



January 12, 2015

Hon. David Emerson, PC
Chair, Canada Transportation Act Review
Canada Transportation Act Review Secretariat
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Hon. David Emerson,

On behalf of the Chamber of Marine Commerce (CMC), I would like to thank you for this opportunity to provide input to the Canada Transportation Act (CTA) Review.

The CMC represents over 150 companies that engage in or rely on marine transportation, including domestic and international ship owners and ship operators, Canadian and U.S. ports, terminals, elevators, and logistics companies, the St. Lawrence Seaway Management Corporation, and major shippers of grain, iron ore, steel, cement, sugar, salt, aggregates, oil products and coal among other vital commodities.

Competition and market forces drive Canada's multimodal transportation system, including the marine transportation system. Competition and market forces enable participants to respond to market opportunities, make investments, create and sustain jobs.

What the future will look like in 20 to 30 years is unclear. Nonetheless, the CTA should endeavor to position Canada's transportation system so that it can effectively respond to global trends and development patterns. Transportation services based on competition and market forces, as stipulated in the National Transportation Policy set out in the CTA, remain the best strategy to achieve a national transportation system that is efficient, reliable, innovative, responsive to change, and resilient to disruptions.

The CMC supports the continued emphasis of the National Transportation Policy on competition and market forces, and sound regulation where necessary. In this submission, we have identified a number of opportunities to modernize the CTA, and other regulations including the Canada Marine Act, to better reflect the National Transportation Policy, and ultimately, to enable the marine transportation sector to continue and expand its contribution to Canada's economy.

These opportunities, described herein, are underpinned by the following overarching principles:

- Reducing regulatory barriers that impede market forces
- Harmonization of regulations

- Increased spending on vital infrastructure
- Improving the ease of doing business
- Reducing costs and removing risks from the system
- Enabling maritime system performance and resiliency

Moving beyond principles to policy guidance, we suggest the following:

- Formalizing a consultative approach leading to a Canadian position on International Maritime Organization (IMO) regulation development that appropriately reflects the unique context of domestic, short-sea shipping in Canada.
- Harmonization of regulations governing shipping operations, especially regulations governing the discharge of ship’s ballast water in the shared bi-national waters of the Great Lakes – St. Lawrence.
- Increased infrastructure spending on national assets and national programs that facilitate vital trade gateways.
- Elimination of unnecessary duties and fees.
- Preventing undue increase of marine service fees that would limit the competitiveness of marine carriers and trades.
- Reducing marine industry red tape to promote more efficient delivery of government services to the marine sector.
- Harmonizing transportation statistics and indicators to promote better, more informed decision-making.

“Transportation is an important component of the Canadian economy because it provides jobs, moves goods and connects people within Canada and around the world.”*

Canada Transportation Act Review Discussion Paper –
Chapter 3

The Chamber of Marine Commerce believes that harnessing these opportunities, outlined and expanded upon in the following submission, will strengthen the competitiveness of Canada’s transportation sector and consolidate its role as vital catalyst to a strong, sustainable and prosperous Canadian economy.

Sincerely,



Stephen J. Brooks
President

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1 Guiding Principles

1.1 An Opportunity to Improve Efficiency, Safety, Competitiveness

As stated in the Canada Transportation Act Review Discussion Paper, the objective of the Review is to:

“... provide an independent assessment of how federal policies and programs can ensure that the transportation system strengthens integration among regions while providing competitive international linkages.”

Bearing this in mind and recognizing that the National Transportation Policy states that governmental regulation and intervention should concentrate to areas where common interest cannot be guaranteed by the market, the CMC believes the current Review is an excellent opportunity to address barriers to the efficiency and competitiveness of Canada’s marine transportation system. This can be reached through the adoption of a number of overarching principles as described in the following sections. Each guiding principal is illustrated by a set of opportunities which require attention and which are detailed in Chapter 2.

