

ST. LAWRENCE SEAWAY SCHEDULE OF TOLLS 2018

INTERPRETATION

1. The definitions in this section apply in this Schedule.

“**bulk cargo**” means cargo consisting of goods, loose or in mass, that generally must be shovelled, pumped, blown or scooped in the handling and includes:

- (a) cement, loose or in sacks;
- (b) coke and petroleum coke, loose or in sacks;
- (c) domestic cargo;
- (d) liquids carried in ships' tanks;
- (e) ores and minerals (crude, screened, sized or concentrated, but not otherwise processed), loose or in sacks, including alumina, bauxite, gravel, phosphate rock, sand, stone and sulphur;
- (f) pig iron and scrap metals;
- (g) lumber, pulpwood, poles and logs, loose or bundled;
- (h) raw sugar and flour, loose or in sacks;
- (i) woodpulp, loose or in bales; and
- (j) material for recycling, scrap material, refuse and waste. (*cargaison en vrac*)

“**cargo**” means all goods aboard a ship whether carried as revenue or non-revenue freight or carried for the ship owner, but does not include

- (a) empty containers or the tare weight of loaded containers;
- (b) ships' fuel, ballast or stores;
- (c) personal effects of crew or passengers; or
- (d) in-transit cargo that is carried both upbound and downbound in the course of the same voyage. (*cargaison*)

“**carrier**” means any company, or its representative, engaged in physically moving a cargo between an origin and a destination. (*transporteur*)

“**commodity**” means cargo that has been defined as a commodity in the Manager's then current publicly announced commodity codes. (*produit*)

“**closing date**” means in respect of a year, the first date in such year after the opening date on which both the Montreal-Lake Ontario portion and the Welland Canal portion of the Seaway are closed for vessel traffic. (*date de fermeture*)

“**containerized cargo**” means cargo shipping in a container. Containers are used to transport freight in multiple modes: ship rail and truck. There are many configurations:

dry, insulated or thermal, refrigerated or reefer, flat racks and platforms, open top and tank. Usual dimensions: width 8 feet, height 8 foot 6 inches or 9 foot 6 inches, lengths 20 foot or 40 foot. Less common lengths include, for example, 24, 28, 44, 45, 46, 48, 53, and 56 feet. (*cargaison conteneurisée*)

“Corporation” means the Saint Lawrence Seaway Development Corporation. (*Corporation*)

“domestic cargo” means cargo the shipment of which originates at one Canadian point and terminates at another Canadian point, or originates at one United States point and terminates at another United States point, or originates at one Canadian or American point in the *Great Lakes/St. Lawrence Seaway System* and terminates at another Canadian or American point in the *Great Lakes/St. Lawrence Seaway System*, but does not include import or export cargo designated at the point of origin for transshipment by water at a point in Canada or in the United States. (*cargaison domestique*)

“duration” means the number of years negotiated between the *Manager* and a *shipper* for the application of a *toll reduction* approved under the *Gateway Incentive*. (*durée*)

“Gateway Incentive” means a percentage reduction, as part of an incentive program, negotiated and offered on applicable cargo tolls for shipments of a specific commodity diverted to the Seaway from a competing gateway. (*Incitatif de Portail*)

“general cargo” means goods other than bulk cargo, grain, government aid cargo, steel slabs and coal. (*cargaison générale*)

“government aid cargo” means

- (a) processed food products that are donated by, or the purchase of which has been financed on concessional terms by, the federal government of the United States or Canada for the purposes of nutrition, economic development, emergency or disaster relief programs; and
- (b) food cargo that is
 - (i) owned or financed by a non-profit organization or cooperative,
 - (ii) intended for use in humanitarian or development assistance overseas, and
 - (iii) stamped or otherwise shown to have been declared as such to the customs service of the United States or Canada. (*cargaison d’aide gouvernementale*)

“grain” means barley, corn, oats, flaxseed, rapeseed, soybeans, field crop seeds, buckwheat, dried beans, dried peas, rye, wheat, grain screenings or meal from those grains. (*céréale*)

“Great Lakes/St. Lawrence Seaway System” means all ports in the Great Lakes and the St. Lawrence River. (*Système Grands Lacs/Voie maritime du Saint-Laurent*)

