



**Speaking Notes to the House of Commons Standing Committee
on Transport, Infrastructure and Communities
on a Canadian Transportation and Logistics Strategy
October 4, 2018**

Introduction

Good morning Madame Chair – my name is Michael Broad and I am here today on behalf of the Shipping Federation of Canada, which is the voice of the owners, operators and agents of the ocean ships that carry Canada's imports and exports to and from world markets.

The ships represented by our members load and discharge cargo at ports across the country and are literally the carriers of Canada's world trade.

We have been following the meetings the committee held last week in St. Catharines and Vancouver, and were very interested in hearing the views of our trade chain partners on how to modernize Canada's trade corridors from a regional viewpoint.

For our part, we would like to address this issue from a national perspective and focus on a handful of key actions and priorities that we believe will increase the efficiency of vessel operations in Canadian waters for the ultimate benefit of the transportation system as a whole.

MCTS Modernization

One of our priorities for optimizing vessel operations is to invest in modernizing Canada's Marine Communication Traffic Service (MCTS), which is the Coast Guard-led system that monitors vessel traffic movements in Canadian waters.

We believe that there exists a real opportunity to transform this system from what it currently is – which is a conduit of information that acts much like a telephone operator - into a truly dynamic tool that is able to gather, analyze and broadcast real-time navigational information not only on to the bridge management team, but also to shoreside infrastructure such as ports and terminals.

Modernizing the MCTS system would lead to a more holistic approach to managing marine transportation in Canadian waters, with the benefits extending to all of our trade corridors on a national basis.

Icebreaking Fleet Renewal

Another element of the marine transportation system that is critical to several of Canada's key corridors is the availability of icebreaking capacity to support safe and efficient transportation during our long and challenging winters - particularly on the northeast coast of Newfoundland, in the St. Lawrence River and Great Lakes, and the Canadian Arctic.

Despite its importance, the icebreaking fleet has shrunk significantly over the years, and is currently made up of over-aged vessels which are very thinly spread over a vast expanse of water.

Although the government has announced some measures to address this situation, including the acquisition of three used icebreakers, what we really need is a concrete plan for renewing the fleet in the long term – which is essential if Canada is to have sufficient icebreaking capacity to meet future demand for safe and efficient marine transportation.

Pilotage Review

No discussion on optimizing the efficiency of vessel operations in Canadian waters would be complete without talking about pilotage and the ongoing review of Canada's pilotage system.

Although there is no question that the *Pilotage Act* has served as an excellent tool for ensuring safe navigation in Canadian waters, it is our view that the pilotage system is unable to control costs or consistently provide users with the level of service they require in a highly competitive marine transportation environment.

We believe that the recommendations arising from the pilotage review provide a much-needed opportunity to amend and modernize the Act, and we urge the members of this committee to communicate the need for such renewal to their fellow parliamentarians.

Maritime Single Window

Finally, we would like to draw the committee's attention to an initiative called "maritime single window," under which ALL the information required by Canadian authorities – and CBSA in particular - related to the arrival and departure of ships in Canadian waters could be submitted electronically through a single portal without duplication.

This concept offers tremendous potential to expedite the flow of trade by managing the marine border in a way that eliminates paper processes, minimizes redundancy, and reduces the possibility of error and delay with respect to cargo and vessel reporting.

A number of countries, including those in the EU, are already in various stages of implementing this concept on a national basis, and we strongly urge Canada to take the necessary steps to ensure that our processes are aligned with those of our international partners.

Conclusion

Although we have tried to be as focused and concrete as possible in our presentation to the committee, I would like to take this opportunity to provide a few comments from a broader policy perspective.

Given that a key role of our transportation and logistics system is to serve the needs of Canada's importers and exporters, it is essential that the government have a vision and a strategy for developing Canada's trade corridors that is national in perspective and closely tied to the broader trade agenda.

Such a strategy needs to support the transportation system's ability to efficiently serve ALL of the new markets that have been - or will be - negotiated as part of Canada's trade diversification agenda, whether through the revised CPTPP or the recent CETA agreement, or the ongoing MERCOSUR negotiations.

Such a strategy also needs to align all the departments and agencies that interact with the carriage of international trade, so that supply chain efficiency becomes an integral element of how they operate.

We thank the Committee for its attention and look forward to answering any follow-up questions.