1.1.1 Accountability and Reducing Regulatory Barriers that Impede Market Forces

The Canada Transportation Act Review Discussion Paper recognizes that the current organization and governance of Canada’s transportation system was largely structured following deregulation and divestiture policies implemented throughout the 1980s and 1990s. However, many challenges remain and the changing competitive environment calls for continued democratization of government services and modernization of the regulatory regime in order to maximize its ability to support efficient trade and establish a level playing field within the system.

1.1.2 Harmonization of Regulations

In an increasingly globalized world where international trade and commerce is very much the lifeblood of the Canadian economy, it is imperative that the Canadian government ensure that its domestic industries are not disadvantaged by regulations enacted by neighbouring jurisdictions. Indeed, Canada is short-changing itself when regulations governing shipping operations through waters of adjoining or shared jurisdictions are not harmonized or at least reciprocally-recognized by respective jurisdictions.

1.1.3 Increased Spending on Vital Infrastructure

To facilitate shipping operations along with the important trade and commerce facilitated by such economic activity, vital infrastructure supporting those operations needs to be in place,

properly maintained and fully operational as well as supported with adequate capital to ensure long term service and reliability.

1.1.4 Improving the Ease of Doing Business

In an effort to facilitate trade and develop seamless supply chains, the Canadian marine transportation industry has adopted many initiatives to improve the ease of doing business and thus reduce the complexities associated with shipping. This has notably been reached through innovative cargo tracking, the use of advanced communications services, state-of-the-art technology and better customer service. But some fundamental elements of marine transportation in Canada continue to make operations complex and costly for carriers and shippers alike, notably in reducing marine industry red tape, increasing reliability, decreasing costs and improving efficiency in areas like the Canadian pilotage regime, and overall, streamlining governmental services.

1.1.5 Taking Costs and Risks out of the System

The CTA Review Discussion Paper indicates that innovative frameworks and financing models will be required to modernize and ramp up transportation capacity in Canada. This should notably enable the reduction of costs and risks inherent to the transportation network. While there are obvious challenges to developing and funding the transportation network itself, numerous other actions can reduce total costs and risks associated with marine transportation.

1.1.6 Enabling Maritime System Performance and Resiliency

The CMC and its members are clearly engaged in a process to reduce the environmental footprint of transportation activities and to ensure the highest levels of safety and security in the transportation of goods. In the context of supply chain resilience, modal reliability, public and environmental protection objectives, the relative performance record of each mode of transportation needs to be documented and understood. But the poor harmonization of reporting metrics across modes as well as the limited scope of industry data in itself have become a serious challenge for transportation analysis, whether it is related to policy, planning or commercial benchmarking.

1.2 From Principles to Actions

In line with these guiding principles, the CMC asks the Review panel to consider the following opportunities:

- Institutionalizing a consultative approach leading to a Canadian position on IMO regulation development that appropriately reflects the unique context of domestic short sea shipping in Canada;
- Achievement of a single, bi-national ballast water regulatory solution for the bi-national Great Lakes – St. Lawrence or a reciprocal agreement whereby U.S. authorities recognize Canada's rules for Canada's unique domestic shipping industry

operating in U.S. waters and Canada recognizes U.S. rules for U.S. ships operating in Canadian waters;

- Proper funding of maritime infrastructure, assets and operations such as the St. Lawrence Seaway, infrastructure and assets at Canadian ports and Canadian Coast Guard assets and operations for ice-breaking, aids to navigation and dredging operations in the Canadian Great Lakes – St. Lawrence region;
- Preventing undue increase of government user fees that could limit the competitiveness of marine carriers and cargo shippers;
- Reducing marine industry red tape to promote more efficient delivery of government services to the marine sector;
- Harmonizing transportation statistics and indicators to promote better, more informed decision-making.

2 Key Issues

This section provides an overview of key issues and recommendations which should be considered in reviewing the CTA while making related recommendations that will help make the marine transportation sector more competitive, efficient, sustainable and safe.

2.1 Pre-IMO Consultation with Domestic Short-Sea Shipping

2.1.1 The Issue

Canada works closely with the International Maritime Organization (IMO)¹ to advance standards that promote maritime safety and security, protect the environment and safeguard seafarers. IMO conventions are then ratified through domestic legislation in Canada, in line with Canada's stated long term strategy "... to harmonize domestic regulations with international standards as much as possible"².

