



HOUSE OF COMMONS  
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CANADA

## Report of the Standing Committee on Transport, Infrastructure and Communities

# INTERIM REPORT ON ESTABLISHING A CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY



**Chair**  
**Hon. Judy A. Sgro**

**FEBRUARY 2019**

**42<sup>nd</sup> PARLIAMENT, 1<sup>st</sup> SESSION**

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A CANADIAN TRANSPORTATION  
AND LOGISTICS STRATEGY**

**Interim Report of the Standing Committee on  
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**Hon. Judy A. Sgro  
Chair**

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## **NOTICE TO READER**

### **Reports from committee presented to the House of Commons**

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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# **THE STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES**

has the honour to present its

## **TWENTY-SEVENTH REPORT**

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the Canadian Transportation and Logistics Strategy and has agreed to report the following:





## TABLE OF CONTENTS

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SUMMARY .....	1
LIST OF RECOMMENDATIONS.....	3
INTERIM REPORT ON ESTABLISHING A CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY.....	11
Introduction.....	11
Improving the Overall Effectiveness of Canada’s Trade Corridors.....	13
The National Transportation Infrastructure.....	14
Marine Transportation Network.....	14
Air Transportation Network.....	17
Rail Transportation Network.....	18
Road Transportation Network.....	20
Labour .....	22
Environmental Impact and Effects Assessments .....	23
Optimizing the Capacity of Transportation, Logistical and Service Infrastructures .....	24
Technologies to Increase Current Infrastructure Capacity .....	24
Border Operations .....	25
Availability of Data on Supply Chain Performance.....	26
Protecting Industrial Land Parcels .....	28
Coastal Protection.....	28
Encouraging Collaboration Between Supply Chain Stakeholders in Canada .....	30
Federal Funding Programs .....	32
CASE STUDY: NIAGARA REGION.....	35
Road Congestion .....	35
Mid-peninsula Transportation Corridor Project.....	37

Greater Use of Marine Transport .....	37
Industrial Land Use.....	38
The St. Lawrence Seaway Management Corporation.....	38
Industrial Land Along the Welland Canal.....	39
CASE STUDY: VANCOUVER REGION.....	41
Growing Demand.....	41
A Supply Chain That Must Adapt.....	43
Availability of Industrial Land.....	44
APPENDIX A: LIST OF WITNESSES .....	47
APPENDIX B: LIST OF BRIEFS .....	55
REQUEST FOR GOVERNMENT RESPONSE .....	57
SUPPLEMENTARY OPINION OF THE CONSERVATIVE PARTY OF CANADA .....	59
SUPPLEMENTARY OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA .....	63

## SUMMARY

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The gateways for trade in goods between Canada and its trade partners are vital—without them, Canada’s supply chains cannot run smoothly. Internal transport networks and freight transfer points are also key components of Canada’s trade corridors. In addition, when the various trade corridor stakeholders collaborate and share information with each other, the flow of goods is better across all networks.

As part of its study on establishing a Canadian transportation and logistics strategy, the Standing Committee on Transport, Infrastructure and Communities met with various transportation corridor users and stakeholders to identify opportunities to increase the efficiency of Canada’s trade corridors. Witness testimony gave Committee members a better understanding of the major bottlenecks around the country, particularly in central Canada and on the West Coast.

Topics discussed included border service performance, labour force availability, the transport infrastructure deficit in remote regions, the implication for regional travel, local commuting and commerce and current and future capacity issues for road and rail transportation infrastructure moving freight to and from Canada’s gateways. The Committee believes that the Government of Canada must redouble its efforts to improve the fluidity of supply chains across the country as regards transportation. The Committee also believes that an increase in vessel traffic should not occur at the expense of coastal protection.

Various witnesses who participated in the study emphasized the Government of Canada’s role in collecting and sharing supply chain data. They also highlighted how using various technologies, such as biometrics at border crossings, can help optimize the capacity of transportation, logistics and service infrastructures in Canada.

Other witnesses said it was necessary to protect industrial lands near trade corridors so they can be used for trade expansion in the future. It was pointed out on multiple occasions that the Government of Canada has a role to play in encouraging enhanced dialogue between the various supply chain stakeholders and between the various levels of government.

As part of this study, the Committee travelled to the Niagara region, Vancouver and Seattle. Witnesses in the Niagara region indicated that the regular congestion on the Queen Elizabeth Way highway meant that an alternative must be found for transporting freight. The Committee agrees with the recommendations put forward by stakeholders

and believes that the Government of Canada should support the mid-peninsula highway project and encourage increased use of the St. Lawrence Seaway for transporting freight.

In Metro Vancouver, the main concern was the current capacity of the rail network in Western Canada and the Port of Vancouver facilities, as well as how increased freight traffic would put a strain on the region's transportation infrastructure. The Committee shares the concerns raised by these witnesses and believes that more dialogue between the various stakeholders would help them establish a better balance between the freight transport industry's needs, land use needs and local transport needs.

## LIST OF RECOMMENDATIONS

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*As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.*

### **Improving the Overall Effectiveness of Canada's Trade Corridors**

#### **Recommendation 1—Increased use of the St. Lawrence Seaway**

**That the Government of Canada cooperate with all stakeholders—including the St. Lawrence Seaway Management Corporation, ports, marine operators and businesses—to explore ways to increase year-round use of the St. Lawrence Seaway to transport goods within central Canada. As well, the Government of Canada should consider such issues as icebreaking capabilities, piloting fees, handling fees at terminals and docking fees.**

#### **Recommendation 2—Port infrastructure**

**That the Government of Canada support the proactive planning and timely development of major port infrastructure projects that would support viable future trade opportunities.**

#### **Recommendation 3—Northern infrastructure deficit**

**That the Government of Canada assess infrastructure needs in Canada's remote northern areas with the goal of introducing a strategy that would ensure that these areas have the same level and types of infrastructure that are available in other areas of Canada.**

#### **Recommendation 4—Regulatory harmonization**

**That the Government of Canada work towards the increased harmonization of policies and regulations on freight transportation between both Canada and the United States, and Canada's provinces and municipalities. In particular, harmonization should occur in relation to ballast water, capital infrastructure investments, the Great Lakes, and railway, air and road transport.**

#### **Recommendation 5—Environmental assessment process**

**That the Government of Canada ensure that any legislative or regulatory changes to the federal environmental assessment process do not unduly increase timelines for conducting environmental assessments or create uncertainty regarding funding for infrastructure in Canada’s trade corridors.**

#### **Recommendation 6—Encouraging private sector investments in trade corridors**

**That the Ministers of Transportation, International Trade Diversification, Infrastructure and Communities, and Innovation, Science and Economic Development collaborate with the Minister of the Environment and Climate Change to ensure that new environmental assessment procedures and infrastructure and climate change related funding envelopes would encourage more private-sector investments in trade corridors. In particular, the Government of Canada should make sure that project reviews are certain, predictable and timely, and that the requirements that applicants must meet are clear.**

#### **Recommendation 7—Labour shortage**

**That the Government of Canada prepare a nationwide policy to alleviate the labour shortage in the transport industry.**

#### **Optimizing the Capacity of Transportation, Logistical and Service Infrastructures**

#### **Recommendation 8—Border operations**

**That the Government of Canada, in collaboration with the Canada Border Services Agency, examine challenges that the Agency is facing in balancing the requirement for security at the border with the need to expedite the movement of goods and travellers between Canada and the rest of the world.**

#### **Recommendation 9—Trusted Traveller and Trader programs**

**That Transport Canada, in cooperation with the Canada Border Services Agency, take steps to expand the number of “Trusted Travellers” and “Trusted Traders” that are able to access expedited customs and inspection processes at border crossings.**

#### **Recommendation 10—Pre-approval program**

That Transport Canada, in cooperation with the Canada Border Services Agency, take steps to implement a pre-approval program similar to the U.S. Transportation Security Administration's Precheck program. The program should be designed in a manner that would allow pre-approved travellers to have expedited security processing by eliminating the requirement for them to remove their shoes, belts or light jackets, or to take liquids or laptops out of their carry-on luggage.

#### **Recommendation 11—Data collection**

That Transport Canada accelerate the collection and distribution of forecast and real-time data on rail freight transportation in Canada.

#### **Recommendation 12—Publication of port activities data**

That Transport Canada publish comprehensive and regular reports about the volumes, products, trends and other key indicators for each of Canada's ports.

#### **Recommendation 13—Supply chain visibility initiatives**

That Transport Canada encourage the introduction of supply chain visibility initiatives, such as the Vancouver Fraser Port Authority's Supply Chain Visibility Project.

#### **Recommendation 14—Climate change**

That Transport Canada, in cooperation with Environment and Climate Change Canada and Fisheries and Oceans Canada, continue to research the impacts of climate change on transportation infrastructure and the effects of increased marine traffic on coastal ecosystems.

#### **Recommendation 15—Supply chain efficiency**

That the Government of Canada seek to improve the efficiency of supply chains by deploying strategic technologies and infrastructure investments designed to eliminate bottlenecks along Canada's trade and transportation corridors.

#### **Recommendation 16—National trade corridor recognition**

**That the Government of Canada acknowledge the Niagara Region’s and the City of Hamilton’s strategic location within a one-day drive of major Canadian and U.S. cities, provincial designation as an Economic Gateway Centre & Zone, and federal recognition as a Foreign Trade Zone through designating the Region and City as a national trade corridor.**

#### **Recommendation 17—Shared marine technology**

**That the Government of Canada study the introduction of a single window approach to gather all of the information required by Canadian authorities regarding the arrival and departure of ships in Canadian waters. To facilitate sharing with transportation sector stakeholders, this information should be available electronically.**

#### **Recommendation 18—Optimization of land ties**

**That the Government of Canada work with its provincial and municipal counterparts to optimize ties between roads and rail networks with a view to ensuring that such ties are the easiest and most efficient means of getting cargo into and out of a port.**

#### **Recommendation 19—West Coast land use planning**

**That the Government of Canada encourage greater dialogue among stakeholders involved in supply chains on Canada’s West Coast supply. Their dialogue should focus on the development of a better balance among land use requirements, the demand for local transportation and industries’ freight requirements.**

#### **Recommendation 20—Mandate of the St. Lawrence Seaway Management Corporation**

**That the Government of Canada consider reviewing the mandate and budget of the St. Lawrence Seaway Management Corporation to ensure that the Corporation is able to achieve the goal of increased economic development of the land along the banks of the Welland Canal.**



### **Recommendation 21—Review of the St. Lawrence Seaway**

**That the Government of Canada, as part of the Review of the St. Lawrence Seaway, consider widening the scope of the Review as it pertains to the Welland Canal. In particular, the scope should include consideration of:**

- **the impact of the Seaway on the economic development of the regions it serves;**
- **changes to the Corporation’s (mandate) policies and operational decision-making with a view to encouraging greater economic development of the lands managed by the Corporation, including through longer-term leases or the establishment of an expedited process to divest lands that are underutilized;**
- **measures that would facilitate foreign direct investment; and**
- **the need to remediate federally owned lands that are heavily contaminated, with an indication of the steps required either to return them to production or to divest them to an interested party under the terms of a negotiated agreement.**

### **Recommendation 22—Coastal protection**

**That the Government of Canada study the environmental impact of increased coastal maritime commerce. As well, the Government should take the steps that are needed to protect the coastline while promoting the economic growth and industries that are pivotal to Canada’s economy.**

### **Recommendation 23—Anchoring on the West Coast**

**That Transport Canada consider making the interim protocol on British Columbia anchorages both permanent and mandatory.**

### **Encouraging Cooperation Among Stakeholders in Canada’s Supply Chain**

#### **Recommendation 24—National Trade Corridors Strategy**

**That the Government of Canada, in the context of the development of a National Trade Corridors Strategy, encourage enhanced dialogue with Indigenous communities, businesses, government agencies and international economic partners with the goals of strengthening strategic local, national and international trade corridors and ensuring long-term investments in needed infrastructure.**

### **Recommendation 25—Regional strategic transportation planning organizations**

That the Government of Canada encourage the creation of regional and binational strategic transportation planning organizations that would focus on Canada's main trade corridors. These organizations, which should include representatives from Transport Canada, should focus on appropriate integrated planning, among other matters.

