

# Great Lakes Pilotage Authority



Photo courtesy of a member of our Board of Directors

## Corporate Plan Summary 2026 to 2030

*Approved by the GLPA Board  
October 10, 2025*

Canada

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## 1. Executive summary

The Great Lakes Pilotage Authority (GLPA) establishes, operates, maintains and administers a safe, efficient and quality cost-effective pilotage service within designated Canadian waters. Under the *Pilotage Act*, the GLPA is responsible for ensuring the safety of pilotage services and vessels transiting within its jurisdiction and must do so on a financially self-sufficient basis.

Safety is the GLPA's primary concern, and guides the safeguarding of marine personnel, the environment and the public, as well as navigation itself. The GLPA has established an exceptional safety record while nurturing relationships and maintaining open communication with our stakeholders, including customers, employees, government and the marine community.

### 1.1 Strategic priorities

The GLPA's mission, vision and values define the framework for its strategic direction and guide the GLPA throughout the responsibilities discussed in this plan while meeting the government expectations from the Minister of Transport and Internal Trade mandate letter.

### 1.2 Current and noteworthy activities

The GLPA operates in a complex environment. There are many factors to consider in day-to-day business, ranging from regulatory updates, economic reality and climate change considerations. The organization is working diligently to be adaptive and agile while maintaining safe, efficient and quality pilotage services.

The following are key activities, highlighting the GLPA's its commitment to embracing change with an innovative and collaborative manner:

- Managing the pilot certification program in collaboration with marine stakeholders, assisting Transport Canada with the development of a national pilot training and certification system;
- Reviewing and adjusting Pilot capacity along full corridor of the Great Lakes to remove bottleneck and maintain marine corridor transportation stability and ensure business continuity for our stakeholders in the current trade diversification economy;
- Initiating dialogue with the United States Coast Guard (USCG) to update the current operational Memorandum of Understanding (MOU), with the intent of improving service delivery in the region;
- Investing significant and ongoing improvements to GLPA's IT/OT technology and cybersecurity framework;
- Implementing a new pilot dispatch management system and enhancing data sharing with the adjacent pilotage authority (LPA) and the traffic manager at SLSMC to improve coordination and operational efficiency;
- Recruiting a new Chief Information Officer (CIO) in late 2025 and a Senior Marine Officer (SMO) in early 2026; and

- Continuing initiatives to enhance organizational efficiency.

### 1.3 Key challenges and risks

The GLPA faces several key challenges and risks in meeting its mandate. This plan provides detailed descriptions of these challenges, which fall into 6 main categories: the economic and business environment including traffic uncertainty, labour relations, relations with USCG, climate impacts and pilot staffing and financial highlights.

#### *The economic and business environment: Managing uncertainty*

During the planning period, the GLPA expects to encounter ongoing economic and operational uncertainty driven primarily by external factors including:

- *Traffic uncertainty:* The Canadian economy is navigating a volatile landscape. While inflation has shown signs of moderating and interest rates have declined, disruptions to shipping and trade persist due to the ongoing threat of U.S. tariffs and geopolitical unrest. In the face of these complexities, vessel traffic in the Great Lakes region remains difficult to predict. The GLPA will continue to monitor economic and business trends closely and adjust its practices as needed to navigate these uncertainties effectively.

#### *Labour relations*

The GLPA has successfully renegotiated new collective agreements with all pilots, effective until March 2027. Negotiations for the collective agreement covering office staff and dispatchers, both represented by the Public Service Alliance of Canada (PSAC), were concluded in Q3 2025. The resulting agreement is a three-year contract set to expire in June 2027.

The past uncertainty in senior management positions, along with challenges related to the pilot travel expense issue in 2023 and recent collective agreement negotiations, has contributed to a less-than-optimal cohesive team environment. In response, management will be implementing new initiatives designed to improve communication and strengthen collaboration.

#### *Relations with the USCG*

The 2013 Memorandum of Understanding (MOU) between the USCG and GLPA, which governs mutual pilotage operational coordination, needs an update to reconcile with current practices. The objective is to better harmonize dispatch procedures, vessel flagging, pilotage charges and safety standards. However, the current political climate makes the negotiations more intricate as the GLPA must also manage transboundary reality. Management has secured support and guidance from various levels of government to assist during this process and gained via consultation; marine stakeholders support.

#### *Climate impacts*

The shifting climate introduces a host of operational risks for the GLPA, as more frequent and severe environmental conditions—such as high winds, extreme ice, and fluctuating water levels—threaten the consistency and safety of pilotage services. These unpredictable events demand robust risk management strategies to safeguard operations.

### *Pilot staffing*

The GLPA anticipates the retirement of at least 13 pilots over the next three years (4 in 2026, 4 in 2027, and 5 in 2028). As the pilot licensing process is typically a multi-year endeavour, a strategic planning and proactive management will be essential to ensure adequate staffing levels. Management will explore opportunities to streamline the licensing process for foreign-trained candidate pilots and identify ways to enhance pilot efficiency, to ensure that a high level of service is maintained.

### *Financial Highlights*

The GLPA has prepared its financial forecasts and budgets for the upcoming planning period, factoring in both financial and operational assumptions as well as the need for financial self-sufficiency.

For the 2025 navigation season, GLPA expects 9,600 pilotage assignments, with a slight decrease to approximately 9,400 in 2026 and stable traffic thereafter. Pilotage charges, the primary revenue source, are projected to increase by 4% in 2026, 3% in 2027, and 2% annually through 2030. Staffing levels for dispatchers and unionized office staff are expected to stay constant, with wage increases aligned to collective agreements and ongoing negotiations. Financially, GLPA forecasts a \$950K surplus for 2025 and a \$1.4M surplus for 2026, with similar surpluses anticipated through 2030, resulting in an accumulated surplus of \$9.9M by the end of the planning period.

## 2. Overview

### 2.1 Corporate mandate

The GLPA was established in February 1972 pursuant to the *Pilotage Act* with a mandate to establish, operate, maintain and administer (in the interests of navigation safety) an efficient and cost-effective pilotage service within designated Canadian waters. The *Pilotage Act* also indicates that pilotage charges must be fair and reasonable, and that these—together with any revenue from other sources—shall permit the GLPA to be financially self-sufficient. Maritime shipping through the Great Lakes/St. Lawrence Seaway system is vital to Canada's connections to international markets and its prosperity. North American farmers, steel producers, construction firms, food manufacturers, and power generators—and Canadian households—depend on the 160 million metric tons of raw materials and finished goods that are delivered by ships every year through the Great Lakes region.

The GLPA is a non-agent Crown corporation listed in Schedule III, Part I of the *Financial Administration Act*. The Authority has not received federal appropriations since 1995 and is not eligible for future appropriations. It is exempt from income taxes.

### 2.2 Public policy role

The delivery of pilotage services in compulsory pilotage areas supports both the economic and environmental goals of the federal government. Safe and reliable pilotage services ensure the movement of goods and people while yielding economic benefits for Canada. The services also

contribute to fulfilling environmental goals through the safe transportation of commodities and hazardous materials.

## 2.3 Mission and Vision

### Mission

The GLPA strives to proactively deliver quality marine pilotage services by collaborating with its stakeholders, leveraging technology and recruiting proficient pilots and staff.

### Vision

The GLPA aims to be a leader in marine pilotage services that ensure the safe, efficient, sustainable and reliable movement of goods through the Great Lakes region.

### Values

**Service excellence:** We are committed to being an agile organization that delivers safe, high-quality services to our stakeholders.

**Solutions-focused:** We are collaborative and transparent in addressing opportunities and challenges to create value for our stakeholders.

**Care for people:** We are an organization that is diverse, inclusive and creates opportunities for the professional growth of our people.

**Care for the environment:** We are an organization that values and strives to be environmentally responsible.

## 2.4 Main activities and principal programs

The GLPA's main activity is to safely and efficiently operate a marine pilotage service for all foreign and domestic ships that are subject to compulsory pilotage in all Canadian waters in the provinces of Ontario, Manitoba (at the Port of Churchill) and Quebec (south of the northern entrance to the St. Lambert Lock). Pilotage services are provided mainly to ocean-going ships, which are also referred to as foreign vessels. These have historically represented 80% to 85% of GLPA assignments, with the remaining 15% to 20% attributed to Canadian tankers and non-ocean-going ships.

During the regular navigation season (mid March to early January), the GLPA provides pilotage services primarily to ocean-going vessels because the crews of these vessels are unfamiliar with the waters of the Great Lakes. Outside of this season, domestic vessels continue to navigate the Great Lakes west of the Welland Canal. GLPA pilots mainly provide service to tankers because most other domestic vessels operating during this period are serviced by certificate holders.

The GLPA also works with Transport Canada, to maintain the pilotage certification system for approximately 240 Canadian officers, known as certificate holders, who are authorized to perform pilotage duties in the Great Lakes region. This ensures that Canadian vessels, subject to compulsory

pilotage, remain under the conduct of valid certificate holders—even when GLPA pilot services were not requested.

There are three other Crown corporations that provide similar pilotage services in Canada in different geographic regions namely:

- The Atlantic Pilotage Authority;
- The Pacific Pilotage Authority; and
- The Laurentian Pilotage Authority.

## 2.5 More information

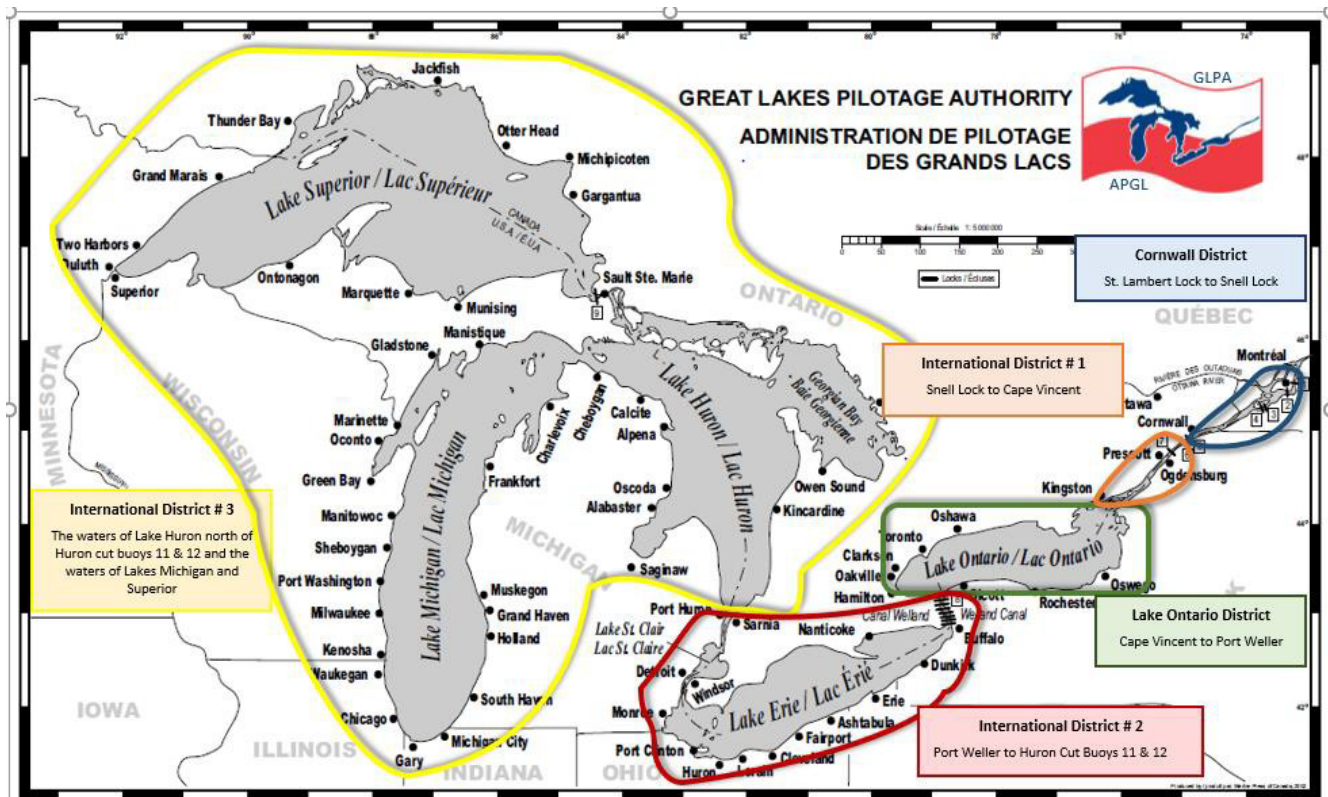
Additional corporate information about the GLPA, including the most recent annual report, is available on the GLPA's website at:

<https://www.glpa-apgl.com/reports-and-documents/financial-reports/>.

### 3. Operating environment

The GLPA has 5 compulsory pilotage areas (referred to as districts) within the Great Lakes region and a sixth within the limits of the Port of Churchill, Manitoba. The following map shows the 5 districts within the Great Lakes region.

- Cornwall District
- International District No. 1
- Lake Ontario District
- International District No. 2
- International District No. 3



Given that pilotage services in the Great Lakes region are shared between Canada and the United States, and that the GLPA operates within the confines of the St. Lawrence Seaway, the GLPA works in close collaboration with other organizations to provide reliable, effective and efficient pilotage services to its customers. These organizations include:

- The Laurentian Pilotage Authority providing pilotage services from the entrance of the St. Lawrence River up to Montreal region;
- the St. Lawrence Seaway Management Corporation and the United States St. Lawrence Seaway Development Corporation, which operate lock facilities and maintain traffic control systems within the region;
- the Canadian Coast Guard, which provides navigation aids; and
- the United States Coast Guard, which oversees United States pilotage matters in international waters.

Because Canada shares much of the St. Lawrence Seaway and Great Lakes region with the United States, ships that travel through these waters may cross the international boundary many times in a single voyage. The *General Pilotage Regulations* state that, where Canadian waters are contiguous with waters of the United States, a ship subject to compulsory pilotage may use a United States marine pilot.

Refer to Appendix L for additional information on the GLPA’s operating environment, including its relationship with United States pilotage associations in the delivery of pilotage services in the Great Lakes region.

### 3.1 Internal environment

#### *Organizational structure, pilots and management succession*

The GLPA’s current workforce is shown in the following table.

Bargaining unit	Expiry date of collective agreement	Number of employees per district	Number of employees
<b>Pilots</b>			
Cornwall District: Corporation des Pilotes du Fleuve et de la Voie Maritime du Saint-Laurent	March 31, 2027	<ul style="list-style-type: none"> <li>• 24 full-time pilots</li> </ul>	<ul style="list-style-type: none"> <li>• 68 full-time pilots</li> <li>• 5 apprentice pilots</li> <li>• 4 part-time pilots</li> </ul>
International District 1: Corporation of the Upper St. Lawrence Pilots	March 31, 2027	<ul style="list-style-type: none"> <li>• 11 full-time pilots</li> </ul>	
Lake Ontario District: The Pilots’ Corporation, Lake Ontario and Harbours	March 31, 2027	<ul style="list-style-type: none"> <li>• 6 full-time pilots</li> <li>• 1 apprentice pilot</li> </ul>	
International Districts 2 and 3: Corporation of Professional Great Lakes Pilots	March 31, 2027	<ul style="list-style-type: none"> <li>• 27 full-time pilots</li> <li>• 4 apprentice pilots</li> </ul>	
<b>Dispatchers and office staff</b>			
PSAC	June 30, 2027	Not applicable	<ul style="list-style-type: none"> <li>• 8 full-time dispatchers</li> <li>• 2 part-time dispatchers</li> <li>• 4 full-time office staff</li> <li>• 4 professional staff</li> </ul>
<b>Office staff</b>			
Non-unionized employees	Not applicable		<ul style="list-style-type: none"> <li>• 3 executives</li> <li>• 10 employees</li> </ul>
<b>TOTAL</b>			<b>108 employees</b>

All 4 collective agreements with the pilot groups have been ratified. The collective agreement for dispatchers and office staff, who are represented by PSAC, expired in June 2024. The GLPA has successfully negotiated the terms of this collective agreement, which is now in effect until June 30, 2027.

Executive searches for new a CEO and CFO were both successfully completed in late 2024. The new (CEO) started in December of 2024 and the new CFO started in January 2025.

The GLPA carefully balances cost containment efforts with reasonable and competitive compensation to attract and retain skilled employees, particularly marine pilots. Pilot succession continues to be a challenge for the GLPA. Like other stakeholders in the maritime industry, the GLPA is facing workforce shortages due to an aging workforce, a scarcity of resources and a growing demand for its services. Over the last 10 years, the GLPA has experienced a high level of pilot retirements, and similar levels are anticipated during the planning period.

