Great Lakes Pilotage Authority

Administration de pilotage des Grands Lacs

ANNOUNCEMENT OF

REVISED PILOTAGE CHARGES

2026

August 28, 2026

GENERAL

The Great Lakes Pilotage Authority ("Authority") hereby announces revised service charges, pursuant to Section 33.4 of the *Pilotage Act*, S.C. 1985, c. P-14. This Announcement outlines applicable pilotage charges for the remaining period of 2026 navigation season applicable as of October 1st, 2026. These include the following charges:

a. basic charges for pilotage services – Increase of 4%
b. detention and delay charges – Increase of 4%
c. cancellation charges – Increase of 4%
d. over carriage charges – Increase of 4%
e. locks and miles (per mile) – Increase of 4%
f. pilot transfer charges – Increase of $6 for Cornwall District and $7 for District 2
g. pilot boat finance recovery charges – No Changes
h. docking, undocking and stoppage charge – Increase of 4%
i. request for pilotage services – short notice charge – Increase of 4%
j. pilot travel charges – No Changes
k. Churchill pilotage charges – No Changes
l. assignments of more than one pilot – No Changes
m. apprentice-pilot training surcharge of 5%– No Changes
n. *Pilotage Act* administration surcharge – No change

The Authority will also implement a new Seasonal Adjustment for Cornwall and District 1 effective December 26, 2026 through April 15th, 2027. These include the following charges:

o. basic charges for pilotage services – Increase of 1.3 X current base rate (between SLB and SNL and between SNL and CVC)
p. detention and delay charges – Increase of 1.3 X current base rate (hourly & daily maximum)
q. locks & miles (per mile) – Increase of 1.3 X current base rate

The Authority is implementing these charges in accordance with the methodology and principles set out in the Notice and Details and Principles documents, published on July 17, 2026. These pilotage charges will become effective October 1st ,2026.

Pursuant to Section 34(1) of the *Pilotage Act*, S.C. 1985, c. P-14, persons wishing to object to these charges may do so by making an application to the Canadian Transportation Agency. The application must be filed within 90 days after the date of this Announcement.

Pursuant to section 34(3) of the *Pilotage Act*, a notice of objection may be filed only if:

(a) the pilotage charge was not established or revised in accordance with the charging principles set out in subsection 33.2(1) of the *Pilotage Act*; or
(b) the Authority did not comply with the requirements set out in section 33.3 or 33.4 of the *Pilotage Act*.

Also, pursuant to section 33.4(2) of the Act, this Announcement provides a summary of the written representations received under paragraph 33.3(2)(b) of the Act and the Authority's analysis of the issues and concerns brought to its attention, including how it considered those issues and concerns in its decision.

Since publishing the Notice and Details and Principles documents, the Authority received written representations from the Shipping Federation of Canada concerning the fairness and reasonableness of the proposed adjustments, their relationship to the underlying cost pressures, the impact of an in-year increase on industry, the application of the seasonal adjustment, labour and scheduling practices, transparency, and the management of financial reserves. The Federation requested, among other things, that the interim general increase be withdrawn, reduced or deferred and that the seasonal adjustment be reconsidered or subject to more frequent review.

The Authority carefully considered these representations in light of the charging principles under the *Pilotage Act*. Higher-than-anticipated demand, prolonged transit times, difficult operating conditions and the continued extension of the navigation season have increased overtime and other service-delivery costs, and the Authority's reserves are no longer sufficient to absorb the resulting cost volatility. The seasonal adjustment is therefore targeted to the districts and period in which the aggregate cost of maintaining safe and reliable pilotage service is materially higher, rather than recovering these pressures through a larger uniform increase across all districts.

After considering the concerns raised and updated financial forecasts, the Authority reduced the proposed interim general increase from 4.6% to 4.0%, effective October 1, 2026, and will be proceeding with the seasonal adjustment for Cornwall and District No. 1 as proposed. The Authority will review the seasonal adjustment annually as part of its charge-setting process, taking into account actual revenues and costs, operational experience, traffic patterns, its cumulative financial position and reserve requirements. It will also continue to assess labour, scheduling and cost-control measures and will revise the adjustment through the applicable process if the evidence demonstrates that it is no longer required or should be modified.

