



NOTICE TO AGENTS/CUSTOMERS

RE: GREAT LAKES PILOTAGE AUTHORITY 2010 TARIFF AMENDMENT

Effective June 1, 2010

The Great Lakes Pilotage Authority has seen its traffic decrease in 2009 by over 40% since 2007 which has resulted in a \$3,000,000. decrease of its revenues. In this period, the Authority has reduced its manpower and administrative costs by over 20% but has nevertheless incurred operating losses. The Government of Canada has permitted the Authority to finance the 2008 and 2009 operating losses with Bank borrowing which is scheduled to be repaid in the next five years.

The Authority has decided to increase its tariff to all customers by 1.5% starting June 1, 2010. For ships transiting Lake Ontario they will see their Lake Ontario pilotage rate increase by 15% as this district has suffered significant operating losses in the last 5 years. Ships calling the Port of Churchill will see their pilotage rate increase by 30% so that the Port can return to a financial self sufficient pilotage area. The Authority has also created an additional class of vessels (Class 5) to reflect the larger carrying capacity of certain ships trading in the Great Lakes. The number of ships affected by this additional class represents (based on 2009 traffic) less than 20% of ships being piloted in the Great Lakes. The net effect of this announcement is that for 80% of ships transiting in 2010 pilotage costs will increase by less than 3%.

This tariff amendment comes into affect June 1, 2010 and is subject to a Canadian Transportation Agency (CTA) review following the Appeal of The Shipping Federation of Canada. The Appeal process can stretch 6 months but in the meantime, the tariff increase is applicable. The Authority will communicate with you once the review process is completed by the CTA to confirm their decision.

The Authority remains committed to providing safe and efficient pilotage in the Great Lakes for all users in a setting that will permit it to remain financially self sustainable. I look forward to hearing from you should you have any comments.

Robert F. Lemire,
Chief Executive Officer.

June 8, 2010
Cornwall, Ontario

Canada