to help assess whether we are collectively and continuously moving towards greater efficiency in pilotage services (which would also provide a greater incentive to share and build on best practices across the various pilotage areas). Currently, we note that although the four pilotage authorities use KPIs (to some varying degree), there are few common categories of KPIs and even fewer relating directly to efficiency in services from a user perspective. In other words, strengthening the use of KPIs - established on a regional basis (e.g. number of assignments per pilot, costs per assignment, etc.) – would formalize the vision for and measurement of efficiency in pilotage in a region, while still enabling benchmarking of performance between regions.

The requirement to report annually against KPIs should also be formalized. In this regard, we note that there is currently no uniform approach to financial and operational reporting (accountability) among the four pilotage authorities, which again makes it difficult to benchmark performance. We also note that although pilotage authorities submit annual reports to the Minister for tabling to Parliament, there is no follow-up action or periodic stock-taking by Transport Canada with respect to the information contained in those reports. Such action, perhaps in the form of a review every five years in order to assess whether the pilotage system is moving in the right direction overall, would increase accountability while also supporting a culture of continuous improvement.

In addition to the above, we have also encountered challenges under the current governance (and labour) model with respect to being able to test and embrace new technologies, and shipowners being able to reap the benefits of their investments in such technologies (for example, the Personal Pilotage Units and the DUKC project – see details under Annex 2). This situation also illustrates the need for tools to ensure that the governance framework and the service providers are more attuned to the efficiency side of the equation, while maintaining safe navigation. These two components - efficiency and safety- are not mutually exclusive, especially as we look into new navigation technologies.

Furthermore, we do not believe that the current composition of the pilotage authorities' boards of directors works well. Board appointments have not been made in a timely manner for the last several years, which has impeded their effectiveness. We also believe that active pilots should not be on the boards. Keeping in mind that the vast majority of the authorities' expenses are linked to pilot compensation, such pilots should not be at the table when directors are discussing strategies for compensation/salary negotiations. Furthermore, there is also a need to introduce an experience clause in the legislation so that – at a minimum – boards will have expertise relating to transportation, finance, and management.

Based on the above, we are looking to achieve, at a minimum, the following five main objectives, as we look into governance:

- **Strengthen the mandate/and requirement to deliver cost-efficient pilotage service**, which includes providing legislative/regulatory tools to formalize a culture of continuous improvement;
- **Ensure a greater focus on the identification and introduction of new technologies** that will support safe AND efficient pilotage services;
- **Strengthen the use of Key Performance Indicators** in order to increase transparency and ensure greater focus on service efficiency (this also includes reporting against these KPIs both from the pilotage corporation and pilots in the case of contractual service providers);
- **Strengthen accountability and** transparency in providing cost-efficient pilotage services to users;
- **Review the composition of the Authorities' boards of directors** to address issues related to appointments, conflicts of interest and expertise on the boards.

From our perspective, we are still unsure as to **whether the above can be achieved under the current** structure, maintaining governance under the four pilotage authorities as crown corporations

*OR*

**Whether there is a need to move to a more commercially disciplined governance structure** (when it comes to focussing on efficiency of services) which accords a greater role to the users of pilotage services (looking at not-for-profit corporations such as the Saint Lawrence Seaway Management, NAV CANADA, or other models).

As part of this reflection, we are interested in a constructive discussion with all parties as to the pros and cons of various alternative approaches, which include (but are not limited to) a single

entity with one board and four regional management structures; four pilotage authorities with one board; or some other permutation.

For any scenario under which a not-for-profit governance structure is being considered, it will be important to ensure that the entity is provided with effective powers to adopt binding measures for safe and efficient pilotage services. One avenue could be to introduce a power similar to that granted to the Saint Lawrence Seaway Management Corporation to adopt binding Practices and Procedures under section 99 of the *Canada Marine Act.* The latter power is important so that a new governance structure would not depend solely on Transport Canada's drafting of regulations, considering the lack of resources within the department.[2]

Also, for any scenario considering amalgamation – e.g. four authorities and one board or one entity and one board -- it will be essential to maintain regional expertise at the management level, and to prevent any standardization of working conditions that would result in an escalation to the highest denominator (in terms of salaries) or lowest denominator (in terms number of days worked).

At the end of the day, although we have not yet finalized our position with respect to governance, we are certain of the need for legislative amendments to address the issues/objectives with governance.

## 4. LABOUR MODEL

Pilotage services in Canadian waters are currently delivered by two types of mutually exclusive service providers, i.e., employee pilots and contractual pilots.

It is important to note from the outset that contractual pilots – who are collectively organised as commercial pilot corporations - are not only interested in safety, but are also constrained by other considerations such as the need to generate income for their members. It is essential to keep these two sets of interests in mind as we look into some of the issues affecting the existing labour model.

At this stage, we believe that pilotage services will remain an **important component of safe** and efficient marine transportation services in Canadian waters for the foreseeable future. However, the fact that the Act creates an **"unchecked" legal monopoly in favor of commercial service providers**, with shipowners being the only source of financing for this monopoly, has proven to be a very challenging model that has led to escalating costs and service inefficiencies[3]. We have also seen several cases (including one very recent incident[4]) in which

[2] The ultimate regulatory authority would still be with the Canadian Government, as the Governor in Council would retain a general power to make regulations on pilotage, and binding practices and procedures adopted by the new governance structure would be subject to such regulations.
[3] See Annexes 1 and 2
[4] 2015 contractual negotiations between the Laurentian Pilotage Authority and the Mid St. Lawrence River Pilots, which led to an FOS arbitration award modifying the conditions for ordering daytime and night time pilots, contrary to existing regulations. In this situation, the users were deprived of the checks and

regulatory safety issues have found their way into commercial pilotage contracts. It is our view that safety issues should not be the subject of contractual negotiations in a legally-imposed commercial monopoly, as this circumvents the federal regulatory process for safe and efficient navigation.