From 2016 to 2024, 29 pilots retired, and the GLPA recruited 54 apprentice pilots. Over the planning period, 18 more pilots are expected to retire, representing almost 25% of the GLPA pilot workforce (refer to Appendix L).

There is a clear need to increase pilot numbers to service traffic demands effectively and reduce delays. The GLPA plans to recruit and license a significant number of apprentice pilots over the planning period.

In 2019, as the operational environment of the GLPA became more complex due to regulatory changes and enhanced reporting requirements through government initiatives, the GLPA undertook an organizational optimization exercise focused on office staff. An independent consulting firm reviewed the GLPA's existing organizational structure and concluded that the structure, combined with its limited resources, could hinder the GLPA's ability to fulfill its mandate and achieve both current and future strategic and operational objectives. In response, the GLPA adopted a phased recruitment approach, integrating 6 full-time equivalent positions into its structure between 2020 and 2027. This will increase the resilience and adaptability of the collaborative Pilotage services.

The phased approach supports the direction taken by Transport Canada in the Application issued from the Pilotage Act Review that during the period of transition from the former regime to the upcoming regime yet to be implemented by the GLPA, address requirements between TC and the GLPA, where subject matter expertise resident within the GLPA's operations, carries the role of advisor on the management framework needed to advance the intended reform of Pilotage in Canada. As the GLPA's operating environment continues to get increasingly complex—due to new regulatory requirements and expanded reporting obligations, it is crucial to maintain stability and ensure business continuity so that external stakeholders' business is not affected while the development of key business areas continue. The organization intends to onboard three FTEs in 2026: a Chief Information Officer, an IT Operations Specialist and a Senior Marine Officer. This deliberate expansion is designed to strengthen the organization's capacity and better align its resources with evolving operational demands. Recruitment will begin in late 2025 with the intent of filling the positions by Q2 2026.

Other than retirements, the GLPA has a low turnover rate as measured against industry standards.

*Financial self-sufficiency*

At the end of fiscal year 2024, the GLPA reported an accumulated deficit of \$836,923 after reporting a comprehensive loss of \$931,216 for the year.

One of GLPA’s financial objectives is to consistently generate an adequate annual surplus to maintain a reasonable reserve. This reserve would support operational continuity during periods of uncertainty or significant reductions in traffic thus ensuring financial resilience and long-term stability. Surpluses also serve as a financial buffer and strategic funding source for capital projects and growth initiatives. To achieve a reasonable reserve, the GLPA will continue to develop annual pilotage charges that balance operational expenditures (controllable and uncontrollable) with responsible pilotage expenses.

The GLPA continues to invest in pilot and apprentice pilot training programs while adapting to evolving business needs and requirements. It remains committed to upholding a high standard of service, targeting 99.9% incident-free assignments.

#### *Pilot numbers and capacity*

To ensure financial self-sufficiency and minimize delays, the GLPA carefully balances the forecasted demand for pilotage services with the availability of the sufficient number of trained, qualified and licensed pilots while monitoring the cost of servicing the demand.

Ships enter and leave the system with no set schedules. Therefore, the GLPA must provide a complement of pilots ready to manage these uneven traffic flows in the compulsory pilotage waters of the Great Lakes region.

Given the current economic climate and volatility, the GLPA is projecting that assignments will increase to 9,600 assignments in 2025. In 2026 there is a projected decline to 9,400 assignments as result on ongoing US tariff and recessionary pressures. Assignments are projected to increase 1% annually from 2027-2030. The GLPA will continue to hire pilots to replace those planning to retire and to increase the overall number of pilots, to affect the potential Marine Corridor bottleneck ensuring an adequate workforce is available to service the traffic in support of the national trade diversification.

<b>Number of apprentice pilots hired:</b>	2021: 5
	2022: 5
	2023: 5
	2024: 4
	2025: 4 <i>forecast</i>

The GLPA estimates that it will need to hire 25 apprentice pilots over the planning period. Refer to Appendix L for more information on the proposed pilot head count.

#### *Technology*

Over the planning period, the GLPA will continue to explore and adopt technologies that enhance operational effectiveness and resilience. In 2025, the GLPA has made significant progress to update cybersecurity measures including the detection and prevention of cybersecurity threats.

The GLPA has begun a significant upgrade to its core pilot management software. This upgrade will continue through Q1 of 2026 with the intent of going live by the beginning of the navigation season in March of 2026. The new software should provide several benefits:

- Enhanced user experience while maintaining familiar workflows.
- Reduced IT maintenance overhead.
- Improved cybersecurity with modern authentication and encryption.
- Superior data sharing and business intelligence (BI) reporting.
- Ensure future scalability and expandability

The GLPA is also expecting to replace the portable pilot units (PPU) in time for the 2026 navigation season as the current units are approaching the end of their useful life.

### 3.2 External business environment

Traffic volumes and patterns are determined by a complex and volatile combination of business, economic and environmental factors.

This section discusses the business and environmental factors that affect the GLPA’s business.

#### *Economy and traffic*

The Great Lakes region is vast, containing some 250,000 km<sup>2</sup> of navigable waters. Marine traffic for the GLPA consists mainly of ships carrying grains, iron ore, oil and gas, dry bulk goods, liquid bulk goods, and general cargo. There are also passenger vessel cruises. The GLPA’s ability to forecast traffic accurately is highly dependent upon the feedback it receives from stakeholders.

Carriers, shippers and container contracts with many Canadian and American ports are not negotiated far enough in advance to allow the GLPA to forecast traffic needs into future years. The efficient management of pilot resources in the Great Lakes region is, in part, a function of receiving reliable, timely and accurate information from stakeholders. The GLPA is seeking greater collaboration with its customers and stakeholders to gain better data to reduce delays and contain costs. The GLPA is also exploring technology applications (e.g. the use of traffic simulation) to manage and interpret traffic forecast data.

The budgeted traffic level dictates pilot staffing and appropriate pilotage charges—both of which are highly critical elements if the GLPA is to be financially self-sufficient, given that pilot compensation is primarily fixed. As shown in the chart below, there have been significant deviations from planned assignments in the last 10 years.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actual pilot assignments*	9,409	8,823	9,315	8,179	9,061	9,928	8,798	7,636	7,020	7,166
Planned pilot assignments*	9,500	9,616	9,616	9,105	8,084	8,076	7,700	7,067	6,700	6,531
<b>Deviation from plan</b>	<b>0.96%</b>	<b>8.20%</b>	<b>3.10%</b>	<b>10.20%</b>	<b>12.10%</b>	<b>22.90%</b>	<b>14.30%</b>	<b>8.10%</b>	<b>4.80%</b>	<b>9.70%</b>

\* Number of assignments during the navigation season (excludes winter work assignments)

As of June 2025, a 26% increase in assignments was observed compared to 2024. The anticipation of trade tariffs explains the supply chain inventory management behind this increase. While assignments for domestic vessels decreased by 19%, those for foreign vessels increased by 14%. As of June 2025, the distribution of assignments by vessel type was as follows:

- bulk carriers: 47%
- oil/tankers: 31%
- general cargo: 14%
- passenger cruises: 5%
- other: 3%

The U.S. tariffs—particularly the 25% duty on steel imports—have had a pronounced effect on shipping and logistics in the Great Lakes region. There have been reduced shipments, cargo backlogs, commodity rerouting to new markets and supply chain disruptions. These changes have created an environment of uncertainty and volatility. As indicated, the recent tariffs did seem to create a temporary boost in imports (pre-tariff front-loading) which was apparent in the increases in assignments noted in Q1 and Q2. The tariffs will also likely create recessionary pressures throughout 2025 and 2026.

Although there was strong start to the year, we expect to see a decline in traffic in the second half of the year and anticipate finishing the year with 9,600 assignments completed (excluding winter work). The GLPA also expects assignment numbers for 2026 to be similar to 2024, projecting 9,400 assignments for the year.

#### *Memorandum of Understanding with the United States Coast Guard*

In 2013, a memorandum of understanding (MOU) was signed by the U.S. Coast Guard and the GLPA to reflect the binational operational nature of the pilotage services. The memorandum outlines where and how coordinated pilotage services are to be provided by Canadian and US pilots contingents within the Great Lakes area in respective districts. It also defines agreed-upon rules for dispatching pilots and pilot boat services, as well as areas where pilotage service will be provided by each party and consequently how revenues and participations are to be shared. Customer billing principles for delivered pilotage services in the various districts are also contained in the document.

The GLPA is presently working with the U.S. Coast Guard to update and modernize the MOU to reflect current practices and ensure the marine industry in the Great Lakes region continues to receive safe and efficient pilotage services, within the expectation of the GLPA mandate and national priorities set by the central agencies of the governments.

#### *Relationships with industry stakeholders*

The GLPA prioritizes and values its relationships with customers and industry stakeholders. The organization's commitment to understanding and addressing clients' needs is reflected in its consistent interactions with carriers, agents and other marine stakeholders. The 2024 customer satisfaction survey indicated that, while overall satisfaction remains favourable, there has been a slight decline compared to when the last survey was conducted. In response to the identified concerns, the GLPA has formulated action plans in consultation with its customers and is working toward implementing them.

To foster open dialogue and nurture relationships, the GLPA has instituted annual customer relations meetings. Notably, before finalizing pilotage charges, the organization uses these meetings to seek customer feedback. Recognizing the importance of continual feedback, the GLPA will conduct another customer satisfaction survey in 2026. This will provide an additional opportunity for the organization to gauge its performance and identify further areas for

improvement. The GLPA plans to carry out surveys regularly to stay aligned with the evolving needs and expectations of its stakeholders.

The GLPA is using technology to improve its services to its industry stakeholders. In 2024, the organization rolled out an agent portal within its dispatching system. The portal allows shipping agents access to the GLPA's dispatch team in real time. This permits agents to enter vessel prospects online, which automatically updates the dispatch system. Agents also have real-time access to their vessel positions as seen by the Authority's dispatch team.

### *Pilotage Act reform*

The GLPA, along with stakeholders and customers, is working with Transport Canada to adopt the *training and certification* program in place in the Great Lakes under the guidance of the GLPA. The GLPA's successful certification program has contributed to maintaining very high safety standards within the Great Lakes region.

Transport Canada will require pilotage authorities to have a quality management system in place within their organizations. The GLPA has hired a quality manager who, in collaboration with Transport Canada, is overseeing the development and management of this system. The final parameters of the program are expected to be released in 2026.

### *Climate challenges*

The changing climate has led to more frequent and severe environmental conditions, including changing ice patterns and conditions, high winds, and fluctuating water levels. These events create significant operational challenges as the GLPA works to provide safe, efficient and cost-effective pilotage services. For example, extreme ice conditions can lead to the decommissioning of the boats used to transport pilots to their assignments resulting in possible delays or additional costs.

Managing water levels presents another challenge. In the spring, if melting ice is combined with high precipitation volumes, there may be higher-than-normal levels. In other years, weather conditions can lead to reduced water levels. To keep levels near expectations, the Canada–United States bilateral governing body (the International Joint Commission) monitors levels and imposes increased or decreased water outflow in the St. Lawrence River. This can force a slowdown of all vessels, leading to longer trip times, reduced pilot availability, and higher pilotage costs. To help prevent these outcomes, the GLPA and its pilots provide valuable expertise to the St. Lawrence Seaway and the International Joint Commission in their monitoring of the water levels.

The GLPA is committed to working with its industry partners and stakeholders to identify and implement practices and policies that will meet the climate change goals set out by the government. As an integral component of Highway H<sub>2</sub>O (the major water-based trade route that connects the interior of North America to global markets via the Great Lakes and St. Lawrence Seaway), the GLPA is assisting the St. Lawrence Seaway with the development of its Vessel Information System. This work will lead to better predictions of vessel transit requirements and satisfy the ultimate goal by identifying areas where environmental impacts could be reduced.

The GLPA will also work with Transport Canada in developing a Canadian framework for green shipping corridors. (A green shipping corridor is a maritime route where ships and ports collaborate to reduce greenhouse gas emissions by using cleaner fuels, technologies and practices aimed at promoting sustainable and environmentally friendly shipping.)

As the marine industry works to meet the challenges of the climate crisis, the GLPA is actively reviewing other avenues where its expertise can be of assistance.

#### *Technology*

Through the planning period, the GLPA will continue to work with stakeholders and customers to seek and develop technology-driven approaches to coordinating pilotage services. The organization is dedicated to continuously improving the efficiency and efficacy of its operations.

### 3.3 Compliance with federal directives and alignment with government priorities

The GLPA complies with all federal directives by following both the spirit and intent of government priorities. The GLPA supports open and transparent governance by consulting regularly with stakeholders and using its website to proactively disclose information to the public.

The efficient and safe transport of marine vessels through the Great Lakes delivers economic growth and prosperity for all Canadians. The industries depend on these transports to create jobs, increase economic opportunities and expand markets for Canadian companies. The GLPA contributes to the safe and efficient movement of goods and people for Canadians, while protecting the environment from harm. Pilotage plays a key role in ensuring that there are no ship-source environmental disasters in Canadian waters. The GLPA's pilotage services benefit Canadians by protecting marine ecosystems, a vibrant tourism industry, and the local infrastructure.

Please refer to Appendix I for further information on compliance with federal legislation and to Appendix J for additional information on the GLPA's alignment with government priorities.

#### *Federal Office of the Auditor General special examinations, reviews and other audits*

The Office of the Auditor General of Canada conducts an annual audit of the GLPA's financial statements. It verifies that they fairly reflect the organization's operating results and position and ensures that transactions have been carried out according to International Financial Reporting Standards and Part X (Crown Corporations) of the *Financial Administration Act*. The GLPA received an unqualified opinion, and its 2024 audited financial statements are available online.

In compliance with the *Financial Administration Act*, the GLPA conducts periodic internal audits to strengthen its accountability, risk management strategies, resource stewardship and good governance. As part of its 2024 assessment, the GLPA refreshed its multi-year, risk-based audit plan. With the refresh completed, the GLPA will audit its key operational controls in 2025 and review its strategic and operational planning processes in 2026.

#### *Environmental, social and governance footprint*

Over the planning period, the GLPA will continue assessing its environmental, social and governance (ESG) footprint to meet government priorities and industry standards. The organization has already taken several steps to address this goal. Its environmental footprint has been reviewed. All contracted work involves suppliers who meet ESG standards. The GLPA works to align internal policies and practices with government directives and priorities as they are published.

The organization is committed to investing in solutions that lower its carbon footprint; developing a healthy, safe, inclusive and caring workplace; and integrating ESG considerations into all strategy and governance processes.

The GLPA has demonstrated its ongoing commitment to climate accountability and financial transparency by including the required Climate-related Financial Disclosures in its 2024 Annual Report. GLPA will continue to integrate these disclosures into future reporting, in accordance with all relevant financial statement disclosure requirements.

## 4. Objectives, activities, risks, expected results and performance indicators

### 4.1 Corporate strategic objectives

The GLPA's corporate strategic objectives for the 5-year planning period are:

- to establish, operate, maintain and administer, in the interests of safe navigation, an efficient pilotage service in its area of responsibility;
- to provide such services within a commercially oriented framework that aims for financial self-sufficiency and cost containment, and
- to contribute to the federal government's environmental, social and economic policies as they apply to the marine industry in the Great Lakes region

### 4.2 Objectives and activities

According to its strategic plan, the GLPA has identified 4 primary objectives and corresponding activities to direct the organization during the current planning phase.

#### *Be an employer and partner of choice*

The GLPA is focused on creating a people and customer-focused organization that is both an employer and partner of choice within the marine sector. To achieve this, it will continue to build partnerships with training institutions and industry stakeholders to attract new talent. Through this effort, it will build a more enduring pipeline of talent for essential roles, including pilots, dispatchers and other key administrative and leadership personnel.

The GLPA strives for an engaged workforce and a positive organizational culture. It intends to reach this goal through more regular and deliberate staff and pilot engagement communications. Further, to ensure it can reliably deliver on its strategic and operational priorities, the GLPA will also build its capacity to ensure talent and succession planning is in place.

During the planning period, the GLPA will also:

- implement a plan to modernize existing information systems;
- recruit additional staff (including for key, senior management roles) as part of its optimization initiative;
- continue to develop succession plans for senior management;

- continue to partner with the pilot unions to address operational issues, and
- enhance organizational cohesion by increasing the number of in-person staff meetings and refining communication strategies.

Having conducted the 2020 employee engagement survey and implemented action plans to address identified gaps, the GLPA is set to carry out another round of employee engagement surveys in 2026 to further assess progress and continue to foster a positive work environment.

