

on which country provided the service. The party providing the service shall be reimbursed from pilotage revenue in the following manner:

(1) *District 1*

Prior to the 1st of April of each year, the Authority and the St. Lawrence Seaway Pilots Association shall enter into an agreement to compensate each other for pilotage related services. The charge for these services will be those costs mutually agreed to for the current year. A monthly amount will then be arrived at by dividing the total cost by $8\frac{1}{2}$ to arrive at a seasonal monthly amount. This amount will be shared on the basis of dispatches between the Authority and the St. Lawrence Seaway Pilots Association each month.

Pilot boat costs shall be developed in a similar manner and will be shared on the basis of pilot boat trips used by Canadian and United States pilots each month. Payments for these services will be made in the currency of the party providing the services. Each party providing the service shall do its own billing and collecting.

(2) *District 2*

Prior to the 1st of April of each year, the Authority and Lakes Pilots Association, Inc. shall enter into an agreement to compensate each other for pilotage related services. The amount to be charged for these services will be based on costs and traffic anticipated for the current year. A charge for each dispatch and a charge for each pilot boat trip will then be negotiated between the parties on this basis. Payment for these services will be made in the currency of the party providing the service. Each party providing the service shall do its own billing and collecting.

(3) *District 3*

Upper Great Lakes Pilots, Inc. will provide all services related to furnishing pilotage in the District. They will reimburse the Authority monthly for its share of collections made during the preceding month. Upper Great Lakes Pilots, Inc. may withhold from each payment a fixed percentage, agreed to before April 1 of each year, to cover the costs of providing the services.

- c. The accounts of each District and the Authority shall be subject to audit by each country's own auditors. Copies of the audit shall be exchanged between the Authority and the Director, with each country reserving the right to ask the other for additional information or a more detailed report.

*Calculation of Pilotage Units & Determination of
Weighting Factor*

6. For the purpose of calculating charges for pilotage services, the pilotage unit number and appropriate weighting factor for each ship shall be computed by utilizing the following formula and table: