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board of directors 2005

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CP Ships (Canada) Agencies Ltd.

Vice-Chair



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Fednav Ltd.

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(also Chair, Maritimes District
Committee)



Michael Broad
Shipping Federation of Canada
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Maersk Canada Inc.



Daphna Dvir
Zim Integrated Shipping Services
(Canada) Co. Ltd.



Ross Kennedy
Robert Reford



Fritz King
Atlantic Container Line



Brian McDonald
Montship Inc.



Glenn Mifflin
Canadian Maritime Agencies Ltd.



Holger Oetjen
Hapag-Lloyd (Canada) Inc.



Bruce Partridge
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Chair, Newfoundland-Labrador
District Committee



Sonia Simard
Fednav Ltd.
Chair,
Quebec District Committee



Gordon Smith
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David Watson
OOCL Canada Inc.
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Ontario District Committee



Bryan Wilson
Lower St. Lawrence
Ocean Agencies Ltd.

chairman's address

2005 was a year of challenges and accomplishments for the Shipping Federation of Canada. The organization addressed a wide variety of issues on both the policy and operations sides, while continuing to strengthen its effectiveness as a defender of members' interests and an advocate for the maritime industry overall. As always, the penultimate goal of all the Federation's activities was the achievement of a safe, efficient, competitive, environmentally-responsible and quality-oriented marine transportation system.

A key initiative in 2005 was the development of a revised and updated Strategic Plan to serve as the framework for the Federation's future priorities, programs and service offerings. The plan, which was developed by a Committee of Board members and Federation staff, identifies three key objectives which are essential for the Federation to maintain and enhance its position as the predominant voice of Canada's international shipping industry. Those objectives are the provision of an informed, responsive service to members; the development of a strong government relations and communications policy; and the presence of a knowledgeable and experienced staff. Work on implementing those objectives through concrete action plans is well underway, and will form a significant part of the Federation's agenda for 2006. The overall impetus for the entire strategic planning process is to ensure that the Federation's programs and services are as closely tailored to member needs as possible, and that all of the Federation's activities are clearly linked to its core mission.

The Board of Directors held seven regular meetings during the year to formulate policy directions for the Federation and its members, develop positions on relevant issues, and prioritize current and future agenda items. The Annual Meeting, which was held on April 28th, was followed by a half-day conference entitled "Can We Carry the Cargo?" on the capacity challenges facing the marine transportation industry. The conference generated a high level of interest and participation from the industry, with approximately 90 delegates attending the discussion forum, and 120 attending the luncheon that followed. Continuing with its practice of using the annual conference as a forum for exploring a major issue facing the industry, this year's conference, entitled "Green Shipping: A New Licence to Trade?" will examine the impact of environmental issues on the business of shipping and the degree to which environmental compliance is becoming a pre-requisite for being competitive within the maritime industry.

The Federation's District Committees continued to make an important contribution to the Federation by representing the interests of their respective regions and addressing issues that are of concern to local members. I would like to thank Jim Stoneman, Chair of the Maritimes District Committee; David Watson, Chair of the Ontario District Committee; Bruce Partridge, Chair of the Newfoundland / Labrador District Committee; and Sonia Simard, Chair of the Quebec District Committee for bringing regional issues to the Board's attention and thereby facilitating the Federation's ability to respond to the needs of members in all regions.

The Federation's standing committees also continued to contribute a significant amount of time and expertise to addressing specific issues affecting the industry. On behalf of the Board of Directors, I would like to take this opportunity to thank the members of the Pilotage Committee, the Customs Committee, the Immigration Committee, the Seaway Committee, the Passenger Committee, and the Intermodal Committee for their commitment to the Federation and their willingness to play an active role in helping shape the milieu in which the maritime industry operates. Thank-you, as well, to the members of the newly formed Environment Committee for their readiness to become involved in one of the Federation's most rapidly expanding and prolific issues, and to the members of the Strategic Planning Committee for the valuable insight they conferred upon the strategic planning process.

The Federation was pleased to welcome several new members in 2005, including Project Transport and Trading Ltd. and SMK Tanker Agency as core members, and Germanischer Lloyd and the Quebec Port Authority as affiliated members. On behalf of the entire Board of Directors, I extend a warm welcome to you all.

Finally, I would like to take this opportunity to thank my fellow Directors for the cooperation and expertise they have so willingly provided throughout the year, and to the President and staff of the Federation for their loyalty and support.

