



ANNOUNCEMENT OF REVISED SERVICE CHARGES

January 4, 2021

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 December 1, 2020. These revised charges will become **effective on March 5, 2021**, except where otherwise indicated. All other service charges provisions not amended by this Announcement remain in effect.

Pursuant to section 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 section 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 s. 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 believe it is imperative that the Authority continue to seek ways of improving efficiency and reducing costs as alternatives to simply increasing tariffs to make up for reduced revenues.	The Authority’s ability to make significant changes in the model outside of the present service agreement and contracts is extremely problematic. This will however be a priority during the upcoming negotiations.	The Authority will work with the marine industry to discuss issues to be brought forward during service agreement and contract negotiations.
We are opposed to additional costs during a period of significant uncertainty, including the proposed revised service charge, as ship owners and operators have incurred significant expenses this year due to the global pandemic.	The Authority recognizes the increases expenses for owners and operators. During the global COVID-19 pandemic, in order to maintain service levels and provide industry with on demand pilot services, the Authority has seen a dramatic increase in expenses. These expenses included the chartering of helicopter and airplane services to ensure marine pilot separation from the public. Other expenses were the use and distribution of personal protective equipment which were sold at a premium during the start of the pandemic. These measures have enabled the Authority to provide uninterrupted continuation of pilot services.	The increased costs were not foreseen or budgeted for and will need to be recovered.
We urge the Authority to make a formal request for a two-year deferral of the Pilotage Act administration fee directly to the Minister’s office, as a number of other stakeholders have done.	The Authority has contacted Transport Canada regarding a deferral of the Pilotage Act administration fee prior to publication of the Notice.	The Authority encourages industry to seek relief from the Pilotage Act administration fee directly from Transport Canada.
The management of pilot availability and the cost of callbacks are an ongoing concern, especially in view of lost pilot days due to COVID-19 exposures, accelerated retirements, and potential changes to the pilotage waiver system. Improving pilot utilization and training of apprentices will be crucial in 2021.	Noted.	The Authority is aware of the challenges mentioned in the representation and will continue to be transparent in how it will address the issues mentioned.
Flexibility in pilot order times and available transportation to and from locations will need to be considered as the anchorage strategy evolves.	Noted.	The current anchorage strategy is overseen and managed by Transport Canada. The authority is actively working with Transport Canada and providing regular input.

Representation	Consideration	Decision
<p>We recommend that the Authority reduce the temporary surcharge from \$200 to \$100, while simultaneously looking for opportunities to save \$1.1 million in operational costs through measures such as lower service delivery costs (while maintaining pilot numbers), the postponement of non-essential and/or non-time sensitive capital expenditures, and a reduction in general expenses.</p>	<p>Following actual data from ship assignments from October through December 2020, it appears that volumes are slowly returning to pre-pandemic levels. The largest unknown element is the return of the cruise industry for the summer of 2021. Furthermore, increased costs associated with the pandemic will continue as long as the global pandemic has not receded.</p>	<p>In order to meet concerns from industry and based on recent volumes, the Authority has reduced the temporary surcharge to \$175 per assignment.</p>
<p>We take issue with the assertion that the Authority’s reserve helps provide stability to pilotage charges and would remind the Authority that a reserve comes with the challenge of managing the various expectations of different stakeholders.</p>	<p>Noted.</p>	<p>Given the mandate of financial self-sufficiency, the Authority must maintain sufficient cash reserves to withstand unforeseen economic impacts and thereby continue to operate an effective and efficient pilotage service.</p>
<p>As commercial marine shipping continues to increase on the North Coast, it is an appropriate time to reconsider a pilot dispatch model that includes a cadre of pilots permanently stationed in Prince Rupert to support operations on the North Coast.</p>	<p>Noted.</p>	<p>The Authority is committed to providing the best working model for the north in collaboration with the BC Coast Pilots and the marine industry.</p>
<p>We are requesting that the Authority work with Vancouver Fraser Port Authority (“VFPA”) in streamlining the Enhancing Cetacean Habitat and Observation (“ECHO”) Program repayment process to avoid invoicing vessels for fees that will later be reimbursed, as the current process for reimbursements has created a burden for the agents and the management of each vessel’s disbursement account.</p>	<p>The VFPA manages the reimbursement of ECHO related costs.</p>	<p>The Authority will work with the ECHO team at the VFPA to discuss whether the reimbursement process can be streamlined.</p>

This Announcement consists of four sections:

- 1) Revision to Service Charge Rates;
- 2) Implementation of the COVID-19 additional charge;
- 3) Re-establishment of Charges that are not Changing; and
- 4) Re-establishment of Definitions and Calculations.

1. REVISION TO SERVICE CHARGE RATES

The following table sets out the revised rates to be **effective March 5, 2021**. These rate increases are required to generate incremental revenues of \$2.2 million in the Authority's 2021 fiscal year, to partially offset a reduction in revenues due to a decline in overall traffic while continuing with its committed capital asset replacement program and assuring an effective and safe pilotage service.