Yet, the unique context of the Canadian domestic shipping industry are often not adequately reflected in discussions at the IMO. This has subsequently led to the introduction of regulations – applicable broadly to the Canadian maritime sector – but that are problematic in the context of domestic shipping, or what is now often described as short sea shipping. Recent examples include the introduction of ballast water regulations³, and air emissions regulations⁴, which were developed without adequate consideration of the realities of Canadian domestic fleet operations. These regulations are consequently imposing uncertainty, risks, costs and challenges on Canadian operators, which could threaten their ability to operate, compete and effectively serve the needs of the market. Furthermore, whereas many environmental regulations put forth at the IMO and consequently promulgated

¹ The United Nations Specialized Agency that governs the world's maritime shipping

² Canada – Ratification of International Conventions, <http://www.tc.gc.ca/eng/marinesafety/tp-tp14916-menu-182.htm>

³ The International Convention for the Control and Management of Ships' Ballast Water and Sediments was adopted by the IMO in 2004, with the intent of preventing the introduction of aquatic invasive species transported in ballast tanks from one region to another.

⁴ In March of 2010, Canada ratified Annex VI to the *International Convention for the Prevention of Pollution from Ships* (MARPOL), which establishes limits on emissions of certain pollutants including sulfur oxides (SOx) and nitrogen oxides (NOx). On the same date, the IMO approved a proposal put forward by the US, Canada and France (St. Pierre and Miquelon) to designate the area within 200 nautical miles off the coast of Canada and the US as a special Emissions Control Area (ECA) under Annex VI to MARPOL. In ECA areas, SOx, particulate matter and NOx emissions standards are stricter than non-ECA areas.

in Canada are for the purposes of environmental improvements, because of the lack of consultation with domestic short sea industry, such regulations can actually have adverse environmental outcomes by unwittingly and unnecessarily encouraging greater use of less environmentally-friendly modes of transportation.⁵

2.1.2 The Stakes

The introduction of new regulations that inadequately reflect the realities of Canadian operators can impose significant additional costs on maritime service providers. For example, it is expected that ballast water treatment systems could cost in the order of \$4-6 million per Canadian ship⁶ if and when such systems are developed, tested and approved for the very unique, fresh waters of the Great Lakes.

Yet, the IMO's ballast water convention was developed in the context of international shipping line voyages, while Canada has unwittingly imposed the dilemma upon itself of applying this same standard to fresh water operations.

New ballast water treatment requirements could also potentially lead to significant delays in vessel transits if the new technologies have lower water flushing capacities than required for existing Canadian ships.

Ballast water regulations and associated costs will disproportionately affect Canadian-flagged vessels which trade into and out of Canada, compared to most U.S.-flagged vessels which largely remain within the Great Lakes system.⁷

2.1.3 Way Forward

The CMC is supportive of the introduction of legislation that will improve maritime safety and security, protect the environment and safeguard seafarers. Yet ballast water regulations should recognize and be tailored to the unique realities of shipping operations in Canada, and domestic short sea shipping more generally (as distinct from ocean-shipping).

To this end, more should be done to ensure that the realities of Canadian domestic fleet

“Improving conditions for doing business is about removing unnecessary barriers and aligning regulatory approaches with key trading partners, which can bring about competitiveness, increase productivity and encourage innovation.”*

*Canada Transportation Act Review Discussion Paper – Chapter

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⁵ *Environmental and Social Impacts of Marine Transport in the Great Lakes – St. Lawrence Seaway Region*, Research and Traffic Group, January 2013.

⁶ *Source* : Chamber of Marine Commerce.

⁷ New ballast water regulations will not immediately apply to ships operating exclusively within the Great Lakes which currently employ Best Management Practices

operations are well understood by those representing Canada in discussions leading to the introduction of standards at the IMO. In fact, more should be done to reflect the potential impacts of proposed IMO conventions on short sea shipping more broadly.