“incremental volume” means the portion of tonnage shipped through the Seaway by a specific shipper/receiver in a given season, above the pre-approved maximum

tonnage realized by that specific shipper/receiver over the previous five (5) navigation seasons. (*volume additionnel*)

“**liner service**” means one or more ships operated by a single operator on a fixed route between designated ports, providing regularly scheduled service for consignments of multiple commodities. (*service de lignes régulières*)

“**Manager**” means The St. Lawrence Seaway Management Corporation. (*Gestionnaire*)

“**maximum volume**” means the highest total annual tonnage of a specific commodity that a shipper/receiver has shipped through the Seaway over the previous 5 years (*volume maximum*)

“**metric tonne**” means 1 000 kg (2,204.62 pounds). (*tonne métrique*)

“**navigation season**” means the period commencing on an opening date and ending on the next closing date. (*saison de navigation*)

“**New Business**” means:

- (a) containerized cargo moved by ship in the Seaway at any time in a navigation season;
- (b) a commodity/origin/destination combination in which the commodity moved by ship in the Seaway at any time in a navigation season:
 - (i) originating at a point inside Canada or the United States of America or at a country outside Canada or the United States of America, provided that such commodity has not originated from such point or country, as the case may be, at any time in any of the five consecutive navigation seasons immediately preceding the then current navigation season;
 - (ii) destined to a point inside Canada or the United States of America or a country outside Canada or the United States of America, provided that such commodity has not been destined to such point or country, as the case may be, at any time in any of the five consecutive navigation seasons immediately preceding the then current navigation season;
 - (iii) originating at a point inside Canada or the United States of America or a country outside Canada or the United States of America and destined to a point inside Canada or the United States of America or a country outside Canada or the United States of America, provided that such *commodity* was previously moved, in lieu of movement by ship, by any mode of transportation other than by ship at all times in the five consecutive navigation seasons immediately preceding the then current navigation season; or
 - (iv) that has not moved through either section of the Seaway in any of the five consecutive navigation seasons immediately preceding the then current navigation season, in a volume exceeding 10,000 metric tons. (*nouvelles affaires*)

“**opening date**” means, in respect of any year, the earliest date in such year on which either the Montreal-Lake Ontario portion or the Welland Canal portion of the Seaway is opened for vessel traffic, provided however that if such date is prior to April 1 the opening date in such year shall be deemed to be the 1st day of April in such year. (*date d’ouverture*)

“**passenger**” means a person being transported through the Seaway who has paid a fare for passage. (*passager*)

“**pleasure craft**” means a ship, however propelled, that is used exclusively for pleasure and does not carry passengers. (*embarcation de plaisance*)

“**Seaway**” has the meaning ascribed to it under the *Canada Marine Act*. (*Voie maritime*)

“**section of the Seaway**” means either the Montreal-Lake Ontario portion of the Seaway or the Welland Canal portion of the Seaway. (*section de la Voie maritime*)

“**semi-liner service**” means a reduced or limited *liner service*, offering fewer regularly scheduled voyages and/or fewer designated ports of calls. (*service de lignes semi-régulières*)

“**Service Incentive**” means a percentage reduction, as part of an incentive program, offered on applicable cargo tolls in respect of New Business shipments made by way of any newly established regular service out of the Great Lakes. (*Incitatif de service*)

“**ship**” means every type of craft used as a means of transportation on water, except a ship owned or employed by the Manager or the Corporation. (*navire*)

“**shipper/receiver**” means any company who owns or buys the cargo that is being shipped through the Seaway. (*expéditeur/destinataire*)

“**toll reduction**” means the negotiated percentage of refund on applicable cargo tolls under the *Gateway Incentive* program. (*réduction de péage*)

“**volume commitment**” means the negotiated annual cargo tonnage, with a minimum of 250,000 metric tonnes per year, a *shipper* must reach for the negotiated *toll reduction* under the *Gateway Incentive* to become applicable. (*volume engagé*)

“**Volume Rebate**” means a percentage reduction, as part of an initiative program, offered on applicable cargo tolls for shipments of a specific commodity above and beyond a pre-approved historical maximum volume. (*rabais de volume*)

TOLLS

2. (1) Every *ship* entering, passing through or leaving the Seaway shall pay a toll that is the sum of each applicable charge in Appendix 1. Each charge is calculated based on the description set out in column 1 of Appendix 1 and the rate set out in column 2 or 3.