We also wish to highlight the emergence of new technologies and their impact on **the manner and extent** to which shipowners will depend on pilotage services in the future. Although these technologies may not replace pilots altogether, they will in some cases lead to less dependency on pilotage services. Given that these technologies must also have some benefit from a cost-efficiency perspective, it is important that the system contains the appropriate tools/authority to ensure their uptake by service providers. This has proven challenging in some areas, as illustrated in Annex 2.

In our view, the factors and issues identified above provide strong evidence of the need to undertake a closer examination of the structure under which pilotage services are currently provided in Canadian waters.

Scenario 1: Alternative Labour Model

Given that the current labour model – under which pilots provide mutually exclusive service either as employees of the pilotage authorities or as contractual service providers– has been in existence since 1972, we believe that any serious effort to review the current system must include consideration of alternative labour models.

We would also caution that safety should not be used as a red herring in this discussion. Shipowners have a vested interest in safety, and have made significant investments in their fleets and crew, as well as the sustainability of their operations/brand. Furthermore, the shipowner is the liable party in the event of an accident, both under international law and under Canada's polluter pay principle.

We as an industry have no desire whatsoever to compromise the quality or qualifications of the pilots we use. In this respect, we would note that introducing more flexibility into the system does not mean hiring people with lesser qualifications; but rather, giving users more options for obtaining safe and efficient pilotage services.

As part of the discussion on alternative labour models, we recommend that:

- **Consideration be given to the development of a multi-source approach** whereby shipowners would have the option of employing their own Canadian mariners with pilotage certificates dedicated solely to their regular fleet/vessels. These pilots would be Canadian mariners certified under the same scheme applicable to other pilots as defined under Canadian regulations, and would be able to pilot any of the company's ships with similar characteristics. Successful implementation of this approach would also

balances contained in the normal federal process that would/should have happened for regulatory amendments. This FOS award is the subject of an appeal to the Federal Court.

involve undertaking a review of the current licensing / certification process in order to ensure its efficiency and **neutrality;**

- **In conjunction with - or independent of - the above recommendation**, the *Pilotage Act* should be **amended so that pilotage authorities** (or any other responsible entity, in the event of a change in the governance struct) **have the ability to hire employee pilots, corporate pilots or a combination of the two in the same pilotage area.** Such an amendment (which was also proposed in 2007)[5] could help ensure optimal management of the overall pilotage pool, thereby minimizing shortages and delays (which have been issues in the past);

- At this point, we are also interested in further exploring **a third alternative labour model, under which pilot corporations would cease to exist and all service providers would become employee pilots.** Such a scenario would require the development of measures to ensure that salaries do not rise to the highest level of those paid to the former contractual pilots. Although we have still not fully assessed the pros and cons of this model, we note that from a financial perspective, the costs for pilotage services do appear to be lower when pilotage is provided by employee pilots (see Annex 1). Such a model could also lead to the possibility of greater fungibility among pilots in certain areas – e.g. the Saint Lawrence River and the Great Lakes – which could result in the ability to more efficiently respond to surges in traffic or other operating conditions (e.g. closing of the Seaway) – if and **where this makes sense.**

Scenario 2: Amendments to the Existing Labour Model

Working under a scenario in which the existing labour model remains in place, we would recommend that the *Pilotage Act* be amended in order to:

- Drive greater accountability from pilot corporations by requiring them **to publicly file their audited financial statements.** Given that pilot corporations operate under a legal monopoly, they should be held to a higher level of transparency and accountability than is currently the case;

- **Develop key performance indicators (KPIs)** to increase transparency and ensure greater focus on service efficiency. This concept should apply to both employee and contractual pilots, and accountability for meeting the KPIs should occur either through the pilotage authorities or as part of separate reporting requirements for pilot corporations (see recommendation under governance for more detail);

[5] Bill C-64 and later on Bill C-4 were introduced in Parliament in 2007 – where it was recommended to amend section 15 of the Act:

*An Authority may, as it considers necessary for the proper conduct of its work,*

*a) Employ any officers and employees, including licensed pilots and apprentice pilots; and*

*b) enter into a contract with a body corporate for the provision of services of licensed pilots and the training of apprentice pilots*

- **Amend the dispute resolution mechanism** (Final Offer Selection process (FOS)) provided under the *Pilotage Act* to:

    - **Instruct the arbitrator to consider all relevant information**, including ministerial directives, comments and findings from the CTA, and the financial situation of the Pilotage Authorities and the industry (and provide the arbitrators with the necessary powers to obtain such information from the relevant parties). We believe that this is one means of bringing greater discipline to the cost of pilotage services (which is directly linked to pilotage compensation). Indeed, in some cases, the current FOS has resulted in payments to the pilot corporations that have far exceeded the "fair and reasonable" threshold for pilotage tariffs established under the Act, thereby placing the pilotage authorities in a difficult situation. In other cases, pilotage authorities have gone to great lengths to avoid having to resort to the FOS process by granting generous concessions to the pilot corporations. In all cases, these unforeseen failures of the current FOS process have contributed to escalating costs (see Annex 1) and left the industry with hefty bills. This situation needs to be addressed;[6]