To do this, Transport Canada should formalize a process for consulting with Canada’s domestic short-sea shipping industry before it engages in meetings at the IMO. This should be more than a “box ticking” exercise. Rather, Transport Canada should meaningfully and transparently engage with industry and formally acknowledge industry’s positions on issues of consideration at the IMO and clearly advise of any differences in position before such meetings.

2.2 Harmonization of regulations: Ballast water

2.2.1 The Issue

As touched upon briefly in the foregoing section, domestic vessels operating in the shared bi-national waters of the Great Lakes – St. Lawrence require a regulatory environment that is as seamless, as integrated, and ultimately, as harmonized as possible, especially with neighboring jurisdictions. For vessels that sail across inter-provincial, inter-state and international boundaries, often many times during a single voyage, having to navigate duplicate or conflicting regulatory environments is an inefficient, wasteful expenditure of valuable resources, but more importantly breeds uncertainty around legal compliance thereby posing unnecessary legal, financial, safety and environmental risks to ship owners, ship operators, seafarers and the related marine industrial community. Regulations governing a ship’s discharge of ballast water are a case in point.

2.2.2 The Stakes

In the shared bi-national waters of the Great Lakes – St. Lawrence, vessel operators are presented with somewhat of a dizzying array of un-harmonized ballast water regulations. In U.S. waters, vessels must adhere to separate rules promulgated independently by two federal agencies, the U.S. Environmental Protection Agency (EPA) and the U.S. Coast Guard, each authority having published rulemakings pursuant to two separate federal statutes. As well, eight individual U.S. states with jurisdiction over waters in the bi-national Great Lakes – St. Lawrence also have federal and state authority to regulate a ship’s discharge of ballast water, to which the state of Michigan has already availed itself.

Meanwhile, the Government of Canada also regulates ballast water discharges and is currently in the process of considering new ballast water regulations. But as a signatory to an international ballast water treaty (*International Convention for the Control and Management of Ships' Ballast Water and Sediments*, International Maritime Organization), Canada thus has other jurisdictions, issues and obligations to consider besides its own and the various U.S. jurisdictions referenced above.

Obviously, from a legal perspective, any uncertainty over whether laws are being fully complied with is in no one's interest. Besides the potentially severe legal ramifications, ship owners and operators need to maintain insurance on extremely valuable assets which becomes excessively difficult and costly in a regulatory environment infused with doubt surrounding regulatory compliance. Certainly, from the perspective of the overall maritime community, given that purchase and installation of ballast water treatment systems – if and when they become available for the cold, fresh waters of the Great Lakes-St. Lawrence – could cost between \$4-6 million each, expenditures on such systems that may not be effective nor fully compliant represents incredible waste and inefficiency, hurting not only all maritime stakeholders but national economies and, ultimately, consumers as well.

In terms of safety, besides the complexity of ballast water treatment systems and the need for such systems to be very carefully considered and applied to vessels and their operations, the importance of safe vessel ballast procedures is also an issue. Any lack of certainty over the degree to which systems or procedures meet regulatory compliance only detracts from the ideal level of safety that ship owners and operators demand.

2.2.3 Way Forward

The U.S. regulatory environment over aquatic invasive species and the discharge of ballast water from ships in the Great Lakes – St. Lawrence is, quite tragically, incredibly complex and fragmented. Additionally, Canada certainly has other international obligations through the IMO ballast water treaty that it quite properly needs to address in order to try to establish harmony in global ballast water regulations, particularly important for the global, trans-oceanic shipping community. Amidst such complexity and fragmentation, it should also be noted that the current science on these issues is far from conclusive.

Notwithstanding, Canada can, and must, actively represent its own domestic short-sea shipping industry and, more generally, shipping industry operations in the unique, cold, fresh waters of the Great Lakes – St. Lawrence, an industry responsible for generating \$35-billion per year in business revenue⁸. Such representation can be demonstrated with the Government of Canada's active negotiation with U.S. authorities and, ultimately, the achievement of a single, bi-national ballast water regulatory solution for the bi-national Great Lakes – St. Lawrence or a reciprocal agreement with U.S. authorities whereby U.S. authorities recognize Canada's rules for Canadian-flagged ships operating in U.S. waters and Canada recognizes U.S. rules for U.S. ships operating in Canadian waters.

