

ANNOUNCEMENT OF REVISED SERVICE CHARGES

November 1, 2024

GENERAL

The Pacific Pilotage Authority (the "Authority") hereby announces revised service charges, pursuant to section 33.4 of the *Pilotage Act*, S.C. 1985, c. P-14. This Announcement sets out the revisions in charges that apply to pilotage within the compulsory pilotage area on the west coast of Canada and will be applied to all aspects of the pilotage and pilot boat charges set out in the Customer Guide to Charges for Pilotage and Other Services (the "Customer Guide to Charges") published on the Authority's website.

The Authority is implementing these charges for the reasons described in the *Notice* and *Details and Principles* documents, published on September 27, 2024. These revised charges will become **effective on January 1, 2025**, except where otherwise indicated. All other service charges provisions not amended by this Announcement remain in effect.

Pursuant to subsection 34(1) of the *Pilotage Act*, S.C. 1985, c. P-14, persons wishing to object to these revisions may do so by filing a notice of objection with the Canadian Transportation Agency. The notice of objection must be filed within 90 days after the date of this Announcement.

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

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

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

Representation	Consideration	Decision
We have significant concerns about the proposed 80% increase in the Fraser River transportation charge. Although it applies to a limited number of assignments, the magnitude of this increase is substantial and, in our view, excessive. We would like to encourage a more gradual approach to implementing these increases, especially given the broader rise in the overall tariff. We therefore urge the Authority to explore alternatives for Fraser River assignments that could help alleviate the impact of this increase. Options such as absorbing part of the costs or introducing a phased implementation over two years could provide much-needed relief to our members.	We recognize that the increase is significant in percentage terms, which was the result of an independent review of the taxable nature of payments for these transportation costs. To align our service charges with related costs the increase is necessary, but we are prepared to spread the increase over two years.	We will reduce the increase for the Fraser River transportation charge to 40% in 2025 and plan a similar increase in 2026.
Regarding the Transport Canada Administration Fee included in the 2025 tariff, we once again express our objection to passing these charges onto the industry. Neither Transport Canada nor the Authority has provided a clear breakdown of the actual costs this fee represents. The lack of transparency, combined with the decision to impose these charges, leaves us without clear justification or tangible benefits from these payments. It also raises ongoing concerns about potential duplication of effort and cost.	The Authority continues to work with Transport Canada to clearly articulate roles and responsibilities, pursuant to the modernized <i>Pilotage Act</i> . This assists in identifying any duplication of work.	We will continue to recover the administration cost passed on to us by Transport Canada, but without increasing it for 2025.

This Announcement consists of two sections:

- 1) Revision to Service Charge Rates;
- 2) Re-establishment of Definitions and Calculations.

1. REVISION TO SERVICE CHARGE RATES

The following table sets out the revised rates to be **effective January 1, 2025**. These rate increases, which are expected to generate incremental revenues of \$3.0 million for the Authority in 2025, are required to offset an increase in contractually committed costs whilst continuing with the committed capital asset replacement program and assuring an effective and safe pilotage service.

RATE REVISIONS

Description		urrent Rate	New Rate	% Change vs. Current Rate
Vessel up to 226m				
Pilotage unit fee		5.8042	5.9203	2.0%
Vessel greater than 226m				
Pilotage unit fee		5.0648	5.1661	2.0%
Gross tonnage fee	0	0.014788	0.015084	2.0%
Tethered tanker with DWT greater than 39 999				
Pilotage unit fee		8.7067	8.8808	2.0%
Tethered tanker greater than 226m with DWT great	er than 39 999			
Pilotage unit fee		7.5975	7.7495	2.0%
Gross tonnage fee		0.02221	0.02265	2.0%
Pilotage unit fee – dead ship		11.6085	11.8407	2.0%
Other charges				
Time charges		291.33	297.16	2.0%
Minimum charge		1,349.05	1,376.03	2.0%
Cancellation charge		1,165.36	1,188.67	2.0%
Out-of-region charges				
Per hour		291.33	297.16	2.0%
Embark/Disembark Anacortes, Bellingham, Cherry Point or Ferndale		2,602.93	2,654.99	2.0%
Embark/Disembark other out-of-region location	3	3,471.02	3,540.44	2.0%
Transportation charges				
Harbour or Port		213.01	217.27	2.0%
Fraser River		205.04	287.06	40.0%
Northern	2	2,112.86	2,155.12	2.0%
Prince Rupert		668.37	681.74	2.0%
Southern		668.37	718.50	7.5%
Area where pilot has begun travel and is cancelled		213.01	217.27	2.0%