*Deliver safe, reliable and innovative service*

The GLPA aims to be proactive and agile in delivering safe, reliable and effective marine pilotage services. The GLPA will continue working with stakeholders to minimize avoidable delays to pilotage services. This includes maintaining its strong marine-safety record, which includes a 99.9% incident-free rate. This will also involve working with United States counterparts to harmonize practices and deliver a more seamless service to stakeholders. Over the planning period, the GLPA is also committed to working with other pilotage authorities and Transport Canada to ensure the sector can transition seamlessly into the new regulatory and certification environment.

During the planning period, the GLPA will also:

- recruit and train an appropriate number of apprentice pilots;
- revise and update the pilot quality assurance program and the apprentice pilot training program to reflect business requirements and current trends;
- achieve fewer than 4,000 pilotage delay hours;
- ensure sufficient audits of Canadian ship transits to demonstrate that Canadian ships are under the conduct of a valid certificate holder;
- develop pilotage charge strategies that will generate sufficient revenues to record annual surpluses and thereby maintain a reasonable financial reserve;
- strengthen the organization's cybersecurity posture and enhancing its disaster recovery capabilities to ensure resilience against evolving threats;
- provide pilots with best-in-class support tools and resources; and
- continue to improve the pilot training curriculum.

*Create value for stakeholders*

This strategic objective is focused on creating organizational and stakeholder value through an effective, efficient and responsive operational set-up.

During the planning period, this work will include the following:

- Improve IT integration and data sharing between stakeholders to improve efficiency and transparency;
- Develop GLPA's communication and outreach strategy to enhance public, stakeholder and government relations; and
- Grow the GLPA's business intelligence functions, systems and processes to help fill gaps

and increase the organization's ability to manage sector trends and needs in the Great Lakes region.

#### *Deepen industry relations and engagement*

The GLPA is committed to deepening and sustaining relationships with stakeholders to strengthen both service excellence and its organizational reputation.

To achieve this, the GLPA will:

- support the *Pilotage Act* transformation framework and the national marine pilotage regulatory framework, by:
  - complying with the transition of regulatory functions to Transport Canada; and
  - developing its quality management system.
- continue to support the vessel information system initiative of the St. Lawrence Seaway, by:
  - delivering critical data to Seaway VTS to optimize traffic pattern, enhancing overall efficiency and reducing delays;
  - enhancing pilot availability forecasting with improved visibility of pilotage schedules and vessel arrival predictions to better meet demand;
  - improving the ability to anticipate near-term operational impacts and adjust planning accordingly;
  - providing real-time insights for vessels to modify voyage plans, avoiding high-demand pilotage periods, and
  - offering a practical testing ground to refine this capability as a key stakeholder.
- create a new Marine Advisory Board to promote communication and collaboration between stakeholders;
- hold an annual industry event to better engage with industry leaders; and
- hold a new customer survey in late 2026.

### 4.3 Risks

The GLPA is dedicated to identifying, assessing and mitigating risks as appropriate. It employs an enterprise risk management (ERM) approach within its strategic planning process and continually monitors identified risks. The Board views the GLPA's overall management of the risks and corresponding mitigation measures as effective.

During this planning period, the GLPA will monitor the following main risk areas.

#### *Financial self-sufficiency*

As of December 2024, the GLPA effectively had no reserve funds and reported an accumulated deficit of (\$836,923) for the year. As such, the organization's primary financial risk stems from its current limited financial flexibility. Given the requirement under the Pilotage Act that the GLPA maintains financial self-sufficiency, the low reserve level increases the vulnerability of the organization to operational disruptions, unexpected cost increases, or significant reductions in traffic. Ultimately, the GLPA's ability to meet its mandate could be affected by the situation.

#### *MOU and Relations with USCG*

The MOU between GLPA and USCG, originally signed in 2013, governs binational pilotage coordination across the Great Lakes. These complex negotiations and potential amendments could have significant impact to GLPA's operations. The GLPA is engaging with all stakeholders to fairly renegotiate the MOU to reflect the current dispatching and operational realities.

#### *Governance succession planning*

The GLPA Board will likely face challenges in maintaining continuity due to director turnover and succession gaps in the coming months. It will be imperative to identify new directors in a timely manner to fill vacant positions.

#### *Pilot numbers*

According to the Canadian Marine Careers Foundation, 43% of the marine workforce is set to retire over the next 10 years. Among those expected to exit, 47% are deck officers, which leaves an estimated 19,000 jobs to be filled aboard Canadian vessels. The industry is facing a serious labour shortage because the number of marine school graduates in Canada is lower than the number of seafarers retiring each year. This expected and critical shortage of personnel is forecasted to have particular effects on positions requiring a Master Mariner or Master, Near Coastal certificate of competency.

## 5. Financial overview

### 5.1 Financial results for 2024

- The GLPA recorded revenues of \$50.9 million, an increase of \$5.6 million over 2023. The revenue increase is mainly due to an increase in volume by 7% and total pilotage charges increased by 4.5% compared to 2023.
- The GLPA recorded expenses of \$51.8 million, a decrease of \$0.2 million compared to 2023. Most of these expenses comprise pilot wages and benefits, along with pilot travel and pilot boat services, directly linked to vessel servicing and subject to fluctuations based on assignment demand. Pilot salaries and benefits increased by \$3.8 million in 2024 after adjusting 2023 salaries for the one-time provision of \$4.2 million for revised taxable benefits relating to the years 2019-2022 and \$1.7 million retroactive pay increases from the new collective agreement.

The GLPA recorded a 2024 operating loss of \$931,216 which reduced its accumulated surplus to a deficit of \$836,923 from the \$94,293 accumulated surplus reported 2023. The GLPA's financial

objective is to generate sufficient annual surpluses during the planning period to build a reasonable reserve of approximately \$10 million by the end of fiscal year 2030.

This reserve will be used to invest in new assets to replace those nearing the end of their useful lives, ensuring continued operational efficiency. Additionally, the reserve will provide a buffer to manage potential economic fluctuations, both within Canada and globally, that could impact maritime operations. It will also help mitigate risks associated with the volatility of maritime traffic levels, allowing the GLPA to maintain its high standards of service.

Finally, part of the reserve will be allocated to finance initiatives aimed at addressing labour shortages, securing the GLPA's ability to meet its operational commitments. This financial planning positions the GLPA to navigate future challenges while sustaining its services.

## 5.2 Major assumptions for 2026 to 2030

When preparing forecasts and budgets, the GLPA considers a variety of elements, both financial and non-financial. For the current planning period, the organization will prepare budgets with the following assumptions in place.

### *Pilotage assignments*

Based on discussions with industry stakeholders and the observed trends in traffic to date, the GLPA anticipates a total of 9,600 pilotage assignments for the 2025 navigation season (excluding winter work). For 2026, the GLPA projects the number of pilotage assignments will decrease to ~9,400 and envisions consistent traffic patterns for the remainder of the planning period. However, due to the inherent challenges in traffic forecasting (mentioned earlier), making specific projections beyond 1 year is challenging.

### *Pilotage charges*

The GLPA's primary revenue source is pilotage charges. For 2026, the GLPA anticipates a 4.0% increase in these charges, followed by 3.0% in 2027 and 2% annual increases from 2027 to 2030.

Given that the GLPA plans to maintain its current level of apprentice pilot recruitment and training, it will also sustain its apprentice pilot training surcharge at 5% throughout the entire planning period.

### *Head count and wage increases*

Forecasts of pilot retirement and corresponding new hires are referenced in Appendix L: Statement of pilot numbers. The current headcount for dispatchers and unionized office staff will remain consistent over the planning period.

The collective agreements with pilots are set to expire in March 2027. Negotiations with PSAC are to be completed in late 2025. Assumptions about wage increases for all employee groups for the planning period are as follows:

Employee group	2026	2027	2028	2029	2030
Pilots	1.5%	2.5%	2.5%	2.5%	2.5%
PSAC	2.25%	2.5%	2.5%	2.5%	2.5%
Non-unionized	2.5%	2.5%	2.5%	2.5%	2.5%

### 5.3 Expected Results

The GLPA is forecasting a \$950K surplus for 2025 and a \$1.4M surplus for 2026 with similar surpluses 2027-2030. At the end of the planning period the expected accumulated surplus is expected to be \$9.9M. There is adequate cashflow to support operations through the planning period and the \$5M credit line should be adequate to manage any short-term shortfalls.

### 5.4 Sensitivity of projections to change

The GLPA’s major expenditures are wages and benefits, pilot boat costs and other contractual obligations. Therefore, major fluctuations in pilotage assignments will have a significant impact on the organization’s financial results.

Applying this earnings/cost model to the assignment levels noted below means that pilotage revenue, operating expenses and the surplus or deficit of the GLPA could vary over the planning period as shown in the following table.

Variation in pilotage assignments 2026	Variation in pilotage revenues	Variation in operating expenses	Resulting change to surplus or deficit
15% reduction in traffic	(8.3M)	(5.1M)	(3.1M)
15% increase in traffic	8.2M	5.5M	2.7M

### 5.5 Debt analysis

There is no long-term debt other than the capital leases for the head office and PPU, and debt associated with employee benefits. Based on the budgeted financial results for the planning period, the GLPA has no concerns about its ability to service these debts.

## APPENDICES

### Appendix A: Federal mandate letter

The GLPA operates in accordance with its mandate under the *Pilotage Act* and according to the guidance expressed by Honourable Omar Alghabra, former Minister of Transport, in a letter to the GLPA's Chair dated September 6, 2022.



September 6, 2022

Captain James Pound  
Chairperson of the Board of Directors  
Great Lakes Pilotage Authority  
[jpound@glpa-apgl.com](mailto:jpound@glpa-apgl.com)

Dear Captain Pound:

As you know, following the 2021 general election, I had the honour of being reappointed the Minister of Transport. My priorities have been outlined in the mandate letter the Prime Minister shared with me in December 2021, and today I write to you to set out my expectations as to how the Great Lakes Pilotage Authority (GLPA) will help advance these priorities.

As the Minister accountable to Parliament for the GLPA, I am committed to continuing our productive relationship to ensure that Canada's transportation system is safe, secure, efficient, and environmentally responsible. I recognise that the GLPA experienced a significant drop in traffic in the wake of the COVID-19 pandemic. I appreciate GLPA's efforts to pivot operations and continue to operate safely during this unprecedented time.

My priority upon my reappointment as the Minister of Transport was to enforce vaccination requirements across the federally regulated transportation sector. Thank you for the commitment you have demonstrated in developing and implementing your corporation's vaccination policy. Together, we mitigated the full impact of infection and severity of illness for travellers and workers in the transportation sector, and increased vaccine uptake, providing broader societal protection. As the COVID situation unfolds, we continue to adjust our measures accordingly, as we did in June of this year. I appreciate the corporation's ongoing collaboration as our response to COVID-19 continues to evolve as we learn more about this virus.

Ensuring goods and people can move efficiently throughout our country with robust and reliable supply chains and transportation systems is another key priority further reiterated in Budget 2022. The GLPA is an important link in Canada's supply chain, and I trust that the corporation will strive to reduce and prevent bottlenecks in Canada's transportation network. I encourage you to work with my officials to ensure the GLPA continues to be prepared to proactively mitigate and respond to emerging incidents and hazards, including cyber security threats.

Canada

Fighting climate change is a cornerstone of the government's plan to rebuild the economy, create middle-class jobs, and ensure Canadian industry remains competitive. The *Canadian Net-Zero Emissions Accountability Act* has legislated Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050. I expect the GLPA to seek opportunities to advance measures that support Canada's transition to net-zero, including accelerating the transition to zero-emission vehicles and considering targets related to this cause throughout your operations.

As part of the government's strategy to combat climate change, Budget 2021 announced that Canada's Crown corporations would demonstrate climate leadership by adopting the *Task Force on Climate-related Financial Disclosures* standards, or more rigorous and acceptable standards. I encourage the GLPA to start reporting its climate-related financial risks by 2024.

Another pillar of the government's plan is to continue to address the profound systemic inequities and disparities that remain present in the core fabric of our society. I expect that the GLPA will join us as we walk faster and farther along the road to reconciliation, particularly through meaningful partnership and collaboration with local Indigenous communities. This should include, but not be limited to, consulting Indigenous communities where appropriate and incorporating Indigenous perspectives into organizational operations and planning processes.

Diversity and equity within the GLPA's workforce will improve its ability to deliver on all its objectives, and I expect that as the GLPA embarks on any hiring, it implements outreach and recruitment strategies that uphold the principles of equity, diversity, and inclusion. I trust that the GLPA will also continue to ensure that it is doing its part, per the *Accessible Canada Act*, to help make the transportation system more accessible for persons with disabilities.

I also remain committed to open, transparent, and merit-based selection processes to attract qualified candidates for governance and leadership positions in the Transport portfolio. Candidates should also reflect Canada's diversity in terms of linguistic, regional and employment equity groups (women, Indigenous peoples, persons with disabilities and members of visible minorities), as well as members of ethnic and cultural groups. As Chairperson, you will be invited to participate in these processes for your organization, which will inform my ultimate appointment recommendations to the Governor in Council.

I expect that your short-, medium-, and long-term objectives as they relate to the government's priorities in this letter are clearly presented in your upcoming corporate plans and progress to achieving those objectives is reported in your subsequent annual reports. I also ask for your support in ensuring that, to the extent that it is within the GLPA's control, future corporate plans are prepared sufficiently in advance, with the best information available at the time, to enable timely review and approval.

It is critical that the performance objectives of the corporation, Board and CEO flow within a consistent storyline. I ask that the measures you develop to assess your CEO's performance conform to best practices concerning the development of specific, measurable objectives, based on the observable behaviours in areas where your CEO can exercise sufficient influence to achieve the desired outcomes. The rationale included for the overall rating of your CEO should clearly identify why your Board is providing the rating and which performance objectives were weighed most heavily when arriving at the determination.

As always, the legal, fiduciary, and ethical obligations of public office holders remain. All appointees should abide by the principles found in the Prime Minister's statement on Open and Accountable Government. All boards should ensure ongoing compliance, both for their organization and for themselves, with relevant legislation, Treasury Board policies, Governor in Council and ministerial directives.

It is an honour to serve Canadians as Minister of Transport and a privilege to be able to work with key partners such as the GLPA.

Sincerely,

A handwritten signature in black ink, appearing to read 'Omar Alghabra', written in a cursive style.

The Honourable Omar Alghabra, P.C., M.P.  
Minister of Transport

## Appendix B: Corporate governance structure

### *Board of Directors*

The Board, which reports to the Minister of Transport, consists of the Chair and 5 other directors. The Chair is appointed by the Governor in Council on the recommendation of the Minister of Transport, in accordance with section 105 of the *Financial Administration Act*. The directors are appointed by the Minister of Transport with the approval of the Governor in Council. In 2024, the Board held 14 meetings, including a dedicated Priority Planning session. In addition, there were 8 committee meetings and 1 IT Subcommittee meeting. Committee meetings had a 100% attendance rate, while Board meetings recorded an attendance rate of 94%. For 2025, the organization plans to hold 9 Board meetings, including one strategic planning session, along with 8 committee meetings and 4 IT Subcommittee meetings.

The following table represents the Board's composition for 2025:

Board member	Term expiration	Length of service	Location	Committee member
James Pound, Chairperson	2025-12	10 years	St. Catharines, Ontario	Ex officio – AC, GC
Julie Mills, Vice-Chairperson	2026-06	7 years	Ottawa, Ontario	AC
Vered Kaminker	2026-06	7 years	Toronto, Ontario	AC, ITSC
David Souliere	2029-03	4 years	Peterborough, Ontario	GC
John St-Marseille	2025-06	3 years	Cornwall, Ontario	AC
Oksana Exell	2025-06	3 years	Hudson, Quebec	GC
Vacant				

*GC = Governance and Human Resources Committee; AC = Audit Committee; ITSC = IT subcommittee.*

As with other Crown corporations, the GLPA operates at arm's length from its sole shareholder, the Government of Canada. The shareholder provides policy direction for the corporation's ongoing operations, as stated in the *Financial Administration Act*, and the Board is responsible for oversight and strategic direction. The Board sets corporate objectives and direction; ensures good governance; monitors financial performance; approves budgets, financial statements, policies and by-laws; recruits and evaluates the CEO; and ensures that risks are identified and managed. The Board ensures that the GLPA maintains the highest safety and efficiency standards in operating a cost-effective pilotage service.

The Board's 2025 total compensation, including benefits, is forecast to be \$100,000 (2024 actual was \$85,500).

### *Committees*

The Board is supported in its roles and responsibilities by the legally requisite Audit Committee as well as the Governance and Human Resources Committee. The Board has established a charter for each committee. The Board may establish other committees, as required, to fulfill its responsibilities.