1. REVISION TO SERVICE CHARGES

The following tables set out the adjusted 2026 pilotage charges which will become effective on October 1, 2026. The adjusted rates are reflecting the impact of traffic changes; continued lengthening of the shipping season, the increasing frequency of extreme weather events once considered rare, and the material rise in winter navigation costs. and provide a reasonable reserve that will allow the Authority to meet its mandate to be financially self-sufficient.

Pilotage Charges:

I. A 4 % interim increase to pilotage charges across all districts, effective October 1, 2026.

Basic Charges for Pilotage Services, including locks, mileage, periods, movage, minimums

		Billed 2026 Tariff A	01 Oct 2026 Tariff B	2026 VS 01 Oct 2026 Increase A/B
BASIC CHARGE FOR PILOTAGE SERVICES, including Locks, Mileage, Periods, Movage, Minimums				
CORNWALL DISTRICT	Trip between the eastern limit of the Cornwall District and Cornwall or the pilot boarding station near Saint-Régis, Quebec	$7,780	$8,091	4.0%
CORNWALL DISTRICT	If a ship does not transit the entire district, the following charges apply:			
CORNWALL DISTRICT	(a) basic charge per statute mile; plus	$59.45	$61.83	4.0%
CORNWALL DISTRICT	(b) basic charge for each lock transited; with	$995	$1,035	4.0%
CORNWALL DISTRICT	(c) minimum basic charge	$2,002	$2,082	4.0%
CORNWALL DISTRICT	Basic charge for movage	$2,997	$3,117	4.0%
INTERNATIONAL DISTRICT #1	Basic charge per statute mile	$50.92	$52.96	4.0%
INTERNATIONAL DISTRICT #1	Basic charge for each lock transited	$679	$706	4.0%
INTERNATIONAL DISTRICT #1	The minimum basic charges for a trip through the district	$1,486	$1,546	4.0%
INTERNATIONAL DISTRICT #1	The maximum basic charges for a trip through the district	$6,529	$6,790	4.0%
INTERNATIONAL DISTRICT #1	Basic charge for movage	$2,242	$2,332	4.0%
LAKE ONTARIO DISTRICT	Basic charges for pilotage services in the district and its undesignated waters and contiguous waters apply to the following trips: * being present on board, for a six-hour period or part of a six-hour period, in the undesignated waters and contiguous waters of Lake Ontario	$1,759	$1,829	4.0%