- (2) The toll is assessed against the *ship*, its *cargo* and its *passengers* for a complete or partial transit of the *Seaway* and covers a single trip in one direction.
- (3) The toll is due from the representative of the *ship* within 45 days after the day on which the *ship* enters the first lock of a transit of the *Seaway*.
- (4) Except as set out in subsection (5), the *Volume Rebate* incentive cannot be combined (i.e. applied to the same cargo movement) with either of the *New Business Incentive* or the *Service Incentive* programs.
- (5) Except for cargoes that qualify for the *New Business Incentive*, any cargo being shipped by a *liner* or *semi-liner service* approved under the *Service Incentive Program* shall be eligible for the *Volume Rebate Incentive*.

NEW BUSINESS INCENTIVE PROGRAM

3. (1) To be eligible for the rebate applicable under the *New Business Incentive Program*, a *carrier* must submit an application to the *Manager* for the proposed *commodity/origin/destination* combination to be approved and accepted under the rules of the *New Business Incentive Program* promulgated and administered from time to time by the *Manager*.
- (2) *Containerized cargo*, whatever the origin or destination, moved by ship in the *Seaway* at any time in the current *navigation season* qualifies as *New Business*.
- (3) A *commodity/origin/destination* combination that qualifies as *New Business* on or before the 30th day of September in any *navigation season* continues to qualify as *New Business* in the two consecutive navigation seasons immediately following the then current *navigation season*; and
- (4) A *commodity/origin/destination* combination that qualifies as *New Business* after the 30th day of September in any *navigation season* continues to qualify as *New Business* in the three consecutive navigation seasons immediately following the then current *navigation season*.

VOLUME REBATE INCENTIVE PROGRAM

4. (1) To be eligible for the *Volume Rebate Incentive Program*:
 - (a) a *shipper/receiver* in the *Great Lakes/St. Lawrence Seaway System* must submit to the *Manager* for approval, before June 30th of every season, the *commodity*, as defined under the *Manager's* commodity classification, for which a *Volume Rebate* is sought, the origin or destination of the *commodity*, and a proof of the *maximum volume* of the *commodity* the *shipper/receiver* has shipped over the last 5 years from that origin or to that destination.
 - (b) The *shipper/receiver* must already move the *commodity*, as defined under the *Manager's* commodity classification, through the *Seaway* at a minimum of 100,000 tonnes per season for the past five navigation seasons.

- (2) Once approved by the *Manager*, the *maximum volume* will become the basis on which to calculate the *incremental volume*.
- (3) The *Volume Rebate Incentive Program* is not accessible at the end of the navigation season without a pre-approved *maximum volume* within the set deadline.
- (4) The same cargo volume can only be used by one shipper/receiver.
- (5) For the *Volume Rebate* to be applicable, the total volume of the commodity shipped through the *Seaway* must also increase during the *navigation season*.

SERVICE INCENTIVE PROGRAM

5. (1) To be eligible for the *Service Incentive Program*, cargoes must qualify as New Business under the *New Business Incentive Program*, and be shipped by a service meeting all of the following requirements (“Qualifying Service”):
 - (a) a *liner or semi-liner service* between the same ports;
 - (b) the service must call on multiple origin ports, or multiple destination ports;
 - (c) the service must not be limited to the movement of one specific commodity;
 - (d) the service must service markets outside of the Great Lakes; and
 - (e) the service must not replace or displace any of the carrier’s existing services. The *Manager* reserves the right to require proof of the ultimate origin and destination of cargoes in order to ensure there is no diversion of existing cargoes.
- (2) The *Service Incentive* applies only to New Business applications approved after the commencement date of the Qualifying Service. *New Business* applications approved prior to the date of commencement of the Qualifying Service will be ineligible for the *Service Incentive Program*.
- (3) The *Service Incentive* applies only to cargoes exported from the Great Lakes, and is not applicable to import cargoes.
- (4) The *carrier* will provide the *Manager* with written notice of its intention to apply for the Service Incentive at least thirty (30) days prior to implementation of the Qualifying Service.
- (5) The *carrier* will advise the *Manager* of the proposed interval (weekly, monthly, etc.) of the Qualifying Service, and the number of calls scheduled for the Navigation Season. Additional calls to the system may be added during the season.
- (6) The *carrier* will advise the *Manager* of port rotation, outlining core ports of calls when providing notification of schedule rotation. Additional ports may be added at any time provided the core schedule ports are called.
- (7) The *carrier* will advertise the Qualifying Service on its own website, available port websites, and with *Manager’s Assistance* on the HWY H2O website.