The Minister of Transport should review the strategic plans developed by these organizations to ensure that an integrated and collaborative process among all relevant entities is used when capacity is forecast, performance is modelled and programs are developed to ensure that current transportation systems are kept in good repair and undergo appropriate improvements and expansion.

### **Recommendation 26—Cost-benefit analysis**

That Transport Canada require an analysis to be conducted before federal infrastructure funding is allocated for proposed trade corridor projects. This analysis should determine whether the benefits of a particular improvement would exceed its expected cost. As well, this analysis should use a multiple account evaluation framework that includes financial, regional economic development, trade, environmental and regional quality of life benefits as targeted objectives.

### **Recommendation 27—Funding options for short-line railways**

That the Government of Canada review its funding options for short-line rail operators in order to ensure that their networks are in good repair and to enable proper capital planning by them. As well, the Government should assess the need to introduce targeted funding programs for these operators.

### **Recommendation 28—Program criteria**

That the Government of Canada demonstrate flexibility in the criteria for infrastructure funding programs in order to not exclude carriers that transport both passengers and freight.

### **Recommendation 29—Regional airports**

That Transport Canada assess the needs of Canada's small regional airports and determine whether the level of funding provided under the Airports Capital Assistance Program should be increased to enhance current and potential passenger and freight handling capacity, and to take into consideration economies of scale with respect to adjacent airports.

**Recommendation 30—Participation of Indigenous communities**

**That the Government of Canada establish a monitoring system to ensure the participation and consultation of Indigenous communities in transportation-related decisions.**

**Recommendation 31—Mid-Peninsula Transportation Corridor**

**That the Government of Canada recognize Canada’s need for expedited and reliable access to the U.S. border, including across the Niagara Region’s congested international bridges, and cooperate with the Government of Ontario and affected municipalities to establish redundancy in relation to the current Queen Elizabeth Way (QEW) highway. To that end, the Government should consider the creation of a Mid-Peninsula Transportation Corridor.**





## INTERIM REPORT ON ESTABLISHING A CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY

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*“In a world of massive and complex webs of interconnectedness, the quality of transportation and logistics systems may be the single greatest contributor to a country’s economic performance.”<sup>1</sup>*

Canada Transportation Act Review Panel  
Transport Canada

### INTRODUCTION

Canada’s marine ports, airports, and highway and rail border crossings are vital entry and exit points for merchandise trade not only between Canada and the United States but also between Canada and its other trading partners. The road, marine, air and rail transportation networks – as well as intermodal and distribution hubs – are also key components of the country’s trade corridors.

According to [Transportation in Canada 2016](#), transportation and warehousing represented 4.5% of Canada’s total Gross Domestic Product in 2016, while our country’s international merchandise trade amounted to \$1,050 billion that same year. The United States is Canada’s top trading partner, accounting for 64% of the trade in goods moving between the two countries in 2016. The value of interprovincial merchandise trade in 2016 was \$152 billion according to [Transportation in Canada 2017](#).

In its 2015 [report](#) on the review of the *Canada Transportation Act*, the review panel emphasized that Canada needs to improve its transportation capacity to meet the demands of increased international trade in the future. The Committee noted that an effective supply chain that guarantees the smooth flow of goods from production and

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1 This excerpt was also quoted in Standing Committee on Transport, Infrastructure and Communities [TRAN], *Evidence*, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, [Greg Northey](#) (Director, Industry Relations, Pulse Canada).



distribution facilities to end markets could be considered a competitive advantage for businesses.<sup>2</sup>

Given this environment, the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee) adopted the following motion on [27 September 2016](#):

Launch a comprehensive study on the establishment of a Canadian Transportation and Logistics Strategy (using a regional gateway approach) with specific focus on:

- a review of current and future transportation and infrastructure priorities and strategies as they relate to planning, funding, construction, renewal and succession planning of transportation infrastructure;
- a review of government priorities as they relate to funding, designing and regulating transportation and/or transportation infrastructure;
- the incorporation, when appropriate, of the *Canada Transportation Act* (Emerson) Report findings; and
- an exploration, when practical, of the synchronization of federal plans and priorities with provincial, territorial and local government initiatives relating to transportation and infrastructure policies over the long-term.

This study is being undertaken as the federal government completes a number of reviews and consultations on the performance of Canada's trade corridors, such as the [ports modernization review](#), the [Pilotage Act review](#), the [review of the St. Lawrence Seaway](#), and [Understanding the Effects of Marine Vessel Activity on Coastal Environments](#).

As part of its study, the Committee travelled to the Niagara Region, Vancouver and Seattle in September 2018 to meet with transportation corridor users and other stakeholders to develop an understanding of the effectiveness of Canada's trade corridors and identify possible improvements. The Committee also held 13 meetings, heard from 87 witnesses and received 9 briefs.

The following sections summarize the discussions with transportation corridor users and other stakeholders regarding the challenges and opportunities in establishing a Canadian transportation and logistics strategy. The first section highlights similarities across the country by focusing on the effectiveness of Canada's trade corridors, particularly the

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2 Canada Transportation Act Review Panel, [Pathways: Connecting Canada's Transportation System to the World](#), 2015, pp. 36–37.

capacity of points of entry and domestic transportation networks, and the level of integration among the various components of the supply chain. The two other sections present case studies examining the challenges and opportunities for transportation and trade in the Niagara Region and Vancouver.

## IMPROVING THE OVERALL EFFECTIVENESS OF CANADA'S TRADE CORRIDORS

*“Improving transportation and logistics is a tremendous opportunity to improve competitiveness for our sector and the Canadian economy as a whole. If effective, the strategy can set Canada down the path to become a world leader in logistics performance and infrastructure excellence, and our goal should be to become a top performer on the World Bank logistics performance index.”*

Greg Northey  
Director, Industry Relations  
Pulse Canada

Canada's national transportation infrastructure comprises 26 airports, 18 port authorities, 45,000 route-kilometres of track and 38,000 kilometres of roadways. In 2016, road transportation was the most common method of bringing goods to Canada from the United States, accounting for close to 72% of goods. Similarly, 55% of Canadian exports to the U.S. were transported by road.<sup>3</sup> Excluding U.S. goods, 40% of imports to Canada in 2016 were transported by ship and 37% by truck. Excluding U.S. goods, more than 60% of Canadian exports in 2016 were transported by ship and close to 33% by air.<sup>4</sup>

In its 2018 report on trade logistics in the global economy entitled [Connecting to Compete](#), the World Bank ranked Canada 20th in its Logistics Performance Index, down 6 points from its ranking of 14<sup>th</sup> in 2016. According to [Greg Northey](#) of Pulse Canada, Canada is no longer among the top 20 countries for key indicators such as “quality of infrastructure, timeliness of shipments, and the ability to track and trace consignments.”

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3 Transport Canada. *Transportation in Canada 2017: Statistical Addendum*, 2018. Please note that the Statistical Addendum is available only upon request.

4 Percentages are based on the value (in millions of dollars) of traded goods.



## The National Transportation Infrastructure

### Marine Transportation Network

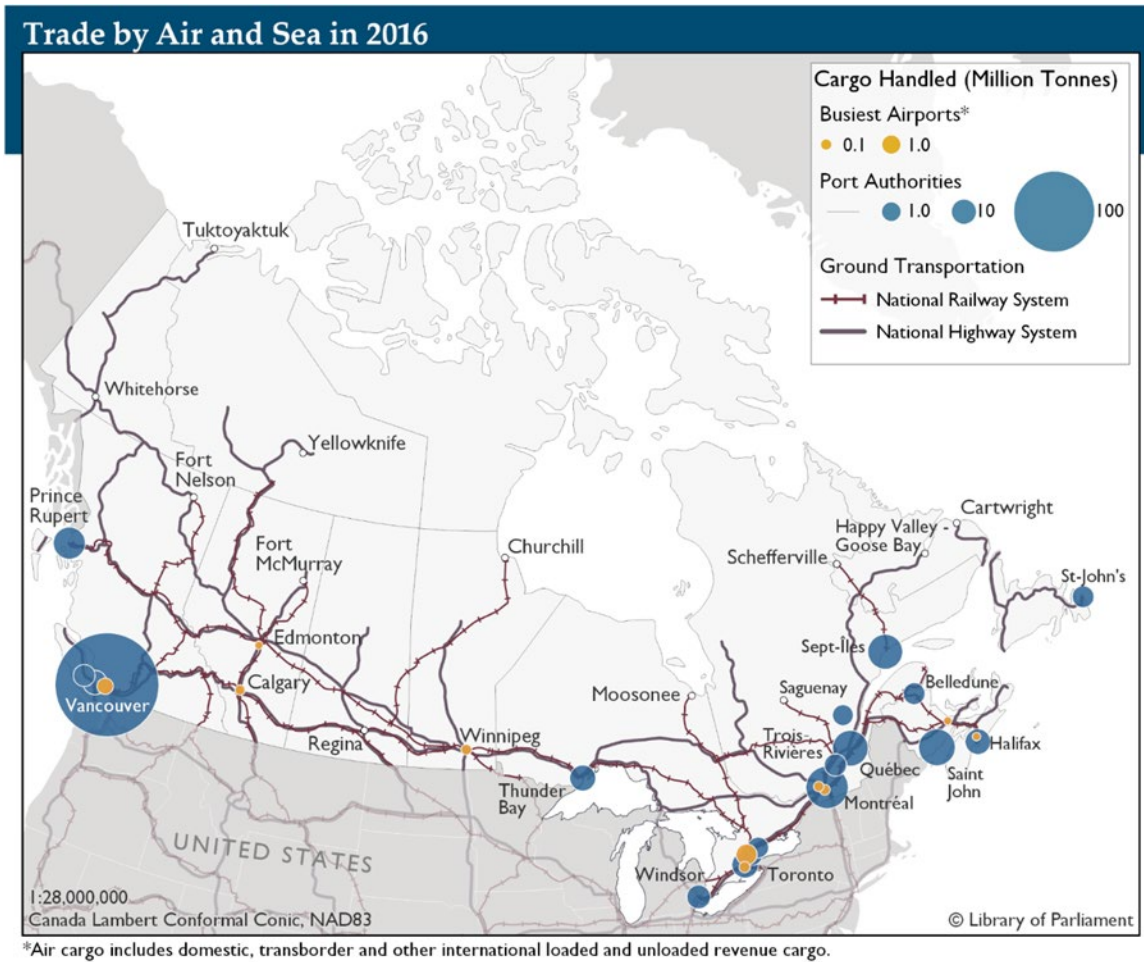
According to [Transport Canada](#), Canadian ports are the main point of entry for imported containerized manufactured goods. In 2016, approximately 21% of imports to Canada and 17% of its exports were transported by ship.<sup>5</sup> As shown in Figure 1, the Port of Vancouver is Canada's largest port, handling 135.5 million tonnes of goods in 2016.

