



Submission

Vancouver Fraser Port Authority

Regarding

Review of the *Pilotage Act*

Transport Canada

December 2017

Purpose of this submission

This submission is in response to the call by the Government of Canada as it reviews the *Pilotage Act*. The scope of the review panel is to modernize the act while keeping elements that support Canada's excellent pilotage safety record. Specifically, the panel is assessing the act and its regulatory framework, service delivery, governance structures, and industry trends and technological developments.

About the Port of Vancouver and the port authority

The Port of Vancouver is Canada's largest port, supporting close to one in every three dollars of Canada's trade in goods outside North America. The port offers the broadest range of cargo-handling options of any port in North America.

The Vancouver Fraser Port Authority is responsible for the stewardship of federal port lands and waters in and around Vancouver, British Columbia. As such, our functions include safety and security, environmental reviews, permitting, planning, real estate management, infrastructure development, trade development and community collaboration and communications.

Like all Canada Port Authorities, the Vancouver Fraser Port Authority was established by the Government of Canada pursuant to the *Canada Marine Act* (1998), and accountable to the federal minister of transport.

The *Canada Marine Act* sets out a mandate for the port authority to facilitate Canada's trade objectives in a commercially viable way, ensuring goods and passengers are moved safely and efficiently, while protecting the environment and considering local communities. Under CEAA sections 71 and 72, a report on our decisions under sections 67 to 69 is laid before Parliament.

Canada Port Authorities must be self-sustaining and are required to pay an annual stipend to the federal government. Revenues are earned from leases and fees, and must cover expenses as well as generate funds to be invested in port infrastructure.

Recommendations to the panel

Governance

As a port authority, in addition to ensuring the safety of the port, we must ensure its competitiveness in terms of safety, reliability, cost and efficiency.

The port authority has a very positive working relationship with the Pacific Pilotage Authority, the Canadian Marine Pilots Association and the B.C. Coast Pilots. Like the port authority, safety for the pilots is paramount, and we continue to be pleased with the quality of the service they provide to the port. They are highly competent and trained professionals.

There are very real and significant safety-related benefits of regional representation of the pilotage authority. We have a very strong, day-to-day working relationship with the local pilots, the maintenance of which is critical to our collective success in managing Canada's trade.

The port authority is in frequent contact with the pilots authority to address marine operational issues and challenges. This often requires joint problem solving between ourselves, the pilotage authority and terminal operators who are counting on schedules

being accurately met. The ability to collaborate easily and frequently is essential on almost a daily basis.

Regional collaboration on longer-term safety initiatives is also of great importance. We work very closely with the pilotage authority on any number of improvements to local navigation and safety. For example, we worked hand-in-hand recently with the authority on the development of the new safety regime for Marine Restricted Area 1 near the Lions Gate Bridge, and we have done the same for a similar program in the Fraser River. Another example is the regular conduct of simulations, which rely heavily on cooperation and collaboration with the local pilots authority.

Recommendation #1

The port authority does not have an opinion on whether there should be one or multiple pilotage authorities, but we do want to emphasize the continued need for local pilotage authority representation in whatever governance structure the panel sees fit to recommend.

The port authority has found that the governance structure of Canada Port Authorities has been extremely helpful in managing a complex set of competing priorities. While the port authority must facilitate Canada's trade, protect the environment and consider local communities, we must do so ensuring safety and competitiveness of the port. In the interest of competitiveness, most of the members of the port authority's board are appointed by government, based on the recommendation of a nominating committee comprised of port users. As such, a clear and strong voice is ensured that will speak to the obligations of those who use the port to ensure it remains attractive among West Coast alternatives.

Recommendation #2

In addition to ensuring safety, the governance structure for all federal agencies contributing to the supply chain should ensure the ongoing efficiency and competitiveness of Canada's goods transportation network, meeting the needs of users including reasonable costs.

Service delivery

The waters in and around the Port of Vancouver have their own unique characteristics and represent some of the most challenging navigational conditions in Canada, particularly in the inner harbor around the first and second narrows. Clearly it is necessary for pilots to have an exceptional understanding of our local coastlines and waterways.

Recommendation #3

The port authority recommends that pilots continue to be qualified, certified and regionally monitored to operate locally to ensure local knowledge and proficiency in navigating local coastlines, regardless of whether the certification program were nationally managed.

In our submission to the panel reviewing the *Canada Transportation Act*, the port authority made the case for greater transparency of strategic data throughout the supply chain so as to tap into latent inefficiency and increase throughput. We made this case because our ability to grow and handle increasing trade with Asia is limited in the Vancouver gateway due to a lack of available land and rail capacity. Along with others, we know that we can realize greater efficiency in the supply chain if we work together and share data.

We are pleased to see that the minister of transport agrees with us, and work has already begun as a part of the minister's Transportation 2030 plan. In order for such an initiative to be successful, it will require the participation of all players in the supply chain, including the pilots.

Recommendation #4

The port authority recommends that all appropriate transportation-related acts, including the *Pilotage Act*, allow for greater transparency with a goal to share strategic data across an integrated platform and improve the overall efficiency of Canada's supply chain network.

Cost

On the subject of cost, the port authority has no specific recommendations about pilotage costs, but we are always concerned about all costs that shippers must bear. As a port authority, we do what we can to insure our fees and other charges remain competitive since it is cost, along with reliability, that are critical factors for shippers in their decision to choose one port over another.

It is also important that the panel connect the cost structure for pilots with future potential regulations being contemplated by government to slow down vessels in waters that are home to species at risk. The Vancouver Fraser Port Authority conducted a trial in Haro Strait in the summer of 2017 to assess the impact of slower shipping vessels on the echolocation ability of south resident killer whales. While we are still reviewing and assessing the data we collected from our trial this summer, we are aware that, not surprisingly, slowing vessels down had an impact on the number of hours pilots were required. We know that shippers expressed real concerns about having to pay for hours beyond the standard eight-hour shift here on the West Coast.

Recommendation #5

Regulations that threaten the competitiveness of the gateway due to costs, including pilotage, must be carefully considered before they are implemented.

Conclusion

The port appreciates the opportunity to provide this submission and is certainly available to assist the panel and government as it works towards modernization of this important act.