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December 22, 2014

The Honourable David L. Emerson, P.C.
Chair
Canada Transportation Act Review Secretariat
350 Albert Street, Suite 330
Ottawa, ON K1A 0N5

Dear Sir:

Canada Transportation Act Review

The Pacific Pilotage Authority (PPA) is pleased to submit the enclosed submission to assist the panel in its important deliberations on the above-noted matter. Our submission highlights some of the key challenges facing the PPA and summarizes the unique system in which we operate on the West Coast.

I remain at your disposal to provide any further information that you may require on this matter.

Yours sincerely,

Kevin Obermeyer
Chief Executive Officer
/if

Encl.

Pacific Pilotage Authority

submission to the

Canada Transportation Act Review Panel

December 2014

This submission is supplemental to the joint submission previously provided by the four Canadian Pilotage Authorities, for the purpose of clarifying pilotage operations on the west coast of Canada.. This supplementary submission has been reviewed and approved by the Board of Directors of the Pacific Pilotage Authority and is respectfully submitted for consideration by the Canada Transportation Act Review Panel.

Background

The Pacific Pilotage Authority (PPA) is a federal Crown corporation and one of four Pilotage Authorities across Canada. Our mandate, as with the other Pilotage Authorities, is to establish, operate, maintain and administer in the interests of safety an efficient pilotage service within the region set out in respect of the Authority in the schedule to the *Pilotage Act*. (*Pilotage Act of Canada, s. 18*).

The PPA's area of responsibility is outlined in the *Pacific Pilotage Regulations* and is restricted to the west coast of Canada. The area extends from the Washington State border in the south to the Alaskan border in the north (areas 2 to 4) and covers all waters extending approximately two miles seaward from every salient point of land along the coast and includes the islands of Haida Gwaii (area 5) and the waters of the Fraser River as far upriver as Mission (area 1).

There are two groups of pilots carrying out the function of piloting vessels on the West Coast. The BC Coast Pilots Ltd is a private company presently consisting of approximately one hundred pilots who contract their services to the PPA under a service agreement and are responsible for providing pilotage services in areas 2 to 5. The Fraser River Pilots (presently eight pilots) are direct employees of the PPA and they provide the pilotage service for area 1.

Our pilotage jurisdiction is unique in the world in that it is the only one that licenses the pilots for such a large geographical area. That this model works is evidenced by our track record of safety, reliability and predictability and the fact that we are perceived by many of our peers as a leader in maritime safety.

Safety is measured as a ratio of the number of incidents to the total number of assignments completed. From a safety perspective we have a consistent track record of over 99.9% incident-

free assignments. In 2013 we had five minor incidents in 12,500 assignments coast-wide for a success ratio of 99.96%.

Reliability is measured as the number of vessels delayed against the total number of assignments with separate measures for delays caused either by pilots, dispatching errors or launch breakdowns. In 2013 our total reliability success rate was 99.98% with only three vessel delays.

Predictability is the assurance that every assignment under the same circumstances and vessel type will be handled in the same way by the pilots. This is the single biggest challenge that we face, as the pilots themselves have varying skill levels and levels of risk as do the bridge teams that the pilots support. With that said we still have over 95% of the assignments complaint-free and are actively working to improve this number by implementing standardized tug packages using bollard pull, the implementation of a quality assurance program to ensure that all the pilots will receive the same level of training with ongoing planned training throughout their careers, and a very extensive apprenticeship program. At present our annual spend on licensed pilot training is approximately half a million dollars with an equivalent sum spent on apprentice pilot training, which demonstrates the PPA's commitment to safety of the marine environment on the west coast of Canada.

The single biggest reason for supporting the present coast-wide model is the service provided to the many outlying ports. These small ports (24 in all) do not have sufficient traffic to sustain a local pilot system, and the coast-wide system allows them to receive pilotage services on demand which is integral to our province's economic well-being and in the national interest. Taken together, the primary ports such as Port Metro Vancouver and Prince Rupert account for over 80% of all the pilotage assignments undertaken on the BC coast.

As a result of this coast-wide dispatching system we have a 10-hour order time for the major ports where we have pilots based such as Vancouver, Prince Rupert, Nanaimo and Victoria, and a 12-hour order time for all other ports due to the necessity to either fly pilots to the location or send them by road. In many instances it takes over four hours for a pilot to reach the destination where the pilotage assignment will start.

The issue

The West Coast, with the introduction and successful implementation of the Asia Pacific Gateway initiative, as well as the high level of interest in the many energy projects, is poised for a considerable increase in shipping in the near future. This interest in the supply and shipping of energy projects has presented the PPA (and many other entities) with some unique challenges. Many of the projects are facing severe opposition from NGOs and local communities and we need to position ourselves to be able to deal with the many new responsibilities imposed on us

as a result of this opposition. The World Class Tanker initiative is one area in which the PPA can assist the government, but to do this we need to ensure that the *Pilotage Act* will support our need to act quickly with respect to the changing issues that we face, such as the need to implement or adjust tariffs quickly.

This issue was addressed at length as a joint submission by the four Pilotage Authorities and refers specifically to suggested changes to sections 33 to 35 of the *Pilotage Act*; as a result I will not go into all the detail again. All other changes that we foresee as a result of the energy vessel increase will be addressed through the *Pacific Pilotage Regulations* and thus do not need to be addressed in the context of this review.

Conclusion

In conclusion the pilotage system in Canada is working extremely well and this is evidenced by the safety record exhibited across the country. However as we move into a new era as one of the world's biggest energy producers, we need to ensure that we are ready in all respects to meet the challenges of this additional responsibility.

As a self-funded, self-sufficient federal Crown corporation, the PPA can no longer continue to operate or be treated in the same manner as a Crown corporation that is reliant on public funds for survival. Our operations are of strategic importance in the safe and efficient movement of vessels on our coast and as such we need the ability to act in a very nimble way to address the fast moving environment in which we find ourselves on the West Coast.

We are not broken but do need some autonomy to act more as a business with the latitude to set tariffs through consultation and agreement as opposed to Governor-in-Council approval.

This primarily refers to the tariff setting procedures and the need to be able to adjust our tariff in an efficient manner and move away from the present eight to nine month process, which is setting us up for failure by forcing us to make tariff decisions so far in advance that they rarely reflect the current business reality once implemented.