



ASSOCIATION OF CANADIAN PORT AUTHORITIES
ASSOCIATION DES ADMINISTRATIONS PORTUAIRES CANADIENNES

Ontario's Ports – Connecting to the World

Budget Brief to the Ontario Minister of Finance The Honourable Charles Sousa

Ontario's ports are critical supports for Ontario's growing domestic and international marine trade. Canada's free trade initiatives with Europe, the Trans Pacific Partnership members, and other countries will challenge Ontario's ports in handling growing cargo throughput. To remain competitive, Ontario's major Canadian Port Authorities (CPA) must continue to lead global productivity standards.

Ontario hosts five of the Canada's major CPAs handling a combined 23 million tonnes of cargo. The cargo throughput of Thunder Bay, Windsor, Hamilton, Toronto and Oshawa makes Ontario ports Canada's second largest group of cargo handlers. Across the Canadian portion of the Great Lakes-St. Lawrence River maritime transportation system, shipping generated \$33.5 billion in economic activity and is responsible for an estimated:

- \$23 billion in personal wages and consumption expenditures,
- \$115 billion plus in related business revenue, and
- more than \$7 billion paid in taxes to all governments.

The Association of Canadian Port Authorities, and specifically our Ontario port authority members seek continued Provincial Government support to strengthen the ability of the province's major ports to be significant and growing drivers of Ontario's economic development.

The Association of Canadian Port Authorities

Founded in 1958, the Association of Canadian Port Authorities binds ports and related marine interests into one national association representing all Canadian Port Authorities, other ports, government entities and marine sector organizations, and private companies.

As the leading association for the advocacy and advancement of the Canadian ports industry, ACPA represents the interests of the Canadian ports community in building solid bridges to key government officials at all three levels, allied associations and valued business partners to ensure issues do not become problems — and problems are resolved with quick, effective and workable solutions.

Challenges facing Ontario's Ports

Ontario's major ports face many challenges, including:

- a dynamic shipping industry demanding increased port productivity and efficiency,
- the cumulative impacts of governments downloading costs, reducing the ports' abilities to retain earnings for infrastructure rehabilitation and development:
 - a recent ACPA / Transport Canada study found that Ontario's major ports need investment of over \$200 million for port infrastructure during the next fifteen years,
- Great Lakes environmental concerns, such as ballast water management and Emissions Control Area (ECA) regulations, and
- climate change affecting shipping as seen by varying ice cover conditions and fluctuating water levels.

Ontario Ports' Economic Opportunities

More than challenges, Ontario's ports offer tremendous opportunities for creating jobs and wealth as key economic enablers; handling cargo that underpins and builds local and regional economies.

For example, besides serving as a major grain hub, a link between Ontario's manufacturing strengths and Alberta's oil sands has increased project cargo shipped through Thunder Bay. Several Ontario ports handle imported wind turbine components supporting Ontario's alternative energy initiatives. The GTA's economic and population growth stimulates cargo throughput in Toronto, Hamilton and Oshawa. Windsor handles millions of tonnes of aggregate for the construction of the Herb Gray Parkway, one of the province's largest highway projects. These many economic opportunities require high-volume, low-cost transport provided by the marine sector to remain competitive.

Responding to Environmental Challenges

Ontario's ports are more than just economic drivers; they are also leaders in Great Lakes environmental sustainability. Ports and shippers take sustainability seriously. Port authorities have taken many initiatives to reduce their carbon footprint, including:

- installing solar power systems,
- creating new fish and wildlife habitats and wetlands, and
- better managing debris and sediment to prevent flooding in local areas.

Ontario's Great Lakes provide a unique marine highway. Shipping by water is far more energy efficient and less costly than land-based modes. For example, a Great Lakes bulk ship can carry 30,000 tonnes of cargo; moving the same amount over land would require 301 rail cars or 963 trucks. Developing viable and vibrant short sea shipping on the Great Lakes (including cross-

border movements) will reduce trucks on the province's highways, decrease road congestion, cut capital requirements for expanded roadways and decrease GHG emissions.

On water, Great Lakes shipping companies are investing over \$700 million on fleet renewal aimed at reducing emissions, improving cargo-handling efficiencies, ensuring worker and public safety and protecting our environment. Recent environmental improvements to Great Lakes fleet include installing:

- modern scrubbers for stack emissions to conform to the requirements of the North America Emissions Control Area (ECA),
- ballast water treatment systems to remove the threat of invasive marine species in our waters,
- marine sanitation to treat onboard wastewater, and
- comprehensive recycling programs.

Ontario's major ports need similar infrastructure investments to effectively support the province's growing domestic and international trade.

Bi-National Strategy

ACPA applauds the Ontario Government's active partnership with Great Lakes state governments, Quebec and federal governments on both sides of the border in addressing key bi-national issues, such as:

- the Council of Great Lakes Governors' and Premiers' *Great Lakes-St. Lawrence Maritime Strategy*,
- addressing marine environmental issues, including ballast water management, ECA regulations and Great Lakes water levels, and
- supporting initiatives to enhance ice-breaking services provided by the U.S. and Canadian Coast Guards.

Recommendations

The Ontario Government needs to leverage its major ports by adopting supportive marine policies, including:

- recognizing Ontario port authorities as key gateways underpinning the provincial economy,
- providing firm policy leadership to ensure the federal government and other public and private agencies reinforce the economic importance of Ontario ports, including:
 - continuing its active role in the Council of Great Lakes Governors and Premiers' *Great Lakes-St. Lawrence Maritime Strategy*,
 - establishing and funding a robust marine division within the Ministry of Transportation to develop the province's internal and external marine profile while implementing, guiding and monitoring maritime transportation system programs and projects, including:

- implementing the Ontario portion of the Governors' and Premiers' forthcoming *Great Lakes-St. Lawrence Maritime Strategy*.
- providing a budget allowance to support a dedicated federal-provincial-municipal-private sector trade-enabling port infrastructure program to enhance the competitiveness of the Great Lakes-St. Lawrence River maritime transportation system.
- working with its Great Lakes State partners and the federal government to address bi-national initiatives such as:
 - reducing cabotage restrictions to support the development of cross-border short sea shipping, and
 - addressing marine environmental issues including ballast water management, water levels and ECA requirements,
- encouraging the federal government to support Great Lakes shipping by undertaking a comprehensive review of the St. Lawrence Seaway with a view to enhancing its competitiveness.

Ontario's Great Lakes ports support domestic and international trade growth. With supportive provincial marine policies and strategies along with appropriate investment and policy leadership, the province's major ports will be able to harness Canada's potential trade growth and aid in expanding Ontario's economy.

Wendy Zatylny
President
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