RATE REVISIONS

Description	Tariff section	Current Rates (FY2020)	New Rate	% Change vs. Current Rate
Vessel up to 226m				
Pilotage unit fee	6.1	4.6781	4.7951	2.5%
Vessel greater than 226m				
Pilotage unit fee	6.2	4.0822	4.1843	2.5%
Gross tonnage fee	6.2	0.01192	0.012218	2.5%
Tethered tanker with DWT greater than 39 999				
Pilotage unit fee	6.3	7.0176	7.1930	2.5%
Tethered tanker greater than 226m with DWT greater than 39 999				
Pilotage unit fee	6.4	6.1235	6.2766	2.5%
Gross tonnage fee	6.4	0.0179	0.01835	2.5%
Pilotage unit fee – dead ship	Sch 2.2	9.3563	9.5902	2.5%
Other charges				
Additional charge – bridging fee for COVID-19	7	-	175.00	n/a (new)
Time charges	8 & Sch 5	234.82	240.69	2.5%
Minimum charge	9	1,087.33	1,114.51	2.5%
Cancellation charge	10 & Sch 4	939.30	962.78	2.5%
Out-of-region charges				
Per hour	Sch 5.1	234.82	240.69	2.5%
Embark/Disembark Anacortes, Bellingham, Cherry Point or Ferndale	10.2	2,097.95	2,150.40	2.5%
Embark/Disembark other out-of-region location	10.3	2,797.63	2,867.57	2.5%
Transportation charges				
Harbour or Port	Sch 6	179.98	184.48	2.5%
Fraser River	Sch 6	173.24	177.57	2.5%
Northern	Sch 6	1,785.21	1,829.84	2.5%

Description	Tariff section	Current Rates (FY2020)	New Rate	% Change vs. Current Rate
Prince Rupert	Sch 6	564.71	578.83	2.5%
Southern	Sch 6	564.71	578.83	2.5%
Area where pilot has begun travel and is cancelled	Sch 6	179.98	184.48	2.5%
Pine Island	Sch 6	5,643.64	5,784.73	2.5%
Pilot boat charges				
Brotchie Ledge	Sch 7	455.02	466.40	2.5%
Sand Heads	Sch 7	1,821.26	1,866.79	2.5%
Triple Island	Sch 7	2,362.84	2,421.91	2.5%
Cape Beale	Sch 7	7,121.27	7,299.30	2.5%
Pine Island	Sch 7	4,382.64	4,492.21	2.5%
Entrance to Nanaimo Harbour	Sch 7	917.06	939.99	2.5%
Prince Rupert Anchorages 8 – 9	Sch 7	636.33	652.24	2.5%
Prince Rupert Anchorages 10 - 31	Sch 7	1,078.48	1,105.44	2.5%
Pilot Boat capital charge	Sch 7	100.00	102.50	2.5%
Other charges				
Delay charge	16	234.82	240.69	2.5%
Short order charges				
• Order initiated less than 10 hours and between 06:00 and 17:59	17.1	939.30	962.78	2.5%
• Order initiated less than 10 hours and between 18:00 and 05:59	17.2	1,878.59	1,925.55	2.5%
Restricted ship charge	18	1,765.60	1,809.74	2.5%
Remote port charge	19	5,662.76	5,804.33	2.5%
Technology charge	20	50.00	51.25	2.5%
Pilotage Act administration charge	21	57.00	57.00	0%

Changes in these rates will be effective March 5, 2021

2. IMPLEMENTATION OF THE COVID-19 ADDITIONAL CHARGE

The following additional charge is to be **effective March 5, 2021**. This charge is required to generate revenues of \$1.9 million in the Authority's 2021 fiscal year, to partially offset a reduction in revenues due to a decline in overall traffic associated with the global pandemic ("COVID-19").

- (1) The charge will be applied for a period of two years that begins on the day on which this section comes into force. On that date, an additional charge of \$175 is payable on each assignment undertaken in the compulsory pilotage waters on the west coast of Canada.
- (2) For greater certainty, the additional charge is not payable on a cancellation charge. It will only be applied to completed assignments.
- (3) The additional charge will be reviewed on a semi-annual basis to determine whether it must remain in force.

3. RE-ESTABLISHMENT OF CHARGES THAT ARE NOT CHANGING

The present *Pilotage Act* administration fee of \$57 dollars will remain unchanged in 2021.

4. RE-ESTABLISHMENT OF DEFINITIONS AND CALCULATIONS

4.1 Definitions

Areas means the compulsory pilotage areas described in section 3 of the [Pacific Pilotage Regulations](#); (*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*)

4.2 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 vessel goes over 8 hours with second pilot:

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

If vessel goes over 8 hours 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 vessel goes over 8 hours with second pilot:

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

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

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