Description	Current Rate	New Rate	% Change vs. Current Rate
Pine Island	6,679.46	6,813.05	2.0%
Pilot boat charges			
Brotchie Ledge	550.06	563.81	2.5%
Sand Heads	2,201.65	2,256.69	2.5%
Triple Island	2,856.34	2,927.75	2.5%
Cape Beale	8,608.61	8,823.83	2.5%
Pine Island	5,298.00	5,430.45	2.5%
Entrance to Nanaimo Harbour	1,108.60	1,136.32	2.5%
Prince Rupert Anchorages 8 – 9	769.25	788.48	2.5%
Prince Rupert Anchorages 10 - 31	1,303.73	1,336.32	2.5%
Pilot Boat capital charge	120.89	123.31	2.0%
Other charges			
Delay charge	291.33	297.16	2.0%
Short order charges			
 Order initiated less than 10 hours and between 06:00 and 17:59 	1,165.36	1,188.67	2.0%
 Order initiated less than 10 hours and between 18:00 and 05:59 	2,330.72	2,377.33	2.0%
Restricted ship charge	2,190.58	2,234.39	2.0%
Remote port charge	7,025.79	7,166.31	2.0%
Technology charge	59.18	60.36	2.0%
Pilotage Act administration charge	52.00	52.00	No change
Waiver application fee			
• 1-5 vessels	1,885.00	1,923.00	2.0%
• 6-15 vessels	2,440.00	2,489.00	2.0%
Over 15 vessels	2,995.00	3,055.00	2.0%

Changes in these rates will be **effective January 1, 2025**.

2. RE-ESTABLISHMENT OF DEFINITIONS AND CALCULATIONS

2.1 Definitions

Areas means the compulsory pilotage areas described in Schedule 5 of the <u>General Pilotage</u> <u>Regulations</u>; (zone)

assignment means the assignment of a pilot to take the conduct of a ship in the Areas; (affectation)

Authority means the Pacific Pilotage Authority; (Administration)

breadth of the ship means the maximum distance, in metres and centimetres, to the outside of the shell plating of the ship; (*largeur du navire*)

dead ship means a ship normally self-propelled that is without the use of its propelling power; (navire mort)

draught means the greatest depth of the submerged part of a ship, in metres and centimetres, at the time pilotage services are performed; (*tirant d'eau*)

harbour means a place set out in Part 1 of Schedule 1 of the Customer Guide to Charges, published on the Authority's website; (havre)

harbour or port assignment means an assignment which occurs wholly within a harbour or port at which pilots are based; (affectation dans un havre ou port)

northern assignment means an assignment in the area north of Seymour Narrows or on the West Coast of Vancouver Island, excluding Barkley Sound and Alberni Inlet, during the course of which a ship enters or departs a harbour or port in that area or transits that area; (affectation nord)

overall length means the total distance, in metres and centimetres, from the foremost to the aftermost point of the hull of the ship; (*longueur hors tout*)

pilotage unit means, the result obtained by multiplying the overall length of the ship, by the breadth and the draught of the ship at the time of the assignment and by dividing the product by 100; (*unité de pilotage*)

pilot boat means a boat employed in the service of the Authority; (bateau-pilote)

port means a place set out in Part 2 of Schedule 1 of the Customer Guide to Charges, published on the Authority's website; (port)

Prince Rupert assignment means an assignment other than a harbour or port assignment that occurs within the area between the Triple Island boarding station and the port of Prince Rupert or the harbours of Porpoise Harbour or Port Simpson; (affectation Prince Rupert)

Region means the Region of the Authority as defined in the schedule to the Pilotage Act; (région)

restricted ship means a ship that is unable to operate at full manoeuvring revolutions per minute or a ship that, because of maintenance on its engines while it was in port, requires more than one hour to work up to full manoeuvring revolutions per minute; (navire à capacité limitée)

southern assignment means an assignment other than a harbour or port assignment within Barkley Sound and Alberni Inlet and the area south of Seymour Narrows during the course of which a ship enters or departs a harbour or port in that area or transits that area. (*affectation sud*)

2.2 Calculations

Note that any references to "schedules" below refer to the schedules found in the Authority's Customer Guide to Charges, published on its website.