      Alternatively, consideration could also be given to modifying the current sequencing process between **contractual** negotiations and the tariff-setting process (see section below on Tariff Setting Process);

    - Require that FOS arbitration awards **remain within the confines of the pilotage regulatory framework,** with a view to avoiding situations in which FOS awards establish operational standards that contradict the existing regulatory framework.[7] It is essential from our perspective that the contracting powers of pilot corporations are not construed as being limitless, and that private service contracts do not circumvent the regulatory process, especially with respect to safety and the rights of users under the regulations. Towards that end, the FOS process should be amended to ensure that arbitration awards do not contradict or create safety requirements that are not within the existing legislative and regulatory framework;

    - Require the arbitrator to **compare compensation and working conditions to the salaries of individuals doing equivalent work in a non-monopoly sector –** as a means of providing an appropriate comparison for benchmarking purposes;

    - As we look into addressing the shortfalls of the current dispute resolution mechanism, the requirement to ensure the continuation of services during contract negotiations (as provided for under section 15.3 of the Act) must be maintained.

[6] The need to introduce guidelines into the FOS process was raised as part of the 2007 *Pilotage Act* review – which led to the introduction of Bill C-64 and C-4. Although Bill C-4 contained a proposal requiring the arbitrator to consider *the objects of the Authority under section 18 and the summary of the Authority corporate plan* – consideration should be given to broaden the scope so that all relevant information be considered – including those that have been highlighted in the core of our submission.
[7] Above Footnote v provides an example where contractual negotiation and FOS arbitration award modified existing regulations. The imposition of double pilotage in winter is another example, where a safety oriented clause found its way into contract as opposed to regulations.

- Review all existing pilotage service **contracts in order to remove any matters that are subject to regulation**. The need to prevent circumvention of the regulation-making process has been raised in the past by a former Minister of Transport and the Canadian Transportation Agency.[8] The regulatory powers of the pilotage authorities should also be strengthened to ensure that there is no confusion as to which matters are subject to regulatory powers (see section below on Safety);

- Ensure greater transparency in pilotage contracts **by making service contracts between the pilots and the Pilotage Authorities public**. In this respect, we refer to statements made by the Canadian Transportation Agency in support of this recommendation: *The Agency's mandate to review tariffs proposed by pilotage authorities is a legislated review of a government-imposed service delivered under monopolistic conditions. It is in the public interest to ensure that the management of services delivered under these circumstances are open and accountable. Disclosure of this document is necessary to achieve these objectives and to enable the parties to participate fully in this proceeding before the Agency;*[9]

- There are also challenges with employee pilots in some areas with regard to service delays and overtime. Strengthening the governance model to refocus the mandate on efficiency (along with safety), and imposing KPIs on pilotage authorities with regard to both corporate management and service delivery are – in our opinion –possible avenues for addressing these issues.

## 5. SAFETY:

We share the concerns raised by the Laurentian Pilotage Authority (LPA)[10] regarding the need to clarify the **scope of section 20 of the *Pilotage Act*** to ensure that pilotage authorities have the appropriate powers to regulate safe navigation. It is our understanding that some officials within Transport Canada are of the opinion that the regulatory powers of a pilotage authority would only extend to matters that are "similar" to those listed in subsections a) to m). This must be rectified.

We also support the proposal made by the LPA that pilotage authorities be granted the authority to adopt binding practices and procedures for the provision of safe and efficient pilotage service. We believe that such enhanced powers of directive over both employee and contractual pilots would support the authorities' ability to meet their mandate. We also believe that such powers should be framed in a way that enables the authorities to require both employee and contractual pilots to embrace new technologies (as opposed to making the uptake of new technologies subject to the slings and arrows of the contract negotiation process).

In this context, we recommend that action be taken to:

[8] Canadian Transportation Agency decision No 645-W-2002
[9] Canadian Transportation Agency decision No LET-W-174-2001, April 2, 2001
[10] *Pilotage on the St. Lawrence & Saguenay Rivers: A vital component of the Canadian Maritime Transportation System,* Submission by the Laurentian Pilotage Authority to the Honourable Marc Garneau, July 2016, p. 12.

- Address any perceived/existing shortfalls within the Act, so that pilotage authorities can in fact regulate all aspects of safety. **The Act must also be amended to ensure the primacy of the *Pilotage Act* and its regulations** over pilotage services contracts - in all cases;

- Provide pilotage authorities with the ability to adopt binding practices and procedures over all pilots – including contractual pilots - in support of safe and efficient pilotage services. Such powers should include the ability to require pilots to adopt new technologies;

- Ensure that there is a common understanding of the scope of authority under section 25 of the *Pilotage Act* – when it comes to a pilot having the "conduct" of a ship. Some pilots have in the past provided their own interpretation of this term when boarding vessels, which has created confusion. Furthermore, the Pilotage Authorities should be the entities providing guidelines to ships on this subject, in order to ensure a proper understanding of the respective powers and responsibilities of masters and pilots under the *Pilotage Act*;

- Ensure that pilotage authorities have disciplinary authority over both employee and contractual pilots.