⁸ *The Economic Impacts of the Great Lakes – St. Lawrence Seaway System*, Martin Associates, Lancaster, PA, October 2011.

2.3 Increased spending on vital infrastructure

2.3.1 The Issue

The Government of Canada retains ownership and responsibility for a number of important assets that need to be appropriately maintained and operated in order to properly sustain the vital marine and industrial commerce facilitated by such assets and operations.

2.3.2 The Stakes

In the bi-national Great Lakes – St. Lawrence region alone, marine industrial commerce annually generates approximately \$35 billion in business revenue, 227,000 jobs, \$5 billion in federal, state/provincial taxes and \$14 billion in employment wages⁹. A significant portion of this economic activity is dependent on assets and marine industrial operations that are owned or operated by the Canadian government and/or dependent upon adequate Canadian government funding. Such assets and/or operations include:

- The St. Lawrence Seaway
- Infrastructure and assets at Canadian Port Authorities
- Canadian Coast Guard vessels and crews conducting
 - Ice-breaking operations
 - Deployment and maintenance of aids to navigation
 - Dredging of ports, channels, and ancillary services

While the Canadian government already actively funds the foregoing infrastructure, assets and operations and has actually increased spending over the past five years, there remain important deficiencies that need to be remedied in order for such assets and operations to remain viable and able to properly sustain marine industrial operations. Whereas all such assets and operations require on-going, additional funding, there is an acute deficiency in Canadian Coast Guard vessels and operations to provide ice-breaking for commercial vessels in the Great Lakes – St. Lawrence.

As witnessed in the spring of 2014, despite the national crisis brought about by the need to export to world markets a vital Canadian commodity – Western grain – ships were physically unable to reach the ports where the grain lay waiting to be loaded as a result of insufficient Coast Guard ice-breaking assets available to create shipping lanes and to break out ports for commercial ships. While this dire situation during the start of this particular season became a significant national issue, it must be noted that the lack of assets for ice-breaking services is, unfortunately, a rather routine annual occurrence.

⁹ Ibid.

2.3.3 Way Forward

The Canadian Government needs to properly fund maritime infrastructure, assets and operations which it owns and/or operates including, but not limited to, the St. Lawrence Seaway, infrastructure and assets at Canadian ports and Canadian Coast Guard assets and operations for ice-breaking, aids to navigation and dredging operations in the Canadian Great Lakes – St. Lawrence region. Specifically, additional ice-breaking assets need to be acquired and deployed for this region and properly resourced in order to facilitate marine industrial commerce and trade.

2.4 Marine Service Fees

2.4.1 The Issue

Unlike in the U.S. where no such costs exist, the Canadian Coast Guard charges a number of fees to commercial ships (excluding fishing and recreational vessels) operating within Canadian waters. Specific fees include dredging fees, Marine Navigation Services Fees (relating to vessel traffic services and aids to navigation), and Icebreaking Services Fees. Dredging fees are set to be fully cost recovered. Marine Navigation Service Fees and Icebreaking Services Fees are believed to be below full cost recovery levels, although the Coast Guard is currently studying fee levels with a view to update cost recovery targets, based on pre-conditions set out in the *User Fees Act* for the 2017-2018 fiscal year¹⁰.

2.4.2 The Stakes

Marine Navigation Services Fees are set on the basis of ship size and flag, and include both a fixed annual fee and a fee per unit of traffic. Marine Navigation Services Fees have not changed since 1998 and it is understood that the level of cost recovery from these fees was of about 46% to 50% of the cost attributed to Industry under a methodology developed in 2006-2007.¹¹

Icebreaking Services Fees are set at C\$3,100 per ship transit through an ice zone during the ice season up to a maximum of eight transits per ship per season, or three transits within a 30-day period. Some transits are eligible for partial rebates based on type of traffic carried (aggregate/gypsum) and a vessel's ice class designation.¹²

Any increase in shipping costs attributable to Marine Services Fees will significantly decrease the competitive position of the marine sector in a context where their costs and benefits to the marine industry have yet to be determined precisely.