Michel Tosini
Chairman

president's report

Throughout 2005, the Federation continued to focus on its core activities of providing advocacy, operational support, information and training to its membership, with an overall objective of consolidating and strengthening its role as the pre-eminent voice of shipowners, operators and agents involved in Canada's world trade. In addition to addressing a variety of specific issues impacting the industry – ranging from environmental protection, to pilotage costs and services, to customs procedures and documentation – the Federation continued to participate in the longer-term, industry wide campaign to enhance public awareness of the maritime sector with a view to creating a legislative and regulatory environment that recognizes and rewards the industry's inherent economic and social benefits.

The Federation also devoted a considerable amount of time and energy to translating the broad objectives articulated in the 2005 Strategic Plan into concrete, achievable action plans, many of which will come to fruition in 2006. Chief among these are an on-line membership satisfaction survey (which was in progress at the time of writing this report), the production of a comprehensive communications and public relations plan, and the development of a targeted government relations strategy that will leverage the Federation's advocacy efforts.

The Federation collaborated closely with other marine stakeholders and associations on issues of mutual interest, mainly through the forum of Canada's Marine Industry Alliance (previously called the National Marine and Industrial Coalition), which comprises Canada's major marine associations. One of the Alliance's main undertakings over the last two years was the production of a collective policy platform entitled the "Marine Blueprint." The blueprint, which was finally completed this past fall, contains forty-nine recommendations that are structured around the key themes of strengthening partnerships between government and industry; enhancing Canada's trade and competitiveness; building on the marine industry's environmental strengths; making strategic infrastructure investments in the transportation sector; and addressing the

labour needs and skill development requirements of the marine sector. The blueprint was officially unveiled at a series of meetings with senior Transport Canada officials last June, and hard copies of the document were subsequently distributed to a wide range of government and industry stakeholders. The Federation also continued to have observer status on the National Marine and Industrial Council, which is composed of eight senior industry representatives, along with the Deputy Ministers of Transport, Fisheries and Oceans, International Trade and Industry. The Council, which held two formal meetings in 2005, has proven to be an effective forum for bringing key industry issues to the government's attention and facilitating dialogue among the main departments involved in the marine sector.

Among the many subjects with which the Federation was involved in 2005, environment was at the forefront of our agenda, due as much to the sheer scope and number of issues associated with this dossier as to the ever growing prominence of environmental concerns on both the governmental agenda and in the public consciousness. In addition to working on specific environmental subjects such as ballast water management, oil pollution prevention and response, air emission reductions and shared use of navigable waterways, the Federation participated in a number of environmental forums in the St. Lawrence, Great Lakes and Atlantic regions, and developed its own environmental policy to guide, prioritize and coordinate its work on specific environmental files.

Key elements of that strategy include emphasizing the importance of environmental issues to members; producing a compendium of best practices and other environmental sustainability initiatives existing within the industry; providing technical knowledge and expertise in the development of best practices, and supporting the use of international conventions and standards as the optimal means of responding to environmental challenges. Many aspects of this strategy are being developed and implemented through the Federation's new Environment Committee, which brought the existing Ballast

Water and Oil Pollution Committees under the same roof, and extended the committee's mandate to include the whole gamut of environmental issues that the industry faces.

Pilotage was another area of major interest in 2005, as the Federation continued to monitor costs and service levels in the Atlantic, Great Lakes and Laurentian pilotage regions. A key initiative during the year was the Federation's participation in the Canadian Transportation Agency's (CTA) hearings on the Laurentian Pilotage Authority's (LPA) contested tariff increase proposal, which resulted in a ruling by the CTA that the tariff was indeed contrary to the public interest. The fundamental premise of the Federation's testimony was that it is unreasonable to require users of the pilotage system to pay higher fees for a service that continues to deteriorate with no end in sight. Anne Legars, the Federation's Director of Policy and Government Affairs, served as the Federation's legal representative and did an outstanding job of cross examining witnesses and delivering final arguments.