In addition to the above, we recommend the implementation of the following measures to generate greater efficiencies within the pilotage service from a safety perspective:

- **Review the Pilotage Risk Management Methodology (PRMM) process to address concerns** regarding its cost and length and determine whether an alternative process would be more efficient. PRRMs are usually conducted with a view to assessing whether more pilotage services are required, and are not seen as a tool for assessing whether greater efficiency in the provision of pilotage services can be gained (e.g. with recent technological developments or as a result of acquired expertise with certain types of vessels);

- Require the pilotage authorities to conduct **an assessment of the need to review compulsory pilotage areas every three to five years rather** than adhering to a pre-determined schedule for conducting such review;

- **Initiate immediate discussions** between the Canadian and US governments **with the aim of abolishing compulsory pilotage on the open waters of the Great Lakes.**

## 6. TARIFF SETTING PROCESS

First and foremost, any increase in pilotage tariffs must be supported by a clear and quantitative increase in service to users.

Looking into the process, users need to be consulted well in advance of any proposal to increase pilotage tariffs. It is also important to maintain an appeal procedure and we support the current

process under sections 34 and 35 of the *Pilotage Act,* especially given the fact that the Canadian Transportation Agency (CTA) has developed an expertise in this matter.

Having said this, our members would also like to explore ways and means of reconnecting the Final Offer Selection and tariff appeal processes. More specifically, the CTA should be instructed to consider additional relevant information such as ministerial directives and the compounding effect of past increases on the financial situation of the industry, etc.

Furthermore, we have issues with the current sequencing whereby the first step in the process is the negotiation of a new contract between the pilotage authority and the pilots. Given the self-sufficiency mandate of the pilotage authorities, this often has a negative impact on the outcome of any tariff appeal that is subsequently launched by users. We believe that this process should be reversed, particularly in the context of a legally imposed monopoly. More specifically, the pilotage tariff should be established first (which includes the conclusion of any appeal process), with the contractual negotiation between the pilotage authorities and the pilots then taking place within the parameters of the resulting financial envelope.

Alternatively, consideration could be given to suspending the entry into force of contractual negotiations/FOS awards, until the CTA has rendered a decision on a proposed pilotage tariff.

## 7. ENFORCEMENT

With regard to this matter, we are very much interested in continuing the discussion initiated by the Minister of Transport on the liability of pilots in major incidents, while also ensuring that sanctions which are due to pilot misbehaviour are not applied against the ship.

Respectfully submitted,

Michael Broad
President
SHIPPING FEDERATION OF CANADA

# Annex 1

## Table 1 – Pilotage Tariffs (2007 to 2017)

**General Tariffs**

| | LPA (%) | APA (%) | GLPA (%) | PPA (%) | CPI (%) |
|---|---|---|---|---|---|
| 2007 | 4.50 | 7.30 | 2.50 | 3.00 | 2.20 |
| 2008 | 2.25 | 8.12 | 4.00 | 3.00 | 2.30 |
| 2009 | 2.25 | 18.50 | 4.00 | 3.90 | 0.30 |
| 2010 | 1.00 | 6.17 | 5.50 | 3.00 | 1.80 |
| 2011 | 2.35 | 2.01 | 3.00 | 2.90 | 2.90 |
| 2012 | 2.35 | 1.20 | 2.00 | 2.90 | 1.50 |
| 2013 | 2.35 | 3.75 | 2.50 | 2.90 | 0.90 |
| 2014 | 2.00 | 4.62 | 2.50 | 2.25 | 2.00 |
| 2015 | 2.00 | 3.30 | 1.50 | 2.50 | 1.10 |
| 2016 | 0.00 | 3.80 | 1.50 | 2.75 | 1.40 |
| 2017 | 0.00 | 4.12 | 14.50 | 2.90 | (projected)1.50 |

**Compounded from 2007-2017 (Does not include surcharges)**

| | LPA (%) | APA (%) | GLPA (%) | PPA (%) | CPI (%) |
|---|---|---|---|---|---|
| | 23.10 | 82.60 | 52.30 | 37.10 | 19.40 |

**Additional Surcharges**

| | LPA (%) | APA (%) | GLPA (%) | PPA (%) |
|---|---|---|---|---|
| 2007 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2008 | 0.00 | 0.97 | 2.00 | 20.70 |
| 2009 | 0.00 | 1.93 | 6.00 | 8.00 |
| 2010 | 0.00 | 1.70 | 15.00 | 3.00 |
| 2011 | 0.00 | 1.75 | 12.00 | 1.50 |
| 2012 | 0.00 | 0.00 | 12.00 | 4.00 |
| 2013 | 0.00 | 0.00 | 12.00 | 5.00 |
| 2014 | 0.00 | 0.00 | 12.00 | 2.50 |
| 2015 | 0.00 | 0.00 | 11.00 | 2.75 |
| 2016 | 0.00 | 1.17 | 12.00 | 3.00 |
| 2017 | 0.00 | 1.31 | 5.00 | 11.9 |

# Table 2 – Hourly Cost of Pilots (2016)

| | Pilot Costs ($ in 000's) | No. of Assign. | No. of Pilots | Average Assignment Pilot/Year | Cost / Pilot | ***Note 1*** Average Length of Assignment (in hours) | Total Hours Worked | Hourly Cost ($) / Hour | Days Worked Based on 8 Hour days |
|---|---|---|---|---|---|---|---|---|---|
| **APA** | 11,208 | 7,959 | 58 | 137 | 193,241 | 3.66 | **502** | **$ 385** | 63 |
| **GLPA** | 18,912 | 7,020 | 60 | 118 | 317,849 | 7.92 | **934** | **$ 340** | 117 |
| **LPA** | 73,365 | 22,432 | 185 | 121 | 396,568 | 6.80 | **825** | **$ 481** | 103 |
| **PPA – (Contract & Employee)** | 54,603 | 12,661 | 111 | 114 | 491,919 | 5.75 | **656** | **$ 750** | 82 |

*Note 1*: Assignment excludes travel time

## Table 3 – Pilot Compensation

| APA | Pilot Costs ($ in 000's) | No. of Pilots | Cost / Pilot |
|---|---|---|---|
| 2007 | 8,709 | 57 | 152,789 |
| 2008 | 8,940 | 57 | 156,842 |
| 2009 | 8,632 | 58 | 148,828 |
| 2010 | 9,298 | 59 | 157,593 |
| 2011 | 9,705 | 58 | 167,328 |
| 2012 | 9,573 | 55 | 174,055 |
| 2013 | 9,842 | 52 | 189,269 |
| 2014 | 10,553 | 56 | 188,446 |
| 2015 | 11,091 | 58 | 191,224 |
| 2016 | 11,208 | 58 | 193,241 |
| % Change 2007 to 2016 | **28.69%** | **1.75%** | **26.48%** |

| GLPA | Pilot Costs ($ in 000's) | No. of Pilots | Cost / Pilot |
|---|---|---|---|
| 2007 | 13,514 | 62 | 217,968 |
| 2008 | 11,573 | 63 | 185,168 |
| 2009 | 10,923 | 57 | 193,327 |
| 2010 | 12,758 | 57 | 225,805 |
| 2011 | 13,197 | 57 | 233,575 |
| 2012 | 13,840 | 56 | 247,143 |
| 2013 | 15,039 | 56 | 268,554 |
| 2014 | 18,123 | 56 | 323,625 |
| 2015 | 18,131 | 56 | 323,768 |
| 2016 | 18,912 | 60 | 317,849 |
| % Change 2007 to 2016 | **39.94%** | **- 4.03%** | **45.82%** |

| LPA | Pilot Costs ($ in 000's) | No. of Pilots | Cost / Pilot |
|---|---|---|---|
| 2007 | 52,045 | 171 | 304,357 |
| 2008 | 52,069 | 173 | 300,977 |
| 2009 | 48,092 | 168 | 286,262 |
| 2010 | 52,183 | 177 | 294,819 |
| 2011 | 59,448 | 177 | 335,864 |
| 2012 | 62,223 | 189 | 329,222 |
| 2013 | 62,824 | 188 | 334,170 |
| 2014 | 67,059 | 192 | 349,266 |
| 2015 | 67,217 | 184 | 365,310 |
| 2016 | 73,365 | 185 | 396,568 |
| % Change 2007 to 2016 | **40.96%** | **8.19%** | **30.30%** |

| PPA Contract & Employee | Pilot Costs ($ in 000's) | No. of Pilots | Cost / Pilot |
|---|---|---|---|
| 2007 | 35,700 | 112 | 318,750 |
| 2008 | 36,112 | 106 | 340,679 |
| 2009 | 35,696 | 107 | 333,607 |
| 2010 | 37,570 | 105 | 357,810 |
| 2011 | 41,908 | 105 | 399,124 |
| 2012 | 42,696 | 105 | 406,629 |
| 2013 | 49,883 | 107 | 466,196 |
| 2014 | 53,547 | 106 | 505,160 |
| 2015 | 53,161 | 106 | 501,519 |
| 2016 | 54,603 | 111 | 491,919 |
| % Change 2007 to 2016 | **52.95%** | **- 0.89%** | **54.33%** |

# Table 4 – Total Cost Per Pilotage Assignment

| | A P A | | | | | G L P A | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total Costs ($ in 000's) | No. of Pilots | No. of Assign. | Avg. Assign. Pilot / Year | Cost / Assign. | Total Costs ($ in 000's) | No. of Pilots | No. of Assign. | Avg. Assign. Pilot / Year | Cost / Assign. |
| 2007 | 17,540 | 57 | 10,134 | 178 | 1,731 | 18,744 | 62 | 7,177 | 116 | 2,612 |
| 2008 | 18,718 | 57 | 9,541 | 167 | 1,962 | 16,458 | 63 | 5,989 | 96 | 2,748 |
| 2009 | 18,339 | 58 | 9,063 | 156 | 2,024 | 15,635 | 57 | 4,468 | 79 | 3,499 |
| 2010 | 19,208 | 59 | 9,338 | 158 | 2,057 | 18,043 | 57 | 6,059 | 107 | 2,978 |
| 2011 | 20,531 | 58 | 9,090 | 157 | 2,259 | 18,945 | 57 | 6,389 | 113 | 2,965 |
| 2012 | 20,546 | 55 | 8,254 | 150 | 2,489 | 20,182 | 56 | 6,358 | 114 | 3,174 |
| 2013 | 21,384 | 52 | 8,338 | 160 | 2,565 | 21,323 | 56 | 6,403 | 114 | 3,330 |
| 2014 | 23,268 | 56 | 8,472 | 151 | 2,746 | 25,266 | 56 | 7,462 | 133 | 3,386 |
| 2015 | 23,260 | 58 | 8,348 | 144 | 2,786 | 25,906 | 56 | 7,166 | 128 | 3,615 |
| 2016 | 22,899 | 58 | 7,959 | 137 | 2,877 | 26,742 | 60 | 7,020 | 118 | 3,809 |
| % Change 2007 to 2016 | **30.55%** | **1.75%** | **- 21.46%** | **- 22.82%** | **66.23%** | **42.67%** | **- 4.03%** | **- 2.19%** | **1.92%** | **45.86%** |
| Average Annual Increase | | | | | **7.36%** | | | | | **5.10%** |