### ***Role of the Audit Committee***

The Audit Committee is a standing committee. Its duties, outlined in section 148 (3) of the *Financial Administration Act*, are to advise the Board on matters relating to financial statements, internal audits, the annual auditor's report, any special examination reports and resulting plans, and other functions as assigned by the Board or the GLPA's by-laws. The Audit Committee is composed of at least 3 members of the Board and meets at least 4 times a year. The committee met 4 times in 2024, with a 100% attendance rate, and is expected to meet 4 times in 2025.

The committee has the power to investigate any activity of the GLPA. The committee ensures financial oversight of the corporate books, records, general and management controls, as well as information systems and management practices.

### ***Role of the Governance and Human Resources Committee***

The Governance and Human Resources Committee is a standing committee. Its duties are to advise the Board on matters relating to governance and human resources. These include succession planning, CEO performance management, the Board member skills matrix for appointment renewals by the Minister of Transport or the Governor General in Council, and the stewardship of the GLPA's by-laws and policies. The committee is composed of at least 3 Board members and meets at least 4 times a year. The Governance and Human Resources Committee met 4 times in 2024, with an 100% attendance rate, and is expected to meet 4 times in 2025.

### ***Role of the IT subcommittee***

This subcommittee of the Audit Committee, formed in 2024, will meet 4 times a year, or more frequently if required. It is responsible for overseeing the identification and mitigation of risks associated with the use of IT. The subcommittee will also identify and report on IT developments that could enhance the GLPA's ability to meet its mandate. The subcommittee is composed of at least 1 Board member and 3 representatives from management it is expected to meet 4 times in 2025.

### ***Reporting***

The officers of the GLPA are the CEO and the Chief Financial Officer (CFO). At each directors' meeting, the officers report to the Board, through the Chair, on their various areas of responsibility. Ongoing and new policy matters are discussed, and corporate direction is provided.

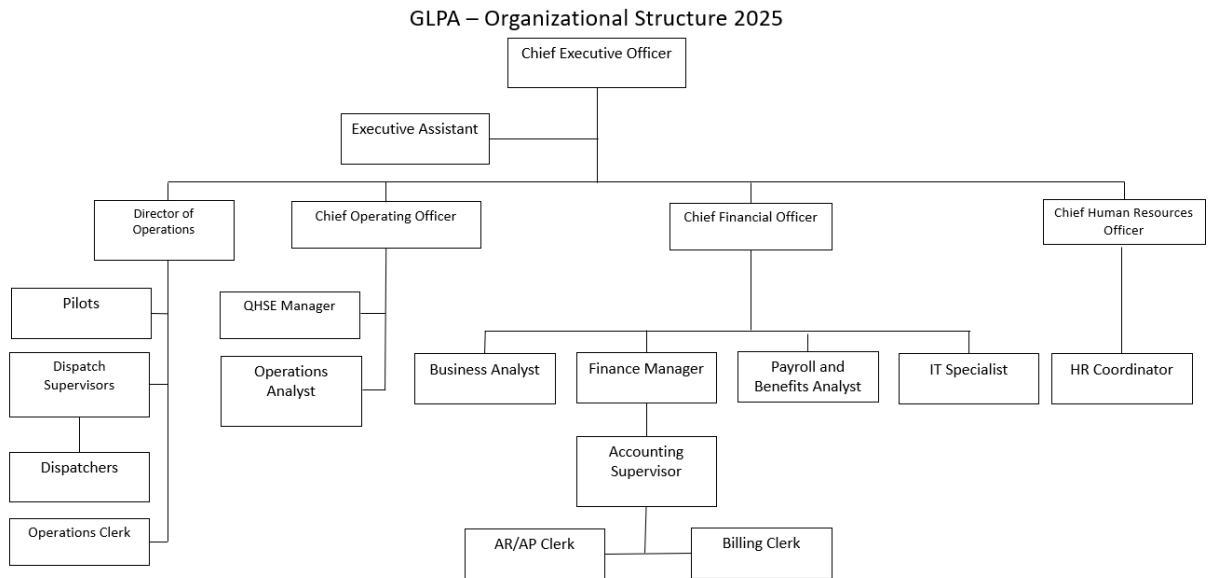
The GLPA reports to the Minister of Transport through its annual report, which includes the Office of the Auditor General's report as required under section 150 (1) of the *Financial Administration Act*.

The GLPA held its [annual public meeting](#) virtually on June 9<sup>th</sup>, 2025.

### ***Organizational structure of the GLPA***

The CEO plans, organizes, directs and controls the business of the GLPA, and reports to the Chair and the Board. The CEO is appointed by the Board pursuant to section 13 (1.1) of the *Pilotage Act*. The remuneration of the CEO is fixed by the Governor General in Council.

The GLPA’s organizational chart for 2025 is shown below.



The following individuals hold key, senior executive positions with the GLPA:

Name	Title
Jean Aubry-Morin	President and Chief Executive Officer (CEO)
Nick Csirinyi	Chief Financial Officer (CFO)
Captain Christian Ouellet	Chief Operating Officer (COO)
Patrick Martel	Chief Human Resources Officer (CHRO)

The 2024 total compensation, including benefits, for the senior executive positions is budgeted at \$0.85 million.

## Appendix C: Performance and CEO commitment to results

The following table provides supplemental information for section 4 of this plan (Objectives, activities, risks, expected results and performance indicators).

STRATEGIC PERFORMANCE INDICATORS		2024 Actuals	2025 Forecast	2026 Target
<b>1 - NAVIGATION SAFETY</b>				
1-1	Number of major marine incidents	1	-	-
1-2	Number of minor marine incidents	3	5	-
1-4	As a % of incident-free assignments	99.9%	99.9%	99.9%
<b>2 - PILOTAGE RELIABILITY</b>				
2-1	Number of vessel delays due to shortage of pilots (hours)	3,116	4,000	4,000
<b>3 - FINANCIAL SELF-SUFFICIENCY</b>				
3-1	Net income (in millions)	(\$0.9)	\$1.2	\$1.2
3-1a	Revenue (in millions)	\$50.9	\$53.6	\$55.2
3-1b	Expenditures (in millions)	(\$51.8)	\$52.3	\$53.9
3-1c	Ending Accumulated Surplus/Deficit (in millions)	(\$0.8)	\$0.4	\$1.7
OPERATIONAL PERFORMANCE INDICATORS		2024 Actuals	2025 Forecast	2026 Target
<b>1 - NAVIGATION SAFETY</b>				
1-5	Number of audited Canadian vessel transits	1,492	1,334	1,334
1-6	Number of transits under the conduct of an invalid certificate holder	-	-	-
1-7	Certificate holder monitoring - up-to-date	YES	YES	YES
<b>2 - PILOTAGE RELIABILITY</b>				
2-2	Number of new apprentice-pilots recruited	4	4	5
2-2a	Number of new licensed pilots	3	6	4
2-2b	Number of apprentice-pilots not completing the training program	1	2	0
2-3	Number of Full-Time Equivalent Pilots	69.5	74.0	72.5
2-4	Average number of assignments per FTE pilots	137.3	130.0	130.0
2-5	Number of complaints regarding pilot service level	-	-	-
<b>3 - FINANCIAL SELF-SUFFICIENCY</b>				
3-2	Revenue per assignment	\$5,342	\$5,590	\$5,762
3-2a	Cost per assignment	\$5,455	\$5,472	\$5,641
3-3	Containing administrative costs (as % of total cost)	7.5%	7.0%	8.0%
3-4	% of assignments on overtime	25.8%	27.4%	22.7%
3-5a	Approval of planned pilotage charge (net % increase)	4.50%	4.00%	3.00%
3-5b	Approval of pilotage charges before the start of the navigation season	YES	YES	YES
<b>4 - GOOD LABOUR RELATIONS</b>				
4-1	Number of pilot retirement notices less than 4 months	-	0	0
4-2	Number of grievances initiated per collective agreements	1	2	0
4-3	Number of pilots not compliant with 5 yr mandatory training	-	0	0
4-4	Average number of sick days	5	5	5
<b>5 - ORGANIZATIONAL EXCELLENCE</b>				
5-1	Number of physical intrusions by unauthorized personnel	-	-	-
5-2	Number of cyber intrusions by unauthorized personnel	-	-	-
5-3	Number of complaints filed under the <i>Privacy Act</i>	-	-	-
5-4	Number of complaints filed under the <i>Official Languages Act</i>	-	-	-
5-5	% Compliance with Access to Information Request response timelines	100.0%	100.0%	100.0%
5-6	% Compliance with whistleblowing complaint response timelines	100.0%	100.0%	100.0%
5-7	% of harassment/discrimination concerns appropriately resolved on time	100.0%	100.0%	100.0%
5-8	% of code of conduct concerns appropriately resolved on time	100.0%	100.0%	100.0%
5-9	Number of days of business interruption within GLPA control	-	-	-

## *Navigation safety*

### ***Incident reporting***

The GLPA classifies incidents and accidents into 2 distinct categories: major and minor. Major incidents encompass marine situations leading to loss of life, serious injuries, environmental spills, significant damage to vessels or property, or interruptions to operations extending beyond 1 month. Conversely, a minor incident encompasses all other occurrences monitored by the GLPA that do not meet the criteria for a major incident.

### ***Strategies***

In addition to the previously noted strategies, the GLPA's pilot training objectives include a module on bridge resource management. This module gives pilots an opportunity to refresh their knowledge in this area—facilitating communications with masters—and enables them to work more effectively with the bridge team.

With each pilot evaluation, the GLPA continues to assess pilots' competencies and quality of service. The assessments are completed at least once every 5 years. Pilot evaluations assure both the industry and the GLPA that only qualified personnel are performing pilotage duties. They also allow the GLPA to identify areas for development and potential improvements to the service delivery.

*Performance assessments*

The following table contains an overview of the GLPA’s performance to date and anticipated results.

<b>Short-term performance assessments</b>			
<b>Output and/or outcome</b>	<b>Performance indicator</b>	<b>Target</b>	<b>Data source and/or methodology</b>
Provide pilotage services free of shipping incidents	Number of pilotage assignments under the conduct of a licensed pilot for which there are no shipping incidents	99.9% incident-free assignment rate	Incident reports
Provide quality pilotage services	Comply with the GLPA’s pilot quality assurance policy by ensuring all pilots keep their proficiency requirements updated and complete required evaluations over every 5-year cycle	100% completion of quality assurance evaluations	Comparisons of pilots’ annual training evaluations to previous assessments (to ensure they are within the 5-year cycle)
Reduce delays caused by a shortage of pilots	Recruit, train and retain pilots to increase pilot availability	Reduce vessel delay time to fewer than 4,000 hours	Data are available monthly
Recruit and train an appropriate number of apprentice pilots to meet traffic demands and reduce the hours of vessel delays due to a shortage of pilots	Number of apprentice pilots recruited, trained and retained	3 apprentice pilots licensed in 2025 and plans to license 4 in 2026	Data are available daily

### Short-term performance assessments

Output and/or outcome	Performance indicator	Target	Data source and/or methodology
Achieve financial self-sufficiency	Rebuild surplus in 2025 and continue ongoing profitability.	Annual surpluses of \$1.0 million to \$2.0 million	Monthly internal financial statements and annual audited financial statements
Support Transport Canada in its efforts to implement the national marine pilotage regulations	Respond to Transport Canada's requests for comments by the required timeline Continue to develop the GLPA's integrated management system	Responses to Transport Canada requests submitted by the deadline GLPA's integrated management system developed in compliance with Transport Canada's requirements	Transport Canada feedback through regular meetings and discussions
Assess IT requirements and finalize the remaining system security recommendations identified in the 2019 audit conducted by the independent internal auditors	Complete the assessment of IT requirements and implement action plans to address system security gaps	Completed assessment and implementation of internal audit recommendations	Various IT systems and third-party system providers
Improve customer relations following the 2023 customer satisfaction survey	Implement action plans that were formulated in response to identified concerns	Action plans implemented Subsequent survey completed with a 10% increase on favourable experience (Action plans developed and shared with customers)	Customer feedback

### Short-term performance assessments

Output and/or outcome	Performance indicator	Target	Data source and/or methodology
Be viewed as an employer of choice	Conduct employee engagement satisfaction survey in 2026	Maintain a 10% improvement from 2020 results	Employee satisfaction survey conducted by a third party

### Medium-term performance assessments

Outputs/outcomes	Performance indicators	Targets	Data source and methodology
Provide pilotage services free of shipping incidents	Number of pilotage assignments under the conduct of a licensed pilot for which there are no shipping incidents	99.9% incident-free assignment rate	Incident reports
Provide quality pilotage services	Comply with the GLPA's Pilot Quality Assurance policy by ensuring all pilots keep their proficiency requirements updated and complete required evaluations over every 5-year cycle	100% completion of quality assurance evaluations	Comparisons of pilots' annual training evaluations to previous assessments (to ensure they are within the 5-year cycle)
Further reduce delays caused by a shortage of pilots	Recruit, train and retain pilots to increase pilot availability	Reduce the amount of vessel delay time by 10% annually	Data are available monthly
Continue to recruit and train an appropriate number of apprentice pilots to meet traffic demands and reduce the hours of vessel delays due to a shortage of pilots	Number of apprentice pilots recruited, trained and retained	4–8 apprentice pilots recruited and trained, and 4–8 pilots licensed, annually	Data are available daily

## Medium-term performance assessments

Outputs/outcomes	Performance indicators	Targets	Data source and methodology
Achieve financial self-sufficiency	Continue to maintain the financial reserve to allow for unforeseen events	Annual surpluses of \$1.0 million to \$2.0 million	Monthly internal financial statements and annual audited financial statements
Comply with the national marine pilotage regulations	Adjust operations per the new regulations Implement and manage the GLPA's integrated management system per Transport Canada's timelines and requirements	Operations in line with new regulations Integrated management system implemented per established timelines	Data are available quarterly
Achieve the GLPA's IT future state	Full transition to future state recommended	Systems updated to maintain quality, timely and efficient pilotage services	System security internal audit
Be viewed as a valued maritime partner by customers	Roll out customer satisfaction surveys and improve on previous results	10% increase yearly on favourable customer experience result	Customer satisfaction survey conducted by a third party
Be viewed as an employer of choice	Roll out employee engagement surveys and improve on previous results	10% improvement over previous results	Employee satisfaction survey conducted by a third party
Reduce the organization's environmental footprint	Identify areas where the organization can effectively mitigate its environmental impact	Resources used in an environmentally efficient way while conducting pilotage services	Comparison of year-over-year environmental footprint data
Identify and integrate advanced technologies to upgrade or substitute for existing systems, aiming to bolster efficiency and streamline the organization's operations	Increase operational efficiency following technology update	Systems updated to ensure quality, timely and efficient pilotage services	Third-party and internal audits of available technologies

## Long-term performance assessments

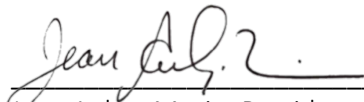
Outputs/outcomes	Performance indicators	Target	Data source and methodology
Provide pilotage services free of shipping incidents	Number of pilotage assignments under the conduct of a licensed pilot for which there are no shipping incidents	99.9% incident-free assignment rate	Incident reports
Provide quality pilotage services	Comply with the GLPA's <i>Pilot Quality Assurance</i> policy by ensuring all pilots keep their proficiency requirements updated and complete required evaluations over every 5-year cycle	100% completion of quality assurance evaluations	Compare the pilots' annual training evaluations to previous assessments (to ensure they are within the 5-year cycle)
Maintain a reasonable amount of delay hours caused by pilot shortages	Recruit, train and retain pilots to increase pilot availability	Return number of vessel delay hours to pre-2014 levels (fewer than 500)	Data are available monthly
Maintain a sufficient level of marine pilots on staff to provide safe and reliable pilotage services	Average number of assignments per pilot	110–120 assignments per pilot	Data are available daily
Achieve financial self-sufficiency	Maintain a reasonable financial reserve to allow for unforeseen events	Achieve and maintain a \$10.0 million financial reserve	Monthly internal financial statements and annual audited financial statements
Maintain a safe and dependable information infrastructure that meets future business needs	Security programs and emergency preparedness	Recover information systems within the timelines stated in the GLPA's <i>Business Continuity Plan</i> to avoid service interruptions	Various IT systems and third-party system service providers

## Long-term performance assessments

Outputs/outcomes	Performance indicators	Target	Data source and methodology
Partner with key stakeholders to develop an integrated voyage information system	Develop a pilotage service that is more efficient, effective and environmentally sustainable	Reduce delays and identify voyage inefficiencies	Working with key stakeholders, and third-party and internal resources

*CEO statement*

I, Jean Aubry Morin, President and CEO of the Great Lakes Pilotage Authority, am accountable to the Board of Directors of the Great Lakes Pilotage Authority for the implementation of the steps described in this corporate plan. I verify that this commitment is supported by the balanced use of all available and relevant performance measures and evaluation information.