The Federation continued to build on its role as a key provider of marine training in 2005, primarily through the Certificate in Marine Transportation, which is offered in partnership with Concordia University. The 2003 – 2005 cycle of the certificate ended this past summer, with approximately twenty students completing the program and becoming eligible for certificates. In keeping with the Federation's mandate of offering the certificate to the broadest range of students possible, the graduating class was composed of a combination of in-class and Internet students. A new cycle of the certificate program, which includes a new course on customs and documentation, began this past September. In another training venture, the Federation joined forces with l'Institut maritime du Quebec (IMQ) to develop a three-day course on marine agency operations which was offered this fall and winter. This followed the conclusion of a memorandum of understanding on training between the Federation and the IMQ last year, and the convening of a focus group meeting last November at which members indicated a strong interest in a course on marine agency operations,

particularly as relates to international ships calling at Canadian ports. The Federation also continued to offer a series of one day courses on the *International Maritime Dangerous Goods Code*, which were held in Montreal, Halifax, Toronto and Quebec and will be repeated on a regular basis.

2005 was marked by a number of developments on the legislative side, including the introduction of amendments to the *Canada Marine Act* (which industry had been awaiting since the conclusion of the CMA review process in mid 2003), and the introduction of a proposed new *Pacific Gateway Act*, which could potentially serve as the model for similar legislation for the St. Lawrence / Great Lakes and Atlantic regions. Although both those bills fell off the docket following the federal election call last November, the Federation will be watching for their re-introduction by the new Parliament. The Federation also plans to hold its annual 'government relations day,' in Ottawa, which will provide an excellent opportunity to meet face-to-face with key members of the new Parliament and to build on existing relationships with officials in relevant government departments.

All in all, 2005 has been a productive and successful year, and one which the Federation's staff has met with enthusiasm, dedication and professionalism. 2006 promises to be no less productive and no less successful, and I am confident that the Federation is extremely well-positioned and well-prepared to meet head on the challenges that lie ahead.

Michael Broad
President

Pre-Budget Consultations

As in previous years, the Federation again appeared before the House Standing Committee on Finance during its consultations on the 2006 federal budget. The Federation's recommendations, which were submitted in the form of both a written brief and verbal testimony, focused on the need for investment in Canada's transportation infrastructure, which is of particular importance if Canada is to effectively respond to (and benefit from) the projected doubling of world trade over the next fifteen years. Specific recommendations brought before the committee included:

- The need to explore alternative methods and sources for funding the growing transportation deficit in order to supplement limited federal resources;
- The need to combine investments in "hard" infrastructure with shorter term "soft" investments designed to manage traffic flows more efficiently;
- The need to ensure that the marine mode is treated equitably in federal infrastructure programs;
- The need to develop programs for the St. Lawrence / Great Lakes and Atlantic regions that are similar to the recently unveiled Pacific Gateway Strategy;
- The need for Transport Canada to provide un-divested public ports with sufficient funding to ensure adequate maintenance and safety.

The committee responded with interest to the Federation's testimony and recommendations, posing a number of questions during the hearing process. Unlike previous years, however, the committee did not produce a final report due to the intervening call for the federal election,

Maritime Law Reform Project

During the year, Transport Canada issued a discussion paper regarding a number of maritime law issues that may lead to amendments to relevant pieces of marine legislation. Specific issues covered in the discussion paper included the ratification

of various international marine conventions or protocols, possible changes to the *Marine Liability Act*, and the introduction of a general limitation period for maritime claims. Other topics included claims of Canadian ship suppliers for unpaid invoices, sister ship arrest, and the reform of certain outdated common law rules on maritime property and obligations. In its response to Transport Canada, the Federation expressed support for all of the strategic directions proposed by the Department, with the exception of a proposal to introduce a new maritime lien for Canadian ship suppliers. Instead, the Federation recommended that the *Federal Court Act* be amended to provide that foreign liens will be enforced in Canada to the extent that such liens exist under Canadian law.

Pollution Prevention Legislation

A significant item on the Federation's agenda in 2005 was the *Migratory Birds Convention Act*, which entered into force in June following a contentious passage through the House of Commons and Senate. The Act, which provides the Canadian government with greatly expanded enforcement and detention powers in the area of maritime pollution and prevention, raised strong concern within the industry because of its incompatibility with a number of international conventions to which Canada is a signatory, the most notable of which are MARPOL and UNCLOS. The Federation raised these and other concerns in a variety of governmental forums, including meetings with senior officials from Environment Canada, the submission of a detailed written brief to the Minister of Transport, and the submission of verbal testimony before the Parliamentary Committee studying the Act.