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5 Percentages are based on the value (in millions of dollars) of traded goods.



Figure 1—Trade by Air and Sea



Source: Map prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series*, “Administrative features,” 1:15M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series*, “Hydrographic features,” 1:15M, Ottawa, NRCan, 2018; *Transport networks in Canada – Canvec Series*, “Transport features,” 1:15M, Ottawa, NRCan, 2018; and Transport Canada, *Transportation in Canada 2017: Statistical Addendum*, “Table A17” and “Table M17,” 2018. The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).

The witnesses participating in this study identified the main bottlenecks for transporting goods, including the state of the transportation infrastructure to bring goods to ports. According to [Rajesh Sharma](#) of Tata Steel, although it is important to invest in port infrastructure and terminals, we must not overlook the transportation infrastructure that brings the goods to port. Otherwise, it is “like having an apartment on the 48<sup>th</sup> floor in the best building in town, but there is no escalator or elevator.”



[Tony Boemi](#) and [Sophie Rioux](#) of the Montreal Port Authority (MPA) shared this view, stating that ports must deal with aging infrastructure and the need to optimize their rail network and direct road access. [Nick McGrath](#) of Labrador City believes there must be ongoing investment in port infrastructure and port access in order to meet future capacity requirements. In the case of the Port of Vancouver, [Joel Neuheimer](#) of the Forest Products Association of Canada noted that the current level of congestion at the port increases delivery times and costs for the forest products industry.

Witnesses also told the Committee that the marine transportation cost structure must be improved to make Canada more competitive internationally.<sup>6</sup> Some said that pilotage tariffs were too high and the current pilotage system did not allow for cost control. [Captain Roy Haakonson](#) of British Columbia Coast Pilots Limited refuted that claim, stating that pilotage tariffs represented only 0.1% of the total value of waterborne trade, according to the report on the [Pilotage Act Review](#). [Roger Nober](#) of the BNSF Railway Company also remarked that Canadian ports offer cost advantages over some U.S. ports, particularly in terms of labour, more efficient use of technology and public-private support for Canadian port infrastructure. During their visit to the Port of Seattle, Committee members were told that the Government of Canada's greater involvement in port governance is a competitive advantage for Canadian ports.

A number of witnesses were concerned about the current state of the Canadian and U.S. fleets of icebreakers, stating that Canada must increase its icebreaking capabilities on its main shipping routes.<sup>7</sup> Some witnesses suggested that icebreaking issues in the Great Lakes region could mean a loss of business to other modes of transportation.<sup>8</sup> According to [Jim Weakley](#) of the Lake Carriers' Association, increasing icebreaking capabilities is one of the best ways to increase the system's capacity, given that about 20% of total cargo moves during the ice season. [Mr. Weakley](#) believes there should be greater "harmonization" and "interoperability" between the Canadian Coast Guard and the United States Coast Guard in the Great Lakes. He proposed that the two organizations' command centres be electronically integrated, as is done on the West Coast.

[Chris Straw](#) of the Gabriolans Against Freighter Anchorages Society told Committee members that, despite the introduction of an [Interim Protocol for the Use of Southern B.C. Anchorages](#), there is no control over the number of ships coming in or the wait times to

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6 TRAN, *Evidence*, [Bruce Burrows](#) (President, Chamber of Marine Commerce [CCM]), [Rajesh Sharma](#) (Strategic Advisor, Tata Steel) and [Michael Broad](#) (president, Shipping Federation of Canada).

7 TRAN, *Evidence*, [Jim Weakley](#) (President, Lake Carriers' Association [LCA]), [Broad](#) (Shipping Federation of Canada), [Captain Mike Burgess](#) (Vice-President, Great Lakes Region, Canadian Marine Pilots Association [CMPA]) and [Burrows](#) (CMC).

8 TRAN, *Evidence*, [Weakley](#) (LCA) and [Burrows](#) (CMC).

anchor, which can last several weeks. [Mr. Straw](#) and [Peter Luckham](#) of the Islands Trust Council believe that the increased time spent at anchor is a sign of weaknesses in the West Coast supply chain, since “[a]nchored ships are unproductive ships. They’re not moving cargo. They’re simply burning fuel and incurring overhead charges, which are undoubtedly passed along to the suppliers of their eventual cargo.” Noise and light pollution from the ships can also be very bothersome to coastal communities, according to [Nathalie Anderson](#), who spoke on behalf of the Cowichan Tribes.

### **Air Transportation Network**

In 2016, approximately 13% of Canadian imports and 11% of Canadian exports were transported by air.<sup>9</sup> As shown in Figure 1, Canada’s busiest airports in terms of cargo handled in 2016 were Toronto’s Pearson International Airport, with close to 382,000 tonnes of cargo and Vancouver International Airport, with more than 247,000 tonnes.

Representatives of the air transportation network reported that airport bottlenecks are often due to the inefficient movement of travellers at security points and border crossings.<sup>10</sup> As [Gerry Bruno](#) of the Vancouver International Airport Authority told the Committee, “Borders and security have a tremendous impact on our capacity and competitiveness.”

[Andy Gibbons](#) of WestJet Airlines Ltd. stated that the federal government should also review Canada’s aviation cost structure, particularly the fees levied on Canadian travellers, to ensure Canadian airports can compete with those in the United States. Similarly, [Cathie Puckering](#) of John C. Munro Hamilton International Airport, noted that U.S. tax structures are far lower and that 5 million Canadians a year cross the U.S. border to fly with a low-cost air carrier.

[Ms. Puckering](#) also indicated that growing consumer demand for aviation related-services places increased pressure on airport infrastructure, requiring the expansion of facilities as well as costly airfield rehabilitations. She stated that “[i]nfrastructure must be viewed as a key government priority by further supporting growth opportunities.” Similarly, [Parm Sidhu](#) of the Abbotsford International Airport pointed to the economic advantages that a growing airport can bring to its surrounding community, and to the importance for both of ensuring a parallel growth in supportive infrastructure.

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9 Percentages are based on the value (in millions of dollars) of traded goods.

10 TRAN, *Evidence*, [Cathie Puckering](#) (President and Chief Executive Officer, John C. Munro Hamilton International Airport [YHM]) and [Daniel-Robert Gooch](#) (President, Canadian Airports Council [CAC]).

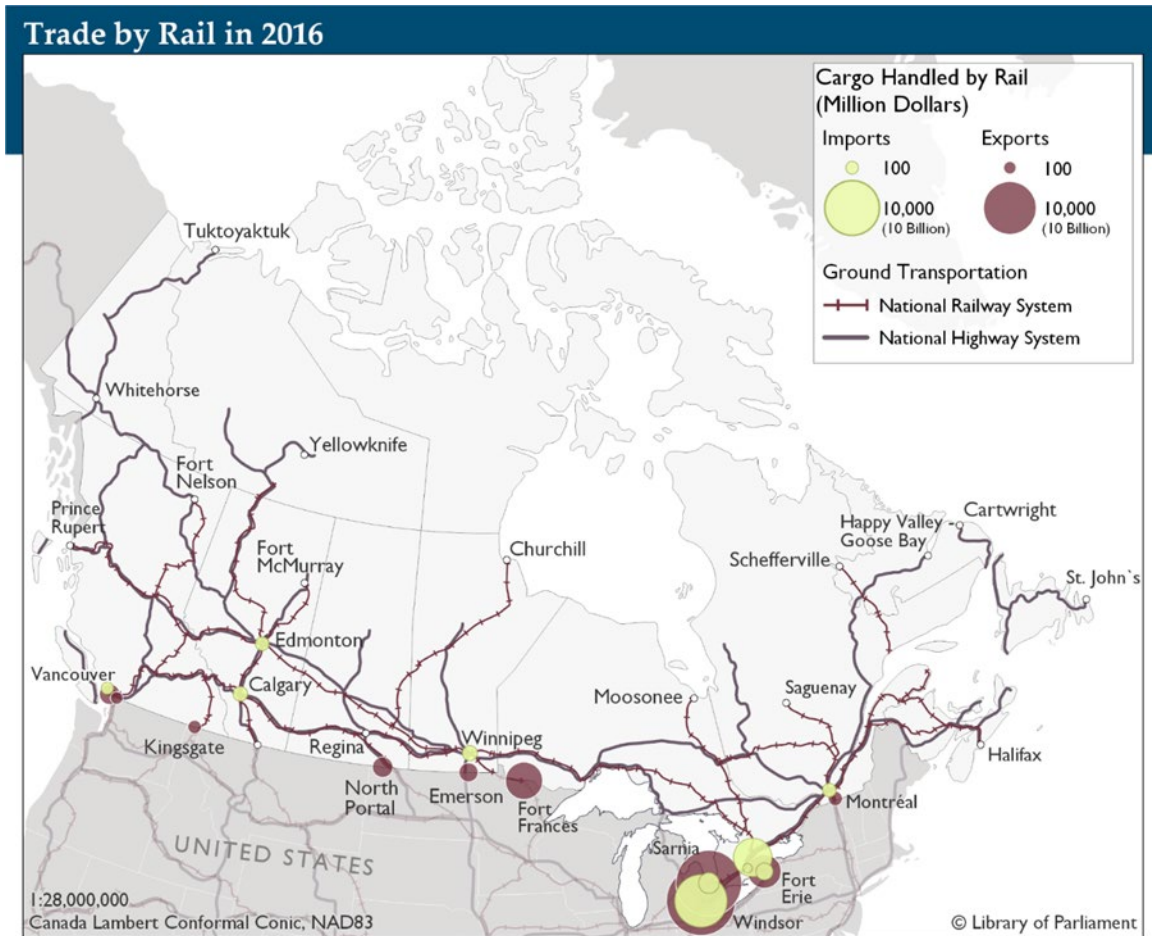


Given that some airports play a key role in transporting passengers and goods in Canada's remote and northern regions, the [Federation of Canadian Municipalities](#) (FCM) believes that northern and rural airports require funding to protect and improve air safety in these regions. [Geoff Dickson](#) of the Victoria Airport Authority and [Daniel-Robert Gooch](#) of the Canadian Airports Council also think that infrastructure funding options for small regional airports should be enhanced, for example, by increasing funding levels under the Airports Capital Assistance Program (ACAP).

### **Rail Transportation Network**

In 2016, approximately 9% of Canada's imports and 16% of its exports were transported by rail. Figure 2 shows that the Ontario cities of Sarnia and Windsor were the largest ports of exit for Canadian exports by rail, and Windsor and Toronto were the largest ports of clearance for imports.

Figure 2—Trade by Rail



Source: Map prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series*, “[Administrative features](#),” 1:15M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series*, “[Hydrographic features](#),” 1:15M, Ottawa, NRCan, 2018; *Transport networks in Canada – CanVec Series*, “[Transport features](#),” 1:15M, Ottawa, NRCan, 2018; and Transport Canada, *Transportation in Canada 2017: Statistical Addendum*, “Table RA12,” 2018. The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).

Witnesses remarked that one of the major bottlenecks for rail system users is the uncertainty surrounding the capacity of railway companies to deliver products to their destination. Some witnesses told the Committee that they were afraid of another freight



crisis similar to the agricultural campaigns of 2013–2014 and 2017–2018.<sup>11</sup> [Brendan Marshall](#) of the Mining Association of Canada suggested that there is a power imbalance between rail companies and shippers: the latter are often held captive because they are served by only one class I railway.<sup>12</sup> Like [Mr. Sharma](#), he does not believe that the passage of Bill C-49, the *Transportation Modernization Act*, will rebalance the relationship. According to [Mr. Sharma](#) and [Ray Orb](#) of the Saskatchewan Association of Rural Municipalities, rail carriers need to be held more accountable for costs and levels of service.

