
NOTICE OF REVISED PILOTAGE CHARGES

October 29, 2025



Administration Laurentian
de pilotage Pilotage
des Laurentides Authority

Canada

GENERAL

Pursuant to [section 33.3 of the *Pilotage Act* \(R.S.C., 1985, c. P-14\)](#) (the “**Act**”), the following document provides notice (the “**Notice**”) of the Laurentian Pilotage Authority’s (the “**Authority**”) revised pilotage charges, which will come into effect on **February 1, 2026**, except as otherwise noted. This Notice includes a description of the proposal, including a justification in relation to revising the pilotage charges, and the circumstances in which the charges will apply. In revising the pilotage charges, the Authority has observed all charging principles established under [section 33.2 of the *Act*](#).

A document setting out additional details in relation to this proposal, including a justification in relation to the charging principles revised under [section 33.2 of the *Act*](#), is available on the Authority’s website.

Persons interested in making representations to the Authority regarding the proposal set out in this Notice may do so in writing to the address set out in [section 4](#) of this Notice, by no later than the end of the Notice period of **November 29, 2025**. Any person making written representations is to include a summary of those representations. Note that this summary may be made public by the Authority. In addition, any person making written representations by the date set out in this Notice will have an opportunity to file a notice of objection related to the proposal with the Canadian Transportation Agency.

The Authority applies pilotage charges for services that the Authority provides or makes available in relation to compulsory pilotage under [section 33\(1\) of the *Act*](#).

This Notice consists of four sections:

1. [Proposed revision of pilotage charges rates](#)
2. [Implementation of the proposed pilotage charges](#)
3. [Proposed revisions to terms and conditions](#)
4. [Information regarding the Notice and on making representations to the Authority](#)

1. PROPOSED REVISION OF PILOTAGE CHARGES RATES

Background

When establishing a new charge for pilotage services or revising an existing pilotage charge, the Authority must comply with the charging principles set out in [section 33.2 of the Act](#). These prescribe the following:

- that pilotage charges be established and revised in accordance with an explicit methodology — that includes any conditions affecting the pilotage charges — that the Authority has established and published;
- that pilotage charges be structured in a way that does not encourage a user to engage in practices that diminish safety for the purpose of avoiding a charge;
- that pilotage charges be the same for Canadian users or ships and foreign users or ships;
- that pilotage charges be set at levels that allow the Authority to be financially self-sufficient and be fair and reasonable; and
- 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.

Pursuant to the charging principles, the Authority’s Board of Directors (the “**Board**”) approves the amount and timing of changes to pilotage charges. The Board also approves the Authority’s annual budget pursuant to which the amounts to be recovered through pilotage charges for the ensuing year are determined. The Board also takes the Authority’s five-year corporate plan, including the capital program contained therein, into account.

2025 FORECAST

Revenues

In 2025, we are forecasting revenues of \$124.7 M, against a budget of \$123.6 M, representing an increase of 0.9%. This increase is due to a higher volume of assignments than initially budgeted.

The 5.5% increase over 2024 is attributable to the 4% increase in charges that came into effect in February 2025, and a higher volume of assignments.

Expenses

In 2025, we are forecasting expenses of \$123.9 M, against a budget of \$122.5 M, an increase of 1.1%. This increase is due to the higher rates negotiated with the pilot corporations.

The 5.7% increase over 2024 is due to higher rates negotiated with the pilot corporations, as well as increased Pilotage Act administration fees.

The assignment trend as compared to the previous year

For the first six months of 2025, the number of assignments increased by 8.5% compared with the same period last year. However, the Authority anticipates a slowdown in the second half of the year, which is expected to offset the gains recorded earlier in the year. Overall, the Authority remains optimistic and expects the annual volume of assignments to be comparable to 2024.

Main sources of information and traffic outlook

To develop financial forecasts for subsequent years, the Authority relies on market intelligence gathered throughout the year. This information comes from various sources, including discussions with industry stakeholders, news articles, and multiple sources of data related to the marine industry and macroeconomic indicators. These insights are then compared against historical traffic data and emerging trends observed over the past year.

The 2026 financial forecasts are based on various assumptions applied to the actual 2025 results. The most significant assumption relates to continued economic uncertainty, global market instability, climate-related disruptions, and ongoing geopolitical conflicts in Eastern Europe and the Middle East.

With respect to marine traffic, the Authority anticipates 22,000 assignments for 2025, an increase in the first half of the year followed by a slowdown in the second half, resulting in an annual total comparable to 2024. For 2026, the Authority forecasts the same level of assignments as in 2025.

2026 FORECAST

The findings from the analysis of results and trends for the first half of 2025 have enabled us to refine the forecast for 2026. While remaining cautious in the planning of individual projects, the Authority's expenses and operating assumptions for 2026 have been budgeted to ensure a realistic market adjustment based on the most recent information available.

In accordance with the Act, the Authority's ultimate financial objective is to ensure that its operations are funded by achieving a reasonable return, enabling it to gradually finance its long-term projects, as well as offset any market risks as needed. In recent years, this approach has enabled the Authority to maintain some of the lowest rate increases, with relatively stable levels of variation.