Compulsory Pilotage Areas — One-way trip for a vessel less than 226m

The charge for a ship, other than a dead ship for a one-way trip in a compulsory pilotage area is calculated as follows:

where

PU: The pilotage unit (LOA x breadth x deepest draft)/100

UC: The unit charge set out in schedule 2 column 3

TC: The time charge set out in schedule 3 item 1 column 2

ETC: The excess time charge set out in schedule 3 item 2 column 2

PB: A fee for the pilot boat set out in schedule 7 column 2

FL: Fuel charge set out in schedule 8

PBRC: Pilot Boat Replacement Charge set out in schedule 7 column 3

EX: Pilot expense set out in schedule 6

T: Technology Charge B. Schedule of Charges item o number 20

PAAF: Pilotage Act Administration Fee

TS: Temporary Additional Charge B. Schedule of Charges item d number 7

$$(PU \times UC) + TC + PB + FL + PBRC + EX + T + PAAF + TS$$

If a vessel trip is, or is deemed* to be, <u>8 hours or less</u> with a <u>second pilot</u>, then:

* includes trips that are over 8 hours that could be achieved under normal sea speed in 8 hours or less

If vessel goes over 8 hours with second pilot:

$$(PU \times UC) + TC + TC + PB + FL + PBRC + EX + EX + T + PAAF + TS$$

If vessel goes <u>over 8 hours</u> without a second pilot:

$$(PU \times UC) + TC + ETC + PB + FL + PBRC + EX + T + PAAF + TS$$

Compulsory Pilotage Areas — One-way trip for a vessel 226m or more

where

PU: The pilotage unit (LOA x breadth x deepest draft)/100

UC: The unit charge from B. Schedule of Charges section 2.C.6.2(a)

GT: The gross tonnage of the ship

GTF: Gross tonnage fee from B. Schedule of Charges section 2.C.6.2(b)

TC: Time charge set out in schedule 3 item 1 column 2

ETC: Excess time charge set out in schedule 3 item 2 column 2

PB: A fee for the pilot boat set out in schedule 7 column 2

FL: Fuel charge set out in schedule 8

PBRC: Pilot Boat Replacement Charge set out in schedule 7 column 3

EX: Pilot expense set out in schedule 6

T: Technology Charge B. Schedule of Charges item o number 20

PAAF: Pilotage Act Administration Fee

TS: Temporary Additional Charge B. Schedule of Charges item d number 7

$$(PU \times UC) + (GT \times GTF) + TC + PB + FL + PBRC + EX + T + PAAF + TS$$

If a vessel trip is, or is deemed* to be, <u>8 hours or less</u> with a <u>second pilot</u>, then:

* includes trips that are over 8 hours that could be achieved under normal sea speed in 8 hours or less

If vessel goes over 8 hours with second pilot:

If vessel goes over 8 hours without a second pilot:

$$(PU \times UC) + (GT \times GTF) + TC + ETC + PB + FL + PBRC + EX + T + PAAF + TS$$

Compulsory Pilotage Areas — One-way trip for a dead ship

The charge for a dead ship for a one-way trip in a compulsory pilotage area is calculated as follows:

where

PU: The pilotage unit (LOA x breadth x deepest draft)/100

DS: Another pilotage unit (PU + UC) set out in schedule 2 item 2 column 3

UC: The unit charge set out in schedule 2 item 1 column 3

TC: Time charge set out in schedule 3 item 1 column 2

ETC: Excess time charge set out in schedule 3 item 2 column 2

PB: A fee for the pilot boat set out in schedule 7 column 2

FL: Fuel charge set out in schedule 8

PBRC: Pilot Boat Replacement Charge set out in schedule 7 column 3

EX: Pilot expense set out in schedule 6

T: Technology Charge B. Schedule of Charges item o number 20

PAAF: Pilotage Act Administration Fee

TS: Temporary Additional Charge B. Schedule of Charges item d number 7

$$(PU \times UC) + DS + TC + PB + FL + PBRC + EX + T + PAAF + TS$$