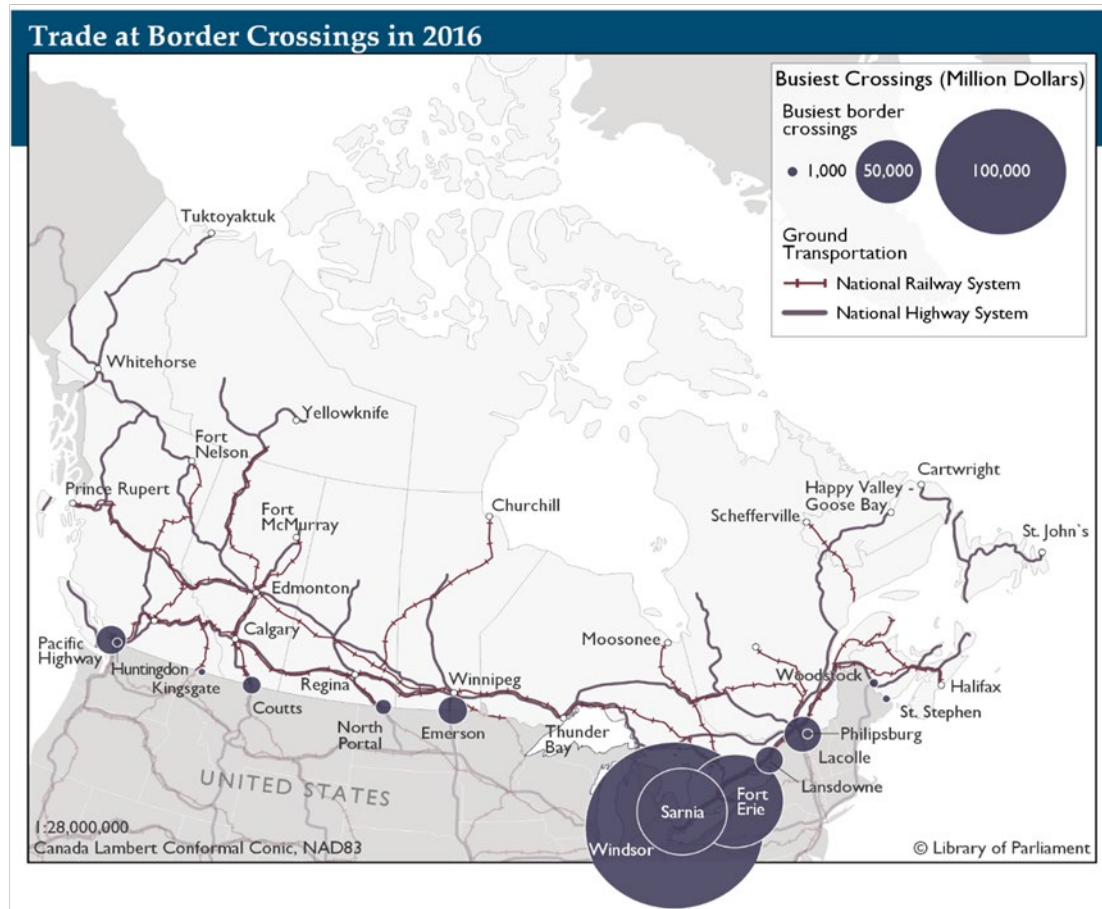
[Peter Xotta](#) of the Vancouver Fraser Port Authority and [James Clements](#) of the Canadian Pacific Railway stated that freight and passenger trains share the same rail lines, which can lead to congestion when the demand for both services is growing, as is the case in Vancouver.

## Road Transportation Network

Trucking is the primary mode of transportation of goods in Canada, particularly in the central part of the country. In 2016, 55% of imports and 43% of exports were transported by road.<sup>13</sup> Figure 3 shows that Canada's busiest border crossings in terms of trade are in Ontario, the largest being the Ambassador Bridge in Windsor. A number of witnesses stated that truck traffic between Canada and the United States has declined in recent years.<sup>14</sup> According to [Stan Korosec](#) of the Detroit International Bridge Company, total traffic decreased by 35% from 2000 to 2017 for all bridges linking Ontario to the states of New York and Michigan.

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- 11 TRAN, *Evidence*, [Northey](#) (Pulse Canada), [Joel Neuheimer](#) (Vice-President, International Trade and Transportation, Forest Products Association of Canada [FPAC]), [Michael O'Shaughnessy](#) (Director, Logistics, Teck Resources Limited) and [Brendan Marshall](#) (Vice-President, Economic and Northern Affairs, Mining Association of Canada [MAC]).
- 12 According to the *Transportation Information Regulations*, a *class I rail carrier* is a railway company that realized gross revenues of at least \$250,000,000 for the provision of rail services in each of the two calendar years before the year in which information is provided.
- 13 Percentages are based on the value (in millions of dollars) of traded goods.
- 14 TRAN, *Evidence*, [Ron Reinas](#) (General Manager, Buffalo and Fort Erie Public Bridge Authority) and [Kenneth Bieger](#) (General Manager, Niagara Falls Bridge Commission [NFBC]).

Figure 3—Trade at Borders



Source: Map prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series, “Administrative features,”* 1:15M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series, “Hydrographic features,”* 1:15M, Ottawa, NRCan, 2018; *Transport networks in Canada – CanVec Series, “Transport features,”* 1:15M, Ottawa, NRCan, 2018; and Transport Canada, *Transportation in Canada 2017: Statistical Addendum, “Table RO10,”* 2018. The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).

A number of witnesses involved in cross-border road haulage stated that wait times could be reduced by making border operations more efficient. In March 2015, Canada and the United States signed a new multimodal [preclearance agreement](#) covering air, ground, rail and marine transportation. Its implementation was made possible by Bill C-23, the [Preclearance Act, 2016](#), which received Royal Assent in December 2017. [Martin Bolduc](#) of the Canada Border Services Agency (CBSA) is mindful of the potential gains in efficiency and stated that the CBSA is examining where it could operate in the



U.S. to facilitate movement and preclearance so that trucks would not have to stop at the border but could simply slow down and continue. However, [he](#) noted that the preclearance of cargo still poses some challenges, such as ensuring that once a shipment has been precleared, it is not compromised before crossing the border.

[Jean-Marc Picard](#) of the Atlantic Provinces Trucking Association also highlighted that the trucking industry suffers from the following complexity: companies must comply with federal [safety standards](#) and [hours of work regulations](#), even though the provinces are largely responsible for conditions under which trucking companies operate. As a result, regulations on weight and truck dimensions can change from one province to another and complicate matters for trucks that have to cross several provinces.<sup>15</sup> Mr. Picard believes there should be greater consistency at the national level. In its 2015 [report](#) on the review of the *Canada Transportation Act*, the review panel recommended the harmonization of policies and regulations on freight transportation, particularly trucking, between Canada and the United States and between the provinces.

## Labour

A number of witnesses addressed the current and future availability of skilled labour throughout the transportation system. In terms of marine transportation, [James Given](#) of the Seafarers' International Union of Canada stated that the country needs another 300 to 400 seafarers to fill the positions left empty through retirement and attrition. [He](#) felt certain these positions could be filled through his organization's "[Be a Seafarer](#)" initiative.

Railway representatives told the Committee that it can be difficult to find and retain mechanics because the natural resources sector offers well-paying positions.<sup>16</sup>

As for air transportation, [Mr. Sidhu](#) noted the lack of flying instructors and pilots, and [Mr. Gooch](#) stated that the shortage is serious and the situation is particularly worrisome for air services in small communities or remote regions.

Lastly, several witnesses speaking about road transportation told the Committee that Canada has a shortage of truck drivers.<sup>17</sup> According to the [Canadian Trucking Alliance](#),

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15 TRAN, *Evidence*, [Jean-Marc Picard](#) (Executive Director, Atlantic Provinces Trucking Association [APTA]) and [David Chaundy](#) (Interim President and Chief Executive Officer, Atlantic Provinces Economic Council).

16 TRAN, *Evidence*, [James Clements](#) (Vice-President, Strategic Planning and Transportation Services, Canadian Pacific Railway [CP]), [Brad Bodner](#) (Director, Business Development, Canadian National Railway Company [CN]) and [Derek Ollmann](#) (President, Southern Railway of British Columbia [SRY]).

17 TRAN, *Evidence*, [Picard](#) (APTA), [Nancy Healey](#) (Chief Executive Officer, St. John's Board of Trade), [O'Shaughnessy](#) (Teck Resources Ltd.) and [Neuheimer](#) (FPAC).



Canada's trucking industry could face a shortage of up to 48,000 drivers by 2024. Among the possible ways to address this problem, [Mr. Neuheimer](#) and [Mr. Picard](#) suggested that foreign workers could fill some of these vacancies if they were given simplified access to this field.

According to [Mr. Gooch](#), the Beyond Preclearance Coalition foresees a shortfall of 38,000 security screening and border services agents in North America in 10 years. [Llewellyn Holloway](#) of the Buffalo and Fort Erie Public Bridge Authority and [Kenneth Bieger](#) of the Niagara Falls Bridge Commission believe that technology, particularly biometrics, will make it possible to process more vehicles with fewer agents in the future, but until then, we could face staffing issues with the CBSA agents and U.S. Customs and Border Protection.

## Environmental Impact and Effects Assessments

Some witnesses expressed concern over the effect of some provisions of Bill C-69, [An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts](#), on Canada's competitive ability to attract capital, particularly the review of permit applications for specific projects.<sup>18</sup> [Mr. Xotta](#), for example, said he was concerned that "environmental permitting processes are getting more difficult and certainly more complex and costly, which will make Canada less desirable as a place for investment."

Other witnesses, however, supported Bill C-69 and emphasized that its success depended on its execution.<sup>19</sup> Ewan Moir of the Port of Nanaimo told the Committee that he felt the proposed changes to the environmental assessment process were positive, but that the federal government should ensure these changes did not increase the timeline for environmental assessments or create uncertainty regarding infrastructure funding for the country's trade corridors.

In conclusion, the stakeholders who testified before the Committee identified certain deficiencies in Canada's transportation infrastructure, both at the ports of entry and exit and in the internal network. These deficiencies cause bottlenecks that affect trade corridors within the country and with our trading partners. Witnesses also highlighted the challenges of workforce recruitment, while others expressed the wish that any

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18 TRAN, *Evidence*, [Ray Orb](#) (President, Saskatchewan Association of Rural Municipalities [SARM]), [Brad Eshleman](#) (Chair, BC Marine Terminal Operators Association), [Rob Booker](#) (Senior Vice-President, Operations and Maintenance, Neptune Bulk Terminals Ltd.) and [Clements](#) (CP).

19 TRAN, *Evidence*, [Ewan Moir](#) (President and Chief Executive Officer, Port of Nanaimo) and [Marko Dekovic](#) (Vice-President, Public Affairs, Global Container Terminals [GCT]).



legislative changes would not result in an undue increase in delays in environmental assessment processes.