In April, the Federation took its case to the Senate Standing Committee on Energy, the Environment and Natural Resources (to which the Act had been referred following its introduction in the Senate), as part of a panel of industry witnesses that included the former President of the International Maritime Organization. The Federation's testimony focused on the industry's concerns regarding the discrepancies between the legislation and the existing international legal framework (notably

as relates to boarding, deviation, detention of ships and imprisonment of seafarers), the potentially counterproductive impact of the Act's provision on minimum fines, and its provisions regarding ship inspections carried out by game wardens. Despite these efforts, the Senate Committee ultimately passed the Act without amendment, underscoring the sense of political expediency that had characterized its passage through both the House and Senate.

The Committee did, however, attach a number of important observations to its report on the Act, including the need for a serious financial commitment from government to increase and enhance its surveillance and enforcement capabilities, the need to ensure that enforcement of the Act (especially in terms of penalties and liabilities against seafarers) does not violate the Canadian Charter of Rights and Freedoms, and the need to ensure that the implementation of the Act's provisions dealing with detention, arrest and imprisonment does not contravene Canada's obligations under the MARPOL and UNCLOS Conventions. The Committee also undertook to meet with the Minister of the Environment in a year's time to discuss progress on the Act's implementation as it relates to the foregoing observations.

Discussions between the industry and the government are now focused on the development of a memorandum of understanding (MOU) on the way in which the Departments of Transport and Environment will enforce cases involving ship source oil pollution. More specifically, the industry is strongly urging the Departments to include wording within the MOU that explicitly articulates their intent to enforce the provisions of the new *Migratory Birds Act* in a manner that is consistent with the existing international regime, thereby ensuring that ships and crews involved in accidental spills are protected under the relevant international conventions. The industry is also urging Transport Canada to confirm that it will assume the lead role among other government departments when issuing vessel directions and imposing detentions. Discussions on both these issues were still ongoing at the time of writing this report.

Ballast Water Management

Another environmental issue that occupied a significant portion of the Federation's agenda in 2005 was ballast water management. Of particular interest to the industry were the proposed new *Ballast Water Management Regulations* that were published in Part 1 of the *Canada Gazette* last June, following a lengthy consultative process with stakeholders. Although the proposed regulations contained a number of amendments that the Federation had requested during the consultation period (including the designation of alternative exchange zones within the Canadian EEZ, and the removal of provisions requiring ships engaged in non trans-oceanic trade to request authorization to exchange their ballast water each time they cross the US-Canada border), they also contained several serious irritants that would result in a regulatory regime that is unmanageable and unworkable.

Items of particular concern include the fact that the regulations are not linked strongly enough to the IMO Convention on ballast water, that the mandatory obligations of vessels declaring "no ballast on board" (NOBOBs) are not consistent with the approach adopted by the U.S. Coast Guard, that certain aspects of the regulations would restrict trade in the St. Lawrence and Great Lakes, and that the alternative exchange zones designated in the regulations may give ships no choice but to conduct their exchange in U.S. waters, despite preliminary indications that such action would not be welcomed by the U.S. Coast Guard. Although the Federation worked closely with Transport Canada to resolve these issues and provided the Department with a number of alternate drafting proposals designed to address the industry's key concerns, a regulatory text that is acceptable to all of the parties involved had still not been finalized at the time of writing.

With respect to the specific issue of NOBOB vessels, the Federation supports the voluntary compliance program adopted by the U.S. Coast Guard last August for vessels entering the Great Lakes. The program encourages the adoption of best practices and provides for ships to conduct mid-ocean exchange whenever possible, or to otherwise flush their empty ballast

policy and legislative review

tanks with salt water at least 200 nautical miles from any shore whenever possible. The application of this policy is being monitored by the US Coast Guard at Massena (which also monitors the application of the Federation's *Code of Best Practices for Ballast Water Management*).

Throughout the year, the Federation also continued to closely monitor the development of new ballast water treatment technologies. Such technologies, which all ships must implement between 2008 and 2016 under the terms of the IMO convention on ballast water, represent the optimal means of dealing with the ballast water issue in the long-term. The Federation has established contact with a number of companies involved in the development of these technologies, and plans to organize a series of seminars in 2006 that will bring developers together with members and other stakeholders, with an overall objective of making concrete progress on the testing and eventual implementation of the best of these technologies on board ships.

