HALIFAX EMPLOYERS ASSOCIATION
SERVING THE PORT OF HALIFAX SINCE 1996

November 27, 2024

ASSESSMENT LETTER NO. 048

TO: All Members of the Halifax Employers Association and Tonnage Accounts

SUBJECT: Port of Halifax Tonnage Assessments & Guarantees Effective Wednesday, January 1, 2025

This letter confirms the Association's assessment rates inclusive of the H.S.T. for the Port of Halifax for all vessels commencing to load and/or discharge on or after January 1, 2025. In accordance with the provisions of the Collective Agreement with the Council of ILA Locals for the Port of Halifax, there is an increase in the Pension and Welfare Trust Fund tonnage assessment effective January 1, 2025, of $0.05 per tonne.

In addition, the HEA Board of Directors also approved an increase in the HEA administrative assessment (including Mid-West cargo) of $0.10 per tonne subject to further review in 2025. Approximately 30% of this increase is needed solely to cover the increased cost of the Federally legislated 10 days Paid Medical Leave for 2025. The remainder is necessary to cover the cost of ongoing training requirements in times of decreased cargo volumes. The HEA's reduced rates on Mid-West Cargo will continue to apply.

The respective rates, rules, and definitions are as follows:

	Per 2000 lbs or 40 Cubic Feet or 1000 board feet of lumber. Automobiles per unit		Metric weight tonne Measurement 1,000 kilos		cubic metre	
	Rate	**Rate + H.S.T.**	**Rate**	**+ H.S.T.**	**Rate**	**+ H.S.T.**
Conventional (Including Lumber)			$3.945	$4.178	$3.159	$3.345
Containers			$3.945	$4.178		
Containers (US Mid-West)			$3.650	$3.838		
Wood Pellets p/30 tonnes			$3.945	$4.178		
Grain p/25 tonnes			$3.945	$4.178		
Bulk p/10 tonnes			$3.945	$4.178		
Automobiles per unit	$3.579	$3.790				

The above monies will be paid on the same basis as the Halifax Port Authority wharfage is paid except that:

1. Container cargo shall always be paid for a net weight only basis.

2. Bulk shall be paid for on a ten to one (10 to 1) ratio; i.e., 10 tonnes equals 1 tonne payable, or 10,000 kilos equals 1,000 kilos payable.

3. Wood pellets shall be paid for on a thirty to one (30 to 1) ratio; i.e. 30 tonnes equals 1 tonne payable; 30,000 kilos equals 1,000 kilos payable.

4. Grain shall be paid for on a twenty-five to one (25 to 1) ratio; i.e., 25 tonnes equals 1 tonne payable; 25,000 kilos equals 1,000 kilos payable.

5. An automobile or self-propelled vehicle, irrespective of the method of loading or unloading, whose weight does not exceed 2,725 kilograms, shall be paid for on a per unit basis.

6. Shifted or restowed cargo is exempt from Assessment.

7. Assessments on transshipment cargo are payable only once.

Non-Cargo Assessment:	**Rate**	**Rate + HST**
Vessel Weight up to and including 2000 N.R.T.	$275.00	**$278.75***
Vessel Weight in excess of 2000 N.R.T.	$350.00	**$353.75***

***Inclusive of $25 processing fee**

DEFINITIONS:

In order to determine and identify the different cargoes handled in the Port of Halifax covered by the H.E.A/I.L.A. Collective Agreements, the following definitions will prevail:

Container cargo: All cargo in any I.S.O. container received in any type of vessel or shipped in any type of vessel.

Wood pellets: Bulk wood pellets delivered to a vessel.

Bulk grain: Bulk grain delivered to/from a vessel.

Bulk cargo: Bulk cargo such as coal, cement, salt, ore, etc.

Automobiles: Automobiles or self-propelled vehicles not exceeding 2,725 kilograms in weight on wheels.

Mid-West U.S. Containerized cargo which has manifested destination or place of origin in one of the U.S. Mid-West States as defined by the Halifax Port Authority, i.e.:

Illinois	**Missouri**	**Indiana**
Nebraska	**Iowa**	**North Dakota**
Kansas	**Ohio**	**Michigan**
Minnesota	**Wisconsin**	**South Dakota**

Conventional cargo: All cargo other than above.

"**Non-Cargo" Assessment:** Applies only to users of the Port employing ILA represented labour who do not otherwise pay a tonnage assessment as outlined above, e.g. lines only

1. <u>CATEGORY I MEMBERS</u>:

1.1 Category I members of the Association are responsible for the payment of assessments, outstanding accounts, and interest, if any, for all vessels/shipping lines for whom they act as agent or whom they represent.

1.2 When a Category I member wishes not to be responsible for the tonnage assessment on a vessel for which they are acting as agent, the Category I member must notify the Association in writing at least seventy-two (72) hours (excluding weekends and holidays) in advance of the vessel's arrival so that arrangements can be made to collect the tonnage assessments or secure a guarantee which is acceptable to the Association. Category I members not complying with the foregoing shall be responsible for paying the tonnage assessment.

