

Dear Mr. Bradley,

The Shipping Federation of Canada is submitting the following comments on behalf of the owners, operators and agents of ocean ships trading between Canadian and overseas ports – significant users of the Atlantic Pilotage Authority’s pilotage services. We appreciate the opportunity to comment on your ***Detailed and Principles Regarding Proposed Revised Service Charges*** published on September 29, 2020. In summary, we can respond to your proposal with the following recommendations aimed at mitigating lower Authority revenues as a result of the Covid – 19 pandemic:

- Reduce the “deficit surcharge” to 2% and look for opportunities to reduce administration and pilot service delivery costs.
- Request the Minister of Transport to delay the implementation of Transport Canada fees intended to cover administration costs of the new Pilotage Act.
- Review capital expenditure projects – in particular pilot boat newbuilds – with a view to abandon any non-essential projects or equipment purchases and/or postpone completion/delivery of same.

We refer you to our comments of September 25, 2020-in which we emphasized that the impacts of this pandemic should not only fall on the users of pilotage services. Considering the hardships under which maritime transportation is operating in a COVID-19 context, and the measures the international shipping industry has taken to improve their efficiency, reduce expenses and keep world trade moving, we once again ask that the APA seek opportunities to improve efficiency and reduce costs as alternatives to increasing tariffs to make up for a drop in revenue. While we acknowledge the APA has increased the time to collect the “deficit surcharge” by one year, we re-iterate our request to do more and reduce the charge altogether, not just spread it out over a longer time period.

The marine industry in Atlantic Canada has been particularly hard hit by this pandemic with the complete loss of the cruise industry and a considerable portion of the tanker traffic in Placentia Bay. Cruise sector stakeholders are pessimistic about a 2021 season and the fate of the Placentia Bay refinery remains uncertain with the pending cold-idle of the refinery for the winter. Are there opportunities to reduce costs with pilots who are not working in these areas? We are not suggesting permanently reducing pilot capacity, but perhaps some temporary financial relief can be found, due to the lack of work.

The second wave of this pandemic is well underway globally, and no one can predict what will be the long-term impacts on international trade. **The one thing that can and must be controlled are operational costs.** We understand that industry may need to pay more, however it should not be paying for it all and our members (your customers) look to the APA for some creativity in managing costs.

We have requested the Minister of Transport to delay implementation of the fees charged to the four Authorities by Transport Canada to cover administration costs of the Pilotage Act (see attached letter), for the years 2021 and 2022. We are asking all pilotage authorities, including the APA, to also write to the Minister in support of our request.

We appreciate your initiative to pause the long – term pilot boat renewal strategy, particularly the new pilot boats intended for Placentia Bay – and encourage the authority to make every effort to abandon any non-essential capital expenditures and delay any future projects until we have a better idea of the long term effects of the pandemic on the maritime industry.

Again, thank you for the opportunity to submit these comments on behalf of the ocean-going shipping industry.

Yours truly,



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Please note, that during the COVID-19 crisis our staff is working remotely and can be reached on our individual cell phones.