¹⁰ <http://www.dfo-mpo.gc.ca/rpp/2014-15/SupplementaryTables/uf-fu-eng.html>

¹¹ Overview of the Marine Services Fees Project, <http://www.shipfed.ca/new/eng/original/CL/10023/10023Attachment1.pdf>

¹² Ice Service Fee Schedule, http://www.ccg-gcc.gc.ca/eng/CCG/Ice_Service_Fee_Schedule

2.4.3 Way Forward

Increasing fees on the industry for CCG marine services will inevitably result in an increase of transportation rates to Canadian shippers and a decrease in competitiveness for the Canadian economy and international trade. In the best interests of a competitive, economic and efficient national transportation system, the Chamber strongly recommends that the government not increase any component of marine service fees.

In the event the government proceeds to require industry to pay a larger share of marine services, any increase must first be fully justified by meeting a number of stringent criteria set out in the *User Fees Act*. The government should also investigate how allowing the commercial sector to compete for the provision of such services could increase cost-effectiveness and overall service delivery objectives.

2.5 Marine Industry Red Tape Reduction

2.5.1 The Issue

There are at least twelve Canadian federal departments and agencies that provide routine, mandatory services to marine carriers, in addition to the various requirements of individual port authorities, corporations or similar entities. These include the Canadian Coast Guard, Canadian Border Services Agency, pilotage authorities, Transport Canada, and the St. Lawrence Seaway Management Corporation. There can be significant duplication of data reporting requirements across Canadian agencies, as well as with those in the U.S. In some instances, the same information needs to be provided multiple times to the same agency over the course of a journey and in multiple formats (paper and electronic). In this context, it is essential to coordinate efforts and harmonize rules and regulations, avoid duplication, achieve consistent enforcement and implementation, and evaluate the cumulative impact of federal fees assessed on the marine industry.

2.5.2 The Stakes

Poor coordination in the delivery of some federal services provided to marine transportation in Canada can negatively impact the efficient transit procedures in marine commerce. The multiple reporting requirements can also represent additional costs for ship owners, shippers and others involved in marine commerce.

2.5.3 Way Forward

Efforts should be made to remove or minimize regulatory overlap, increase regulatory harmonization, red tape reduction, removal of regulatory barriers to trade. Increasing the ease of doing business with federal agencies providing services to the marine industry should be a priority.

A “single-window” facility could also help streamline the process of reporting to multiple agencies. Although such a mechanism is reportedly being considered in Canada, it is likely still many years away from realization. Particularly throughout the bi-national Great Lakes – St.

Lawrence, such reforms to reduce overlap, red tape and regulatory burden should include regulatory agencies in the United States.

Until such time as a comprehensive “single-window” system can be put in place, all U.S. and Canadian agencies providing services to, or regulating, the marine sector should coordinate their reporting requirements to minimize unnecessary burdens on the marine sector.

2.6 Statistics Gaps and Harmonization

2.6.1 The Issue

Effective decision-making with respect to Canada’s marine transportation system (and Canada’s transportation system more broadly) should follow an evidence-based approach, and be informed by reliable, consistent, and objective information.

Yet, the last few years have seen an apparent move in the opposite direction. For example, the Marine International Freight Origin and Destination Survey¹³ was discontinued by Statistics Canada after the 2011 survey year, leading to a significant gap in information about international freight flows moving through Canadian ports. The Survey of Canadian Water Carriers¹⁴, was also discontinued by Statistics Canada, after the 2008 survey year, leaving a gap in marine sector information.

Some encouraging steps were nevertheless taken with the Transportation Safety Board Regulations update of 2014. Under these Regulations, the nature of the information required when reporting occurrences is detailed according to each mode. This notably enabled harmonization of definitions with national and international standards as well as to clarify provisions that had been subject to interpretation. Although these efforts are welcomed, there remain differences in the nature and type of data that is collected and reported across transportation modes. While the inherent particulars of each mode can define the type of data that can be collected, specific metrics enabling the comparison of safety performance between modes are not readily available or disseminated by the Transportation Safety Board.

