



Fraser River Pilots Position on the Review of the Pilotage Act

October 31, 2017

Fraser River Pilotage District Background

There are eight employee Fraser River Pilots (FRP) in Area 1, which covers the entire Fraser River, its tributaries and approaches. The majority of the work managed by our pilots (approximately 99%) are foreign flagged deep-sea ships that transit the main shipping channel from the Salish Sea to New Westminster. Draft is limited to about 12m and the channel width is about 200m allowing for two-way traffic for the length of the river, with some river bends reduced to one lane/one-way traffic.

The number of pilot assignments has been consistent at approximately 1,100 over the last several years but are trending up by 15% for 2017/2018. Traffic is a mix of, container ships, auto carriers, break-bulk, bulk cargoes and as of 2019, fuel tankers will be added. In addition, there are several new terminal projects that should see traffic on the river continue to increase over the next several years.

Our safety record has been 100% incident free in recent years with a 10-year average close to 99.99% incident free. Delays to shipping are rare on the river and when they do occur, they are minor in nature.

FRP comments on the subjects under review

Pilotage on the Fraser River is very specialized, narrow in scope and operationally focussed. Similarly, our comments on the pilotage review will be focused on areas of interest and relevance to our work.

1. Governance, centralization and consolidation of the authorities.
 - a) When considering centralizing and consolidating services as it relates to Fraser River pilotage it is paramount to understand the critical nature and value of local knowledge to the execution of a pilots' duties, and to maintain safety, environmental protection and efficient ship movement. Piloting is not a one size fits all business that can be standardized. Our approach to work in the Fraser River can be a world apart from what happens in Halifax, the St Lawrence Seaway or even next door in Burrard inlet.

There are numerous examples where amalgamation and centralization of certain agencies has resulted in a loss of interest in the Fraser River port, resulting in negative impacts on industry. Recently, an idea floated that would have taken Public Works Canada (PW) survey resources that are now dedicated to the river and blend them with the Canadian Hydrographic Service (CHS). While at first glance, this may appear to be a good use of resources, the amalgamation and harmonization would have severely impacted deep sea commerce on the river due to a lack of timely river surveys. This example may be very micro compared to the national pilotage story, it never the less shows how amalgamation can have unintended negative consequences.

When looking at amalgamating pilotage authorities on a national scale, consideration must be given to the various regional differences and deep-rooted streams of local knowledge within the regions. We believe it would be counter productive to amalgamate based on cost consideration, considering there will still be a need for regional administrative personnel to provide safety and environmental protection along a sensitive waterway.

- b) Regarding proposed changes to pilotage authority boards, we understand there are numerous ideas that have been put forth concerning the structure, size and composition. No doubt many of these models have had remarkable success, for example the air sector. Clearly though this sector differs significantly from marine pilotage. Air traffic is an internationally standardized operation, whereas pilotage is at its core a local operation, that's steeped in local knowledge, irrespective of the fact that the ships themselves are obviously based in international convention and custom.

In our view any change must keep in mind two core principles of composition:

- 1, A mix of pilots and industry on the board must be maintained to provide subject matter expertise; and
- 2, The board should have a balance of pilots, industry and the public for diversity of view and insights.

Without these key components the board would be devoid of the technical/local knowledge as well as the public input required to discharge their duties and could be weighted or biased in favour of certain stakeholders.

2. Technology

Fraser River Pilots were early developers of Portable Pilot Units (PPU) in Canada and internationally, we have eagerly embraced this useful tool as well as other e-Navigation systems. The development and evolution of the PPU has enhanced the safety and efficiency of traffic flow to the benefit of the public and the marine community.

PPUs like pilotage itself are not a one size fits all concept, we see pilot groups the world over developing their own PPU platforms with software developers, with features that are specific to their districts.

We welcome and recognize the importance of technology and innovation as these layers of safety are of utmost importance considering the ever-increasing ship size relative to our existing waterways. These new innovations however, should in no way replace or claw back conventional navigational systems now in place, including the role of pilotage. As pilots we often see how technology is not 100% reliable, even though foreign ships officers are becoming more reliant upon it. So, it's essential to keep using all available means of navigation and keep looking out the window.

3. Competition

Pilotage is in place to serve the public interest. It first serves the public by maintaining safe passage and protecting the environment and secondly it serves the public to move our goods to export, linking our resources to foreign markets. In the general economy, competition can be good for increasing service and driving down costs in a given economic sector. Pilotage, however, is clearly not a commercial business. The safe and efficient movement of ships on the Fraser River is critically dependant on a good pilotage system, where decisions are made by

highly skilled and trained pilots that are not focussed on sacrificing service for the sake of gaining contracts. Navigational decisions made by pilots must be made without commercial pressures. In addition, for traffic to move safely and efficiently, it is vital that the pilots have complete faith in one another when arranging meeting points. As a pilot I must know that the other pilot on the ship coming the other way will be where he says he will be, at the time he says he will be there. The only way this works is with one tight group of pilots working together as a team. Competing pilot groups or multiple groups of any kind cannot possibly achieve that inter-pilot faith to deliver the safety and efficiency that we've demonstrated here on the river.

Over 15 years the FRP have dramatically increased the ship size in the river which has allowed Fraser Surrey Docks and Wallenius Wilhelmsen to remain as viable international terminals in a river that was originally designed to support old (smaller) Panama Canal dimensions. The work done to accomplish this was extensive including, consultations with industry, simulations and live trials that proved out these ships could be moved safely with a focus on environmental protection. Additionally, the FRPs are working closely with new proponents for two new terminals being developed for the river, which demonstrates that our skills, local knowledge and insights are valued by industry using the river.

