



INTER-OFFICE MEMORANDUM
MÉMOIRE INTERNE

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Date

Sept 25, 2017

To:
Destination: Board Members/Pilots/Staff

Location:
Lieu:

From:
Origine: Chief Executive Officer

Location:
Lieu: Cornwall

Re:
Objet: **NEWSLETTER – FALL 2017**

Hurricanes Irma, Harvey and Maria have come and gone, making us realize that we live in a pretty safe and predictable country when it comes to weather and natural disasters. It is important to remember to always be ready for the worst and appreciate what we have. The Great Lakes region experienced for the most part the wettest summer on record, as the five Great Lakes remain at water levels above normal. Lake Ontario set a new high in May 2017 at 249 feet above sea level and is expected to remain higher than average until November 2017. You will recall five years ago, boaters in Lake Ontario and Lake Erie were not able to operate pleasure crafts due to record low lake levels. We need to accept that the new normal is now these unexpected and unpredictable abnormal weather events. Great Lakes Pilotage Authority pilots in District No. 1 have been operating at reduced speeds for most of the year in order to reduce the effects of shore erosion. The industry, as well as a number of municipalities have thanked the Authority and its pilots for the attention and diligence in this matter. I wish as well to recognize their efforts and assure them that their efforts are well appreciated. I will spend the next few minutes to bring you up to date on recent GLPA developments.

Year to Date Traffic

The Authority and the St. Lawrence Seaway continue to experience a very strong navigation season. Economic improvements in Canada and the United States have created an environment where traffic and the demand for products has increased unexpectedly. GLPA assignments are up 12% from 2016 and 18% over forecasted assignments due in large part to the high traffic of inbound steel and chemical tanker traffic. The refineries in Western Ontario have been in upgrade mode and have required more products from the Montreal and Quebec refineries. This trend is expected to continue into 2018.

The import of steel products in the Great Lakes also has accounted for some of the increase in traffic. This increase is expected to continue for a period as a number of American legislators are reviewing the effects of unfair steel dumping in the Great Lakes. The imposing of import tariffs might slow down the steel traffic, although at this time no actual action on the possible tariffs have taken place. The industry has finally moved out from the grain elevators most of the 2016 grain harvest and are now starting to move to export the 2017 harvest. This harvest is not as large as the last two years (record harvests) but seems to be matching the five-year average. This will reflect a strong end of the season for foreign ships calling the Great Lakes.

We are also seeing a great deal of iron ore moving out on U.S. flagged carriers requiring pilots. This movement will increase in the fall and is due to the general improvement of the world economy requiring more steel. The European Union is experiencing economic growth as well as the newly signed free trade deal with Europe (CETA) all reflect possible improvements and increases in trade between Canada and the European countries.

Traffic for 2017 and 2018 is expected to remain strong, setting up for positive results for the GLPA and its employees.

Canadian Pilotage Review

As mentioned in the June 2017 newsletter, the review on the Canadian Pilotage Act is now underway. Leading the review is Mr. Marc Grégoire (retired Commissioner of the Canadian Coast Guard), with the assistance of Transport Canada. This group has undertaken a national consultation exercise with the intention of meeting all users, pilots, Pilotage Authorities, Ports, environmental representatives and indigenous groups to obtain a clarification on issues that need to be addressed. The tight timing and scope of the review is considerable and challenging, as Mr. Grégoire is planning on having a final report presented to Minister Garneau by April 2018.

Mr. Grégoire has met the four Pilotage Authorities' CEOs and Boards of Directors at this time. The issues to be examined are far reaching and stem from the 2016 CTA report where the following issues were listed:

- Consolidation of the four Pilotage Authorities
- Address tariff-setting process
- Review role of technology
- Remote pilotage service

I will be keeping you updated on the findings as they get highlighted and as they get flushed out.

GLPA Web Page

The Authority has updated its web page, <http://www.glpa-apgl.com>, and welcomes all employees to review the contents and presentations. The Authority has an active site which includes updates on traffic and other policy decisions. I wish to thank Stéphane and his staff for working at upgrading the site. We are now working on having an employee portal for this same site, where employees will be able to find/update their personal information and other useful information. An announcement on this will be made once the employee portal is up and active.

