



ASSOCIATION OF CANADIAN PORT AUTHORITIES  
ASSOCIATION DES ADMINISTRATIONS PORTUAIRES CANADIENNES

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

***Pre-Budget Consultations 2016***

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## **Introduction**

Good morning Mr. Chair and Committee Members and thank you for the opportunity to speak with you today.

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

We are grateful for the opportunity to provide our input as you continue your pre-budget consultations for Budget 2016.

In our pre-budget submission, we specifically request that the Government work with Canada's Port Authorities to remove the barriers to financial flexibility, improve port infrastructure and maintain the existing high level of port security.

We believe these investments will see Canada become one of the World Bank's Top 10 countries in the world for transportation logistics and supply chain efficiency.

## **Background**

But first, let me set some context.

With more than 90% of everything we buy travelling by ship, maritime trade underpins the global economy. Canada's world class port authorities are at the heart of this economic opportunity.

Canada's Port Authorities handle nearly two-thirds of the country's waterborne cargo and are pivotal in driving our country's economic growth.

In fact, Canadian Port Authorities handle over \$400 billion worth of goods each year trading with more than 160 countries. This contributes to Canada's economic growth, creating 250,000 direct and indirect jobs that pay higher-than-average wages.

Ports are powerful drivers of job creation and economic growth in every region of the country and we are proud of the partnerships we've built in the private and public sectors, and the commitments we have to the communities we operate in.

But the shipping world is changing dramatically. Expanded trade is making our world smaller. Traditional trade patterns are shifting.

Remaining competitive in a rapidly changing world will require us to strengthen our port facilities and improve their supply chain efficiencies.

### **Financial Flexibility**

First, we propose removing barriers to give ports much needed financial flexibility. This will allow our ports to react nimbly in a highly dynamic and competitive environment.

Unshackling the national port system will allow ports to work in tandem with the federal government to help achieve core national economic objectives: job creation and economic growth across the country.

Amending the *Competition Act* to allow port authorities to collaborate with an eye toward maximizing asset utilization will ease the burden of uneven pressure and demands that are exerted on ports by shifting global trade patterns.

Current caps on borrowing limits, which are set much lower than what port development projects require, and a long and opaque process to obtain supplementary letters patent amendments, also present challenges for ports.

Ports are, and will continue to be, powerful trade enablers for Canada, but to do so effectively, we need the flexibility to adapt to rapidly changing commercial market forces.

## **Infrastructure**

Second, financial support of strategic port infrastructure is needed to maximize Canada's economic output. It takes a wide range of partners to support port infrastructure projects and the federal government is a crucial part of the mix.

An ACPA - Transport Canada study of port infrastructure requirements from 2012, found a capital investment need of \$5.8 billion to meet growing demand, including \$1.9 billion (or 33%) for the rehabilitation of existing port assets.

Overwhelmingly, waterside infrastructure needs relate to wharf sub-structures and/or berth-face structures. The challenge for ports is finding financing for these necessary rehabilitative projects, as opposed to development projects, which have a higher return for investment.

But these rehabilitative projects are all shovel ready now and ultimately an investment in port infrastructure will have a multiplier effect. The initial injection will go into supporting the local economy and labour force while the "second bounce" comes from the ability of the port to grow its cargo. An OECD study has shown that an additional one million tonnes of new cargo can create up to 300 new jobs in the port's hinterland. A true win-win scenario.

## **Port Security**

Finally, we believe that as Canada continues to negotiate free trade agreements with countries around the world, pressure will mount for ports to protect the movement of passengers, commodities and energy supplies.

It is essential that ports continue to maintain their high level of safety. As technology evolves, we need to stay ahead of the curve to make sure that security stays optimal, so that we can continue to ensure the safety of Canada's economy and energy within a constantly evolving threat environment.

And to do that we need to establish a suitable funding program to support the ports' security regime, including adapting to emerging threats such as cybersecurity challenges.

## **Conclusion**

As Canada's trade agenda continues to pick up steam, it is crucial that we take the necessary steps to ascend the ladder and improve our position as a leading trading nation.

We have the opportunity as a country to break into the World Bank's Top 10 trading nations in terms of supply chain efficiency and we are confident we can improve our position with the Government of Canada on board.

Acting upon the recommendations contained in our submission will help Canada achieve and advance its global commercial agenda and the Canadian Port Authorities stand ready to help seize what truly is a golden opportunity.

Thank you again for the opportunity to speak with you today.

**END**