Adding a second pilot group in to the mix could not have delivered the results delivered to date based on a safety record that is second to none and working with industry to help facilitate shipping growth and expansion of ship size. In fact, having additional, competing pilot groups could also bring on additional, competing operating practices. One safety regime for one group and another for the other group. Seemingly this would muddy the waters for industry and be a detriment to safety.

Conclusion

We believe the current pilotage system is working very well here on the Fraser River and does not need fundamental change to deliver an impeccable safety record, protection of the marine environment and efficient waterways without delays to marine traffic. The critical importance of the first two deliverables should not be understated when considering the omni present, intense interest and passion of the public here on the west coast.

In 2006 Evergreen Shipping named the Pacific Pilotage Authority as "Pilot Association of the year" in recognition of the work the FRPs did in supporting their container service in the river. Further, please see below two letters of support from Fraser Surrey Docks and the Fraser River Industrial Association (FRIA) that demonstrates industries' satisfaction with our pilotage service, including our collaborative spirit.

Thank you for taking the time to consider our submission on this most important matter.

Yours truly,
Captain Mike Armstrong,
CMPA director for the Fraser River pilotage district. 

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February 8, 2007

Captain Mike Armstrong
Captain Dave Marjoribanks

1251 Mill Street
North Vancouver, BC V7K 1V3

Dear Captain Armstrong

RE: MV Zim USA

We are writing to express our appreciation for piloting the *MV Zim USA* to FSD on February 1, 2007, the deepest container vessel received to date. As you were aware, a lot of interest within the gateway was placed upon its safe navigation, ability of the terminal to perform and the speed at which rail would be loaded. The work you did was exemplary and made more so by the unusually heavy fog that set in at FSD after transit began.

Your efforts gave FSD the opportunity to demonstrate the capability of our facility. You may be interested to know the vessel had the largest volume of containers discharged by FSD at 1924 moves. Overall production on the vessel was 27.3 moves per hour and two shifts exceeded 30. We are very pleased with the results so far and look forward to complete a successful rail operation.

As you are aware FSD has been actively marketing its container handling abilities in the wake of CP Ships departure in February 2006. Many prospective customers are hesitant about bringing larger vessels up the river and draft becomes a frequent deterrent. The work that you and the other river pilots do goes a long way to prove the actual capacity of the channel that the FRPA has worked so hard to achieve and dispel false perceptions. With your continued support, the FRPA's ongoing channel-improvement efforts and our Gateway-leading performance we look forward to once again returning to full capacity.

Please pass along our appreciation to your fellow pilots on this important operation.

Yours truly,

FRASER SURREY DOCKS

A handwritten signature in cursive script, appearing to read "Hanson".

Per Ross Hanson
Executive Vice President



Mr. Marc Grégoire
Chair, *Pilotage Act* Review
330 Sparks Street
Ottawa, Ontario
K1A 0N5

October 20, 2017

Via email (marc.gregoire@tc.gc.ca)

Dear Mr. Grégoire,

Re: *Pilotage Act* Review

The Fraser River Industrial Association (FRIA) was formed in February 2015 as an advocacy group focused on promoting the vast opportunities that exist along the Fraser River. We are made up of nine businesses that operate along the Lower Fraser River (LFR) and serve as a forum for the exchange of industry news and information. FRIA's mandate is to raise the profile of the LFR as a key component of our local, provincial and national economies and draw attention to opportunities for sustainable operations, growth, and expansion of the Pacific Gateway.

The Fraser River supports the success of local, provincial and national economies. As an important part of Port of Vancouver, the LFR, is as economically significant as the St. Lawrence Seaway responsible for \$9.26 billion in economic output, \$4.36 billion in GDP and accounts for 41,860 family supporting jobs creating \$2.77 billion in wages. Jobs that are created by the Port, pay an average salary of \$67 thousand which is 53% higher than the national average. With fifteen municipal governments located along the LFR, there is a wide array of industries, businesses, communities and stakeholders all befitting indirectly or directly from the river.

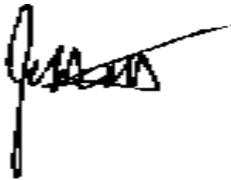
At FRIA we are committed to fostering a responsible environment for business in the LFR, and we thank you for taking the time to consider our input on this important matter.

As you know, pilotage services on the Fraser River are provided by the Fraser River Pilots (FRP), who are employees of the Pacific Pilotage Authority. FRIA has had an excellent working relationship with the FRP since our inception and, as CEO of Fraser Surrey Docks, I have also had a similar relationship for well over a decade prior to my involvement in FRIA. The level of service provided by the FRP has been consistently very good over that period of time, with ships arriving and departing safely, and on time. Over the years, we

have collaborated with the FRP on many occasions to identify new practices aimed at increasing the efficiency of transits and also at providing for the passage of significantly bigger vessels, an obvious economic benefit that has allowed the River to continue to compete with other ports. This collaboration has essentially evolved to the point where we are a team here on the River, with industry and pilots working together to do everything we can to enhance the position of the port from both the perspective of efficiency of throughput and safety. The safety record for ships on the River is very close to 100% and, as you know, this particular consideration is critical here in the Pacific Region to secure buy-in from the public for any future project.

Considering the responsible, professional and proactive nature of pilotage on the River, and the excellent nature of relationships and communications between stakeholders, we would not want to see any change that could jeopardize this culture or our practices. It is clear to FRIA that the pilotage system in Canada works very well and we see no need for substantial change.

Yours truly,

A handwritten signature in black ink, appearing to read 'Jeff Scott', with a long horizontal stroke extending to the right.

Jeff Scott

Chair, Fraser River Industrial Association
President & CEO, Fraser Surrey Docks LP

Cc: Capt. Mike Armstrong, Chair Fraser River Pilots