		2026 Tariff A	Billed 01 Oct 2026 Tariff B	2026 VS 01 Oct 2026 Increase A/B
BASIC CHARGE FOR PILOTAGE SERVICES, including Locks, Mileage, Periods, Movage, Minimums				
INTERNATIONAL DISTRICT NO.	If a ship, during its passage through the Welland Canal, docks or undocks for any reason other than instructions given by the St. Lawrence Seaway Management Corporation, the following			
	(a) basic charge per statute mile; plus	$155.49	$161.71	4.0%
	(b) basic charge for each lock transited; with	$578	$601	4.0%
	(c) minimum charge	$1,933	$2,010	4.0%
	Basic charges apply to the following trips:			
	* through the Welland Canal, if the pilot is changed at Lock 7			
	(a) for that portion of the passage between the northern limit of the Canal and Lock 7	$3,566	$3,709	4.0%
	(b) for that portion of the passage between Lock 7 and the southern limit of the Canal	$3,566	$3,709	4.0%
INTERNATIONAL DISTRICT NO. 2	* between Southeast Shoal and Toledo or any point on Lake Erie west of Southeast Shoal	$3,813	$3,965	4.0%
	* between points on Lake Erie west of Southeast Shoal	$2,252	$2,342	4.0%
	* between Southeast Shoal and the Port Huron Change Point or any point on the St. Clair River, if the pilot is not changed at the	$6,631	$6,897	4.0%
	* between Southeast Shoal and Detroit, Windsor or any point on the Detroit River	$3,813	$3,965	4.0%
	* between Southeast Shoal and the Detroit pilot boat	$2,760	$2,871	4.0%
	* between Toledo or any point on Lake Erie west of Southeast Shoal and the Port Huron Change Point, if the pilot is not changed at the Detroit pilot boat	$7,687	$7,994	4.0%
	* between Toledo or any point on Lake Erie west of Southeast Shoal and Detroit, Windsor or any point on the Detroit River	$4,950	$5,149	4.0%
	* between Toledo or any point on Lake Erie west of Southeast Shoal and the Detroit pilot boat	$3,813	$3,965	4.0%
	* between Detroit, Windsor or any point on the Detroit River and any point on the Detroit River	$2,252	$2,342	4.0%
	* between Detroit, Windsor or any point on the Detroit River and the Port Huron Change Point or any point on the St. Clair River	$4,991	$5,190	4.0%
	* between the Detroit pilot boat and any point on the St. Clair River	$4,991	$5,190	4.0%
	* between the Detroit pilot boat and the Port Huron Change Point	$3,873	$4,028	4.0%
	* between points on the St. Clair River	$2,252	$2,342	4.0%
	* between the Port Huron Change Point and any point on the St. Clair River	$2,760	$2,871	4.0%
	Basic charges for pilotage services in the district and its undesignated waters and contiguous waters apply to the			
	* being present on board, for a six-hour period or part of a six-hour period, in the undesignated waters and contiguous waters	$1,467	$1,525	4.0%
	* pilotage services consisting of a lockage and a movage between Buffalo and any point on the Niagara River below the	$2,884	$2,999	4.0%
	* Welland Canal pilot boat charges - non pilot service related charges - Cost recovery	$1,063	$1,106	4.0%

		2026 Tariff A	Billed 01 Oct 2026 Tariff B	2026 VS 01 Oct 2026 Increase A/B
BASIC CHARGE FOR PILOTAGE SERVICES, including Locks, Mileage, Periods, Movage, Minimums				
INTERNATIONAL DISTRICT NO. 3	Basic charges for pilotage services in the district and its designated waters and contiguous waters apply to the following			
	(a) other than a movage, between the southern limit of the District and the northern limit of the District or the Algoma Steel Corporation Wharf at Sault Ste. Marie, Ontario	$7,359	$7,653	4.0%
	(b) other than a movage, between the southern limit of the District and Sault Ste. Marie, Michigan, or any point in Sault Ste. Marie, Ontario, other than the Algoma Steel Corporation Wharf at Sault	$6,163	$6,409	4.0%
	(c) other than a movage, between the northern limit of the District and Sault Ste. Marie, Ontario, including the Algoma Steel Corporation Wharf at Sault Ste. Marie, Ontario,or Sault Ste. Marie,	$2,771	$2,882	4.0%
	(d) basic charge for movage	$2,771	$2,882	4.0%
	Basic charges for pilotage services in the district and its undesignated waters and contiguous waters apply to the			
	* being present on board, for a six-hour period or part of a six-hour period, in the undesignated waters and contiguous waters of Lake Huron, Lake Michigan, or Lake Superior.	$1,479	$1,538	4.0%

a. detention and delay charges – increase of 4%

- Detention and delay hourly rates at $243
- The maximum basic charge payable for detention and delay for any 24-hour period - $5,832
- All detention and delay charges will start at the 31-minute mark.

b. cancellation charges – increase of 4%

- Cancellation hourly rates at $243
- Basic charge payable each time there is a cancelled order in any of the districts - $ 2,774

c. over carriage charges – increase of 4%

- Basic charge of $ 754

d. pilot transfer charges – increase of $6 for Cornwall and $7 for District #2

- Basic charge of $166 for Cornwall district
- Basic charge of $193for District 2

e. pilot boat finance recovery charges – No change

- Basic charge of $325 for District 1, 2 and Lake Ontario

f. docking, undocking and stoppage charge – increase of 4%

- Basic charge of $1,489 for all district

g. request for pilotage services – short notice charge – increase of 4%

- Basic charge of $4,741

h. Pilotage Act administration surcharge – No change

- Basic charge of $50

i. pilot travel charges – no changes

- If a pilot must travel to embark on a ship at a location other than one of the designated boarding points at the extremities of a compulsory pilotage area in order to provide pilotage services
  - during the period beginning on January 1 and ending on March 22 of the same year, a basic charge is payable in an amount equal to the sum of the reasonable travel and other expenses incurred by the pilot in travelling from their residence to the embarking location; or
  - at other times of the year, a basic charge is payable in an amount equal to the sum of the reasonable travel and other expenses incurred by the pilot in travelling from their home base to the embarking location.