Mental Health Priority

I hope that everyone benefited from the short mental health awareness sessions that were attended by employees in March of this year. Please be sure to be aware of your own mental health as well as that of your co-workers. Health and wellness is both physical and mental and one is just as important as the other.

Our EFAP (Employee and Family Assistance Program) advice and assistance is always available 24 hours a day 7 days a week at www.worklifehealth.com (www.travailsantevie.com) or by telephone at 1-866-833-7690. All communications are confidential and available in either English or French to all GLPA employees and their family members.

Please review the latest bulletin sent to you in early September 2017 as it includes very useful information on alcohol use and the effects of stress on your mental health.

Staffing Update

Office and Dispatch:

The Authority's part-time Receptionist/Administration Clerk, Camille Marleau, has decided to return to school to further her education in Marketing/Business. Camille was with the Authority since 2015 and was very energetic and a great asset to GLPA. We will miss her young, energetic smile.

Two part-time dispatchers have been hired and are now in full training. They will be visiting Seaway/Pilotage properties in Montreal and Western Ontario over the next few weeks and will be in full training mode for the next few weeks. I am glad to announce that Mr. Denis Fournier and Mrs. Sylvie Legault-Boucher are now GLPA employees and I welcome all to introduce yourselves to them on your next contact with the Dispatch Office.

Cornwall District:

The Authority has issued a pilotage licence to Capt. Alexandre Morissette in June 2017 and has hired two additional pilots for the district. Capt. Dominique Lavoie and Capt. Kristjan Alle started their apprentice program in late July 2017 and are welcome additions to the Authority. Capt. Lavoie comes to us from Svitzer Canada and Capt. Alle comes to us from Canada Steamship Lines.

The Authority is also very pleased to see that Capt. Gilles Houde (Contract Pilot) will extend his contract for an additional year in 2018 given the high traffic levels and that the apprentices (4) will be licenced throughout the year. Capt. Houde was a full-time pilot with the Authority from 1978 and a contract pilot from 2010.

Lake Ontario:

The Authority has one apprentice pilot, Capt. Thomas Robertson, who is completing his training and is expected to be licenced in late September 2017.

District 2:

Capt. Devin Powers, apprentice since April 2017, will be licenced shortly as he has completed the training program. Capt. Carolyn Babin continues her apprentice program and has been joined by Capt. Andrew Cumming as a new apprentice in the district. Capt. Cumming comes to us from Canada Steamship Lines.

The Authority at this date has 8 apprentice pilots of which 2 should be licenced before the end of the navigation season. The Board will be reviewing the retirement intentions and will announce new hires at the February 2018 Board meeting.

Pilot Contracts and Public Service Alliance of Canada Contract Renewals

The Authority has started to set dates with different groups in the process of renewing the five (5) collective agreements that are now all expired. Meetings in October and November 2017 have been set with additional meetings to be set up as required.

Office of the Auditor General of Canada Special Examination

The Auditor General staff have completed their one year review of GLPA operations and are now in the process of completing their final report. A report is expected by late October 2017. This review is a comprehensive audit and has required of all management staff a great deal of time and effort in delivering the required information. The final report will be posted on GLPA's web page once it is approved by the Board in November 2017.

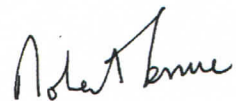
Closing Remarks

Traffic continues to be very strong, meaning pilots and staff have been very active in meeting our customers' needs. GLPA has hired 21 pilots since 2014, of which 8 are still in training. Close to one third of our pilots will have less than 3 years of experience, and it is clear the face of the Authority is changing. Changes are good, and they are welcome and will assure the continuity of the company. I wish to thank all pilots (new and not so new) for the efforts you have provided in

training, piloting and monitoring. The future is bright and by working together, we can assure success.

I do welcome your comments at any time and wish you a nice fall. Please stay rested and stay alert.

All the best,

A handwritten signature in black ink, appearing to read "Robert F. Lemire". The signature is written in a cursive style with a large initial "R" and "L".

Robert F. Lemire