Revenues

For 2026, revenues are projected to reach \$128.3 million, a 3% increase over 2025, driven primarily by the average tariff increase of 2.5% proposed herein.

Expenses

For 2026, expenses are projected to total \$127.7 million, a 3% increase over 2025. The increase is primarily driven by rate increases stemming from existing contractual agreements.

Cost Structure

The Authority’s costs associated with the 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 |
|-------------------------------|--------------------------------------|---|
| Contract pilots' fees | 77% | Governed by service contracts and varies depending on the pilotage revenues |
| Pilot Boats Services | 11% | Mainly governed by contracts and varies depending on the pilotage revenues |
| Payroll cost | 6% | Mainly governed by collective agreements |
| Depreciation and amortization | 2% | Governed by accounting standards |
| Other administrative expenses | 4% | Include the Pilotage Act administration fees |

FUTURE CAPITAL

The Authority estimates that its capital program will require investments of approximately \$2 million for 2026.

From 2026 to 2030, the Authority anticipates capital investments to ensure the sustainability of its assets, optimize its service offering, and meet contractual obligations. These investments are directly tied to delivering a safe, efficient and reliable pilotage service

TREASURY AND RESERVE

Pilotage charges are established based on the financial requirements of the Authority, taking into account projected traffic volumes as well as expected revenues and expenses. Since actual revenues and expenses may differ from projections, mechanisms must be used to calculate variances. These variances are then considered when establishing or revising future pilotage charges, ensuring that the Authority does not inadvertently assume an

operational continuity risk. A financial reserve contributes to the stability and predictability of pilotage charges over the planning horizon.

PROPOSED REVISION OF PILOTAGE CHARGES

The Authority determines the required pilotage charges as follows:

- By determining volumes;
- By determining expenditures based on volumes and contractual obligations;
- By determining capital expenditures and financing;
- Determining reserve account and funding requirement; and
- Determining the rate required to cover all the steps above.

This table presents the effect of the revised pilotage charges for the year 2026 compared to what is currently in effect since February 1, 2025. The pilotage charges that will come into effect on **February 1, 2026**, include:

| Category | Pilotage charges | New / Adjustment | Application Methodology | Effect on Customers |
|---|-------------------------|-------------------------|--------------------------------|----------------------------|
| Base Rate for District No. 1, 1-1 and 2 | 2.5% increase | Adjustment | All rates affected | \$2.8 M increase |
| Administration of the Act | \$55 per assignment | Adjustment | Fee per assignment | \$0.5 M increase |

It should be noted that the Authority operates with a low gross margin, forecasted at 12.7% for 2026. Administrative and operating expenses, which are largely fixed and predominantly governed by collective agreements, leases, and service contracts, represent approximately 11% of the Authority’s cost structure, excluding fees related to the administration of the Pilotage Act.

The charge associated with recovering the Pilotage Act administration fees, imposed under section 37.1 of the Act, is revised upward to \$55. This section authorizes the Minister of Transport to charge pilotage authorities for the costs incurred in administering the Act.

Transfer services, including pilot boarding or disembarkation by pilot boat or at a pilot station, give rise to pilotage charges corresponding to the costs incurred by the Authority for providing the required service. These charges apply whether the transfer is carried out directly by the Authority or through a subcontractor, and whether the pilot boat used is owned by the Authority, leased, or supplied by a third party. The Authority will recover the

associated costs through pilotage charges, including, where applicable, rental fees and vessel operating costs.

Additional information regarding pilotage charges including supporting calculations is provided in the document “Details and Principles Regarding Proposed Revision of Pilotage Charges” (“**Details and Principles**”). Refer to [section 4](#) for information on how to obtain a copy of this document.

2. IMPLEMENTATION OF THE REVISED PILOTAGE CHARGES

The pilotage charges proposed for 2026 are intended to ensure the long-term viability of the Authority’s assets and cover unforeseen events, without having to resort to excess financing (overcharging) from the industry.

3. PROPOSED REVISIONS TO TERMS AND CONDITIONS

As part of the revision of pilotage charges covered by this Notice, all terms and conditions pertaining to the current charges remain essentially unchanged and in compliance with the *Act*.

4. INFORMATION REGARDING THE NOTICE AND ON MAKING REPRESENTATIONS TO THE AUTHORITY

This Notice is available on-line and a copy may be downloaded from the Authority's website (<https://www.pilotagestlaurent.gc.ca>). Information on the existing charges is also provided on the Authority's website.

Further details of this proposal, including a justification for the proposal in relation to the charging principles, are provided in the Details and Principles, which are available on the Authority's website.

Additional copies of this Notice or the Details and Principles can also be obtained by request at the following address:

In writing: Chief financial and administrative officer
Laurentian Pilotage Authority
999 De Maisonneuve Blvd. West, Suite 1410
Montreal, Quebec H3A 3L4

By email: asebastiampillai@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 this 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 this 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 this Notice may do so in writing to the following address:

Chief financial and administrative officer
Laurentian Pilotage Authority
999 De Maisonneuve Blvd. West, Suite 1410
Montreal, Quebec H3A 3L4

By email: asebastiampillai@apl.gc.ca

Note: Representations must be received by the Authority not later than the close of business on November 29, 2025.