j. Churchill pilotage charges – no changes

- The basic charges for any pilotage service provided in a year are the following:
  - the salary and benefits of the pilot, as contracted, beginning on the day on which the pilot departs from their home base in order to provide the pilotage services set out in the initial request and ending on the day on which the pilot returns to that home base
  - the travel expenses of the pilot, starting from and ending at the pilot's home base, including transportation, meals and lodging

- (the cost of the pilot's use of a pilot boat, helicopter or other means of transportation); and
- an additional charge of 15% on the total to cover administrative and assignment costs.

k. assignments of more than one pilot – no changes

If more than one pilot is assigned to a ship, the basic charges must be multiplied by the number of pilots assigned. Assignment of an additional pilot is always determined in consultation between the pilots and the Authority, based on specific criteria at the discretion of the Authority.

This includes but not limited to factors such as: vessel's construction, any restrictions to visibility, which may be caused by deck cargo or reduced visibility on vessels with a forward bridge, the absence of Navigational aids and environmental conditions at the beginning / end of the navigation season.

l. apprentice-pilot training surcharge – no changes

- Surcharge of 5%

m. ship Charges due to Interruption during Transit

  - This charge, where applicable, establishes the financial levy for ships that experience interruptions during normal transit due to issues related to the ship itself.
- Scope
  - This charge applies to all vessels transiting through GLPA districts and outlines the levy imposed in the event of a ship stopping during transit due to factors attributable to the ship.
- Levy Imposition
  - If a ship stops or becomes stationary during normal transit due to a condition or issue originating from the ship itself (e.g., mechanical failure, crew error, etc.), a levy of $2,720.00 will be imposed on the vessel.
  - The levy applies regardless of the duration of the stop, provided that the cause is linked to the ship's own condition or operations.
- Exceptions
  - This levy does not apply in cases where the interruption is due to factors beyond the control of the ship (e.g., environmental, navigational hazards, or instructions from maritime authorities).
- Payment and Enforcement
  - The levy will be invoiced to the vessel owner/operator.
  - Failure to remit payment for the levy may result in additional penalties or restrictions on future transit.

n. Cost recovery program

- Welland Canal Pilot Boat Charges
- Any new pilot boat services areas implemented will be charged on a cost recovery basis

o. Other •

- District 3 billing will be done in Canadian dollars (CAD) starting in 2026. The currency conversion has been based on the USD/CAD exchange rate as of November 28th, 2025, reported as 1.3979 by the Bank of Canada.

2. Seasonal Adjustment

The implementation of an annual seasonal adjustment equal to 1.3 times the current base rate in the Cornwall District and District No. 1, applicable from December 26 to April 15 each year. The adjustment applies to base pilotage charges, lock transit and mileage charges, as well as delay and detention charges.

3. DEFINITIONS AND CALCULATIONS

Pilotage charges are applied to a pilotage assignment based on the type of movement, status of pilotage requirements for the area, and the interpretation and definitions below:

Definitions

Authority means the Great Lakes Pilotage Authority;

Breadth has the same meaning as in Division 3 of the *General Pilotage Regulations*;

Cancelled order is when a request for pilotage services is cancelled by the owner, master or agent of the ship after the request was accepted;

Cancelled sail is when, after a pilot reports for duty at a designated boarding point, the ship is overdue to sail by at least three (3) hours of delay a cancelled sail fee will automatically apply;

Cornwall District has the same meaning as in Division 3 of the *General Pilotage Regulations*;

Depth has the same meaning as in the *General Pilotage Regulations*;

Designated waters means the waters in International Districts Nos. 1, 2 and 3;

International District No. 1 has the meaning described in schedule 4 of the *General Pilotage Regulations*;

International District No. 2 has the meaning described in schedule 4 of the *General Pilotage Regulations*;

International District No. 3 has the meaning described in schedule 4 of the *General Pilotage Regulations*;

Interruption of Transit is an instance of transit execution for ships that experience interruptions during normal transit due to issues related to the ship itself outside the control of the Authority.

