



ASSOCIATION OF CANADIAN PORT AUTHORITIES
ASSOCIATION DES ADMINISTRATIONS PORTUAIRES CANADIENNES

**Presentation before the House of Commons Standing
Committee on**

Finance

**Study concerning Bill C-43, A second Act to implement
certain provisions of the budget tabled in Parliament on
February 11, 2014 and other measures**

November 18, 2014

Good morning Mr. Chair and committee members. Thank you for the opportunity to speak with you today.

My name is Wendy Zatylny. I am the President of the Association of Canadian Port Authorities, representing the 18 port authorities that make up Canada's National Ports System.

In the time I have, I'd like to speak to the valuable role ports play in facilitating trade and creating jobs in communities across Canada.

I'll also speak to changes to the Canada Marine Act as proposed in Bill C-43.

And finally, I'd like to highlight our pre-budget recommendations which we have submitted to committee members.

First, let me set some context.

Expanded trade agreements between Canada and international partners are making our world smaller. Traditional trade patterns are changing. Competition to carry and receive cargo is intensifying. Navigating this new environment effectively is crucial to Canada's economy and our standard of living.

Canada's ports are critically important to moving imports and exports around the world while creating jobs across Canada.

With 90 per cent of everything we buy and sell travelling by ship, maritime trade underpins the global economy. These are the goods we depend on every day: cars, tools, electronics, resources, food, and medicines – to name just a few.

A combined \$162-billion worth of goods are shipped or received through Canadian Port Authorities each year.

Our ports handle nearly two-thirds of the country's waterborne cargo, contributing to job creation and economic growth, creating 250,000 direct and indirect jobs that pay higher-than-average wages.

The expansion of port-based trade presents a remarkable opportunity for the Canadian economy.

Trade agreements with Korea, the European Union and other ongoing negotiations are creating new opportunities for businesses in key economic sectors.

However, we will only be able to capitalize on an expanding global market through strengthened port facilities and improved supply chain efficiencies.

It is for these reasons that we welcome the proposed changes to the Canada Marine Act. The first amendment, respecting the treatment of federal real property, will provide administrative clarification that will enable Canada Port Authorities to more effectively manage the potential acquisition of lands that support and fuel continued port growth.

The second amendment will help ensure greater regulatory oversight of port development projects by giving the federal government the ability to enact regulations that will provide additional safety and environmental protection measures. This can be done by referencing existing provincial regulations, in areas where the federal government currently does not have jurisdiction.

Taken together, these amendments will further strengthen our ability to respond to current and projected trade needs, as well as create jobs and new economic development opportunities.

But more still needs to be done. Canada is ranked 14th out of 155 countries when it comes to the quality and efficiency of our logistics infrastructure. In our view, 14th is simply not good enough for a G7 country.

Our goal should be to break into the World Bank's Top 10 in terms of supply chain efficiency.

Our pre-budget submission calls for an intensified partnership with the Government of Canada to do just that.

We have proposed working closer with Canada's Trade Commissioner Service to develop a training program to better understand and utilize the value add that is the National Ports System. In a highly-competitive and dynamic environment, speed and efficiency of cargo handling is key. Our port authorities have invested intellectual and financial capital in working with supply chain partners to smooth out inefficiencies and speed cargo to its intended customers. This is an important facet of our global competitive advantage, and should be reflected as such.

It would also be beneficial to establish an Inter-Departmental Working Group to examine and resolve seemingly-contradictory regulatory issues and barriers on a continuing basis.

Finally, we want to narrow the infrastructure gap that is preventing us from fully leveraging the benefits of Canada's trade agenda. In a study conducted with Transport Canada, we determined that there exists a 5.3 billion dollar gap in the amount of funds required to address port infrastructure needs, both current and prospective. While port authorities are adept at creating multi-partner funding models, federal funding is nonetheless a critical component in ensuring many projects of strategic national importance are able to proceed. While the Building Canada Fund was helpful, there still exists a gap to be filled.

The time is now to pair Canada's 21st century trade agenda with 21st century transportation efficiencies. Our proposals will help position Canada as the world leader in transportation logistics.

Thank you again for the opportunity to speak with you today. I look forward to your questions.