1.3 <u>Transshipped Cargo</u>

In the case of transshipped cargo carried by different lines, should both the shipping line(s) or their agent(s) be Category I members of the Association, then the Category I members will decide between them as to who will pay the tonnage assessment. Should they not be able to agree between themselves, then the line or their agent on whose vessel cargo is first handled shall be responsible and shall pay the assessment on the discharge of the cargo. Should one line or their agent not be a member, then the Association member shall be responsible for the payment of the tonnage assessment unless they have complied with Section 1.2 above.

1.4 <u>Slot Charters</u>

In the case of slot charters, the shipping lines which have slot charter arrangements must identify to the H.E.A. any slot charterer for whom they will not be assuming liability for their accounts. If they do not identify their slot charterers, the carrying line must assume liability for their accounts, unless the slot charterer has an H.E.A. member agent, in which case, that agent shall be liable to the Association. A carrying line will not be responsible for sub-slot charterers of whom they have no knowledge.

Should a slot charterer or the shipping line on which there are slot charterers, be in a default position, (i.e., 20% of its outstanding account being in excess of

52 days old) labour will be withheld from any vessel on which they have cargo. This means that there will not be any labour supplied to work the ship for any member unless guarantees required by the Association have been satisfied or payment has been made in advance. Under these circumstances, and prior to the withholding of labour, all other known slot charterers and the main carrier will be given not less than three (3) working days' notice of the intent to withhold labour.

2. CATEGORY II MEMBERS

2.1 Weekly Payroll

Category II members are required to provide the Association with an irrevocable unconditional bank guarantee or other security satisfactory to the Association equal to one times the amount of their largest weekly payroll paid over the past twelve months to I.L.A. Labour in the Port of Halifax. Such security must be issued for a period of not less than 12 months.

In any week when the actual payroll exceeds the guaranteed amount the company will be required to place the payroll agency in funds for the excess amount prior to the payroll being paid.

Exceptions to the above, provided they ensure an appropriate security is in place, may be made at the discretion of the President due to extenuating financial considerations which may require adjustments to the amount and duration of the individual guarantees.

2.2 Vacation Pay

Category II members which do not pay to M.D.C. their accrued vacation pay on a weekly basis shall provide the Association with an irrevocable and unconditional bank guarantee or other security satisfactory to the Association equal to estimated vacation pay to be accrued in the period of not less than the next thirteen (13) weeks. Such a guarantee shall not have an expiry date prior to the date on which the vacation pay is to be paid.

2.3 Work for Non-Member Line or Agent

Category II members are required to notify the Association in writing seventy-two (72) hours (excluding weekends and holidays) prior to handling cargo on vessels of a non-member agent or line so that arrangements can be made to collect the assessments. Category II members will not order labour for non-member lines or agents or for a Category I member who has declared that they are not responsible for the tonnage assessments or for a member in default until the Category II member has confirmation from the Association that guarantees required by the Association have been satisfied or payment has been made in advance.

Category II members not complying with the foregoing shall be responsible for paying the tonnage assessment.

3. TONNAGE REPORTS

3.1 **Tonnage Declarations**

Tonnage declarations or estimates thereof on the Association's forms are to be received within fifteen (15) days of the completion of each vessel. Transshipped cargo on which the tonnage assessment is not being paid must be reported and the particulars of this cargo recorded on the supplementary form.

3.2 **Tonnage Reconciliations**

Members must conclude their reconciliation and report to the Halifax Employers Association their findings, of the discrepancies between Halifax Employers Association and the Halifax Port Authority tonnes within thirty (30) days of the date the Halifax Employers Association's e-mail transmittal with enclosure(s) outlining such discrepancies. If a member does not respond within thirty (30) days as stated above, the reconciliation will be invoiced to the member based on the greater tonnage as reported by either Halifax Employers Association or Halifax Port Authority. Members will then have an additional period of sixty (60) days (for a total of 90 days) from the date of the foregoing e-mail transmission as an interest-free period to either reconcile any discrepancy or pay the reconciliation invoice(s). As of April 1st, 2005, interest on any new amount owing resulting from the reconciliations will be calculated from the date of the foregoing e-mail transmission if not paid within 90 days. Failure to do so within the prescribed period of time may also result in labour being withheld.

4. TERMS OF PAYMENT

4.1 Payments are to be received by the Association within forty-five (45) days of the completion of cargo on each vessel. The credit procedure includes an interest penalty of 1.5% per month, or part thereof, to be charged on overdue accounts. When accounts are in excess of fifty-two (52) days and that amount in excess is 20% or more of the total outstanding amount, then labour will be withheld. All tonnage assessments are payable in Canadian funds.

Yours truly,

Richard A. Moore
President and CEO