Length has the same meaning as in the *General Pilotage Regulations*;

Port of Churchill is the reference to "all the navigable waters, including any foreshore, commencing at the northern extremity of Arviat (formerly called Eskimo Point) and running on a course due north to a point distant five nautical miles from the northernmost extremity of Arviat; thence, on the circumference of a circle with the said northernmost extremity as a centre, easterly and southerly to the shore of Hudson Bay at the high-water mark; thence, following the said high-water mark westerly to Cape Merry; thence, following the high-water mark on the eastern shore of the Churchill River upstream as far as the tide ebbs and flows; thence, across the Churchill River to its western shore; thence, northerly and following the high-water mark downstream to the point at Old Fort Prince of Wales and across to Arviat and to the place of beginning";

Weighting Factor of Pilotage Charges

The following pilotage charges are based on a flat rate with no weighting factor:

- pilot transfer charges;
- pilot boat finance recovery;
- docking, undocking, and stoppage;
- short notice;
- pilot travel expenses and
- Port of Churchill charges
- Welland Canal pilot boat charges
- ship Charges due to Interruption during Transit.

The following pilotage charges are subject to a weighting factor based on the pilotage unit, as calculated below:

- basic charges, including locks, mileage, periods, movage, minimums and maximums;
- delays and detentions;
- cancellations; and
- overcarriage.

The weighting factor of a ship for the various locations is set out in column 1 and whose pilotage unit is set out in column 2 of the following table is set out in column 3:

Item	Column 1 Locations	Column 2 Pilotage Unit	Column 3 Weighting Factor
1	Anywhere other than the Port of Churchill	Not more than 49	1.00
2	Anywhere other than the Port of Churchill	More than 49 but not more than 159	1.15
3	Anywhere other than the Port of Churchill	More than 159 but not more than 189	1.30
4	Anywhere other than the Port of Churchill	More than 189 but not more than 219	1.45

Pilotage Units

The pilotage unit of a ship is based on the following calculation:

$$\frac{\text{Length of the ship * Breadth of the ship * Depth of the ship}}{283.17}$$

Annex A: Letter of representation received from the Shipping Federations of Canada.

Shipping Federation of Canada

August 17, 2026

Mr. Nick Csirinyi
Chief Financial Officer
Great Lakes Pilotage Authority
1950 Montreal Road, 3rd Floor
Cornwall, Ontario K6H 6L2

ncsirinyi@glpa-apgl.com

Re: Notice of Adjustment 2026 Pilotage Charges dated July 17, 2026

Dear Mr. Csirinyi,

We are writing on behalf of the Shipping Federation of Canada, which is the association that represents the owners, operators and agents of international vessels trading at Canadian ports in response to the Great Lakes Pilotage Authority's (GLPA) proposed 4.6% interim increase and new annual seasonal adjustment of 1.3 times the applicable charges in the Cornwall District and District No. 1.

The Federation objects to both measures, as we do not believe that the information provided by the GLPA demonstrates that the proposed charges are fair and reasonable, that the underlying costs were prudently and efficiently incurred, or that there is a sufficiently direct and transparent relationship between those costs and the users who would be required to pay the charges. Although financial self-sufficiency is a statutory objective, we submit that it is not a substitute for cost control, sound management, or the separate statutory requirement that charges be fair and reasonable.

Summary of the Federation's representations

- The proposed 4.6% base increase should be withdrawn, reduced, or deferred to the 2027 rate-setting process since it represents an additional and unexpected tariff increase in 2026.
- The proposed 30% seasonal adjustment should also be withdrawn as it is not linked to actual incremental costs or specific services, and would require users in Cornwall and District No. 1 to fund an unplanned deficit and reserve rebuild. Should the GLPA nevertheless proceed with the charge, the GLPA should formally commit to reviewing the seasonal charge on a monthly basis, gradually reducing it toward break-even, and automatically terminating it once break-even is reached.
- The GLPA should demonstrate how it is addressing the mismatch between collective agreements and current operating conditions, including measures to reduce overtime and improve efficiency.