Shared Waterway Use

Throughout the year, the Federation continued to participate in consultations on the addition of various marine mammals to the list of wildlife species that are deemed to be at risk under the *Species at Risk Act*. The most recent addition to this list is the thin whale, which is a migratory whale found on the east coast of Canada. Although Environment Canada identifies whale hunting as the primary reason for the decline in the thin whale population, collision with ships is also cited as a potential threat to the species. As a result, one of the measures that Environment Canada could potentially adopt is the establishment of navigation corridors that would divert ships from areas where thin whales are found in abundance. As in former *Species at Risk* consultations, the Federation did not expressly oppose the listing of the thin whale, but asked to be consulted if and when protection measures that impact commercial shipping are developed.

An adjunct to the identification of specific marine mammals as being "at risk" is the designation of certain waters as "Marine

Protected Areas" (MPAs), which can result in the imposition of restrictive measures such as speed reductions or route deviations on the marine industry. The most recent development in this respect is the proposed designation of the Gulf of St. Lawrence as an MPA, as a result of which the Department of Fisheries and Oceans has been tasked with developing an impact assessment of potential measures that could be imposed on the shipping industry, including the economic impact of speed restrictions. The Federation is working closely with DFO scientists on this assessment, with a view to ensuring that it fully reflects the commercial and operational realities of ships trading in the affected area.

Marine Air Emissions

The Federation became increasingly involved in the issue of marine fuel efficiency and air emissions during the year, which is a subject that also continues to gain prominence on the national environmental agenda. In February, the Federation delivered a presentation at a Transport Canada conference on air emissions, which directed attention to the maritime industry's minor role in the production of greenhouse gas emissions, and its interest in best practices and new technologies as a means of reducing its contribution to SO_x, NO_x and particulate matter. The Federation is also monitoring the way in which air emissions are handled by Canada, the U.S. and Mexico under the environmental platform of the "Security and Prosperity Partnership" signed in 2005, which includes a project to designate all North American coasts as "special emission control areas" (SECAS). As a precursor to moving ahead with such a project, the Federation supports documenting ships' air emissions in order to establish a scientific basis to assess the relevance of establishing SECAs in specific regions, and is cooperating with Environment Canada on documenting emissions in the Great Lakes and River. The Federation also supports the development of best practices and technological options to reduce air emissions as an alternative to the use of low sulphur fuel (the availability of which may be constrained by the unwillingness of refineries to invest in additional capacity for this type of product).

Customs Issues

Customs new *Export Reporting Regulations*, which require all export cargo to be reported to the Canada Border Services Agency (CBSA) 48 hours prior to the cargo being loaded, came into effect last May following numerous postponements and delays. Marine carriers were given the option of signing a memorandum of understanding with CBSA, which allowed them to retain the ability to submit the final A6A outward manifest three days after the vessel has sailed (as compared to the previous practice of five days), in exchange for the carrier's commitment not to load an export shipment without proof of export report. Although the Federation worked closely with the Canada Border Services Agency to ensure that members were prepared for their new obligations under the regulations, the implementation process was made somewhat more complicated by a general sense of resistance and lack of knowledge on the part of the exporting community, which was eventually addressed through a series of stakeholder information meetings organized by CBSA.

For their part, the Federation's container liner members ultimately agreed that in order for a container to be loaded onto a ship, the shipping line must have received proof of export information a minimum of two days before the ship's port of loading cut-off date. Notice of the foregoing was published in *Canadian Sailings* in order to ensure that the greatest number possible of freight forwarders and customs brokers were aware of this requirement. The Federation also held meetings with members, freight forwarders and CBSA officials in both Halifax and Montreal this past fall, in order to provide participants with an opportunity to evaluate their performance with respect to meeting on-time

reporting requirements and to apprise CBSA of any problems they had encountered. The meetings proved to be very productive, with follow-ups scheduled in 2006.

Phase II of Customs' ACI program, which requires mandatory electronic reporting for all U.S. trans-border marine shipments, came into effect on December 12, 2005. Carriers who have not reported electronically in the past were given a grace period until June 26, 2006 for implementation of full electronic reporting. In addition, all carriers continue to be required to present paper copies of conveyance and cargo reports to the local CBSA office during the implementation period, regardless of whether or not an electronic report is also transmitted. The only exception to the interim paper requirement is for marine carriers who were already transmitting electronic conveyance and cargo reports for U.S. loaded cargo prior to December 12, 2005.