- (8) The *carrier* must meet 75% schedule adherence with a minimum of four (4) Great Lakes calls during the *navigation season*.
- (9) The *carrier* will provide the *Manager* with a request for the *Service Incentive* refund, together with copies of any documents required to support the request, within sixty (60) days of the close of the *navigation season*. Requests for refunds should be submitted to the Manager, Revenue and Forecast for the *Manager*, who will be responsible for reviewing and approving *Service Incentive* requests.
- (10) *Service Incentive* of 20% of tolls paid in respect of cargo shipped by Qualifying Service will be refunded by the *Manager* after the close of the *navigation season*, once the *Manager* has confirmed that the carrier has met the schedule adherence requirement.

GATEWAY INCENTIVE

6. (1) To be eligible for the *Gateway Incentive*, cargoes must presently be moving between a specific origin and destination via other competing gateways.
- (2) To be eligible for the refund applicable under the *Gateway Incentive* program, a *shipper*, or its representative, must:
 - (a) submit an application to the *Manager* for the proposed movement (cargo/origin/destination) to be approved under the rules of the *Gateway Incentive* program;
 - (b) supply to the *Manager* the information proving that the proposed movement is currently done via a competing gateway;
 - (c) negotiate with the *Manager* the terms of the proposal, that is an applicable *toll reduction*, a *volume commitment*, and the *duration* of the proposal.
- (3) The *shipper*, or its representative, will qualify annually for the negotiated *toll reduction* upon completion of the annual *volume commitment* during the agreed upon *duration* period.
- (4) The *Gateway Incentive* applies only to movements of qualified cargoes done after the commencement date of the qualified *Gateway Incentive*. Movements done prior to the date of commencement of the *Gateway Incentive* will be ineligible for the rebate.
- (5) The *shipper*, or its representative, will provide the *Manager* with a request for the *Gateway Incentive* refund, together with copies of any documents required to support the request, within sixty (60) days of the close of the navigation season. Requests for refunds should be submitted to the Manager, Revenue and Forecast, who will be responsible for reviewing all documents and data and recommending the refund under the *Gateway Incentive*.
- (6) The negotiated *Gateway Incentive* percentage of *tolls reduction* paid in respect of qualifying cargo shipped will be refunded by the *Manager* after the close of the *navigation season*, once the *Manager* has confirmed through the review of submitted

support documents that the *shipper* has met the *volume commitment*. SLSMC reserves the right to require the ultimate origin and destination of cargoes to validate the commitment.

DESCRIPTION AND WEIGHT OF CARGO

7. For the purposes of calculating applicable tolls,
 - (a) a cord of pulpwood is taken to weigh 1 450 kg (3,196.70 pounds); and
 - (b) the cargo tonnage shall be rounded to the nearest 1 000 kg (2,204.62 pounds).

POST-CLEARANCE DATE OPERATIONAL SURCHARGES

8. (1) Subject to subsection (2), a *ship* that reports for its final transit of the *Seaway* from a place set out in column 1 of Appendix 2 within the period after the clearance date established by the *Manager* and the *Corporation* set out in column 2 shall pay operational surcharges in the amount set out in column 3, prorated on a per-lock basis.
 - (2) If surcharges are postponed for operational or climatic reasons, a *ship* that reports for its final transit of the *Seaway* from a place set out in column 1 of Appendix 3 within the period after the clearance date established by the *Manager* and the *Corporation* set out in column 2 shall pay operational surcharges in the amount set out in column 3, prorated on a per-lock basis.
9. A *ship* that is authorized to transit the *Seaway* after the period of 96 hours after the clearance date established by the *Manager* and the *Corporation* shall pay, in addition to the operational surcharge, an amount equal to the incremental expenses incurred by the *Manager* to keep the *Seaway* open for the transit of the *ship*.

