



January 12, 2018

Mr. Marc Grégoire
Chair,
Pilotage Act Review

Ref: Pilotage Act Review – Irving Oil Limited Submission

Dear Mr. Grégoire,

Further to the points presented in the November 16, 2017 meeting in Halifax, Nova Scotia (N.S.), please accept this letter as the position of Irving Oil Limited regarding the Pilotage Act Review.

Irving Oil Limited's annual pilotage fees paid represent a significant portion of the total fees paid by industry as a whole. Through our preferred agents in Saint John, New Brunswick (N.B.) alone, almost \$3.3 million was paid from November 1, 2016 to November 1, 2017. This does not represent additional pilotage fees paid through other agencies or other ports such as Halifax, St. John's and elsewhere.

Irving Oil Limited is very satisfied with:

- Management of Pilotage in Atlantic Canada administered through the Atlantic Pilotage Authority
- Service levels provided, particularly in Saint John, N.B.
- Communication provided by the Atlantic Pilotage Authority with regard to their on-going operations, budgeting, staffing, and future planning.
- Pilotage costs – particularly in Saint Joh N.B. – where we find them to be fair and reasonable.
- Continuous opportunities presented to us for participation in Atlantic Pilotage Association reviews and planning meetings.

Irving Oil Limited is concerned with, and would not support, the following items as discussed during the November 16, 2017 meeting in Halifax, N.S.:

- Amalgamation of Pilotage districts within Canada, or even amalgamation of the existing eastern districts. The Atlantic Area is well administered, meets the requirements of the region, and the challenges faced in Atlantic Canada vary than those faced in other regions (and vise a versa).
- Changes to the board structure suggested, which include amalgamation of the current four pilotage boards into one board.
- Any changes to the fee structure that would permit cross subsidizing smaller ports from larger ports.



Irving Oil Limited recommends:

- The current board's structure be reviewed, with the intent to be better represented by expanded user involvement. Specifically done so within the existing Atlantic regional structure.
- The Pilotage Board's role is not visibly defined for scrutiny by users, thus would benefit from greater clarity and accountability to users.
- Industry to have greater involvement in the regional boards rather than the current single seat assigned today. Board composition should reflect the users, similar to structure of existing government recommended boards and committees, such as consultative boards.

I look forward to the next meeting on March 20, 2018 in Halifax, and welcome any and all opportunities Irving Oil may have to participate in the direction of this review process.

Sincerely,

A handwritten signature in blue ink that reads "Donovan W. Case". The signature is fluid and cursive.

Donovan W. Case
Senior Operations Representative – Irving Oil Limited