Another Customs issue that arose during the year was CBSA's attempt to obtain bayplan (cargo stowage) information directly from marine carriers, with a view to using these plans to obtain loading and unloading information. The Federation expressed very strong opposition to this effort, and proposed that as an alternative, CBSA obtain bayplan information directly from the marine terminal. Towards that end, the Federation has contacted terminal operators in Montreal and Halifax to assess the viability of this proposal and determine the extent of their use of bayplans. Meanwhile, on the U.S. side, Customs officials are exploring the possibility of making bayplans part of the C-TPAT Carrier Program, which would require carriers in the US to provide bayplans only upon request. The Shipping Federation, the Chamber of Shipping of British Columbia, and the World Shipping Council continue to meet with CBSA and US Customs Border

Protection (USCBP) to resolve this issue and come to an agreement that satisfies all concerned.

In addition to the foregoing, the Federation continues to represent its members on a number of committees in both Canada and the United States, including the Customs Electronic Systems Action Committee (CESAC), which meets quarterly to discuss data issues with US Customs Border Protection, and the resurrected CTACC Committee (now named the Border Commercial Consultative Committee), which serves as a focal point for the Federation to discuss customs issues of relevance to members. The Federation also continues to meet regularly with the Canada Food Inspection Agency (CFIA) and the US Department of Agriculture (USDA) to ensure that both countries harmonize their policies regarding the treatment of dunnage, which is especially important following the implementation of new *Wood Packaging Regulations* this past January. The Federation is also a member of the Transport Canada and CBSA committees examining the potential impacts of an avian influenza epidemic in Canada, where its chief interest lies in ensuring that government efforts in this area are as harmonized as possible.

Pilotage

In the Laurentian region, the Federation devoted a considerable amount of time and effort to preparing for the CTA (Canadian Transportation Agency) hearings on the Laurentian Pilotage Authority's (LPA) tariff proposal, which were held in Montreal on September 27 and 28. The contested tariff, which was to apply to the District 1 (Quebec to Montreal) sector only, comprised a 5 percent increase in pilotage rates plus a temporary 4.9

percent increase to cover accumulated arrears associated with the infamous "Marcheterre" award. The Federation's testimony focused, in large part, on ongoing delays in District 1 and their negative impact on the bulk and liner sectors of the industry, as well as the disparity that exists between the LPA's promises with respect to implementing service improvements and the improvements that have actually been delivered. Other organizations that also testified at the hearings included the Canadian Shipowners Association and the Chamber of Maritime Commerce.

The CTA ultimately ruled in favour of the industry and disallowed the tariff increase due to its incompatibility with the "public interest." The CTA based its decision on the fact that the proposed increase would initiate spiralling cost increases between Districts 1 and 2 that are unrelated to service; that there have been insufficient service improvements in District 1; and that the increase would not result in financial self sufficiency for the LPA since all of the additional income would flow directly to the Corporation of Mid St. Lawrence River Pilots.

In November, the LPA published a new tariff increase proposal of 4.5 percent, which would be applicable to both Districts 1 and 2. After meeting with the Authority and reviewing its financial strategy, the Pilotage Committee recommended that the Federation object to the proposed increase on the grounds that it would be illogical to implement an increase in District 1 in light of the CTA's ruling regarding its inefficiency, and in the absence of any evidence that the Authority had instituted service improvements in the district since then.

In the Great Lakes, regulations to remove the currency equalization factor that was part of the Great Lakes Pilotage Authority (GLPA) tariff came into effect last June. This enabled the Authority to generate some \$960,000 in extra revenue and contributed to its break-even position at year's end. In the fall, the Authority published a proposal for a temporary 2 percent surcharge designed to generate \$2.3 million in revenues that would be allocated to a dedicated employee termination benefits fund. The Federation filed an objection with the Canadian Transportation Agency, questioning both the amount of revenue being sought and its linkage with the establishment of a termination fund. More specifically, the Federation argued that termination payments are part of an employee's salary and benefits package and should therefore be generated through normal charges for services rather than being applied as a surcharge.

The GLPA subsequently made a number of significant amendments to the proposal, including a commitment to remove the surcharge as of December 31, 2006 and to use the revenues generated from the surcharge to reduce the Authority's dependence on a bank line of credit to provide operating cash during the early part of the year when receipts are low. As a result of these changes, the Federation withdrew its objection with the CTA. Discussions between the Federation and the GLPA have now turned to the development of a new tariff structure for 2006, which is necessary to reflect the growing trend towards smaller ships and the resulting need to ensure that all assignments at least cover costs.

In the Atlantic region, the Atlantic Pilotage Authority's (APA) proposal for an overall tariff increase of 4.25 percent came into effect on January 1, 2006. The increases vary from port to port, ranging from 4 percent at Saint John to 7.5 percent at Halifax to 10 percent at Restigouche and Bras d'Or. The new tariff was not opposed by the Federation, due in part, to the decisions of user committees at both Halifax and Saint John to accept the proposed increases. Another development during the year was the completion of the Minister of Transport's investigation into the APA's proposal (which had been vigorously opposed by the various pilot groups) to increase the minimum size of Canadian-flagged ships subject to compulsory pilotage from 1,500 to 3,000 GRT. The Minister concluded that the increase was warranted and ordered the Authority to make the necessary regulatory changes in this respect. Although this change is aimed primarily at reducing pilotage requirements for offshore supply vessels, it may also relieve some of the pressures causing pilot shortages in areas such as Placentia Bay.

Indeed, questions regarding pilot shortages and delays at Placentia Bay continued to abound in 2005, prompting the Federation to send a formal letter to the Atlantic Pilotage Authority seeking clarification on its intentions to improve service in these respects. These issues were also discussed at the district committee level and by the APA – User Group established in 2003 as discussion and brainstorming forum. Finally, collective agreement negotiations with employee pilots continued to stall and will likely end up in arbitration in the first half of 2006. The APA and its pilots have been without an agreement for more than two years.

members

Acro Navigation Inc.
Admiral Marine Inc.
Aegean Maritime Inc.
Alcan Shipping Services Ltd.
Anglo-Eastern Ship Management Ltd.
APL (Canada)
Atlantic Container Line
Atlantis International Ltd.
Atship Services Ltd.
Bay Shipping Inc.
Canada Steamship Lines Inc.
Canadian Maritime Agency Ltd.
Canmer Navigation Inc.
Celtic Maritime
China Ocean Shipping Co. (COSCO)
China Shipping (Canada) Agency Co. Ltd.
CMA-CGM (Canada)
CMC-Currie Maritime Corporation
Colley Motorships Ltd.
CP Ships (Canada) Agencies Ltd.
Cross Marine Inc.
Eastern Canada Towing Ltd.
Evergreen America Corporation
F.K. Warren Ltd.
Fednav Ltd.
Fundy Shipping Ltd.
Furcan Marine Ltd.
Gibson Canadian Global Agency Inc.
Goodfellow Shipping Agency Ltd.
Gresco Ltée
H.E. Kane Agencies Ltd.
Hampton Ship Agency
Hapag-Lloyd (Canada) Inc.
Holmes Maritime Inc.
Inchcape Shipping Services
K Line Canada Ltd.
Laden Maritime Inc.
Lakehead Shipping Co. Ltd.
Lower St. Lawrence Ocean Agencies Ltd.
Maersk Canada Inc.
Mathers Marine Agency Ltd.
MCA Marine & Cargo Agencies Ltd.
McAsphalt Industries Ltd.
McKeil Marine Limited
McLean Kennedy Inc.
Merada Transportation Ltd.
Montreal Marine Services Inc.
Montship Inc.
Montship Maritime Inc.
MSC (Mediterranean Shipping Co.)
Navitrans Shipping Agencies Inc.
Norton Lilly International
North Atlantic Refining Ltd.
NYK Line (Canada) Inc.
Ocean Remorquage Montreal Inc.
Oceanic Tankers Agency Ltd.
OOCL (Canada) Inc.
P & O Nedlloyd Ltd.
Poros Shipping Agencies Inc.
Project Transport & Trading Ltd.
Protos Shipping Limited
Ramsey Greig & Co. Limited
Robert Reford
Scandia Shipping (Canada) Inc.
Seabridge International Shipping Inc.
Senator Lines
SMK Tanker Agency Inc.
Sorel Maritime Agencies Inc.
Trillium Shipbrokers Ltd.
Wagenborg Shipping North America Inc.
Wallenius Wilhelmsen Logistics Americas LLC
Zim Integrated Shipping Services (Canada) Co. Ltd.