In summary, the poor harmonization of reporting metrics across modes as well as the limited scope of industry data in itself have become a serious challenge for transportation analysis, whether it is related to policy, planning or commercial benchmarking. In the context of supply chain resilience, modal reliability, public and environmental

*“Achieving high standards for sustainable transportation contributes to protecting our shared environment and can bring about economic benefits as well.”**

*Canada Transportation Act Review Discussion Paper – Chapter 9

¹³ Data on vessels involved in international transport of commodities that load or unload their cargoes in Canadian ports.

¹⁴ Financial and operational data from Canadian-domiciled water carriers.

protection objectives, the relative performance record of each mode of transportation is a pillar for the continuous improvement of the Canadian transportation industry. In the current situation, there are no readily available data for this pillar to stand.

2.6.2 The Stakes

The discontinuance of Statistics Canada marine sector surveys and related data collection and dissemination activities has resulted in an increasingly outdated centralized information source on marine sector activities in Canada. Similar conclusions can be made for the road and rail transportation sectors. This challenges the ability of decision makers to make informed decisions. It also increases the cost of related analysis, which are more likely to require expensive consultants to gather data from a variety of sources which can be less reliable/consistent.

Making informed decisions is at the root of sound management, strategic planning and policy-making. Without the data and metrics to benchmark and evaluate the numerous aspects of transportation activities, carriers, shippers, government and the public are sailing in the dark without the proper tools to understand and anticipate emerging trends and issues. In turn, the competitiveness of the Canadian transportation industry as a whole, and Canada as a trading nation, is weakened.

2.6.3 Way Forward

The review of the *Canada Transportation Act* must lead to the implementation of a coherent approach to the collection, management and dissemination of transportation data. This notably includes:

- The re-introduction of marine freight flow data collection and dissemination
- The implementation of freight flow data collection and dissemination processes for rail, road and pipeline transportation modes, in coherence with available marine mode data.
- Wherever feasible, harmonize the collection and reporting of statistics on industry safety across all modes of transportation.
- Develop a series of key benchmarks across transportation modes.

3 Conclusions

This contribution to the CTA Review was underpinned by four over-arching principles which aim to address barriers to the efficiency and competitiveness of Canada’s marine transportation system.

As part of the priority for greater **accountability and to reduce regulatory barriers that impede market forces**, the CMC calls for the government to adopt a more formal consultative approach in the development of Canadian positions that go forward to the IMO. This would notably translate into a meaningful engagement by Transport Canada (and/or other Canadian government regulatory authorities) to formally acknowledge industry’s positions on issues of consideration at the IMO and clearly advise of any differences in position before such meetings.

Some fundamental elements of marine transportation in Canada continue to make operations complex and costly for carriers and shippers alike. **Improving the ease of doing business** can be reached through the reduction of red tape as well as increasing the availability and reliability of system assets and operations, ports, infrastructure and pilotage services.

Imperatively, the Government of Canada needs to address with haste both the insufficient allocation of ice-breaking assets and the lack of coordinated and harmonized regulations governing the discharge of ballast water in the bi-national waters of the Great Lakes – St. Lawrence.

While Canada faces significant challenges in renewing, expanding and funding the transportation network itself, numerous other actions can help reduce total costs and risks associated with marine transportation. The CMC supports the implementation of innovative frameworks, technology and financing models. But it also considers that **reducing costs and removing risks from the system** can also be reached by preventing an undue increase in such costs as marine service fees.

Enabling marine system performance and resiliency requires a comprehensive understanding of key issues which determine the performance of transportation systems. Such an understanding requires data, information and a clear vision of trade and supply chain indicators. Policy and strategic planning can be impeded by the lack of harmonization of transportation metrics, and thus the CMC also proposes the introduction of harmonized transportation statistics and indicators across modes.