| | L P A | | | | | P P A (Contract & Employee) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total Costs ($ in 000's) | No. of Pilots | No. of Assign. | Avg. Assign. Pilot / Year | Cost / Assign. | Total Costs ($ in 000's) | No. of Pilots | No. of Assign. | Avg. Assign. Pilot / Year | Cost / Assign. |
| 2007 | 62,395 | 171 | 23,162 | 135 | 2,694 | 51,227 | 112 | 13,012 | 116 | 3,937 |
| 2008 | 62,739 | 173 | 22,658 | 131 | 2,769 | 53,146 | 106 | 12,598 | 119 | 4,219 |
| 2009 | 59,691 | 168 | 19,611 | 117 | 3,044 | 51,990 | 107 | 12,046 | 113 | 4,316 |
| 2010 | 64,054 | 177 | 21,096 | 119 | 3,036 | 55,973 | 105 | 12,443 | 119 | 4,498 |
| 2011 | 72,029 | 177 | 22,474 | 127 | 3,205 | 61,748 | 105 | 13,244 | 126 | 4,662 |
| 2012 | 76,020 | 189 | 22,096 | 117 | 3,440 | 63,223 | 105 | 12,946 | 123 | 4,884 |
| 2013 | 76,554 | 188 | 20,928 | 111 | 3,658 | 72,251 | 107 | 13,602 | 127 | 5,312 |
| 2014 | 83,045 | 192 | 22,415 | 117 | 3,705 | 78,250 | 106 | 13,264 | 125 | 5,899 |
| 2015 | 82,597 | 184 | 21,495 | 117 | 3,843 | 77,611 | 106 | 12,892 | 122 | 6,020 |
| 2016 | 89,890 | 185 | 22,432 | 121 | 4,007 | 80,324 | 111 | 12,661 | 114 | 6,344 |
| % Change 2007 to 2016 | **44.07%** | **8.19%** | **- 3.15%** | **- 10.48%** | **48.75%** | **56.80%** | **- 0.89%** | **- 2.70%** | **- 1.82%** | **61.15%** |
| Average Annual Increase | | | | | **5.42%** | | | | | **6.79%** |