affiliated members

Atlantic Pilotage Authority
Atlantic Towing Ltd.
Belledune Port Authority
Canadian Marine Pilots Association
Canadian Sailings
Cerescorp Inc.
CFT Corporation
CTC Services
Eastern Canada Response Corporation Ltd.
Germanischer Lloyd
Great Lakes Pilotage Authority
Halterm Limited
Hamilton Port Authority
Innovation Maritime
Institut maritime du Québec
Langlois Kronström Desjardins
Les Élévateurs des Trois-Rivières
Marine Press Inc.
Montreal Port Authority
Newfoundland Transshipment Ltd.
Pictou Marine Terminals
Quebec Port Authority
Saint John Port Authority
Seamont Brokerage & Transport Ltd.
St. John's Port Authority
Toronto Port Authority
Trac-World Freight Services Inc.
Unitor Ship Services Canada
Urgence Marine Inc.
U.S. Great Lakes Shipping Association
Worldscale Association (London) Ltd.

companies represented by Federation members

A.S Bulk Handling
Abitibi Consolidated Inc.
Aimcor
Alcan Inc.
Alcoa Steamship Co.
Alendal, Haugesund
Alendal, Rotterdam
Alliance Grain Inc.
Atlantic Ro-Ro Lines
Beluga Chartering GmbH
BHP Billiton
Bibby-Harrison Shipmanagement Services
BPB Canada
Brenntag, Montreal
British Steel – Steel Shipping
British Steel PLC
Brodin Shipping
BTC, Rappersvil
Bunge Roma
Carnival Cruise Line
Celebrity Cruises
Clear Water
Clipper Cruise Line
Clipper Elite Carriers
Coeclerici

Co-metals
CP Ships
Crowley Marine
Crystal Cruise Line
Cunard Line
Daiichi Chuo Shipping
David J. Joseph
Demerara Rum
Donsotank
Dowa Line Americas
Eaglebrook
EMR European Metal Recycling
Eramet Canada
Eric Thun AB
Falconbridge Nickel Mines
Fednav International
Fred Olsen Cruises
Gearbulk
Gorthon Lines
Great Lakes European Shipping
Hamburg Sud
Hannah Marine
Hapag-Lloyd Cruise Ship Management GmbH
Hawknet Ltd.
Heidenreich Marine

Herning Shipping DK
HMM
Holland America Westours
Horizon Lines
ICEC, Canada
Indotrans
Internaut, Bremen
Internaut, Cyprus
Islamic Republic of Iran Shipping Lines
Italia Line
Italsov Spa
Jacor Scorpio Tanker Pool
Jo Tankers
Johan G. Olsen
Jumbo Navigation
Kent Lines
Krisax DK
Laurenne Shipping NL
Leif Hoegh & Co. A/S
Lithuanian Shipping Co.
Lockwood Bros
Lorstem
Louis Dreyfus
M W Beer
Maersk Sealand

Mar-Ocean Brokers Inc.
Martin Marietta
Maruba SCA
Melfi Lines
Metrofin Ltd.
MidShip Marine
Minsui OSK Bulkers
Mitsui O.S.K. Lines Ltd.
Moran towing
MST Mineralien Schiffahrt und Transprot GmbH
Navios Handybulk
Neste Oil
Newco Ferrous
Nissan Motor Carrier Co. Ltd.
Nordana Lines
Nordtank DK
Norwegian Cruise Line
Ohlsson & Linde
Olof Brodin (Chartering)
Otto Danielsen
P & O Cruises
Pacific Basin Shipping (UK) Ltd.
Passat Shipmanagement Ltd.
PK Drycargo
Primal Shipmanagement

companies represented by Federation members

Princess Cruises
Pro Line Limited & Co Gmbh
Project Lines
Quantum Tankers
Radisson Cruises
Rederi Transatlantic Services AB
Reederei Weser-Schiffahrts Agentur GmbH & Co.
Rio Tinto
Royal Caribbean Cruise Line
Safmarine
Saga Forest Carriers
Saga Shipping
Sanko Steamships
Sassco
Seabourn Cruises
Seapartners
Shinwa
Silversea Cruises
Sims Hugo Neu
Sinochem Shipping Co., Ltd.
Smit-Lloyd BV
SMT
Solmar / universal
Star Shipping N.Y. Inc.

Star Shipping Inc.
Star Trading & Marine
Statoil
Stolt Nielsen
Stolt Parcel Tankers
The World Residensea
TMM Lines
Toko
Tokyo Marine Co. Ltd.
TST, New York
Turkish Cargo Lines
U. S. Ferrous
V. Ships Leisure
Van Ommeren Clipper
VW Transport Gmbh & Co. OHG
Wagenborg
Wallem Shipmanagement
Waterfront Shipping Company
Winslow Marine
XCan Grain
Zim Integrated Shipping Services