A handwritten signature in black ink, appearing to read "Jean Aubry-Morin", written over a horizontal line.

Jean Aubry-Morin, President and CEO  
Great Lakes Pilotage Authority

## Appendix D: Lexicon of Abbreviations used

CEO Chief Executive Officer

CFO Chief Financial Officer

ERM Enterprise risk management

ESG Environmental, social and governance

FTE Full-time equivalent employee

GIC Guaranteed investment certificate

GLPA Great Lakes Pilotage Authority

IT/OT Information and Operation Technology

LPA Laurentian Pilotage Authority

MOU Memorandum of Understanding

PSAC Public Service Alliance of Canada

SLSMC The St. Lawrence Seaway Management Corporation

USCG United State Coast Guard

VTS Vessel Traffic Services

## Appendix E: CFO attestation

In my capacity as CFO of the Great Lakes Pilotage Authority, I have reviewed the 2026 to 2030 corporate plan and budgets and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described. Assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks with a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions. Options to contain costs have been considered.
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the corporate plan.
5. The corporate plan and budgets are compliant with relevant financial management legislation and policies and the proper financial management authorities are in place.
6. Key financial controls are in place to support the proposed activities and ongoing operation of the Great Lakes Pilotage Authority.
7. In my opinion, the financial information contained in this corporate plan and the budgets is sufficient overall to support decision making.



---

Nick Csirinyi, CFO Great Lakes Pilotage Authority

October 21, 2025

<DATE>

## Appendix F: Financial statements and budgets

This corporate plan is presented using International Financial Reporting Standards (IFRS).

### Statement of operations and comprehensive income

GREAT LAKES PILOTAGE AUTHORITY							
STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME							
(000's)	2024	2025	2026	2027	2028	2029	2030
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
<b>Revenue</b>							
Pilotage charges	50,327	54,428	55,692	58,013	59,751	60,960	62,788
Interest and other income	575	224	210	240	260	300	350
<b>Total revenue</b>	<b>50,902</b>	<b>54,652</b>	<b>55,902</b>	<b>58,253</b>	<b>60,011</b>	<b>61,260</b>	<b>63,138</b>
<b>Expenses</b>							
Pilots' salaries and benefits	36,133	37,894	37,165	38,793	39,288	40,388	41,606
Operations and Administration staff salaries and benefits	4,466	4,443	4,856	5,214	5,652	5,888	6,032
Transportation and travel	4,557	4,691	4,668	4,771	4,867	4,964	5,064
Pilot training and recruiting costs	201	324	303	309	315	322	328
Utilities, materials and supplies	348	452	696	710	725	739	754
Pilot boat services	3,861	3,980	3,581	3,652	3,726	3,800	3,876
Pilotage Act administration fees	271	423	515	525	536	547	557
Professional and special services	930	606	898	856	873	890	908
Amortization and depreciation	354	248	843	765	760	646	776
Communications	127	88	186	190	194	197	201
Portable Pilotage units and navigation software	115	132	158	161	164	168	171
Pilot transfer services	321	320	279	285	290	296	302
Interest and bank charges	28	27	25	26	26	27	27
Rentals	27	6	16	17	17	17	18
Interest on lease liability	9	7	205	211	180	146	220
Repairs and maintenance	69	42	87	48	49	50	51
<b>Total expenses</b>	<b>51,817</b>	<b>53,683</b>	<b>54,480</b>	<b>56,533</b>	<b>57,662</b>	<b>59,085</b>	<b>60,891</b>
<b>Profit (Loss) for the year</b>	<b>-915</b>	<b>969</b>	<b>1,422</b>	<b>1,720</b>	<b>2,349</b>	<b>2,176</b>	<b>2,247</b>
other comprehensive income	17	17	17	17	18	18	18
<b>Comprehensive income (Loss) for the year</b>	<b>-931</b>	<b>952</b>	<b>1,405</b>	<b>1,702</b>	<b>2,331</b>	<b>2,158</b>	<b>2,229</b>

### Statement of change in equity

GREAT LAKES PILOTAGE AUTHORITY							
STATEMENT OF CHANGE IN EQUITY							
(000'S)	2024	2025	2026	2027	2028	2029	2030
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
Accumulated surplus- beginning of the year	94	(837)	115	1,521	3,223	5,554	7,712
Profit (Loss) for the year	(914)	969	1,422	1,720	2,349	2,176	2,247
Other comprehensive Income (Loss)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
<b>Accumulated surplus - end of the year</b>	<b>(837)</b>	<b>115</b>	<b>1,521</b>	<b>3,223</b>	<b>5,554</b>	<b>7,712</b>	<b>9,940</b>

## Statement of financial position

GREAT LAKES PILOTAGE AUTHORITY STATEMENT OF FINANCIAL POSITION							
(000'S)	2024	2025	2026	2027	2028	2029	2030
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
<b>ASSETS</b>							
Cash and cash equivalents	8,250	8,380	9,283	11,420	13,935	16,410	18,602
Investment	0	0	0	0	0	0	0
Trade and other receivable	7,629	8,984	9,189	9,576	9,865	10,070	10,379
Prepays	291	77	84	90	97	103	110
<b>Current</b>	<b>16,170</b>	<b>17,441</b>	<b>18,556</b>	<b>21,086</b>	<b>23,896</b>	<b>26,584</b>	<b>29,091</b>
Property and equipment	628	451	1,477	1,062	669	408	1,505
Intangible assets	24	137	497	519	423	309	205
Right-of-use asset	172	95	1,542	1,360	1,190	1,020	850
<b>Non Current</b>	<b>824</b>	<b>683</b>	<b>3,516</b>	<b>2,941</b>	<b>2,282</b>	<b>1,737</b>	<b>2,560</b>
<b>Total</b>	<b>16,994</b>	<b>18,124</b>	<b>22,072</b>	<b>24,027</b>	<b>26,178</b>	<b>28,321</b>	<b>31,651</b>
<b>LIABILITIES</b>							
Accrued salaries and benefits	13,212	14,016	13,746	14,348	14,531	14,938	15,388
Other accounts payable and accrued charges	2,250	1,916	2,031	2,093	2,172	2,225	2,282
Employee benefits	264	193	178	162	146	131	115
Lease liability	82	91	357	387	421	479	475
<b>Current</b>	<b>15,808</b>	<b>16,216</b>	<b>16,311</b>	<b>16,990</b>	<b>17,270</b>	<b>17,773</b>	<b>18,260</b>
Employee benefits	1,929	1,785	1,746	1,707	1,667	1,628	1,589
Lease liability	94	8	2,495	2,108	1,687	1,209	1,862
<b>Non Current</b>	<b>2,023</b>	<b>1,792</b>	<b>4,241</b>	<b>3,814</b>	<b>3,355</b>	<b>2,837</b>	<b>3,451</b>
<b>Total</b>	<b>17,831</b>	<b>18,008</b>	<b>20,551</b>	<b>20,804</b>	<b>20,624</b>	<b>20,610</b>	<b>21,711</b>
<b>EQUITY</b>							
Accumulated Surplus	(837)	115	1,521	3,223	5,554	7,712	9,940
<b>Total Liabilities &amp; Equity</b>	<b>16,994</b>	<b>18,124</b>	<b>22,072</b>	<b>24,027</b>	<b>26,178</b>	<b>28,322</b>	<b>31,652</b>

## Statement of cash flow

GREAT LAKES PILOTAGE AUTHORITY							
STATEMENT OF CASHFLOW							
(000'S)	2024	2025	2026	2027	2028	2029	2030
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
<b>OPERATING ACTIVITIES</b>							
Profit for the year (loss)	(915)	969	1,422	1,720	2,349	2,176	2,247
Adjustments to determine net cash (used in) provided by operating activities:							
Employee benefits	60	(232)	(72)	(72)	(72)	(73)	(73)
Amortization and depreciation	354	248	843	765	760	646	776
Changes in non-cash working capital items:							
Decrease (increase) in trade and other receivables	(491)	(1,355)	(206)	(386)	(289)	(205)	(309)
Increase in prepaids	(245)	214	(7)	(7)	(7)	(7)	(7)
Increase (decrease) in accrued salaries and benefits	(7,835)	804	(270)	602	183	407	450
Increase (decrease) in other accounts payable and accrued charges	348	(366)	83	30	47	22	25
<b>Net cash provided by operating activities</b>	<b>(8,723)</b>	<b>282</b>	<b>1,794</b>	<b>2,652</b>	<b>2,971</b>	<b>2,965</b>	<b>3,110</b>
<b>INVESTING ACTIVITIES</b>							
Acquisition of property and equipment	(48)	(130)	(1,486)	0	(10)	(10)	(1,509)
Acquisition of intangible assets	(16)	(140)	(485)	(170)	(70)	(70)	(70)
Right-of-use asset		0	(1,700)	0	0	0	0
<b>Net cash (used in) provided by investing activities</b>	<b>(64)</b>	<b>(270)</b>	<b>(3,671)</b>	<b>(170)</b>	<b>(80)</b>	<b>(80)</b>	<b>(1,579)</b>
<b>FINANCING ACTIVITIES</b>							
Lease financing (net)	(79)	118	2,780	(345)	(376)	(410)	661
<b>Net cash (used in) by financing activities</b>	<b>(79)</b>	<b>118</b>	<b>2,780</b>	<b>(345)</b>	<b>(376)</b>	<b>(410)</b>	<b>661</b>
<b>CASH AND CASH EQUIVALENTS</b>							
Net increase (decrease) in cash during the year	(8,866)	130	903	2,137	2,515	2,476	2,192
Balance, beginning of year	17,116	8,250	8,380	9,283	11,420	13,935	16,410
<b>Balance, end of year</b>	<b>8,250</b>	<b>8,380</b>	<b>9,283</b>	<b>11,420</b>	<b>13,935</b>	<b>16,410</b>	<b>18,602</b>

## Capital budget

GREAT LAKES PILOTAGE AUTHORITY								
CAPITAL BUDGET								
	2024	2025	2026	2027	2028	2029	2030	Total
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan	2026-2030
<b>Buildings</b>								
Buildings	0	5,000	0	0	0	0	0	0
Right of Use Asset	0	0	1,700,000	0	0	0	0	1,700,000
<b>Total</b>	<b>0</b>	<b>5,000</b>	<b>1,700,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,700,000</b>
<b>Furnitures &amp; Fixtures</b>								
Office Furnitures	2,317	50,000	18,000	0	0	0	0	18,000
<b>Total</b>	<b>2,317</b>	<b>50,000</b>	<b>18,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,000</b>
<b>Leasehold improvements</b>								
General leasehold improvements	0	0	0	0	0	0	0	0
Head Office	0	0	67,700	0	10,350	10,350	9,200	97,600
<b>Total</b>	<b>0</b>	<b>0</b>	<b>67,700</b>	<b>0</b>	<b>10,350</b>	<b>10,350</b>	<b>9,200</b>	<b>97,600</b>
<b>Communication &amp; Computer Equipments</b>								
Computer, server, telecommunication & Security	48,164	75,000	0	0	0	0	0	0
Portable pilotage units, AIS	0	0	1,400,000	0	0	0	1,500,000	2,900,000
<b>Total</b>	<b>48,164</b>	<b>75,000</b>	<b>1,400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500,000</b>	<b>2,900,000</b>
<b>Softwares</b>								
Update and maintenance	0	20,000	5,000	20,000	20,000	20,000	20,000	85,000
Tidalis Upgrades	15,844	120,000	280,000					280,000
AI Initiatives + Custom Scheduling App			100,000	100,000	50,000	50,000	50,000	350,000
ERP and HRIS upgrades			100,000	50,000				150,000
<b>Total</b>	<b>15,844</b>	<b>140,000</b>	<b>485,000</b>	<b>170,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>865,000</b>
<b>GRAND TOTAL</b>	<b>66,325</b>	<b>270,000</b>	<b>3,670,700</b>	<b>170,000</b>	<b>80,350</b>	<b>80,350</b>	<b>1,579,200</b>	<b>5,580,600</b>

## Overview of significant capital expenditure plan

### *Leasehold improvements*

The corporate office lease expired on January 31, 2024 and the GLPA has executed the option to extend the lease term to January 2027.

The Great Lakes Pilotage Authority (GLPA) is facing significant space and infrastructure challenges at its current office location at 202 Pitt Street, Cornwall, where it has operated for over 30 years. Despite leasing additional space on the third floor, the facility remains inadequate, outdated, and lacks essential amenities and infrastructure to support modern operations and future growth. Renovating the current space would be costly, disruptive, and still fall short of meeting long-term IT and security needs. As such, the GLPA has decided to relocate its head office and has signed a 10-year lease commencing in March of 2026 at the Dev Hotel and Conference Center in Cornwall located at 1950 Montreal Road, Cornwall, ON.

The new location will provide 7,458 square feet of office space. This provides the best fit-for-purpose design and amenities, offering significant advantages over the current location such as:

- Turn-key availability with minimal disruption.
- Modern infrastructure and 24/7 monitored security supporting IT and MARSEC security needs.
- Onsite amenities including free staff parking, fitness centers, dining, and hotel accommodations.
- Favorable lease terms and financial incentives.
- A more professional environment that enhances GLPA's image and supports employee well-being and talent retention.

Financially, the Dev Hotel and Conference Center option is also the most cost-effective over a 5-year horizon

### *Communication and computer equipment*

A portable pilotage unit is a valuable tool that helps pilots make navigation decisions. The GLPA considers these units essential to achieving an economically sound, safe and reliable pilotage service. The organization's portable pilotage units were replaced for the beginning of the 2022 navigation season, and the GLPA estimates that they will need to be replaced again in 2026 for a cost of approximately \$1.4M.

### **Software**

The GLPA recognizes the need to update and/or replace its core dispatching and billing software (Tidalis). There are also plans to make upgrades to its ERP and HRIS as well as starting scheduling optimization and AI initiatives. The organization estimates the cost of doing so to be approximately \$865K over the planning period.

## Appendix G: Borrowing plan

### *Borrowing authority*

The GLPA's funding activities are governed by section 36 of the *Pilotage Act* and section 127 (3) of the *Financial Administration Act*. As such, the GLPA requires approval from the Minister of Finance to enter any particular transaction to borrow money. The Minister must approve timelines and other terms and conditions of any such proposed agreements. The borrowing limit for the GLPA is set at \$5 million by the Governor General in Council. The following statement outlines the GLPA's borrowing plan:

- Maintain the short-term borrowing of \$5 million in the form of a line of credit.

The short-term borrowing may be needed to ensure business continuity.

Section 36 of the *Pilotage Act* does not permit the GLPA to receive any payment made under an appropriation by Parliament to enable it to discharge any obligation or liability, with the exception of an authority given under the *Emergencies Act* or any other act in respect of emergencies. As such, the GLPA is not entitled to seek any stimulus or other financial assistance made available by the Government of Canada. Thus, the only viable solution to its cash flow concerns is to ensure a sufficient level of short-term borrowings to meet its future financial obligations and maintain continuous pilotage services.

### *Overview of borrowing plans*

#### ***Line of credit***

For 2026, the GLPA requests authorization from the Minister of Finance to maintain its short-term borrowing (to \$5.0 million) in the form of a line of credit, pursuant to section 127 (3) of the *Financial Administration Act*. Given the nature of the GLPA's business, the line of credit is an important part of its business strategy: it ensures funds are available to even out cash flow when traffic levels fluctuate over the course of the navigation season.

As agreed with its banker, the GLPA pays prime rate on its line of credit. This borrowing requirement is integral to the GLPA's cash management strategy.

### Long-term borrowing

The following table predicts the peak usage of the line of credit in the year usually toward the start of each navigation season:

Short-term borrowings available and usage at peak during the year						
(millions of dollars)						
	2025 Forecasted	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Line of credit available	5.0	5.0	5.0	5.0	5.0	5.0
Real use	1.5	2.0	1.0	—	—	—

#### Total borrowing: New capital leases

The GLPA has since signed a new 10-year lease at a new location in Cornwall starting in March 2026. The existing office lease expired on January 31, 2024 and was extended to January 2027.

The GLPA will also need to upgrade portable pilot units in Q1 2026. This will involve acquiring approximately 90 new iPads and 90 new AIS receivers. The assets will be leased for four-year terms (useful life). The replacement is being scheduled because the current iPads and AIS receivers are approaching the end of their expected battery lifespan. This upgrade will ensure continued reliability and performance without disruption.

Information and approval for upcoming leases						
	2025	2026	2027	2028	2029	2030
<b>Building lease: Head office</b>						
Maximum expected liability on the lease (in millions of dollars)	0.2	2.3	1.8	1.5	1.3	1.1
Maximum expected number of years remaining	1	10	9	8	7	6
<b>Capital lease: Portable Pilot Units</b>						
Maximum expected liability on the lease (in millions of dollars)	.1	1.4	1.2	.9	.6	1.5
Maximum expected number of years remaining	1	4	3	2	1	4

## Appendix H: Investment framework

Section 37 of the *Pilotage Act* allows the GLPA, “with the approval of the Minister of Finance, to invest any moneys not immediately required for the purposes of the GLPA in any class of financial assets.”

Since 1996, the GLPA has requested and obtained formal approval from the Minister of Finance to invest excess moneys (on a short-term basis) in bonds guaranteed by any level of government. Given the changes to the *Pilotage Act*, the GLPA plans to continue investing in short-term, guaranteed investments within the new scope of investment options.

Because an important portion of cash inflow is received between September and December and given that the GLPA’s significant cash outflows occur in the following January, the organization cannot invest aggressively in instruments that mature beyond February. Its investment experts recommend instruments that maximize returns with no financial risk.

In 2025, the GLPA developed a corporate investment policy, consistent with this policy, the GLPA requests the Minister of Finance’s approval to invest any moneys not immediately required for the GLPA in any of the following:

- bonds or other obligations of (or guaranteed by) Her Majesty the Queen in right of Canada or any province or municipality in Canada
- fixed-income instruments with a credit rating of at least BBB (Standard & Poor’s or Fitch) or Baa3 (Moody’s)
- funds with diversified holdings that fall within the scope of the above, including exchange-traded funds, but excluding leveraged funds
- guaranteed investment certificates (GICs) that are eligible for Canada Deposit Insurance Corporation insurance

## Appendix I: Risk and risk responses

The GLPA is committed to identifying, assessing and mitigating, when deemed appropriate, all risks. It applies an ERM approach to its strategic planning process. In 2018, the GLPA introduced an ERM policy that formalized the development of an ERM framework that will support decision making at all levels. This will hold Board members, senior executives, staff and pilots accountable for managing risk within their areas of responsibility.

In 2025, the GLPA began the implementation of an enterprise risk management platform . It is designed to help organizations transform risk into strategic advantage by offering a suite of tools that support real-time risk monitoring, collaborative workflows, and strategic alignment.

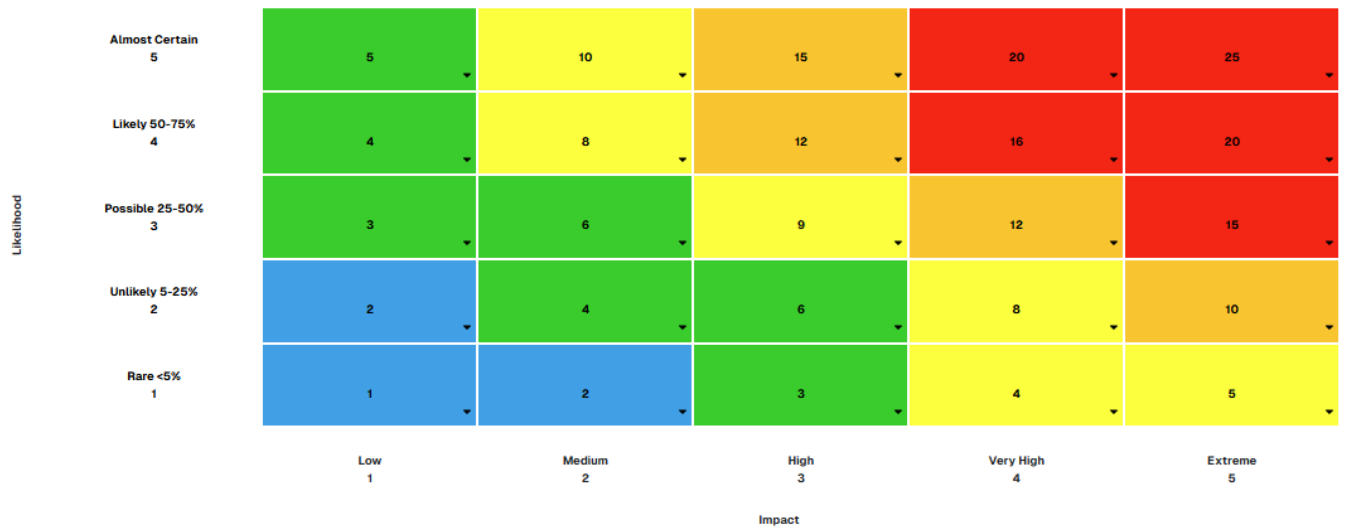
The GLPA manages risk based on an inventory of risk categories that considers external, financial, operational, environmental/health and safety, human capital, technological and regulatory risks.

The GLPA's management team reviews and updates the ERM dashboard and provides a status update on mitigating actions throughout the year. On a quarterly basis, the team presents the results to the various committees and the Board. As part of this exercise, the management team ensures it is:

- identifying new risks and reviewing current risks
- assessing inherent and residual risks through its risk matrix (focused on impacts and likelihoods)
- assessing the risk tolerance for all risks identified
- reviewing the current mitigating controls and proposing further mitigating actions
- prioritizing key risks, accounting for both financial and human resources

The GLPA has adopted the following impact and likelihood definitions to assess the risk matrix (ratings):

IMPACT DEFINITION							
Risk Rating	Operational				Strategic		
	Financial	Human	Property	Vessels	Environmental	Reputation	Disruption of Business
<b>Extreme</b>	Above \$6 million cash impact on the Authority	Multiple deaths And multiple people with serious long-term injuries Intensive care	Damage to property is such that it ceases operations for a period of time exceeding one month	Vessel sinks or sustains so much damage that it is a constructive total loss	Incident causes sustained long term harm to environment (i.e. damage lasts greater than a month)	Sustained front page adverse national media coverage and international media coverage	Threatens long-term viability of Authority  (Operational cessation or major operational issues lasting more than a month)
<b>Very High</b>	Impact on the Authority between \$3 and \$6 million	Single death And multiple people with serious long-term injuries Intensive care	Damage to facilities is such that operations cease up to one month	Vessel sustains damage significant enough to result in towing to dry dock and loss of operations up to one month	Incident causes sustained medium term harm to environment (i.e. damage lasts up to one month)	Front page adverse national media coverage and intermittent international media coverage	Threatens viability of Authority in the medium term  (Operational cessation or major operational issues lasting up to one month)
<b>High</b>	Impact on the Authority between \$1 and \$3 million	Some people with serious long-term injuries and multiple minor injuries	Damage to facilities is such that operations cease up to two weeks	Vessel sustains significant damage with dry dock and loss of operations up to two weeks	Incident causes medium term harm to environment (i.e. damage lasts up to two weeks)	Intermittent adverse national media coverage	Threatens viability of Authority in the short term  (Operational cessation or major operational issues lasting up to two weeks)
<b>Medium</b>	Impact on the Authority between \$0.5 and \$1 million	One person with serious long-term injuries Some minor injuries	Damage to facilities is such that operations cease up to one week	Vessel sustains damage resulting in loss of operations up to one week	Incident causes short term harm to environment (i.e. damage lasts no greater than one week)	Sustained front page adverse local media coverage  Board and Government of Canada receive complaints from Chamber of Marine Commerce, Shipping Federation of Canada	Operational issues lasting up to one week but no cessation of business
<b>Low</b>	Impact on the Authority under \$0.5 million	Single or multiple minor injuries requiring on site first aid and/or off site treatment	Damage to facilities is such that operations cease up to 72 hours	Minor damage with no effect or damage resulting in a loss of operations of no more than 72 hours	Incident causes minimal or intermittent harm to environment over a period of time (i.e. damage lasts no greater than a day)	Intermittent front page adverse local media coverage  Complaints from Chamber of Marine Commerce, Shipping Federation of Canada	No operational issues or operational issue lasting up to 72 hours

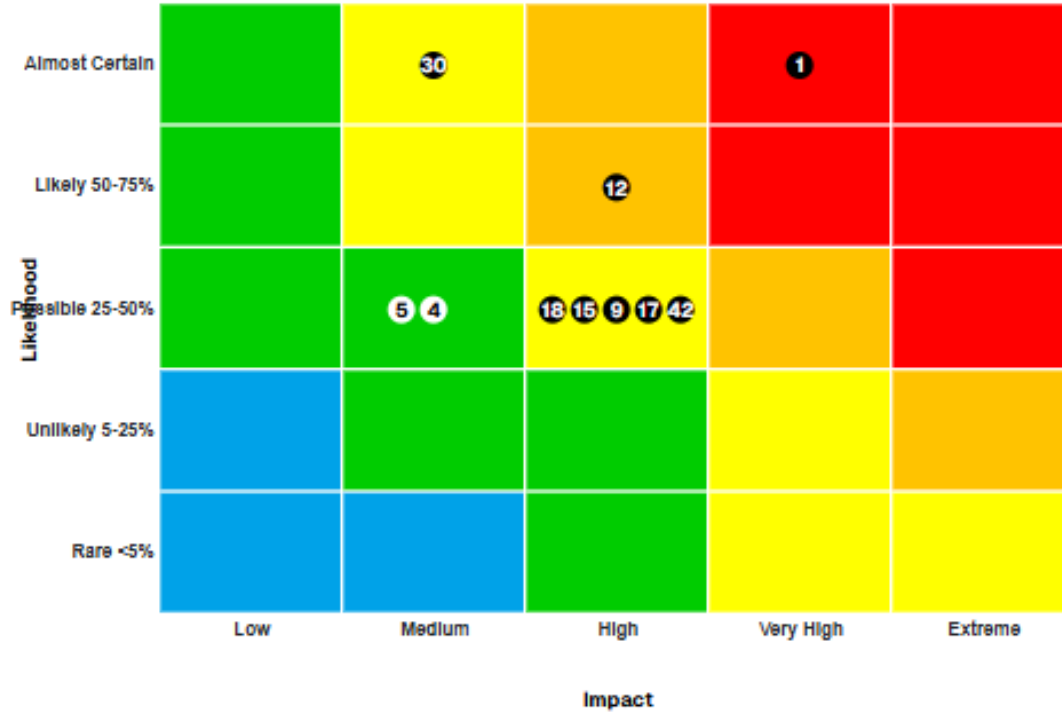


Likelihood definitions	
Rare	< 5% chance that this event will occur (exceptional basis)
Unlikely	5% to 25% chance that this event will occur at some time
Possible	25% to 50% chance that this event will occur at some time
Likely	50% to 75% chance that this event will occur in most circumstances
Almost Certain	> 75% chance that this event will occur in most circumstances

The GLPA's key risks (from the ERM dashboard) are as follows:

### By Score (Top 10) - Residual Values

Report date Tue Aug 19 2025



Score	Rank	Risk Name
20	1	US tariffs or trade policies materially decrease maritime shipping.
12	12	Unfavourable economic conditions lead to significant decreases in traffic
10	30	GLPA does not have a sufficient Board complement or skillset.
9	9	MOU negotiations/revisions are unfavourable for GLPA
9	15	Vendor concentration risk (pilot boat, taxi) could impact service delivery.
9	17	Climate change impacts GLPA's ability to provide safe and efficient pilotage
9	18	GLPA does not generate sufficient revenues to generate sufficient cash flows to fulfill its financial obligations.
9	42	Engagement challenges with US Pilotage Corporation impact operational effectiveness.
6	4	GLPA has an insufficient number of pilots to service needs.
6	5	GLPA cannot provide efficient pilotage services leading to costly delays

The following tables give more details about the main risks, their possible impacts, and planned responses; some risks have been merged for simplicity.

<b>Economic and traffic uncertainty</b>
<ul style="list-style-type: none"> <li>• Risk Rank: 1,12</li> <li>• Categories: Operational, Financial</li> <li>• Likelihood: Likely</li> <li>• Inherent risk level: Extreme</li> <li>• Residual risk level: Very High</li> </ul>
<b>Impacts</b>
<p>The US trade policies and tariffs could create significant economic impacts to the Canadian economy and maritime shipping traffic. This could lead to significant decreases in revenue and an increase in unproductive labour costs. These factors could add stress to maintaining ongoing financial self-sufficiency if they are structural and long-term.</p>
<b>Mitigation</b>
<p>Continuous monitoring and financial forecasting to manage the financial impacts. Introduce cost-cutting measures and evaluate pilotage charge increases necessary to maintain financial self-sufficiency. Defer any major capital expenditures.</p>

<b>Insufficient number of pilots to service pilotage demand effectively</b>
<ul style="list-style-type: none"> <li>• Risk Rank: 4,5</li> <li>• Categories: Operational, Human capital, Financial</li> <li>• Likelihood: Possible</li> <li>• Inherent risk level: Very High</li> <li>• Residual risk level: Medium</li> </ul>
<b>Impacts</b>
<p>Ripple effect through the supply chain, affecting stakeholder assessments of the GLPA's credibility/service level. Pilot shortages also tend to increase overtime and other pilot compensation expenses.</p>
<b>Mitigation</b>

The GLPA annually surveys pilots about their retirement plans, which has improved recruitment planning. This planning also guides GLPA's plan for hiring apprentices to maintain the required number of pilots. The GLPA also relies on retired pilots for part-time support during apprentice training and draws from a pool of certified officers as potential candidates. To reduce attrition, the training program is continuously evaluated and improved, with regular feedback sessions. Recruitment efforts have been expanded, and certified candidates meeting regulatory standards are actively sought. The GLPA also monitors economic trends to anticipate changes in pilotage demand.

### MOU and relations with USCG

- Risk Rank: 9,42
- Categories: Operational, Financial
- Likelihood: Likely
- Inherent risk level: Very High
- Residual risk level: High

### Impacts

If MOU negotiations/revisions are unfavourable or if there are ongoing challenges working effectively with our US counterparts there could be significant impacts to GLPA traffic volumes and service levels. This could reduce revenue, increase overtime costs and impact operational effectiveness.

### Mitigation

Secure support and guidance from various levels of government and the marine industry to assist during this process. Collaborate in good faith with US counterparts to modernize the MOU to reflect the current dispatching and operational realities

Closely monitor interactions and events with USCG and US pilotage. Train staff on MOU requirements.

Continuous monitoring and financial forecasting to manage the financial impacts. Introduce cost-cutting measures and evaluate pilotage charge increases necessary to maintain financial self-sufficiency.

### Board Succession

- Risk Rank: 30
- Categories: Strategic, Operational
- Likelihood: Likely
- Inherent risk level: High
- Residual risk level: High

### Impacts

With the pending departure of a number of Board members within the next year and the current vacancy of one Board seat, the GLPA could have an insufficient Board complement to oversee the strategic vision of the organization or lack the skillset to fulfill the Board's fiduciary duties.

#### Mitigation

Develop a formal succession plan for Board positions to ensure there is a ready pipeline of qualified candidates for upcoming vacancies. Regularly update the plan as Board members announce retirements or departures.

Accelerate the recruitment process for the current vacancy and anticipated departures with Transport Canada. Expand Board recruitment channels.

#### Financial self-sufficient

- Risk Rank: 18
- Categories: Financial, Reputation
- Likelihood: Likely
- Inherent risk level: Extreme
- Residual risk level: High

#### Impacts

If the GLPA does not generate sufficient revenues to generate sufficient cash flows to fulfill its financial obligations and to build reserves it will have increased vulnerability to operational disruptions, unexpected cost increases or significant reductions in traffic. Maintaining financial self-sufficiency is a legal requirement under the Pilotage Act, so failure to build reserves could impact the ability to meet the mandate.

#### Mitigation

Introduce cost-cutting measures and evaluate pilotage charge increases necessary to maintain ongoing financial self-sufficiency.

#### Climate and environmental risks

- Risk Rank: 17
- Categories: Operational, Financial
- Likelihood: Likely
- Inherent risk level: Very high
- Residual risk level: High

#### Impacts

Increased frequency of severe weather events (e.g., high winds, extreme ice, fluctuating water levels) can disrupt pilotage operations and increase costs and delays. Compliance with green shipping corridor initiatives and climate goals can also add operational complexity.

#### **Mitigation**

Build climate allowances into schedules and cost models. Invest in pilot transfer continuity/enhancement. Improve collaboration and data sharing with the St. Lawrence Seaway to better manage and anticipate events.

#### **Vendor concentration risk**

- Risk Rank: 15
- Categories: Operational, Financial
- Likelihood: Likely
- Inherent risk level: Very high
- Residual risk level: High

#### **Impacts**

With the many pilot transportation services (pilot boat, taxi) in most cases supplied by single suppliers there is a risk to maintain service levels. If one of these key vendors fails, experiences a disruption, or becomes unable to meet its obligations, the relying company's operations could be severely impacted. This could impact GLPA service levels, increase delays and increase costs.

#### **Mitigation**

Monitor vendor performance and investigate service issues. Maintain frequent and recurring communication with key vendors. Evaluate opportunities to diversify supplier base. Develop contingency plans to manage disruptions. Consider joining LPA or other organizations that use similar vendors to influence service levels and get more favorable terms.

## Appendix J: Compliance with legislative and policy requirements

The GLPA is governed by the *Pilotage Act* and is subject to other federal legislation. The following explanations provide insights into the GLPA's compliance status with various legislation and directives to which it is subject.

### *Canada Labour Code*

The GLPA fully supports all elements of the *Canada Labour Code* and embraces all new regulatory requirements for the betterment of all Canadians. Bill C-86 (the *Budget Implementation Act, No. 2*, which received Royal Assent in December 2018) and Bill C-63 introduced new regulatory requirements about hours of work provisions. Given that the pilot groups are solely responsible for the conduct of a ship during transit, the GLPA completed a detailed impact assessment of these new requirements. Subsequently, the organization requested some exemptions and modifications to the *Canada Labour Code* requirements for an 8-hour rest period between work periods or shifts (subsection 169.2 (1)) and for a 30-minute break within every 5 hours of work (subsection 169.1 (1)). The amended regulations were published on February 1, 2022. The GLPA's requested modification to the 30-minute break within every 5 hours of work was accepted. For the rest periods between shifts, pilots are to be granted a rest period of at least 8 hours (of which 6 must be consecutive) during each 24-hour period. As part of the collective bargaining with the pilot groups, the GLPA ensured these requirements were fully adhered to.

### *Access to Information Act*

The GLPA believes that openness and transparency help build a trusting relationship with customers, partners and all other stakeholders. Its objective is to respond promptly and with transparency to all information requests from the public, the media and all those interested in the GLPA's operations. Year-to-date, the GLPA has received 1 request. There are no outstanding requests from prior years.

The GLPA complies with the federal government by posting responses to requests it receives under the *Access to Information Act* on the federal government's [Open Government](#) website. Additionally, the GLPA reports annually to the Information Commissioner of Canada.

### *Conflict of Interest Act*

The GLPA's policy on conflict of interest complies with the *Conflict of Interest Act*. Year-to-date, the GLPA does not have any reported conflict of interest issues.

### *Canadian Human Rights Act*

All GLPA policies respect the *Canadian Human Rights Act*. The GLPA is not aware of any complaints made under this act. The GLPA revised its policy on harassment and violence prevention in the workplace at the end of 2023, as well as its supporting programs. This work was done to ensure continued compliance with the *Canada Labour Code* and the recent Bill C-65 Safe Workplaces requirement for comprehensive policies to address workplace harassment, violence and sexual harassment. In 2021, the GLPA provided harassment and violence prevention training to all its employees, and this is a requirement for all new hires.

### *Employment Equity Act*

The GLPA is committed to attracting, hiring and retaining talent that reflects the diverse Canadian workforce. All its recruitment policies and processes respect the *Employment Equity Act*. In 2021, the GLPA introduced a self-declaration form for members of designated employment equity groups and encourages potential candidates to self-declare. The GLPA is not aware of any complaints made against it under the *Employment Equity Act*.

### *Pay Equity Act*

In compliance with the *Pay Equity Act*, the GLPA completed its pay equity plan in the third quarter of 2024. No impact to compensation structure was identified.

The GLPA's Director of Human Resources assumes the role of official languages champion to promote and monitor the use of official languages in all internal and public communications. The use of both languages is essential at the GLPA's head office in Cornwall, Ontario, where staff need to communicate with employees, customers and government agencies in both French and English. As required, the GLPA reports annually to the Treasury Board Secretariat's Official Languages Centre of Excellence. Year-to-date, the GLPA has not received any complaints. Given that Bill C13—*An Act to amend the Official Languages Act, to enact the Use of French in Federally Regulated Private Businesses Act and to make related amendments to other Acts*—received Royal Assent in June 2023, the GLPA will change its policies and programs to reflect the alterations in the legislation.

### *Privacy Act*

The GLPA reports annually to the Privacy Commissioner. To date this year, the GLPA has not received any requests under this act.

*Fighting Against Forced Labour and Child Labour in Supply Chains Act: the GLPA has continued to integrate the spirit of the Act in the business conduct into our procurements, with a view to safeguarding federal procurement supply chains from forced labour and child labour.*

The GLPA reports annually to Employment and Social Development Canada (ESDC).

### *Employment Equity Act*

The GLPA reports annually to the Minister of Labour.

### *Directive on Travel, Hospitality, Conference and Event Expenditures*

The GLPA's policy on travel and hospitality has been aligned with the government's *Directive on Travel, Hospitality, Conference and Event Expenditures*, as noted by the Office of the Auditor General of Canada's opinion of the GLPA's annual financial statements.

In support of good governance practices, the GLPA has a directive on travel and hospitality that provides for the reimbursement of reasonable travel and hospitality expenses required for business travel, as directed under section 89 of the *Financial Administration Act*. Each year, the Office of the Auditor General of Canada audits the GLPA's compliance with this directive.

To help ensure transparent communications with the public, GLPA publishes its [policy on travel and hospitality](#) online. In addition, it voluntarily publishes the travel and hospitality expenditures for the Chair of the Board, the directors, the CEO and other senior officers, thus complying with proactive disclosure requirements. The GLPA's [quarterly reports](#) can also be found on its website. In addition, the GLPA discloses its total annual expenditures for travel, hospitality and conference fees and includes this information in its annual reports, as required by the Treasury Board's *Directive on Travel, Hospitality, Conference and Event Expenditures*.

#### *Pension plan reforms*

Eligible GLPA employees are covered by the Public Service Pension Plan administered by the Government of Canada. The GLPA complies with section 89 of the *Financial Administration Act*, which mandates a 50:50 contribution ratio.

#### *Trade agreements*

Although the GLPA is not directly involved with trade agreements, it does support all trade agreements as part of its procurement activities. All requests for proposals are posted on the government's Buy and Sell website, and the GLPA indicates those that fall under various trade agreements.

#### *Other*

The GLPA supports and complies with the legislation listed below.

#### **Corporate**

- *Canada Business Corporations Act*, RSC 1985, c C-44
- *Financial Administration Act*, RSC 198, c F-11
- *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c.9
- *Employment Equity Act*, SC 1995, c.44
- 

#### **Government institutions**

- *Auditor General Act*, RSC 1985, c A-17
- *Commercial Arbitration Act*, RSC 1985, c17 (2nd Supp.)
- *Library and Archives of Canada Act*, SC 2004, c 11
- *Lobbying Act*, RSC 1985, c 44 (4th Supp.)
- *Public Servants Disclosure Protection Act*, SC 2005, c 46

#### **Regulatory statutes**

- *Pilotage Act*, RSC 1985, c P-14
- *General Pilotage Regulations*, SOR/2000-132
- *Canada Labour Code*, RSC 1985, c L-2
- *Canada Occupational Health and Safety Regulations*, SOR/86-304
- *Marine Occupational Health and Safety Regulations*, SOR/2010-120
- *Canada Marine Act*, SC 1998, c. 10
- *Canada Shipping Act, 2001*, SC 2001, c. 26

- *Collision Regulations, CRC, c. 1416*
- *Eastern Canada Vessel Traffic Services Zone Regulations, SOR/89-99*
- *Environmental Response Regulation, SOR/2019-52*
- *Marine Personnel Regulations, SOR/2007-115*
- *Navigational Safety Regulations, SOR/2005-134*
- *Safe Working Practices Regulations, CRC, c.1467*
- *Shipping Casualties Reporting Regulations, SOR/85-514*
- *Seaway Properties Regulations, SOR/2003-105*
- *Transportation Safety Board Regulations, SOR/2014-37*
- *Canada Transportation Act, SC 1996, c 10*

## Appendix K: Government priorities and direction

The GLPA, as strategic partner of the Government, has embraced aligns itself with the Government of Canada priorities set out in the June 2025 letter of the Honourable Chrystia Freeland, Minister of Transport and Internal Trade. As critical transportation entities and an economic enabler, GLPA adhere to the importance of maximizing economic benefits for Canadian industries. It focusses its operational expenditures, including technology investments, to increase business adaptability and productivity in support Canadian diversification and sustainable economic growth.

### *Openness and transparency*

The GLPA is fully committed to, and takes pride in, being fully open and transparent with stakeholders and the Canadian public. It uses several communication tools to deliver on this commitment. It ensures timely responses to all information requests and concerns, when feasible. The GLPA provides all passage plans to its customers, so they have a general overview of transits, and publishes its pilot-master exchange of information checklist online to ensure consistent and effective services for all ships (largely by sharing crucial safety information for transits through the Great Lakes region).

### *Supporting the economic response/recovery efforts after the pandemic, building back a better Canada, and strengthening the middle class*

As an important partner in marine commerce, the GLPA helps Canadian companies access foreign markets, which supports economic growth and helps middle-class Canadians access foreign goods at a lower cost. Approximately 80% to 85% of pilotage services deal with the import/export of goods from foreign markets. The GLPA is committed to supporting Canadian companies with reliable and flexible pilotage services that facilitate the ability of these companies to seek out new commerce opportunities.

To support job creation and economic growth and ensure Canadian companies have access to safe, reliable and efficient pilotage services for the movement of their goods to market, the GLPA will continue to collaborate effectively with other marine stakeholders in the Great Lakes region.

### *Indigenous relations and the road to reconciliation*

The GLPA is committed to gaining a better understanding of and appreciation for Indigenous

cultures. Given that many Indigenous communities are located along the St. Lawrence River and around the Great Lakes, the GLPA carefully considers the impacts of navigation on these communities. The GLPA has met with the Chiefs of the Mohawk Council of Kahnawake to promote the GLPA as an employer of choice for their community, gain their perspectives and listen to their concerns. At the meeting, navigation safety, the preservation of Mohawk culture and customs, human life and property, and the protection of the marine environment were discussed. Over the planning period, the GLPA intends to meet with other Indigenous groups to build respectful relationships with these communities.

#### *Fighting climate change*

The GLPA operates and administers safe and efficient pilotage services to keep Canadian waterways free of environmental spills and damages. It continues to collaborate with the government, contractors and other marine industry stakeholders to minimize the effects of navigation on climate change.

In accordance with the government's initiatives in the *Canadian Net-Zero Emissions Accountability Act*, the GLPA will continue to explore green procurement requirements for all contractors, including those working in land transportation, as part of its procurement initiatives.

#### *Standing up for fairness, equity, diversity and inclusion*

The GLPA supports the Government of Canada's mandate to ensure women, Indigenous people, members of visible minorities and persons with disabilities are free from discrimination and equitably represented. The GLPA is committed to developing an inclusive and barrier-free work environment in which all persons have equal access to opportunities. The GLPA's recruitment and selection process, conditions of employment, training, career development policies and performance management practices reflect this commitment. All are focused on equity and valuing diversity. Furthermore, in 2022, managerial staff received training about diversity in the workplace and Indigenous cultural awareness. These training initiatives align with the GLPA's commitment to building a skilled and diverse workforce that is reflective of Canadian society.

Women represent 50% of the Board, 60% of office staff and 27% of dispatchers. However, given that the GLPA must recruit pilots from a pool of candidates that meet the physical and qualification restrictions included in the *Pilotage Act* and the *General Pilotage Regulations*, the current pool of pilot candidates is predominately male. Women represent only 3% of the pilot workforce at this time.

By the end of 2024, all head office employees will have completed training about respect and inclusivity in the workplace.

#### *Safe workspaces and accessibility*

The GLPA has implemented policies and practices to ensure a healthy workplace. Employees can expect to feel secure, respected and recognized for their work. The work environment has been designed to ensure physical and emotional safety so that employees feel a sense of belonging and purpose. The GLPA is implementing action plans to address employee concerns in these areas. In addition, in 2021, the GLPA conducted an internal audit of its occupational health and safety processes. The report from the independent auditors was presented to the Board in fall 2021 and

an action plan has been developed to address its findings. Finally, the GLPA established safety programs to comply with the *Canada Labour Code* and had implemented these by the end of the 2022 navigation season.

In 2023, in accordance with the *Accessible Canada Act*, the GLPA published its accessibility plan, which reviewed the organization's practices, programs, policies and services. With a goal of identifying, removing and preventing barriers, the plan identifies action items that the GLPA will pursue to remove impediments for its employees, customers and stakeholders.

#### *Sustainable development and greening government operations*

The GLPA provides pilotage services in the Great Lakes region that are safe and free of environmental spills. While marine incidents are an inherent risk in every action taken by GLPA employees, training for all apprentice pilots, active pilots and pilotage certificate holders is designed to ensure that these employees are aware of the risks and have experience managing them. The GLPA continues to communicate with all employees about the importance of embracing a safety-minded culture to limit environmental risks.

The GLPA also sends each of its pilots to complete simulator training at least once in every 5-year cycle. This practice will continue because it provides pilots with a means to train on different ships, manage various conditions and cope with specific issues, such as slow rudders or delayed crew responses.

The GLPA reviews incidents and trends to continually reassess the training program. The GLPA also takes part in various joint initiatives and associations to keep up to date on emerging safety concerns and best practices. The organization participates in the biennial International Marine Pilots' Association conference, at which it interacts with other pilotage service providers from around the world. Through discussions about professional standards that promote pilot safety, this conference encourages both consultation among its members and the exchange of technical information among industry partners and regulators across the globe. Similarly, at a national level, the GLPA benefits from its interactions with the Canadian Marine Pilots' Association.

The GLPA also consults with its pilots, the Canadian Marine Pilots' Association and the Transportation Safety Board of Canada, while leveraging its formalized post-incident protocol, for all marine incident investigations.

In alignment with the federal Greening Government Strategy, the GLPA is forging a path toward sustainability. The organization has engaged a local specialist with expertise in aiding businesses to reduce their carbon footprint. In support of the federal goal to achieve net-zero emissions by 2050, the GLPA is currently developing its greenhouse gas inventory. This inventory will establish a baseline to guide emission reduction initiatives in line with the government's net-zero target. The GLPA included its first Climate-Related Financial Disclosures in alignment with the TFCF in its 2024 Annual Report. *Budget 2023* announced government-wide spending reductions, including spending by certain Crown corporations. The government committed to:

- reduce spending on consulting, other professional services, and travel by roughly 15 % of planned 2023–2024 discretionary spending in these areas

- phase in a roughly 3% reduction of eligible spending by fiscal year 2026–2027

While the Authority is not contained in the scope of these spending reductions, it aligns with the spirit of the reductions: bringing the pace and scale of increases in government spending back to a pre-pandemic path, in order to ensure that Canadians’ tax dollars are being used efficiently and being invested in a way that matches their priorities.

### *Travel, consulting and other professional services*

The GLPA manages a wide range of operations, overseeing 5 compulsory pilotage districts within the Great Lakes region, along with an additional district situated in the Port of Churchill, Manitoba. All services are administered from the GLPA’s head office in Cornwall. Travel is essential for engaging with stakeholders, maintaining oversight and ensuring operational efficiency. Opting for travel to these districts is a more financially viable option than establishing satellite offices in these regions and recruiting additional staff to run them. This approach allows the GLPA to maintain a centralized, streamlined administration while effectively overseeing its broad operational scope.

The GLPA has embraced virtual technology to minimize travel whenever possible. Looking forward, GLPA plans to further explore how virtual meetings can be utilized to reduce travel requirements.

The GLPA operates with a team of 16 permanent administrative staff members. To handle specialized projects and short-term needs efficiently, it strategically employs consulting and professional services. This method is more cost-effective than expanding the permanent staff for occasional requirements. The GLPA does not maintain in-house legal counsel. The organization also requires external expertise in areas such as managing cyber security, negotiating collective agreements and completing internal audits. Furthermore, the GLPA’s dedication to adhering to government directives occasionally necessitates the procurement of specialized external services. Consequently, there is some variability in the GLPA’s professional service expenses.

## Appendix L: Business environment

### *Districts*

#### **Cornwall District**

The Cornwall District is defined as the Canadian waters of the St. Lawrence River between the northern entrance to the St. Lambert Lock and the pilot boarding station near St. Regis in the province of Quebec (the Snell Lock). The pilots employed in the district are members of the Corporation des Pilotes du Fleuve et de la Voie Maritime du Saint-Laurent. All dispatches are made from Cornwall.