## OPTIMIZING THE CAPACITY OF TRANSPORTATION, LOGISTICAL AND SERVICE INFRASTRUCTURES

*“[T]he Government of Canada should continue to play a leadership role in data visibility initiatives. This would lead to improved trade flow forecasting, as well as improved real-time visibility of cargo movement.”*

Ken Veldman  
Director, Public Affairs  
Prince Rupert Port Authority

### Technologies to Increase Current Infrastructure Capacity

Committee members noted that Canadian ports are exploring a range of technological options to bring goods to market more effectively. One option is [blockchain technology](#), which allows transactions shared among many users to be recorded in a public ledger. According to [Mr. Moir](#), port authorities are discussing this technology through the Association of Canadian Port Authorities to determine how it could be integrated into port activities.

*“Investment in shared maritime domain awareness technology is the way to fill this critical traffic awareness gap on the marine superhighway.”*

Tim Nohara  
President and Chief Executive Officer  
Accipiter Radar Technologies Inc.

Some witnesses suggested another technological solution to increase efficiency at Canadian ports: a system giving authorities a better understanding of vessels arriving in port.<sup>20</sup> [Michael Broad](#) of the Shipping Federation of Canada believes this can be accomplished by creating a marine single window initiative, which would collect all

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20 TRAN, *Evidence*, [Bruce Hodgson](#) (Director, Market Development, St. Lawrence Seaway Management Corporation [SLSMC]) and [Peter Xotta](#) (Vice-President, Planning and Operations, Vancouver Fraser Port Authority).

the information required by Canadian authorities, particularly the CBSA, on the arrival and departure of ships in Canadian waters. This information would be submitted electronically through a single portal, without any duplication. According to [Tim Nohara](#) of Accipiter Radar Technologies Inc., the technology for what is known as “shared maritime domain awareness” is already available, but to date it has been implemented only on a smaller scale. [He](#) made the following comment:

Expanding the infrastructure so that we can see the entire system and the connections: the training, the ports, terminal operators, seaway users—all the stakeholders—and giving the shipping companies and their planning and marketing groups these tools is what will then result in decision-making that will benefit them.

According to [Mr. Nohara](#), it would also be useful to know where pleasure craft are, so that cargo ships would not have to slow down so many times en route. Slowdowns result in significant fuel wastage. The [Council of the Haida Nation](#) was likewise in favour of more information on vessel traffic, adding that the information currently available is insufficient to enable an open monitoring and reporting system on vessel activity.

## Border Operations

[Richard Comerford](#) of the CBSA said that the Agency had already introduced technologies to reduce processing times for people and goods at the border. For example, the [NEXUS](#) program expedites the border clearance process for NEXUS participants at land borders, airports and marine ports. [Mr. Comerford](#) said that, as of July 2018, the CBSA had approximately 1.7 million active participants in the NEXUS program. A technological option is available for goods as well, known as [eManifest](#), which carriers can use to submit required trade data to the CBSA electronically before they arrive in Canada. In order to create a smart and secure border, [Mr. Comerford](#) assured the members that the CBSA is working with their domestic and international enforcement and security partners on implementing “a border strategy that relies on technology, information sharing and biometrics.” Regarding trusted traveller and trader programs, [Mr. Comerford](#) also stated the following:

Advance information pertaining to both goods and drivers with strategic risking systems, while leveraging emerging technologies and capabilities, is at the forefront of innovative solutions to reduce processing times while maintaining the integrity of the CBSA mandate.

According to [Mr. Bolduc](#), the CBSA’s security procedures governing the movement of goods at the border are very similar to those in the U.S. [Mr. Comerford](#) further stated that the CBSA works regularly with U.S. Customs and Border Protection to develop technologies to improve border crossing efficiency in both directions. [Mr. Korosec](#) said



that stakeholders involved in transporting goods across the Canada–United States border have a number of forums to discuss border matters, such as the [Bridge and Tunnel Operators Association](#), the [Canadian/American Border Trade Alliance](#), and the [Transportation Border Working Group](#).

Some witnesses took the opportunity to share technology recommendations that would simplify border operations between Canada and the United States. Looking to the United States for inspiration, [Mr. Holloway](#) suggested that Canada should issue passport cards similar to those used in the United States so it could take advantage of radio-frequency identification (RFID) technologies.

According to [Mr. Bieger](#) of the Niagara Falls Bridge Commission, better redundancy procedures need to be put in place for when downtimes happen, because truckers get stuck at the border when computer systems go down.

Witnesses agreed that the long-term solution to expedite the border clearance process is biometrics. This technology scans digital fingerprints and facial features and, according to [Mr. Holloway](#), would allow “a better recognition of the individuals who are crossing the border in a quicker time.” [Mr. Gooch](#) has high hopes for biometric technology, saying that Canadian airports are “ready to implement pilot projects for biometrics in passenger processing.”

During their visits to various CBSA sites, including the Peace Bridge, the gateway to the Pacific region, the GCT Deltaport container terminal and the new Tsawwassen container examination facility, Committee members were able to see first-hand the challenges the CBSA faces in finding a balance between applying security measures at the border and expediting the flow of goods between Canada and the rest of the world. The Committee also had the opportunity to observe how various technologies can be used by the CBSA to expedite the flow of goods at border crossings. According to [Roslyn MacVicar](#) of the CBSA, various tools, such as radiation portals to detect radiation levels of shipping containers, “[expedite] the examination and release processes of shipments selected for examination.”

## **Availability of Data on Supply Chain Performance**

As part of the Trade and Transportation Corridors Initiative, Transport Canada, in collaboration with Statistics Canada, established the [Canadian Centre on Transportation](#)

Data to make data on multimodal transportation and corridor performance available.<sup>21</sup> Now that Bill C-49, the Transportation Modernization Act, has been passed, rail companies are also required to provide certain financial data to the Canadian Transportation Agency.

According to Ken Veldman of the Prince Rupert Port Authority, two types of data are important for ports. The first is forecasting data, which is used to predict future demand for a port so it can plan to build capacity to meet those needs, and the second is real-time data on shipments. The Port of Vancouver is currently carrying out a Supply Chain Visibility Project in collaboration with Transport Canada. Mr. Xotta said that this project ultimately aims “to identify when bottlenecks require infrastructure investment to be addressed.” Bruce Hodgson of the St. Lawrence Seaway Management Corporation (SLSMC) said the Corporation works with railway companies and shippers from Western Canada to share data.

Some witnesses said there was limited data in Canada on marine transport, particularly regarding supply chain fluidity and the flow of goods to port.<sup>22</sup> Mentioning the discontinued annual publication by Statistics Canada entitled Shipping in Canada, which was last published in 2011, Karen Kancens of the Shipping Federation of Canada said “there’s no comprehensive source that pulls all of that [data] together ... in port-specific and commodity-specific terms.”

Some witnesses, including Mr. Orb, suggested that transparency and sharing reliable data on rail freight could be a good step to restore the balance of power between shippers and rail companies.

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21 TRAN, *Evidence*, Sandra Lafortune (Director General, International Relations and Trade Policy, Transport Canada [TC]).

22 TRAN, *Evidence*, Serge Buy (Chief Executive Officer, Canadian Ferry Association [CFA]), Ian Hamilton (President and Chief Executive Officer, Hamilton Port Authority), Northey (Pulse Canada) and Robert Lewis-Manning (President, Chamber of Shipping).



*“The only way we are ever going to get a clear assessment of what’s actually happening in the rail freight market is if we get a really robust data transparency regime that allows us to understand where the traffic is moving, at what time, and with what commodities; where the investments are going, and whether they are going into the U.S., into Canada, into new developments, or just into maintaining existing infrastructure.”*

Brendan Marshall,  
Vice-President, Economic and Northern Affairs,  
Mining Association of Canada

Other witnesses told the Committee more data was needed on how climate change affects transport infrastructure, as well as how increased maritime traffic affects coastal ecosystems.<sup>23</sup> Referring to the [Canadian Centre for Climate Services](#) established by the Government of Canada, [Engineers Canada](#) said, “Consistent national climate data will ensure that accurate climate projections are made, enabling effective planning for both present and future projects.”

## Protecting Industrial Land Parcels

[Mr. Xotta](#) and [Derek Ollmann](#) of the Southern Railway of British Columbia (SRY) told the Committee it was critical to protect trade-enabling land so that goods can continue to flow into and out of Canada. In the [Canada Transportation Act Review Report](#), the panel members recommended putting in place a national corridor protection program, in collaboration with provincial governments, to protect industrial land parcels near trade and transport corridors that could be used to accommodate future trade growth. Committee members got to see first-hand the importance of industrial lands, and the associated issues, when they visited the Niagara region and the West Coast. This issue is discussed in greater detail in the case studies for these regions.

## Coastal Protection

In [Canada’s Oceans Protection Plan](#), launched in November 2016, the federal government earmarked \$1.5 billion in spending over five years for coastal protection

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23      TRAN, *Evidence*, [Tim Nohara](#) (President and Chief Executive Officer, Accipiter Radar Technologies Inc. [Accipiter Radar]) [Engineers Canada](#) (brief) and [Council of the Haida Nation](#) (brief).

measures. Some witnesses agreed with the principles of the Plan, but [Calvin Helin](#) of Eagle Spirit Energy Holding and [Ms. Anderson](#) told the Committee that the Plan was underfunded, given the length of Canada's shoreline. The [Council of the Haida Nation](#) and [Marilyn Slett](#), Chief Councillor of the Heiltsuk Tribal Council, believe the federal government should have the power to restrict maritime traffic in sensitive areas and to "control traffic in sensitive ecological areas and harvesting areas." [Ms. Anderson](#) made a similar point, saying that the increase in marine activity along the West Coast has meant that the Cowichan Tribes are no longer able to harvest traditional foods in their historical harvesting area in Cowichan Bay.

Regarding the transportation of oil in particular, representatives from the marine transportation industry assured the Committee that oil can be shipped safely.<sup>24</sup> [Sonterra Ross](#) of the Greater Victoria Harbour Authority said that the Authority supported transporting oil by tanker, but that she still had concerns about the environmental risks.

Other witnesses shared recommendations about transporting oil in certain regions of the country. Referring to Bill C-48, the [Oil Tanker Moratorium Act](#), [Peter Lantin](#) of the Council of the Haida Nation said that the moratorium must be expanded "to include export of all fossil fuels and persistent and non-persistent oil products through Haida Gwaii and [the] north coast waters [of British Columbia]." According to the [Council of the Haida Nation](#) and [Ms. Slett](#), the West Coast must have improved response capabilities in case an oil spill occurs, and this marine response must involve close engagement between the federal authorities and local communities. Ms. Slett added that an Indigenous marine response centre should be built.

[Calvin Helin](#) of Eagle Spirit Energy Holding and [John Helin](#) of Lax Kw'alaams Band held a different opinion on the effects of Bill C-48. They said that a moratorium on oil tankers along the West Coast would limit economic development opportunities for First Nations in that region.

In summary, several stakeholders who appeared before the Committee indicated that increased use of several existing technologies, such as biometrics, would optimize the capacity of Canada's transportation, logistics and service infrastructure. Many stakeholders also expressed a desire to have access to more supply chain data. Finally,

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24 TRAN, *Evidence*, [Capt Mike Burgess](#) (CMPA), [Bruce Graham](#) (Vice-President, Hamilton, Port Colborne, Great Lakes Stevedoring Co. Ltd.), [James Given](#) (President, Seafarers' International Union of Canada), [Hodgson](#) (SLSMC), [Xotta](#) (Vancouver Fraser Port Authority), [Moir](#) (Port of Nanaimo) and [Zoran Knezevic](#) (President and Chief Executive Officer, Port Alberni Port Authority).



other witnesses shared the view that an increase in trade flows by sea should not be at the expense of coastal protection.

