

**MEMORANDUM OF ARRANGEMENTS BETWEEN THE MINISTER OF TRANSPORT
OF CANADA AND THE SECRETARY OF TRANSPORTATION OF THE UNITED
STATES OF AMERICA**

The Minister of Transport of Canada and the Secretary of Transportation of the United States entered into a Memorandum of Arrangements effective August 1, 1969, concerning Great Lakes Pilotage superseding the Memorandum of June 29, 1966 between the Minister of Transport of Canada and the Secretary of Commerce of the United States on the same subject.

In the preamble to the Memorandum of August 1, 1969, the Minister and the Secretary contemplated that the rates contained therein would be effective only for the remainder of the 1969 shipping season. The Minister and the Secretary agreed that the present rate structure should be replaced with a new structure that more effectively measures pilot workload. The Minister and the Secretary further agreed that the new rate structure should be developed and made effective prior to the 1970 shipping season.

As a result of a detailed review of the Great Lakes Pilotage system conducted by representatives of the Minister and the Secretary, a more representative rate structure has been developed for the Great Lakes Pilotage system and certain additional changes in the Memorandum are required.

The Minister and the Secretary have agreed to adopt a new rate structure which incorporates a computation of pilotage units and the use of a weighting factor for each ship requiring pilotage service. Certain additional definitions would be added to Section 1 and a new Section 6 adopted covering the method of calculating pilotage units and determining the appropriate weighting factor.

The Minister and Secretary have also agreed that certain clarifying language changes should be made in Sections 9 and 10 concerning detention and delays.

Additionally, the Minister and the Secretary have agreed that provision should be made for the assignment of two pilots to a ship requiring pilotage service in certain unusual circumstances.

The Minister and the Secretary have also concluded that certain rate changes should be adopted at this time. The rates recommended herein when utilized with the weighting factor for each ship are designed to assure adequate pilot compensation while keeping the costs to the shipowner as low as practicable.

The Minister and the Secretary have agreed that a continuing review of the Great Lakes Pilotage system be maintained to assure that proper recognition be given to the impact of changing shipping patterns on pilot numbers, pilot boat requirements, pilot travel expenses, and system revenues and administrative costs.

In view of the foregoing, the Minister of Transport and the Secretary of Transportation recommend to their respective Governments that the Memorandum of Arrangements of August 1, 1969 be superseded by a new Memorandum of Arrangements reading as follows: