



NOTICE OF REVISED SERVICE CHARGES

January 30, 2024

GENERAL

Pursuant to section 33.3 of the *Pilotage Act*, S.C. 1985, c. P-14, the following document provides notice (the “**Notice**”) of the Pacific Pilotage Authority’s (the “**Authority**”) proposed revised charges which would come into effect on or around May 1, 2024.

This Notice includes a description of the proposal, including justification in relation to establishing or revising the pilotage charge, and the circumstances in which the charge will apply. In developing the charge, the Authority has observed all charging principles established under section 33.2 of the *Pilotage Act*.

Persons interested in making representations to the Authority regarding the proposal set out in this Notice may do so in writing to the address set out in section 5 of this Notice and must be received by the Authority no later than close of business on **February 29, 2024**.

Any person making written representations must include a summary of those representations. Note that this summary may be made public by the Authority. In addition, any person making written representations by the date set out in this Notice will have an opportunity to file a notice of objection related to the proposal with the Canadian Transportation Agency.

This Notice affects charges for services that the Authority provides or makes available in relation to compulsory pilotage under s. 33(1) of the *Pilotage Act*.

Except for the revisions proposed in this Notice, all the existing charges and related terms and conditions, set out in the “*Customer Guide to Charges*” remain in effect.

This Notice consists of the following sections:

- 1) Proposed Revision to Service Charge Rates
 - 1.1 Background
 - 1.2 Proposed introduction of charge for pilot transportation by helicopter
- 2) Proposed Implementation of the Proposed Revised Service Charges
- 3) Re-establishment of Current Service Charges
- 4) Definitions and Calculations; and
- 5) Information regarding the Notice and on making representations to the Pacific Pilotage Authority.

1. PROPOSED REVISION TO PILOTAGE CHARGE RATES

1.1 Background

When establishing a new charge for pilotage services or when revising an existing pilotage charge, the Authority must follow the charging principles set out in section 33.2 of the *Pilotage Act*. These principles prescribe that, among other requirements, charges must not be set at levels that, based on reasonable and prudent projections, would generate revenues exceeding the Authority's current and future financial obligations related to the provision of compulsory pilotage services. Pursuant to the charging principles, the Authority's Board of Directors approves the amount and timing of changes to customer service charges. The Board of Directors also approves the Authority's annual budget which includes the amounts to be recovered through customer service charges for the year.

As noted, the Authority plans its operations to result in a financial position in which revenues do not exceed current and future financial obligations related to the provision of compulsory pilotage services.

Shipping volumes on the west coast of Canada are expected to grow over the next five years with major energy projects planned, including the Trans Mountain (TM) pipeline expansion project with a shipping terminal in Burnaby, BC. The Trans Mountain Expansion Project Technical Review Process of Marine Terminal Systems and Transshipment Sites (TERMPOL) supports extending the pilot disembarkation zone and tethered tug escort requirements for project tankers to an area in the vicinity of Race Rocks, weather permitting and subject to mitigation measures identified by the Authority. The Authority intends to have two pilots retain the conduct of each vessel and tethered tugs until the vessel is past and clear of the rotary (located in the southern end of Juan de Fuca Strait off Sooke). As the duration of the pilot assignment will be longer than eight hours, the Authority intends to implement a pilot exchange off East Point on Saturna Island and disembarking the pilots in the vicinity of Sooke, as opposed to the present pilot station off Victoria, BC. This should alleviate safety concerns of residents regarding the increased number of tankers near shore. The Authority has decided to use a helicopter for this purpose, instead on relying on the pilot launch, largely to maintain the efficiency of the pilot workforce. Worldwide, the practice of changing pilots on tankers offshore, away from communities, using helicopter support (weather permitting) is common and accepted as both safe and efficient.

1.2 Proposed new charge for pilot transportation by helicopter (Southern)

The cost to provide transportation by helicopter includes a fixed standby fee, regardless of usage, plus variable operating costs for labour and fuel (based on flight hours), training, equipment, and a share of administrative costs. To determine the proposed helicopter charge per assignment in southern BC, we have estimated the usage in 2024 based on an initial estimate of the number of tankers expected to depart from the Trans Mountain terminal in Burnaby, BC. provided by Trans Mountain.

The Authority proposes to charge a flat fee of \$28,000 per outbound tanker for all pilot transportation services, which includes the pilot exchange off East Point and from the disembarkation point off Sooke, BC, by helicopter to and from the vessel. This charge will also apply for provision of a pilot launch, if used as an alternate or backup service due to weather or any other

reason. The fee will be reviewed regularly and may be adjusted by the Authority in the future based on experience with helicopter transportation and actual usage and costs.

The effect of this change to pilotage charges, proposed to be effective on or around May 1, 2024, is outlined in the following table:

Category	Rate increase / (decrease)	New / Adjustment	Application methodology	Estimated effect on customers for 2024
Helicopter	n/a	New	Per assignment	\$3.2 million

2. PROPOSED IMPLEMENTATION OF THE PROPOSED REVISED SERVICE CHARGES

All charges would be effective on or around May 1, 2024.

3. RE-ESTABLISHMENT OF CURRENT SERVICE CHARGES

Except for the revisions proposed in this Notice, all the existing charges and related terms and calculations continue in effect, as set out in the Authority's current *Customer Guide to Charges* (available on the Authority's website at <https://www.ppa.gc.ca/>)

4. DEFINITIONS AND CALCULATIONS

The definitions and calculations can be found in the Authority's Customer Guide to Charges, which is available on the Authority's website at <https://www.ppa.gc.ca/>.

5. INFORMATION REGARDING THE NOTICE AND ON MAKING REPRESENTATIONS TO THE PACIFIC PILOTAGE AUTHORITY

The Notice is available online and a copy may be downloaded from the Authority's website at <https://www.ppa.gc.ca/>. Information on the existing charges is also provided on the Authority's website.

Additional copies of the Notice or a copy of the Details and Principles document can be obtained through request at the following address:

In writing: Chief Executive Officer
Pacific Pilotage Authority
1000-1130 West Pender Street
Vancouver, BC
V6E 4A4

By email: smackenzie@ppa.gc.ca
By telephone (604) 666-6988

Pursuant to section 33.3 of the *Pilotage Act*, any person may make representations about the proposal to the Authority, in writing, on or before the date set out in this Notice. Any person making written representations is to include a summary of those representations. The summary may be made public by the Authority. In addition, any person making written representations by the date set out in this Notice will have an opportunity to file a notice of objection related to the proposal with the Canadian Transportation Agency.

Pursuant to section 33.3 of the *Pilotage Act*, persons interested in making representations in writing to the Authority regarding the Notice may do so in writing to the following address:

*PACIFIC PILOTAGE AUTHORITY
1000-1130 West Pender Street
Vancouver, BC
V6E 4A4
Attention: Chief Financial Officer*

By facsimile: (604) 666-1647

Note: Representations must be received by the Authority not later than the close of business on February 29, 2024.