# Annex 2

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| **Double pilotage – Winter** | Double pilotage is the use of two pilots on a ship to navigate the ship concurrently. In the **St. Lawrence River**, industry is paying for two pilots between fixed dates (January 1 – March 15). Actual double pilotage occurs when strategic navigational buoys are removed from the water due to expected ice conditions. The costs for the second pilot is assumed by the Laurentian Pilotage Authority outside the fixed dates, which then is indirectly paid by industry.<br><br>Double pilotage in the **Great Lakes** normally occurs at the opening and closing and is dependent on the buoy tending situation. | Double pilotage is very costly to industry, in the direct costs of employing two pilots for vessel movements.<br><br>Double pilotage also results in pilot shortages due to the increased demand for pilots, resulting in vessel delays.<br><br>To the best of our knowledge, this is the only area in the world which requires two pilots during winter conditions. | Double pilotage has been in place in the St. Lawrence River long before the introduction of modern technologies.<br><br>Improvement to new and existing navigational equipment such as Global Navigation Satellite Systems (GNSS), Differential Global Satellite Navigation systems (DGNSS), Electronic Navigational Charts (ENC), Electronic Chart and Data Information systems (ECDIS), Automatic Identification System (AIS), improved high definition bathymetric (HDB) surveys, Personal Pilotage Units (PPUs), plus advancements to radar displays have all added to the improved navigational tools being used by the bridge team and should be taken into consideration with respect to the necessity of the second pilot.<br><br>The Canadian Coast Guard, in conjunction with industry and pilots are studying the use of Four Season Buoys and also AIS Aids to Navigation, including Virtual Buoys, as tools to assist the bridge team during winter navigation. |
| **Double pilotage – Large Vessels / Tankers** | Large vessels longer than 241m must have two pilots year-round in the section between Quebec and Montreal.<br><br>All tankers 40,000 tons DWT are also required to have two pilots at all times between Quebec and Montreal.<br><br>Slower vessels that cannot complete a voyage in a certain time frame are required to carry two pilots. If a voyage exceeds | Despite being regular callers to the St. Lawrence River since 1998, the OOCL Belgium, Ottawa Express and Mississauga Express still require two pilots year-round between Montreal and Quebec.<br><br>In the PPA, vessels which exceed 8 hours transit, even by only 2 or 3 minutes, are billed thousands of dollars in additional fees. | There should be regular reviews of the availability of new technology to validate the need for a second pilot, particularly on vessels operating in trade lanes on a regular basis. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| | the time frame with only one pilot, then additional charges may be assessed. | Some slower vessels are required to employ two pilots during transit. | |
| **Winter Night time restrictions** | Navigation during winter in the St. Lawrence River is restricted to daylight transits only.<br><br>There are exceptions for vessels that are compliant with certain equipment criteria.<br><br>For departures in the St. Lawrence River, the following vessel size/type are also restricted to daylight only departure:<br>-Tankers larger than 25,000 DWT<br>- Vessels longer than 245 m Length Overall<br>- Container ships with a draught greater than 10.5m<br>- Vessels other than container ships with a draught greater than 10.0m | These restrictions result in considerable downstream delays and increased operating costs. Delayed vessels must increase speed and thus consume additional fuel, to avoid missing fixed berthing window in subsequent ports. These delays affect the service to importers and exporters as well as incur additional costs affecting the competitiveness of the gateway.<br><br>While progress has been made in recent years to lift some departure restrictions, the progress is slow. | In winter, water levels on the St. Lawrence are generally high, thus a minimum UKC, an accepted rule in most cases, should be considered rather than a fixed draft.<br><br>There should be regular reviews of the availability of new technology to validate the need for winter night time restrictions. |
| **Nighttime Restrictions – Large Vessels** | In the St. Lawrence River, navigation for wide and large vessels is restricted to daylight only year around with some exceptions. The departure window is quite variable depending on the season. Compliant long vessels (>270m) can transit upbound at night, but are still restricted to daylight departures only.<br><br>All wide vessels (>32.5m) are currently restricted to daylight only, upbound and down bound transits in the St. Lawrence River. | In 2004, Hapag Lloyd and OOCL introduced the largest vessels into the river. They are 294m long, 32m wide, 3500TEU container vessels. When first introduced, they were immediately impeded with double pilotage and nighttime restrictions for both coming up and down the river. Following years of experience, the nighttime arrival restriction was lifted, however still, in 2017, 13 years since being introduced and after nearly 1,300 transits, they | Technologies should be considered and vessels regularly assessed as to capabilities in terms of suitability for nighttime departures.<br><br>There was discussion that with the rate of turn generator on the PPU, these 294m vessels would be able to depart at night during non-winter periods. The rate of turn technology is part of the new PPUs being purchased by the LPA, however, industry is waiting for a schedule if/when these outbound restrictions will be lifted. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| | | still require two pilots and are restricted to daylight only departures year-round.<br><br>The winter departure window for these vessels is about 4 hours. This departure window is very restrictive and inefficient, particularly if it does not coincide with the tide in Quebec, where a vessel is required to proceed at a very slow speed, or anchor to wait for the tide. Arguably this is not as safe as being able to depart at the appropriate time to proceed at a safe speed to meet the tide. | |
| **St. Lawrence River Upbound Speed Increase for Post Panamax Vessels** | Panamax sized vessels (width < 32.5m) can proceed at a minimum of 7 knots when upbound between Quebec and Montreal to maintain a safe clearance over the seabed.<br><br>Wider Post Panamax vessels (width >32.5m) are required by pilots to proceed at 10 knots minimum upbound to maintain an increased clearance from the seabed.<br><br>Down bound post-panamax vessels are able to proceed at a minimum of 7 knots. | To achieve the minimum 10 knot speed, post panamax ships must reduce their draft by 30cm, which on a modern container vessel means a reduction of over 2,000 tons of cargo per voyage.<br><br>Economies of Scale are a critical component of the shipping industry and carriers look to increase vessel size to reduce unit costs. If unable to do so, carriers may look for alternatives.<br><br>Following discussions with the Canadian Coast Guard and Transport Canada, eventually one particular type of post-panamax vessel (228m x 37m) was permitted to transit up at 8 knots under special agreement. However, all other vessels are subject to the 10-knot minimum. | Vessels and available technologies should be regularly assessed as to capabilities in terms of suitability for safe navigation. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| **West Coast Helicopters** | With anticipated energy traffic for northern BC waters, the PPA initiated a helicopter service to meet the intended traffic demand. The demand did not develop and industry was forced to fund the program until that traffic materialized. | With uncertainty regarding the timeframe of energy traffic, the northern helicopter program was eventually terminated, at a cost to industry of $400,000. | Industry continues to seek efficiencies through potential helicopter applications in Southern BC. If successful, model can be expanded to other areas - less travel time and reduced costs. |