## ENCOURAGING COLLABORATION BETWEEN SUPPLY CHAIN STAKEHOLDERS IN CANADA

*“[B]order crossings and trade corridors require a multi-departmental approach within government and between government, not just transport. The silos between agencies and governments must be broken down.”*

Ron Reinas  
General Manager,  
Buffalo and Fort Erie Public Bridge Authority

Various witnesses told Committee members that, to increase the capacity of Canada’s internal transport networks and its gateways, supply chains need to be better integrated and greater coordination between all system stakeholders is needed.<sup>25</sup> [Robert Lewis-Manning](#) of the Chamber of Shipping said the following:

[T]here needs to be a whole-of-government approach to a national transportation strategy, with an oversight body that requires all affected government departments and agencies to work collaboratively toward common goals. Currently, there is some lack of coordination in policies and priorities and an absence of data-sharing that results in an increase in administrative burdens and inefficiencies.

Several witnesses pointed to a current lack of integrated planning with regards to the component pieces of trade corridors, leading each component to act separately rather than in coordination with one another.<sup>26</sup> In order to address this situation, [Mr. Nober](#) spoke of the advantages of formal collaborative practices, while [Patrick Robson](#) of Niagara College pointed to the need for collective will and leadership in the area of collaboration and integration.

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25 TRAN, *Evidence*, [Brad Eshleman](#) (Chair, BC Marine Terminal Operators Association), [Federation of Canadian Municipalities](#) [FCM] (brief), [Andrew Fuller](#) (Assistant Vice-President, Domestic, Intermodal and Automotive, CN), [Reinas](#) (Buffalo and Fort Erie Public Bridge Authority), [Geoff Cross](#) (Vice-President, Transportation Planning and Policy, New Westminster, TransLink), [Patrick Robson](#) (Professor, Niagara College), [Buy](#) (CFA) and [Lewis-Manning](#) (Chamber of Shipping).

26 TRAN, *Evidence*, [Hamilton](#) (Hamilton Port Authority), [Reinas](#) (Buffalo and Fort Erie Public Bridge Authority) and [Llewellyn Holloway](#) (Board Director, Buffalo and Fort Erie Public Bridge Authority).



More specifically, the [FCM](#) believes more dialogue is needed between port authorities and municipalities, especially as regards “land use and service changes at port facilities.” [Jean Aubry-Morin](#) of the SLSMC told the Committee that the Corporation has a stakeholder engagement plan with an outreach program whose purpose is to understand the needs of industry and the community. When Committee members visited the Welland Canal, they saw why it was important for the SLSMC and the communities neighbouring the Welland Canal to maintain a dialogue, given that the canal runs right through some towns, and traffic and access to services, including emergency services, can be affected by whether the locks are opened to ship traffic. Visiting the Port of Hamilton also gave Committee members the opportunity to see what port authorities are doing to improve their relationship with municipalities, particularly as regards managing dust.

[Ian Hamilton](#), of the Hamilton Port Authority, said that [the Association of Canadian Port Authorities](#) is a great collaborative forum for ports across the country to exchange “key priorities around sustainability, the interface with the community, and what best practices exist for minimizing the environmental impact.” As regards the St. Lawrence Seaway, [Mr. Aubry-Morin](#) said that the SLSMC works closely with its sister ports to ensure that the needs of every segment of the business are accounted for in its strategic plan.

On the West Coast, witnesses told the Committee that the [Gateway Transportation Collaboration Forum](#) gave all supply chain stakeholders, including Transport Canada, the opportunity to participate in dialogue, identify the main bottlenecks in the region and determine what investments are needed.<sup>27</sup>

Various witnesses called on the federal government to take a leadership role in establishing a national strategy and to act as a facilitator with supply chain stakeholders.<sup>28</sup> [Mr. Broad](#) made the following comment:

[I]t is essential that the government have a vision or 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 the new markets that have been or will be negotiated as part of Canada’s trade diversification agenda.... Such a strategy also needs to align all the

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27 TRAN, *Evidence*, [Knezevic](#) (Port Alberni Port Authority), [Xotta](#) (Vancouver Fraser Port Authority), [Dekovic](#) (GCT) and [Cross](#) (TransLink).

28 TRAN, *Evidence*, [Knezevic](#) (Port Alberni Port Authority), [Ken Veldman](#) (Director, Public Affairs, Prince Rupert Port Authority) and [Northey](#) (Pulse Canada).



departments and agencies that interact with the carriage of international trade so that supply chain efficiency becomes an integral element of how they operate.

## Federal Funding Programs

[Trade corridors to global markets](#) is one of the five themes of Transport Canada's strategic plan, [Transportation 2030](#). Under [Budget 2017](#), an investment of \$10.1 billion over 11 years was announced for the [Trade and Transportation Corridors Initiative](#). This initiative seeks to support trade corridors, primarily through the [National Trade Corridors Fund](#) (NTCF). Up to \$400 million in funding is earmarked for transportation infrastructure projects in Northern Canada "that address trade-related issues."<sup>29</sup> According to [Sandra Lafortune](#) of Transport Canada, the purpose of the Initiative is to view the transportation system from a national perspective and to ensure that "the infrastructure that supports internal trade will also end up supporting international trade, because it is seen as a seamless system."

A number of witnesses were pleased with the creation of the NTCF.<sup>30</sup> As [Mr. Xotta](#) said, "Being prepared to facilitate analysis and leaving the door open to potential infrastructure asks is actually the primary and most useful role that the Government of Canada can take." However, [Mr. Marshall](#) pointed out that the funding available was not enough to meet all needs, especially for transportation infrastructure projects in the North. He recommended that the government "renew the TTCl in budget 2019, including the \$400-million northern allocation."

Witnesses explained to the Committee that some federal government infrastructure projects have gaps or inequality issues in terms of their eligibility criteria. In the area of marine transportation, [Serge Buy](#) of the Canadian Ferry Association pointed out that some programs make a distinction between transporting passengers and transporting goods, and ferries or ships that transport both at the same time are therefore ineligible for these programs.

In the area of air transportation, [Mr. Dickson](#) and [Mr. Gooch](#) mentioned the valuable assistance available through the ACAP to regional airports with fewer than 525,000 passengers a year. However, they also mentioned that program funding had not been

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29 TRAN, *Evidence*, [Martin McKay](#) (Director, Transportation Infrastructure Programs [West], TC).

30 TRAN, *Evidence*, [Xotta](#) ((Vancouver Fraser Port Authority), [Bodner](#) (CN), [Hamilton](#) (Hamilton Port Authority), [Lewis-Manning](#) (Chamber of Shipping), [Geoff Dickson](#) (President and Chief Executive Officer, Victoria Airport Authority) and [Marshall](#) (MAC).

increased in 18 years, even though construction costs have increased considerably in that time.

Lastly, in the area of rail transportation, [Mr. Ollman](#) shared with the Committee his opinion that funding programs specifically for short-line railway companies were needed so they could invest in projects beyond sustaining existing operations, particularly to support future growth for the movement of goods. According to [SRY](#), financial incentives such as tax credits or capital funding grants would give short-line rail companies the means to invest in different areas, such as locomotive fleet upgrades and railway crossing upgrades. Similarly, the [Western Canadian Short Line Railway](#) expressed concern about the lack of funding options for short-lines and criticized the NTCF, because it believes the NTCF is intended primarily for major projects that are not appropriate for smaller companies.

In conclusion, several stakeholders who appeared before the Committee argued that the silos between stakeholders in the national transportation and logistics network must be broken down and a greater dialogue encouraged to improve the performance of supply chains in Canada. Witnesses also suggested that certain federal infrastructure funding programs be improved to better reflect the needs of users of transportation and logistics infrastructure.



## CASE STUDY: NIAGARA REGION

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*“[T]he QEW [Queen Elizabeth Way highway] is no longer an option. It’s impacting business competitiveness. We feel it’s time for municipal partners and the federal and provincial governments to make a strategic investment in the future-ready infrastructure that we need in our Canadian economy that would, again, really position Niagara and Hamilton as a key trade corridor zone within Canada, but also ... as a key gateway to global markets.”*

Gary Long,  
Chief Administrative Officer,  
City of Welland

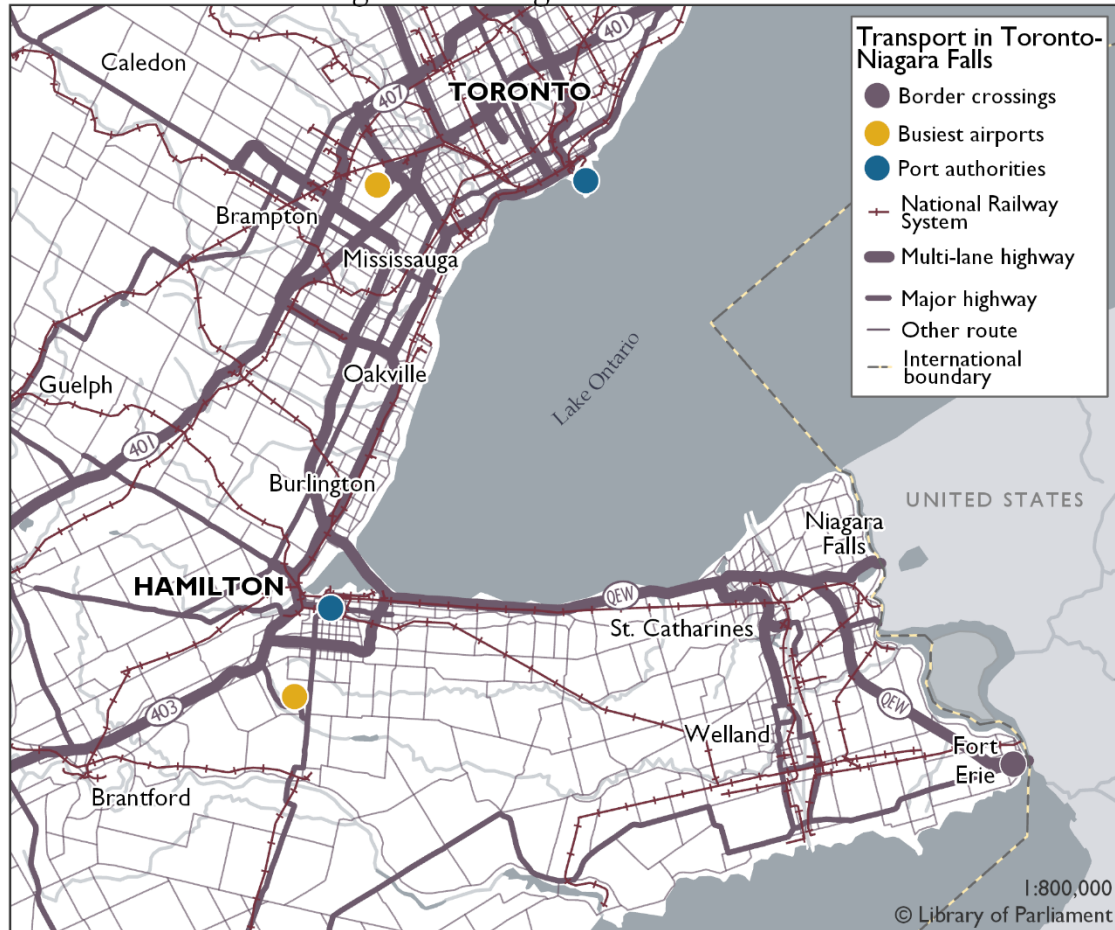
### ROAD CONGESTION

According to the 2017 Canadian Automobile Association report [\*Grinding to a Halt: Evaluating Canada’s Worst Bottlenecks\*](#), five of the top 10 highway bottlenecks in Canada in 2015 were in the Toronto area. The worst bottleneck is a stretch of Highway 401 that cuts across the north part of the City of Toronto. [Verne Milot](#) of the Welland/Pelham Chamber of Commerce and [Debbie Zimmerman](#) of the Buffalo and Fort Erie Public Bridge Authority said examples of significant transport concerns in the Niagara region are the constant congestion and lack of redundancy on the Queen Elizabeth Way (QEW) highway, which is the primary route linking Niagara and the Greater Toronto Area and the main entrance between Ontario and the State of New York. [Ms. Zimmerman](#) pointed out that the movement of goods along this trade corridor is expected to increase by 3% to 6% per year, and that tourism is increasing steadily in the Niagara region as well, so it is important to find “an alternative for truck traffic.” Figure 4 shows the main transportation infrastructure in the Niagara region.