COMING INTO FORCE

10. This Schedule and the fees set forth herein come into force from the date on which this Schedule is filed with the Canadian Transportation Agency.

APPENDIX 1

(Section 2)

TOLLS

| Column 1 | Column 2 | Column 3 |
|---|--|--|
| Item Description of Charges | Rate (Cdn \$) Montreal to or from Lake Ontario (5 locks) | Rate (Cdn \$) Welland Canal – Lake Ontario to or from Lake Erie (8 locks) |
| 1. Subject to item 3, for complete transit of the <i>Seaway</i> , a composite toll, comprising: | | |
| (1) a charge per gross registered ton of the <i>ship</i> , applicable whether the <i>ship</i> is wholly or partially laden, or is in ballast, and the gross registered tonnage being calculated according to prescribed rules for measurement under the International Convention on Tonnage Measurement of Ships, 1969, as amended from time to time ⁽¹⁾ | 0.1093 | 0.1749 |
| ⁽¹⁾ or under the US GRT for ships prescribed prior to 2002. | | |
| (2) a charge per <i>metric tonne</i> of <i>cargo</i> as certified on the <i>ship's</i> manifest or other document, as follows: | | |
| (a) <i>bulk cargo</i> | 1.1329 | 0.7733 |
| (b) <i>general cargo</i> | 2.7298 | 1.2376 |
| (c) <i>steel slab</i> | 2.4706 | 0.8860 |
| (d) <i>containerized cargo</i> | 1.1329 | 0.7733 |
| (e) <i>government aid cargo</i> | n/a | n/a |
| (f) <i>grain</i> | 0.6960 | 0.7733 |
| (g) <i>coal</i> | 0.6960 | 0.7733 |
| (3) a charge per passenger per lock | 1.6974 | 1.6974 |
| (4) a lockage charge per Gross Registered Ton of the <i>ship</i> , as defined in item 1(1), applicable whether the ship is wholly or partially laden, or is in ballast, for transit of the Welland Canal in either direction by <i>cargo ships</i> , | n/a | 0.2913 |
| up to a maximum charge per <i>ship</i> | n/a | 4,074 |

| Item | Column 1 Description of Charges | Column 2 Rate (Cdn \$) Montreal to or from Lake Ontario (5 locks) | Column 3 Rate (Cdn \$) Welland Canal – Lake Ontario to or from Lake Erie (8 locks) |
|------|--|---|---|
| 2. | Subject to item 3, for partial transit of the <i>Seaway</i> | 20 per cent per lock of the applicable charge under items 1(1), 1(2) and 1(4) plus the applicable charge under items 1(3) | 13 per cent per lock of the applicable charge under items 1(1), 1(2) and 1(4) plus the applicable charge under items 1(3) |
| 3. | Minimum charge per <i>ship</i> per lock transited for full or partial transit of the <i>Seaway</i> | 28.29 ⁽²⁾ | 28.29 ⁽²⁾ |
| | ⁽²⁾ <i>The applicable charge under item 3 at the Saint Lawrence Seaway Development Corporation's locks (Eisenhower, Snell) will be collected in U.S. dollars. The collection of the U.S. portion of tolls for commercial vessels is waived by law (33 U.S.C. 988a(a)). The other charges are in Canadian dollars and are for the Canadian share of tolls.</i> | | |
| 4. | A charge per <i>pleasure craft</i> per lock transited for full or partial transit of the <i>Seaway</i> , including applicable federal taxes ⁽⁴⁾ | 30.00 ⁽³⁾ | 30.00 ⁽³⁾ |
| | ⁽³⁾ <i>The applicable charge at the Saint Lawrence Seaway Development Corporation's locks (Eisenhower, Snell) for pleasure craft is \$30 U.S. or \$30 Canadian per lock.</i> | | |
| | ⁽⁴⁾ <i>\$5.00 discount per lock applicable on ticket purchased via paypal.</i> | | |
| 5. | Under the <i>New Business Initiative Program</i> , for <i>cargo</i> accepted as <i>New Business</i> , a percentage rebate on the applicable <i>cargo</i> charge for the approved period | 20% | 20% |
| 6. | Under the <i>Volume Rebate Incentive Program</i> , a retroactive percentage refund on <i>cargo</i> charge on the <i>incremental volume</i> calculated based on the pre-approved <i>maximum volume</i> | 10% | 10% |