#### **International District No. 1**

International District No. 1 is 103 miles long and covers the waters of the St. Lawrence River between Snell Lock and Cape Vincent, New York (at the entrance to Lake Ontario). It includes the Eisenhower and Iroquois Locks. There are both Canadian and United States pilots in this district. The Canadian pilots belong to the Corporation of the Upper St. Lawrence Pilots.

A memorandum of understanding between the GLPA and the United States Coast Guard dictates that Canadian pilotage takes 10 out of every 17 assignments, or 58.82% of all dispatches in the district. Each country dispatches its own pilots.

#### **Lake Ontario District**

Lake Ontario is also served by both Canadian and United States pilots. The Canadian pilots are members of the Pilots' Corporation, Lake Ontario and Harbours. They are specifically licensed to serve Lake Ontario and its harbours.

Per the aforementioned memorandum of understanding, Canadian and United States pilots share assignments equally on Lake Ontario. Each country dispatches its own pilots.

#### **International District No. 2 (including the Welland Canal)**

This district encompasses the Welland Canal, Lake Erie and the Canadian waters connecting Lake Erie to Lake Huron. Canadian pilots working here belong to the Corporation of Professional Great Lakes Pilots and are licensed to serve the entire district.

The memorandum of understanding again dictates the dispatch allocations as shown in the table.

<b>Location</b>	<b>Allocation</b>
Welland Canal	Canadian pilots only
Port Colborne to Detroit	Canadian pilots are assigned 50% of the through transits
Detroit to Port Huron	For every 8 ships, 3 take Canadian pilots

In addition, Canadian pilots are dispatched to all ships destined to, or departing from, Canadian

ports within the district.

### **International District No. 3**

International District No. 3 is defined as the Canadian waters of St. Mary's River that connect Lake Huron and Lake Superior. This includes Lake Huron, Lake Michigan and Lake Superior. All GLPA pilots in this district are members of the same corporation as the District 2 pilots. Ships going from Port Huron to ports on Lake Michigan or Lake Huron keep the pilot on board. Ships destined for Lake Superior ports change pilots at Detour, where a district pilot takes them through the St. Mary's River to Gros Cap. A lake pilot will then board the ship to guide it to its final destination.

The memorandum of understanding does not specify the division of assignments between Canadian and United States pilots, but states that the GLPA is to receive 18.9% of the revenue generated in the district over the navigation season. All administrative and dispatching functions are performed by the United States.

### **Port of Churchill**

The Port of Churchill, Manitoba falls under the GLPA's jurisdiction and is accessible for only a few months of the year. Currently, the level of assignment in the Region were limited in number during the summer period of the arctic and pilotage operation consists of 3 manoeuvres: piloting the ship into the harbour, turning the ship and piloting the ship out of the harbour. The GLPA's Lake Ontario pilots are licensed to perform all pilotage duties in the Port of Churchill on an as-needed basis.

The Canadian government recently indicated, it would upgrade the Port of Churchill and expand trade corridors with an all-weather road, an upgraded rail line, a new energy corridor, and marine ice-breaking capacity. The approach turns the Port of Churchill into a major four-season and dual-use gateway for the region. The GLPA would adapt its Pilotage services to face the new reality partnering with indigenous and to expand Canadian export capacity in the North through Hudson Bay and diversified trade with Europe and other partners, while more strongly linking Churchill to the rest of Canada.

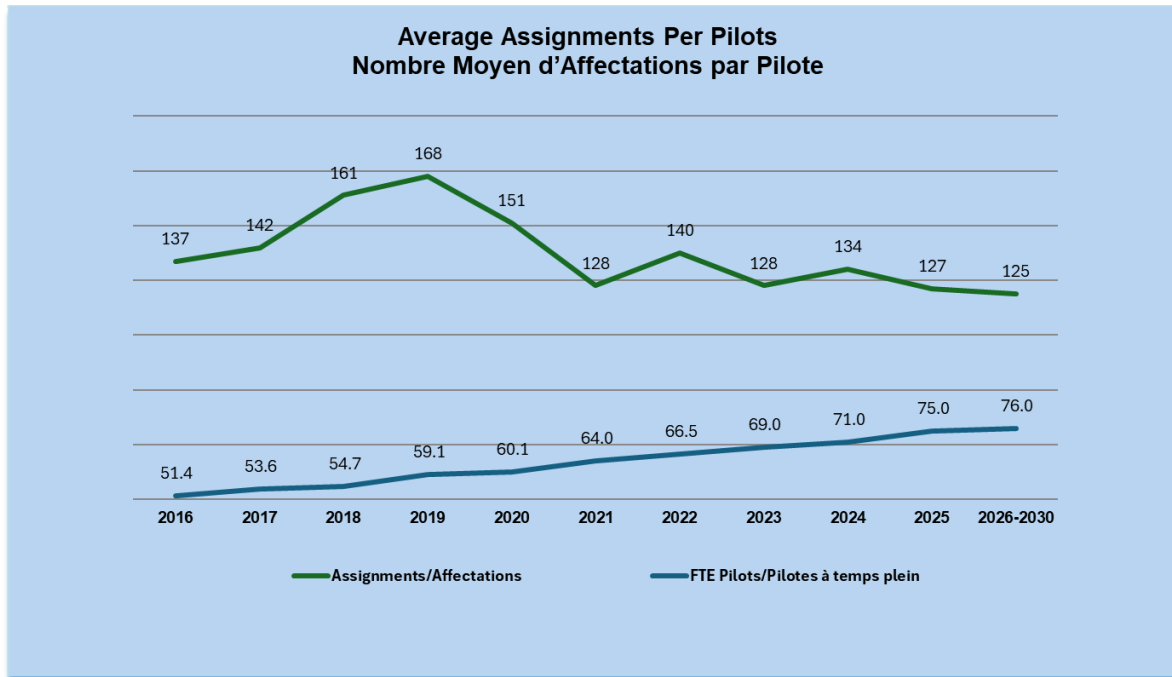
#### *Pilotage capacity*

The GLPA is forecasting a total of 9,600 assignments for 2025 a 2.1% increase compared to 2024.

Over the planning period, the GLPA anticipates 9,400 assignments in 2026 and 1% annual increases thereafter. The ability to accurately forecast traffic volumes is crucial because the GLPA plays a significant role in the movement of goods within the Great Lakes region. Given the challenges of forecasting beyond a year, as previously mentioned, the most prudent estimate for the outgoing years of the planning period is to anticipate assignment numbers that are consistent with those of 2024.

The GLPA must ensure that the average number of assignments per pilot remains within a reasonable range. Failing to do so risks pilot fatigue and related safety concerns, along with increased delays due to pilot shortages. To maintain the appropriate number of pilots to meet demand and improve efficiency, the current target is set 110 to 120 assignments per pilot (see figure below to compare with past years).

Achieving this target is expected to alleviate safety concerns, reduce delays and lower pilotage costs, especially as the frequency of overtime assignments decreases.



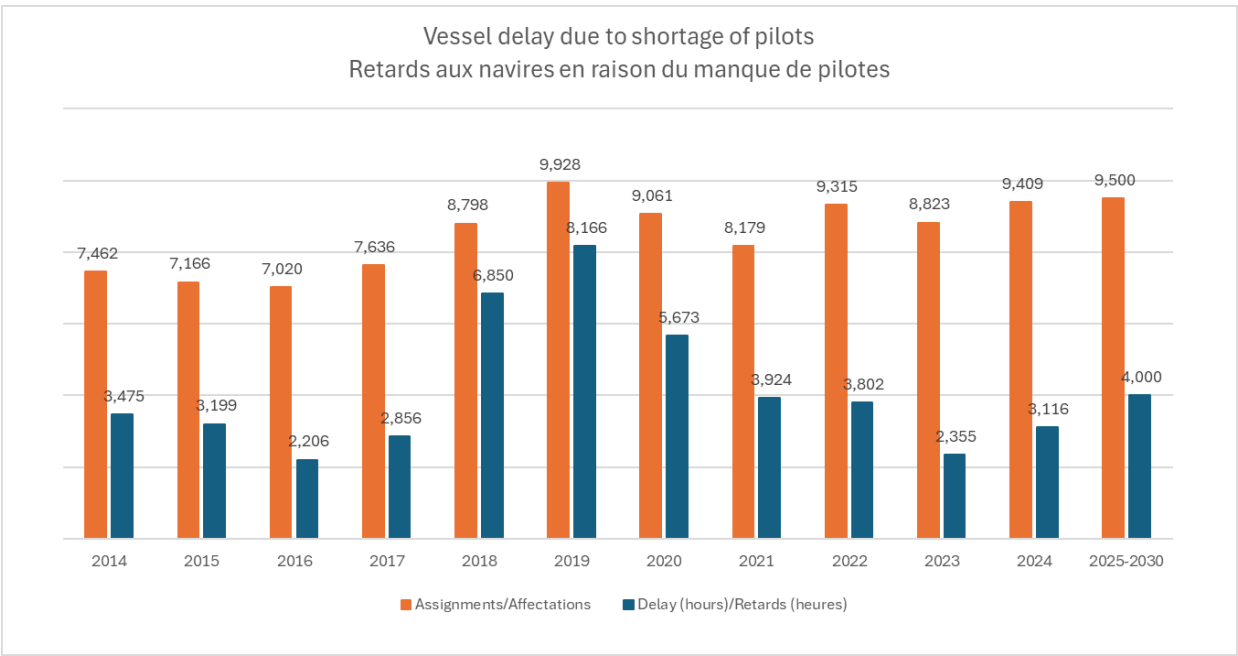
As illustrated in the graph, the GLPA anticipates that the number of full-time equivalent pilots will rise throughout the planning period, leading to a decrease in assignments per pilot. This will ensure that assignments per pilot are closer to the target.

The GLPA categorizes delays in the Seaway system as emerging from any of the following:

- seaway infrastructure breakdown
- environmental (e.g., climate-related) issues
- vessel problems
- pilot shortages

The first 3 types are not under the control of the GLPA, nor are these its responsibility. It is also noteworthy that the GLPA does not capture delay information when delays are caused by the United States pilotage association.

Otherwise, delay hours are captured by the GLPA from the moment they start to accumulate. The following chart shows ship delay hours due to a shortage of pilots since 2013. The total number of pilots available has the most significant impact on the hours of ship delays.



The GLPA predicts that the number of delays caused by a shortage of pilots will be consistent to what was seen in 2024. The organization has set a target of 4,000 delay hours (or fewer) for 2025. With the pool of pilots expected to expand throughout the planning period, the GLPA aims to consistently decrease the number of delay hours resulting from a lack of pilots.

*Pilot training*

**Annual training**

The GLPA requires all pilots to complete simulation training within a 5-year cycle. The Centre de simulation et d’expertise maritime in Quebec City currently provides this service for GLPA pilots. During the planning period, an annual average of 20 pilots and/or apprentice pilots will attend week-long training sessions. The GLPA expects this to cost approximately \$0.4 million annually, including pilot wages and travel expenses.

The GLPA also provides annual training for the portable pilotage units and other specifically identified training needs, as required.

**Apprenticeship training**

The GLPA continues to invest in training apprentice pilots. This includes theoretical studies and practical training (both aboard ships and with simulators). Associated costs include salaries and benefits, travelling expenses and mentoring and evaluating costs. The total cost to train an apprentice pilot is approximately \$35,000 per month and includes salary and benefits. Depending on the district to which the apprentice is assigned, and the apprentice’s prior experience

navigating in the Great Lakes region, the length of training varies as follows:

District	Length of training
Cornwall District	12 to 18 months
International District No. 1	6 to 12 months
Lake Ontario District	6 to 12 months
International District No. 2	6 to 18 months
International District No. 3	6 to 18 months
Port of Churchill	1 month (for a Lake Ontario pilot)

### *Stakeholder relations*

The GLPA is a Crown corporation with near-monopolistic powers over pilotage services in its districts. Consequently, it is important that the Board and management reach out to stakeholder organizations to ensure that important issues are identified and managed effectively.

The 3 primary stakeholders are the federal government, the marine industry and the pilots. The government represents several stakeholders, including the Ministry of Transport and its departmental officials, the Canadian Coast Guard, the Transportation Safety Board of Canada, the Canadian Transportation Agency and the central agencies. The marine industry, covering all shipping interests, is represented by the Shipping Federation of Canada and the Chamber of Marine Commerce. Pilot interests are handled by the 4 pilot corporations (represented by the Canadian Merchant Service Guild and the Canadian Marine Pilots' Association).

GLPA's customers, represented mostly by the Shipping Federation of Canada and the Chamber of Marine Commerce, must be consulted about and support the GLPA's decisions, given that they have access to the Canadian Transportation Agency for a review whenever issues are not resolved satisfactorily. Solutions with consensus, when possible, are preferred over legislated ones, as they create a win-win situation for all parties. The GLPA must manage potentially differing expectations from its various stakeholders. Striking a balance while achieving the GLPA's objectives can be challenging at times.

In addition to the 3 primary stakeholders, there are others that have an interest in safe, efficient and effective pilotage in the Great Lakes region. They include, but are not limited to, the:

- The St. Lawrence Seaway Management Corporation (Canada)
- The Great Lakes Saint. Lawrence Seaway Development Corporation (United States)
- Lake Ontario St. Lawrence River Board of Control
- United States pilotage associations
- Canadian port authorities in the Great Lakes region
- Ports and harbours in the Great Lakes region
- Environmental groups
- Recreational boaters
- Private citizens living along the GLPA's area of responsibility

The GLPA will continue to proactively consult all primary and other stakeholders. It will provide

ongoing opportunities for input on its planning and operations. It is important that all issues with stakeholders, including pilots, are resolved. However, the GLPA will never compromise the safety of ships or the environment to avoid a third-party issue.

Throughout the year, the GLPA formally meets with the Shipping Federation of Canada and the Chamber of Marine Commerce to discuss current topics, joint concerns and proposed pilotage charge amendments. These stakeholders and the GLPA continue to discuss operational issues throughout the navigation season. In preparation for the start and close of a season, the GLPA consults these stakeholders and informs them about issues that may affect pilotage services.

In 2023, the GLPA conducted a customer satisfaction survey to gauge how the organization is meeting customers' expectations and identify any room for improvement since the last survey in 2020. The GLPA has analyzed the results and is implementing action plans to address gaps and better serve its customers.

To interact with pilot-focused stakeholders, the GLPA holds a face-to-face meeting with the presidents of the pilot corporations at the start of each navigation season. Meetings are also held throughout the year to improve the dissemination of information and ensure timely discussions with pilots and stakeholders. Throughout the season, communication with pilot union representatives continues in order to discuss working rules and other labour-related issues.

In keeping with its commitment to safe and efficient pilotage services, the GLPA is in constant communication with the St. Lawrence Seaway Management Corporation, the St. Lawrence Seaway Development Corporation, the United States Coast Guard, the United States pilotage associations and Transport Canada. The GLPA has been a driving force in developing strategies to reduce ship delays at the start and end of the navigation season.

The GLPA meets with various Canadian and United States ports and harbours during the year to discuss pilotage. In addition, the GLPA meets regularly with the other 3 Canadian pilotage authorities to examine common topics and share best practices.

Appendix M: Statement of pilot numbers

<b>All Districts</b>						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Plan</b>	<b>Plan</b>	<b>Plan</b>	<b>Plan</b>
<b>Pilots</b>						
Start of Year	69.5	74.0	73.5	75.0	76.0	78.0
Newly licensed	6.0	4.0	5.0	6.0	6.0	2.0
New contracts	0.5	0.0	0.5	0.0	1.0	0.0
Retirements/Terminations/Transfers	(2.0)	(4.5)	(4.0)	(5.0)	(5.0)	0.0
<b>End of Year (Required)</b>	<b>74.0</b>	<b>73.5</b>	<b>75.0</b>	<b>76.0</b>	<b>78.0</b>	<b>80.0</b>
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Plan</b>	<b>Plan</b>	<b>Plan</b>	<b>Plan</b>
<b>Apprentice Pilots</b>						
Start of Year	3.0	4.0	7.0	6.0	4.0	4.0
New Hires/Transfers	4.0	7.0	4.0	4.0	5.0	1.0
Licensed/Terminated	(3.0)	(4.0)	(5.0)	(6.0)	(5.0)	(3.0)
<b>End of Year (Required)</b>	<b>4.0</b>	<b>7.0</b>	<b>6.0</b>	<b>4.0</b>	<b>4.0</b>	<b>2.0</b>