Figure 4—Inset of Toronto-Niagara Falls Region

Inset of the Toronto-Niagara Falls Region



Source: Map prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series*, “[Administrative features](#),” 1:1M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series*, “[Hydrographic features](#),” 1:1M, Ottawa, NRCan, 2018; *Transport networks in Canada – CanVec Series*, “[Transport features](#),” 1:1M, Ottawa, NRCan, 2018; and Statistics Canada, *2016 Census – Boundary Files*, “Census metropolitan areas.” The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).

## Mid-peninsula Transportation Corridor Project

One of the alternatives proposed by various witnesses is the [Niagara to Greater Toronto Area Corridor](#), also known as the mid-peninsula highway.<sup>31</sup> The Ontario Ministry of Transportation has studied this option for many years. Various routes have been considered, but they all would run mostly parallel to the QEW, going through the central Niagara region to connect with Highway 407 or the 401 to reach the Greater Toronto Area. [Jayesh Menon](#) of the Foreign Trade Zone, Niagara Region, also indicated that the mid-peninsula corridor would reduce congestion, make it easier to export to the United States, and create further synergies in the Niagara and Hamilton economies.

## Greater Use of Marine Transport

Another alternative proposed by various witnesses was the increased use of the marine transportation network along the St. Lawrence Seaway and the Great Lakes.<sup>32</sup> According to a 2017 [report](#) from the Council of the Great Lakes Region and CPCS, as well as various witnesses who appeared before the Committee, the Great Lakes ports, including those in Thunder Bay and Cleveland, are underused.<sup>33</sup> [James Given](#) of the Seafarers' International Union of Canada said that the seaway is currently operating at only 50% capacity. However, [Claudine Couture-Trudel](#) of Great Lakes Stevedoring cautioned Committee members that increased use of marine transport in the area would require improved intermodal infrastructure.

[Jean Aubry-Morin](#) of the SLSMC told the Committee that, as a result of climate change and increased collaboration between Seaway stakeholders, their season has increased from 262 days to 286 days. However, various witnesses mentioned that finding a way to keep the Welland Canal open a few weeks longer each year would reduce the number of trucks on the road in the region.<sup>34</sup> [Mr. Nohara](#) noted that ice conditions need to be monitored more closely. In addition to de-icing issues, [Mr. Aubry-Morin](#) mentioned that

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31 TRAN, *Evidence*, [Hamilton](#) (Hamilton Port Authority), [Scott Luey](#) (Chief Administrative Officer, City of Port Colborne), [Verne Milot](#) (Director, Welland/Pelham Chamber of Commerce), [Roy Timms](#) (Board Member, Niagara Industrial Association [NIA]), [Debbie Zimmerman](#) (Board Member, Buffalo and Fort Erie Public Bridge Authority), [Gary Long](#) (Chief Administrative Officer, City of Welland) and [Puckering](#) (YMH).

32 TRAN, *Evidence*, [Hodgson](#) (SLSMC), [Capt Burgess](#) (CMPA), [Nohara](#) (Accipiter Radar), [Burrows](#) (CMC) and [Given](#) (Seafarers' International Union of Canada).

33 TRAN, *Evidence*, [Knezevic](#) (Port Alberni Port Authority) and [Burrows](#) (CMC).

34 TRAN, *Evidence*, [Gregg Ruhl](#) (Chief Operating Officer, Algoma Central Corporation), [Timms](#) (NIA), [Milot](#) (Welland/Pelham Chamber of Commerce) and [Robson](#) (Niagara College).



climate change “brings about ... greater variability” and that sometimes “the balance between risk and the benefit of a greater season have to be contemplated.”

## INDUSTRIAL LAND USE

*“We have more demand for multimodal-service industrial land than the [Hamilton] port can provide, but we believe that the Niagara region can truly help to meet some of that demand while supporting growth in the seaway traffic, increasing trade and growing the local economy.”*

Ian Hamilton,  
President and Chief Executive Officer,  
Hamilton Port Authority

## The St. Lawrence Seaway Management Corporation

The [St. Lawrence Seaway Management Corporation](#) (SLSMC) was established in 1998 and is subject to the [Canada Marine Act](#). It is responsible for the safe and efficient movement of marine traffic through the Canadian Seaway facilities. Facilities managed by the Corporation remain the property of the Government of Canada, pursuant to an agreement with Transport Canada. According to the agreement, the SLSMC is responsible for managing and operating the Seaway, as well as maintenance, repairs, acquisition and promotion. In July 2017, the [Minister of Transport](#) extended this agreement until March 2023. The St. Lawrence Seaway has 15 locks (13 Canadian and two American), of which eight are located along the Welland Canal that connects Lake Ontario to Lake Erie. The SLSMC collaborates with its American counterpart, the [Saint Lawrence Seaway Development Corporation](#), on operations to ensure the day-to-day functioning of the Seaway. As regards real estate, [Bruce Hodgson](#) of the SLSMC made the following point:

[W]e [the SLSMC] manage the lands adjacent to the seaway on behalf of the Government of Canada. The market development team continues to bring operators and investors together to best utilize the real estate and facilities, including landholdings on the Welland Canal, to generate economic growth and employment opportunities.



## Industrial Land Along the Welland Canal

According to various witnesses, a number of businesses would be interested in operating in the Niagara region.<sup>35</sup> Given that the Port of Hamilton is at maximum capacity, some may want to set up along the Welland Canal. According to [Roy Timms](#) of the Niagara Industrial Association, the federal government owns significant lands that are undeveloped on both sides of the Welland Canal that could be used for economic purposes. [Mr. Milot](#) of the Welland/Pelham Chamber of Commerce made the following observation:

Transport Canada can play a key role in sensitively opening up those areas and connecting them appropriately to trade transportation routes as part of a more robust industrial hub. ... Dormant, developable industrial lands along the Welland Canal are also no longer acceptable if we're to entrench the region in a foreign trade zone in a way that will be robust and credible for decades to come.

[Scott Luey](#) of the City of Port Colborne and [Ted Luciani](#) of the City of Thorold told Committee members that the municipalities along the Welland Canal would like to see these lands developed for industrial or commercial use to stimulate economic development in their region.

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35      [TRAN, Evidence, Long](#) (City of Welland), [Jayesh Menon](#) (Coordinator, Foreign Trade Zone, Niagara Region) and [Hamilton](#) (Hamilton Port Authority).



## CASE STUDY: VANCOUVER REGION

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*“[I]n recognition that 60% of heavy truck travel within the region has a local destination, it’s not just about gateway infrastructure. It’s about understanding the interaction between provincial and federal infrastructure and then local infrastructure, to be able to go end to end on the trips and understand how we efficiently move goods through this region.”*

Geoff Cross,  
Vice-President, Transportation Planning and Policy,  
New Westminster, TransLink

### GROWING DEMAND

According to the Canadian Chamber of Commerce report [Stuck in Traffic for 10,000 Years](#), projections for freight traffic<sup>36</sup> indicate that the rail network in Western Canada will need to nearly triple its capacity by 2045 to meet future demand. Similarly, ports in British Columbia will see the demand for movement of these commodities triple over the same period.

The [Port Alberni Port Authority](#) estimates that container traffic will double by 2030, and it had the following caveat: “If the west coast cannot meet the demand for container throughput, the excess volumes will seek the next best alternative, which would be at Canada’s loss.” Similarly, [Peter Xotta](#) of the Vancouver Fraser Port Authority pointed out that, despite the planned expansions at West Coast terminals, additional capacity in the container sector is needed to meet future demand. Figure 5 shows the primary transportation infrastructure in the Vancouver region.

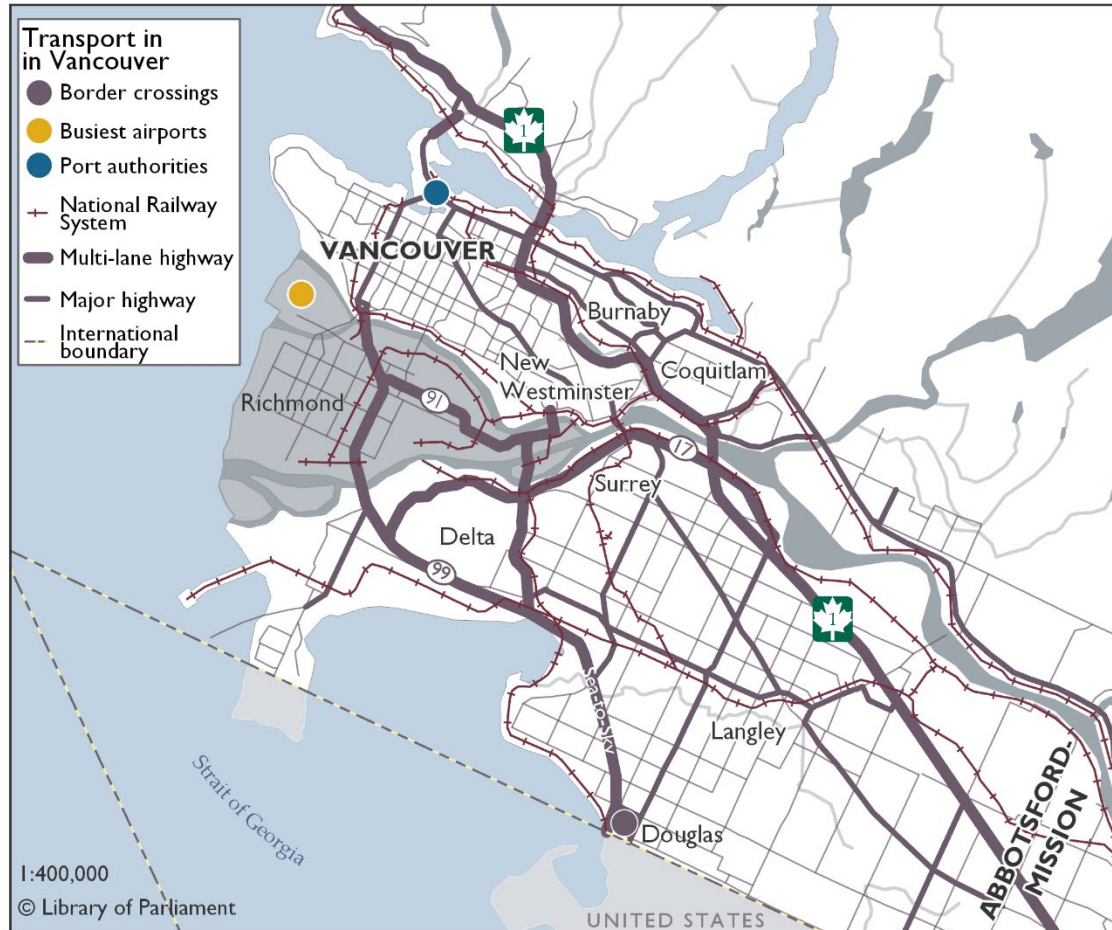
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36 Includes petroleum, iron ore, coal, grain/oilseeds, wood products and potash.