| **Dynamic Under Keel Clearance (DUKC)** | An Australian system was introduced by the Port of Montreal to make the full use of the available water column, by using real-time water level information. The St. Lawrence River is challenged with low water issues at certain times of the year, which restrict the cargo carrying capability of the vessel. In order to maximize loadings, the DUKC system was introduced which uses sensors along the river to provide real-time water level info and more accurate forecasts. | Pilots opposed the introduction of this technology as their demand for increased compensation was rejected. They sought more money because vessels could possibly load more cargo using the system. | This is a proven technology in other countries, allowing vessels to maximize the water column and load more cargo. Pilots should work with industry to implement, not try to block introduction of new technology in an attempt to increase their compensation. |
| **Personal Pilotage Units** | Industry has been funding PPUs for the authorities for nearly a decade, and in some regions, the third generation of PPUs are being utilized.<br><br>Pilots are now carrying their own, personalized, independent navigational system providing additional back up to the 2 redundant ECDIS systems already being carried by vessels as required under SOLAS. | Industry has been funding the costs of the units, either through general tariff or through specific PPU surcharges, without an adequate return in service or efficiency. | While, there have been a few gains, industry has not seen the anticipated returns on this technology. Some improvements have been seen in the St. Lawrence River, where some vessel restrictions have been lifted since their introduction.<br><br>Industry expects greater efficiencies from the use of PPU's and other emerging technologies. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| **Pilot Ordering/Dispatching** | The most recent arbitration award between the Laurentian Pilotage Authority and the Corporation of mid-St. Lawrence Pilots is set to change the pilot ordering system considerably. Under the existing regulations, marine agents have twelve hours to order a pilot with the ability to make two changes if required, based on operational delays. The arbitration award provides for a more restrictive ordering system with less flexibility to adjust for operational delays. This is now with the Court of Appeal, at considerable expense for all parties. | Vessel operations are very dynamic and departure times change frequently for a variety of reasons such as crane breakdown, weather and/or vessel problem. Agents were challenged to submit an accurate departure order, even when they had to put in a 12-hour prospect, and had the ability to make several changes. | Changing the ordering system towards a longer period will only result in more vessel delays and inefficiencies.<br><br>Pilot ordering should be more suited to practical vessel operations to ensure vessels depart as they are operationally ready. |
| **Pilots overriding Transport Canada** | In a 2017 case on the St. Lawrence, a vessel arrived with one malfunctioning radar (SOLAS requirement is to carry two functioning radars). The agent and owner arranged to place a temporary radar on board which met the requirements of Transport Canada and the vessel had authorization to proceed with a rental radar. This arrangement was deemed not suitable by the pilots who refused to move the ship until repairs were carried out. | Transport Canada, as the Coastal Flag State, assessed the situation and deemed suitable measures were in place for the vessel to safely proceed to destination | Transport Canada has the marine safety mandate to protect life, health, property and the marine environment in the context of an efficient and sustainable marine transportation system worthy of public confidence. This event underlines the power pilot corporations hold over the pilotage authorities. |
| **Call Back Costs** | The PPA have negligible vessel delays, however in order to achieve this, they have experienced additional costs by having to call back pilots on | These additional costs have to be recovered eventually through tariff increases. | Pilot ordering should be more suited to practical vessel operations to ensure vessels depart as they are operationally ready. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| | overtime in order to minimize these delays.<br><br>In other areas, such as the GLPA and APA, contractual requirements for requesting a pilot to work over time, do not correlate with the standard industry ordering times for pilots. For example, with the GLPA, industry must confirm a pilot 4 hour before the vessel movement, however if required to call a pilot on overtime, the GLPA is required to give that pilot a 6-hour notice. If the departure time changes, as is common in marine operations, the pilot that was called for overtime, is paid, however may not be used. | The GLPA is reviewing their ordering procedures, and suggesting to change the 4-hour notice to a 6-hour notice in line with contractual obligations, making it more difficult for users to order pilots. | Where pilot corporations exist, the corporations are responsible to provide sufficient numbers to the authority to meet demand. Pilot numbers are generally kept low as "for-profit" corporations divide the profits amongst shareholders.<br><br>Employee pilot contracts should not contradict regulations. |
| **GLPA 24 Hour Penalty** | Introduced in 2016, the GLPA implemented a 24-hour penalty, which is actually a 36-hour penalty for vessels that do not confirm a pilot order. Previously, agents would place some order 12 hours in advance, with the option to make several changes. If the vessel was delayed and not ready to sail, the agent could simply cancel and place a new prospect. With this penalty in place, if a firm order is not placed after the 12-hour prospect, then the vessel is assessed a 24-hour penalty. Following the 24-hour period, the agent must then place a new 12-hour | Increased delays to vessels causing additional costs. | Changing the ordering system towards a longer period may result in more vessel delays and inefficiencies.<br><br>Pilot ordering should be more suited to practical vessel operations to ensure vessels depart as they are operationally ready. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| | prospect, thus the actual penalty is 36 hours.<br><br>Rather than remove the penalty, the GLPA have offered the opportunity to make more changes to the departure time.<br><br>The penalty was introduced to be in line with USCG ordering rules. | | |
| **Launch Services** | Pilot launches are required to be a 24/7 operation. In Prince Rupert they deal with crews that have full time employment with other companies/groups, including the Canadian Coast Guard. Even during the period when the helicopter operation was underway, they still required the launches in case of weather or mechanical issues with the helicopter. There could be opportunities to reduce dependency on launches, working with other stakeholders in the area, including tug operators. | Launch costs very expensive and ultimately paid for by industry.<br><br>Cape Beale is a challenging station due to its location and the low volume of vessels calls. The pilot launch is brought up from Victoria at a cost of more than $12,000 compared to a helicopter at about $6,000-$8,000. | The Victoria station is the busiest and least costly of the pilot stations. This operation is profitable and the PPA uses this operation to subsidize the other stations.<br><br>Need to move towards a helicopter based alternative to reduce costs of delivering pilots. |
| **Great Lakes Pilotage Authority / USGL – Vessel Delays & Frustrations** | There have been chronic delays due to pilot shortages in the St. Lawrence Seaway in recent years. Although industry has always said they could deal with a few delays, as traffic increases so do the number of vessel delays.<br><br>There is a growing frustration with the bi-national system of | The system should be seamless, however with individual dispatch and pilot shortages, vessels are facing chronic delays. | Consideration should be given to converge the Canadian and American operations towards a more seamless and efficient pilotage system, with one dispatch, billing through common technology and with a single-entry point for users. |

| Issue | History | Impact on Users | Comment |
|---|---|---|---|
| | pilotage between the US and Canada as instead of a seamless, transparent single pilotage system, there is a growing divergence with respect to cost, communications, visibility, and delays resulting in escalating frustrations for users of the system.<br><br>Vessels are routinely anchored at Montreal or Trois Rivieres to await a pilot. This comes at a cost through additional anchorage fees, harbour dues, harbour pilot and launch costs (as applicable). | | |