1. Financial self-sufficiency does not establish fairness or reasonableness

In its Details and Principles document, the GLPA repeatedly makes reference to its duty to remain financially self-sufficient. However, that duty does not relieve the Authority of its obligation under paragraph 33.2(1)(d) of the *Pilotage Act* to establish charges that are fair and reasonable, nor does it entitle the Authority to pass any expense variance through to users without first demonstrating that the underlying costs are reasonable, prudently incurred, properly allocated and attributable to the efficient provision of compulsory pilotage services.

The Authority's approved 2026 budget anticipated revenue of $55.9 million, expenses of $54.5 million and a surplus of $1.4 million. Its revised forecast increases revenue to $57.0 million, yet also increases expenses to $57.8 million and produces a projected deficit of $0.8 million. In other words, the stated problem is principally an expense overrun of approximately $3.2 million, of which $2.4 million is attributed to pilot salaries and benefits, with the remaining $0.8 million attributable to additional operational, administrative and pilot boat services needed as a result of the extended season (see page 6 of the Details and Principles document). The proposal identifies these figures, but identification is not justification. The GLPA would need to provide details such as the overtime rates, district-level variances, assignment data, staffing assumptions and other evidence needed to assess whether these expenses were reasonably and efficiently incurred.

This evidentiary gap is particularly significant because the GLPA implemented its existing 2026 charges on March 22, 2026, and now proposes a second increase effective October 1, only six months later. Describing the 4.6% increase as an acceleration of an increase previously planned for 2027 does not establish that it is fair and reasonable in 2026. The GLPA states that this measure is to "alleviate the need for a significant pilotage charge increase in 2027," but such wording does not provide concrete assurance that there won't be another such increase in 2027.

Since users of pilotage services were unable to plan for this unforeseen second increase in 2026, the Federation submits that the GLPA should therefore remove the proposed 4.6% base increase. If the GLPA nevertheless proceeds to implement a base increase, it should either introduce a more modest general increase in October 2026 or withhold the 4.6% base increase until 2027 and implement it as part of its annual revision of rates per the usual procedure. Such action would result in a less abrupt cost increase to industry in the immediate term, while still allowing the GLPA to recover its costs in a more gradual manner over a longer term.

2. The seasonal adjustment is not a targeted charge

The proposed seasonal adjustment would increase specified charges by 30% in Cornwall and District No. 1 during a fixed period, regardless of whether a particular assignment actually generates additional costs through overtime, severe weather, longer transit times or delays. However, industry has no way of knowing whether an assigned pilot will be working regular hours or overtime, meaning that operationally similar vessels could pay the same premium even when one generates no incremental labour cost. We maintain that the GLPA has therefore not demonstrated that the proposed multiplier reasonably reflects the costs caused by individual winter assignments.

Although surcharges can be appropriate when introduced to recover a defined service or identifiable new operating cost not already included in the regular tariff, there should be a direct relationship between the charge, the service provided and the cost incurred. We submit that such a relationship has not been established here, since the proposed adjustment is principally intended to recover an unplanned deficit and rebuild reserves following a cost overrun, requiring current users in Cornwall and District No. 1 to fund a historical shortfall they may not have caused. Given that such a deficit should be addressed through the GLPA's normal governance, financial planning and audit processes rather than being transferred retroactively to a selected group of users, we strongly request that the 30% seasonal adjustment be removed from the GLPA's proposal.

In the event that the Authority decides to maintain the charge, we firmly insist that the tariff announcement include a clear and binding written commitment to review the charge every month against actual results. That review must consider all revenues, including both the additional revenue generated by the seasonal adjustment and the GLPA's general revenues, as well as actual expenses and the Authority's cumulative financial position.