| Item | Column 1 Description of Charges | Column 2 Rate (Cdn \$) Montreal to or from Lake Ontario (5 locks) | Column 3 Rate (Cdn \$) Welland Canal – Lake Ontario to or from Lake Erie (8 locks) |
|------|--|--|--|
| 7. | Under the <i>New Service</i> Incentive Program, for <i>New Business</i> cargo moving under an approved new service, an additional percentage refund on applicable cargo tolls above the <i>New Business</i> rebate | 20% | 20% |

APPENDIX 2
(Subsection 4(1))

OPERATIONAL SURCHARGES – NO POSTPONEMENTS

| Item | Column 1 Place in Montreal-Lake Ontario Section | Column 2 Period after Clearance Date | Column 3 Amount (\$) (5 locks) ⁽⁴⁾ |
|------|--|--|--|
| 1. | Cape Vincent (downbound) or Cap Saint-Michel (upbound) | (a) 24 hours | 20,000 |
| | | (b) 24 hours or more but less than 48 hours | 40,000 |
| | | (c) 48 hours or more but less than 72 hours | 60,000 |
| | | (d) 72 hours or more but less than 96 hours | 80,000 |
| 2. | Port, dock or wharf within St. Lambert - Iroquois lock segment | (a) 24 hours | n/a |
| | | (b) 24 hours or more but less than 48 hours | 20,000 |
| | | (c) 48 hours or more but less than 72 hours | 40,000 |
| | | (d) 72 hours or more but less than 96 hours | 60,000 |

⁽⁴⁾ Prorated on a per-lock basis

APPENDIX 3
(Subsection 4(2))

OPERATIONAL SURCHARGES AFTER POSTPONEMENTS

| Item | Column 1 Place in Montreal-Lake Ontario Section | Column 2 Period after Clearance Date | Column 3 Amount (\$) (5 locks) ⁽⁵⁾ |
|------|---|--|--|
| 1. | Cape Vincent (downbound) or Cap Saint-Michel (upbound) | | |
| | (1) if the postponement is for 24 hours | (a) 24 hours or more but less than 36 hours | 20,000 |
| | | (b) 36 hours or more but less than 48 hours | 40,000 |
| | | (c) 48 hours or more but less than 72 hours | 60,000 |
| | | (d) 72 hours or more but less than 96 hours | 80,000 |
| | (2) if the postponement is for 48 hours | (a) 48 hours or more but less than 56 hours | 20,000 |
| | | (b) 56 hours or more but less than 64 hours | 40,000 |
| | | (c) 64 hours or more but less than 72 hours | 60,000 |
| | | (d) 72 hours or more but less than 96 hours | 80,000 |
| | (3) if the postponement is for 72 hours | (a) 72 hours or more but less than 78 hours | 20,000 |
| | | (b) 78 hours or more but less than 84 hours | 40,000 |
| | | (c) 84 hours or more but less than 90 hours | 60,000 |
| | | (d) 90 hours or more but less than 96 hours | 80,000 |

| | Column 1 | Column 2 | Column 3 |
|------|--|---|--------------------------------------|
| Item | Place in Montreal-Lake Ontario Section | Period after Clearance Date | Amount (\$) (5 locks) ⁽⁵⁾ |
| 2. | Port, dock or wharf within St. Lambert - Iroquois lock segment | | |
| | (1) if the postponement is for 24 hours | (a) 24 hours or more but less than 48 hours | n/a |
| | | (b) 48 hours or more but less than 60 hours | 20,000 |
| | | (c) 60 hours or more but less than 72 hours | 40,000 |
| | | (d) 72 hours or more but less than 96 hours | 60,000 |
| | (2) if the postponement is for 48 hours | (a) 48 hours or more but less than 72 hours | n/a |
| | | (b) 72 hours or more but less than 80 hours | 20,000 |
| | | (c) 80 hours or more but less than 88 hours | 40,000 |
| | | (d) 88 hours or more but less than 96 hours | 60,000 |
| | (3) if the postponement is for 72 hours or more | | n/a |

⁽⁵⁾ Prorated on a per-lock basis