Furthermore, as cash reserves approach break-even, we strongly urge the GLPA to progressively reduce the percentage of the seasonal adjustment, and terminate it immediately once break-even is achieved, with a view to ensuring that it does not remain in place to generate an additional surplus or continue rebuilding reserves beyond that point. These review, tapering and automatic-expiry requirements should also form part of the formal tariff announcement so that they are transparent, enforceable and not left to the GLPA's discretion.

3. Foreseeable labour and scheduling costs should not be automatically shifted to users

The GLPA attributes much of its projected cost overrun to overtime associated with winter traffic, longer transit times and a navigation season extending beyond the parameters reflected in its collective agreements. Data provided by the St. Lawrence Seaway Management Corporation indicates that, in the Montreal–Lake Ontario section (which corresponds to the two GLPA districts subject to the proposed seasonal adjustment), closing dates generally remained at December 31 or January 1 from 2016 through 2022, apart from an exceptional delay in 2017. The shift toward a later closing is therefore relatively recent, beginning with January 5 closing dates in 2024 and 2025 and becoming more pronounced with the January 12, 2026 closing.

The Federation recognizes that this recent extension may have increased operational demands and overtime costs. Nevertheless, it also highlights an apparent mismatch between the GLPA's collective agreements and the evolving operating reality of the navigation season. The GLPA has been aware of the later closing trend since at least 2023 and should have taken timely steps to assess and address its implications for pilot scheduling, annual hour structures and staffing arrangements. We maintain that users of a compulsory monopoly service should not automatically be required to absorb a recurring premium resulting from contractual and operational arrangements that have not been adapted to changing service requirements.

Furthermore, the Details and Principles document states that the GLPA has limited reserves and cannot effectively manage seasonal volatility. In the GLPA's June 15, 2026 presentation to Federation members, however, the Authority demonstrated that its cash balance has fluctuated considerably and trended downward since at least 2022. The GLPA has not adequately explained the causes of this decline, the corrective actions taken or why it was allowed to develop into an "urgent" need for an in-year tariff increase. Without this information, users cannot assess whether the proposed increases are fair or likely to provide a lasting solution, and the GLPA should not transfer the consequences of a longstanding financial decline to users through abrupt, unplanned increases in compulsory charges.

Given these points, the Federation requests that the GLPA disclose the relevant scheduling and overtime assumptions and demonstrate what measures it has taken—or intends to take—to align its collective agreements and staffing model with the current navigation season, limit overtime and evaluate less costly operational alternatives in order to restore and maintain robust and sustainable cash reserve levels. Without that information, the GLPA has not established that transferring these additional costs to users through a seasonal adjustment is fair and reasonable.

In line with this request, the Federation also asks that the GLPA provide further justification for the cost overrun incurred that is not directly attributable to pilot salaries and benefits (roughly $0.8 million) mentioned in point (1) of our response, to demonstrate why such additional operational and administrative expenses were necessary. This information should be incorporated into the GLPA's formal tariff announcement in order to provide further clarity regarding the GLPA's cost control and management practices.

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Concluding remarks

It is our strongly held view that the GLPA has not demonstrated the fairness or reasonableness of the proposed 4.6% base increase and 30% seasonal adjustment in accordance with paragraph 33.2(1)(d) of the *Pilotage Act*. We therefore firmly request that the GLPA implement the measures we have outlined in this letter, and that it share the relevant management measures it is taking to correct the disparity between current collective agreement provisions and evolving operating realities. Such measures would serve to minimize the cost impact to users while also safeguarding the reputation and competitiveness of the Great Lakes–St. Lawrence corridor as a cost-effective and reliable trade route.

Although the Federation recognizes the importance of safe and reliable pilotage services and of maintaining an appropriately resilient Authority, the pursuit of those objectives should not give the Authority free reign to transfer foreseeable management and labour costs to users without adequate evidence, cost control and a fair allocation methodology. On the record provided, the Federation maintains that the proposed charges have not been shown to conclusively meet the requirements of the *Pilotage Act*.

We thank the GLPA for this opportunity to submit these representations and remain available for further engagement on this matter.

Sincerely,

Christopher Hall
President and Chief Executive Officer
Shipping Federation of Canada