Figure 5—Inset of Vancouver

Inset of Vancouver



Source: Map prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series*, “[Administrative features](#),” 1:1M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series*, “[Hydrographic features](#),” 1:1M, Ottawa, NRCan, 2018; *Transport networks in Canada – CanVec Series*, “[Transport features](#),” 1:1M, Ottawa, NRCan, 2018; and Statistics Canada, *2016 Census – Boundary Files*, “Census metropolitan areas.” The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).

[James Clements](#) of the Canadian Pacific (CP) Railway and [Brad Bodner](#) of the Canadian National Railway Company (CN) both thought tripling the network was a bit aggressive, considering the limited expansion capacity at the Port of Vancouver, but they agreed, as did [Derek Ollman](#) of the Southern Railway of British Columbia (SRY), that they must continue investing to grow the rail network capacity in Western Canada. [Marko Dekovic](#)

of Global Container Terminals (GCT) made the following comment about the relationship between terminals and railways:

We're all as strong as our weakest link in the supply chain, so ... with larger ships, we need to be investing in land-side surge capacity. That means the terminal operators and the railways have to be making the necessary investments and we as terminal operators have to do what we can to facilitate the speed at which we move the containers off a ship to a train.

## A Supply Chain That Must Adapt

[Mr. Bodner](#) said that CN's biggest network issues were at the end of the line, due to rail congestion, urban encroachment and marine traffic that affect whether bridges can be opened. Witnesses pointed out that traffic on the Fraser River bridge was a bottleneck that limits the capacity for railways to serve the terminals.<sup>37</sup> [Mr. Bodner](#) explained to the Committee that the bridge is more than 100 years old and is used regularly by six railways, of which three are freight companies, and that the bridge is open eight hours a day for marine traffic. He believes that the federal government must move forward to replace this bridge.

[Mr. Clements](#) recognized that, with regard to grain, CP's network cannot meet the market demand at the Port of Vancouver gateway; there is simply more market demand "than there is capacity in the supply chain to accommodate the grain traffic." In his view, the supply chain through Vancouver is constrained by "terminal capacity, the impacts of inclement weather and the operational complexity of the railways, including having to manage around the West Coast Express commuter rail operations." An alternative put forward by [Mr. Clements](#) is to move some activities outside the city, such as the recently opened transloading facility in Coquitlam.

[Brad Eshleman](#) of the BC Marine Terminal Operators Association told the Committee that, because of boxcar availability and crew sizes, some products, such as forestry products, are being transported to the terminals by truck rather than by rail. More trucks means more congestion, especially at the Port of Vancouver, where traffic is already heavy, according to [Joel Neuheimer](#) of the Forest Products Association of Canada. On a different note, [Gagan Singh](#) of the United Trucking Association told the Committee that the relationship between truckers and the Vancouver Fraser Port Authority was sometimes strained.

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37      TRAN, *Evidence*, [Bodner](#) (CN), [Booker](#) (Neptune Bulk Terminals), [Ollmann](#) (SRY) and [Dekovic](#) (GCT).



To expedite the inspection process for containers from GCT Deltaport and the Fraser Surrey Docks, the Canada Border Services Agency (CBSA) plans to open a new container examination facility in Tsawwassen. According to [Roslyn MacVicar](#) of the CBSA, it would be double the size of the facility in Burnaby, with a greater capacity to accept and examine containers. Ms. MacVicar also said that a new marine container examination facility would be built in the Burrard Inlet.

### Availability of Industrial Land

*“[T]rade-enabling land needs protecting. We’re very concerned about the critical shortage of trade-enabling industrial land in the Lower Mainland. Vancouver has the second-lowest availability rate across North America. It’s predicted that Vancouver could run out of industrial land supply in the not-too-distant future.”*

Peter Xotta,  
Vice-President, Planning and Operations,  
Vancouver Fraser Port Authority

When Committee members visited the Port of Vancouver, they learned a great deal about the challenges involving the availability of land in the Metro Vancouver area. Several witnesses said there was a shortage of industrial land in Vancouver.<sup>38</sup> Some said that the ports and terminals would have to become more and more efficient, given that they need to increase capacity without having access to more land to support this growth.<sup>39</sup> [Mr. Dekovic](#) told the Committee that the GCT Deltaport container terminal managed to increase its overall terminal capacity by 33% “by redoing the layout, semi-automation and densifying of the tracks on the terminal, and changing the way [it] operate[s].” [He](#) added that the Port of Vancouver has an incentive program to encourage container ships to come into port on time, which makes it easier to plan terminal labour and terminal operations, as well as railways.

[SRY](#) is concerned about industrial land being converted into residential land, as it pushes heavy industry away from the major transportation corridors and “leads to conflicts and

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38 TRAN, *Evidence*, [Ollman](#) (SRY), [Southern Railway of British Columbia](#) (brief), [Eshleman](#) (BC Marine Terminal Operators Association), [Booker](#) (Neptune Bulk Terminals), [Lewis-Manning](#) (Chamber of Shipping) and [Moir](#) (Port of Nanaimo).

39 TRAN, *Evidence*, [Eshleman](#) (BC Marine Terminal Operators Association), [Booker](#) (Neptune Bulk Terminals) and [Lewis-Manning](#) (Chamber of Shipping).

unrealistic community expectations about noise and industrial emissions.” According to [Geoff Cross](#) of TransLink, better dialogue is needed between the various stakeholders and the federal government so that a balance can be found between land use needs, local transportation needs and the needs of those involved in goods movement. [He](#) made the following observation on this topic:

We always say that the best transport plan is a good land use plan, and that is obviously critical in metro Vancouver with our constrained land base and the economic pressures for residential and commercial uses on it.

One possible solution mentioned by several witnesses is the Port of Prince Rupert, located further north along the coast, whose expansion capacity is not as limited as the Port of Vancouver because it is not located in an urban area.<sup>40</sup> However, [Greg Northey](#) of Pulse Canada reminded the Committee that a number of grain companies have invested heavily in their facilities in Vancouver, and [Mr. Neuheimer](#) pointed out that, at present, CN is the only railway company serving the Port of Prince Rupert, which limits its capacities.

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40      TRAN, *Evidence*, [Northey](#) (Pulse Canada), [Neuheimer](#) (FPAC) and [Lewis-Manning](#) (Chamber of Shipping).





## APPENDIX A LIST OF WITNESSES

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The following table lists the witnesses who appeared before the Committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the Committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<p><b>Department of Transport</b></p> <p>Hon. Marc Garneau, P.C., M.P., Minister of Transport</p> <p>Michael Keenan, Deputy Minister</p> <p>Shawn Tupper, Assistant Deputy Minister Policy</p> <p>Kate Young, Parliamentary Secretary to the Minister of Transport</p>	2016/11/17	33
<p><b>Canada Border Services Agency</b></p> <p>Martin Bolduc, Vice-President Programs Branch</p> <p>Johny Prasad, Director Program Compliance and Outreach, Programs Branch</p> <p>Scott Taymun, Director General Transformation and Border Infrastructure and Renewal Directorate</p>	2018/09/20	108
<p><b>Department of Transport</b></p> <p>Christian Dea, Director General, Transportation and Economic Analysis, Chief Economist</p> <p>Patrick Gosselin, Director Port Policy</p> <p>Sandra LaFortune, Director General International Relations and Trade Policy</p> <p>Martin McKay, Director Transportation Infrastructure Programs (West)</p> <p>David McNabb, Director General Surface Transportation Policy</p>	2018/09/20	108

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Accipiter Radar Technologies Inc.</b> Tim J. Nohara, President and Chief Executive Officer	2018/09/24	109
<b>Algoma Central Corporation</b> Gregg Ruhl, Chief Operating Officer	2018/09/24	109
<b>Ambassador Bridge Company</b> Stan Korosec, Director Security	2018/09/24	109
<b>As an individual</b> Patrick Robson, Professor Niagara College	2018/09/24	109
<b>Buffalo and Fort Erie Public Bridge Authority</b> Llewellyn Holloway, Board Director Ron Reinas, General Manager	2018/09/24	109
<b>Canada Border Services Agency</b> Richard Comerford, Regional Director General Southern Ontario Region	2018/09/24	109
<b>Canadian Marine Pilots Association</b> Mike Burgess, Captain, Vice-President Great Lakes Region	2018/09/24	109
<b>Canadian National Railway Company</b> Andrew Fuller, Associate Vice-President Domestic, Intermodal and Automotive	2018/09/24	109
<b>Chamber of Marine Commerce</b> Bruce Burrows, President	2018/09/24	109
<b>City of Port Colborne</b> Scott Luey, Chief Administrative Officer	2018/09/24	109
<b>City of Thorold</b> Ted Luciani, Mayor	2018/09/24	109
<b>City of Welland</b> Gary Long, Chief Administrative Officer	2018/09/24	109

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Great Lakes Stevedoring Co. Ltd.</b> Claudine Couture-Trudel, Senior Director Strategy and Communications Bruce Graham, Vice-President Hamilton, Port Colborne	2018/09/24	109
<b>Hamilton Port Authority</b> Ian Hamilton, President and Chief Executive Officer	2018/09/24	109
<b>John C. Munro Hamilton International Airport</b> Cathie Puckering, President and Chief Executive Officer	2018/09/24	109
<b>Lake Carriers' Association</b> Jim Weakley, President	2018/09/24	109
<b>Niagara Falls Bridge Commission</b> Kenneth N. Bieger, General Manager	2018/09/24	109
<b>Niagara Industrial Association</b> Roy Timms, Board Member, Former Chair	2018/09/24	109
<b>Niagara Region</b> Jayesh Menon, Coordinator Foreign Trade Zone	2018/09/24	109
<b>Seafarers' International Union of Canada</b> James Given, President Chris Given, Director Government Relations	2018/09/24	109
<b>St. Lawrence Seaway Management Corporation</b> Jean Aubry-Morin, Vice-President External Relations Bruce Hodgson, Director Market Development	2018/09/24	109
<b>Welland/Pelham Chamber of Commerce</b> Verne Milot, Director	2018/09/24	109
<b>WestJet Airlines Ltd.</b> Andy Gibbons, Director Government Relations and Regulatory Affairs	2018/09/24	109

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Abbotsford International Airport</b> Parm Sidhu, General Manager	2018/09/26	110
<b>BC Marine Terminal Operators Association</b> Marko Dekovic, Vice-Chair Brad Eshleman, Chair	2018/09/26	110
<b>BNSF Railway Company</b> Roger Nober, Executive Vice-President Law and Corporate Affairs	2018/09/26	110
<b>British Columbia Coast Pilots Ltd.</b> Roy Haakonson, Captain, President Robin Stewart, Captain, Vice-President	2018/09/26	110
<b>Canada Border Services Agency</b> Roslyn H. MacVicar, Regional Director General Pacific Region	2018/09/26	110
<b>Canadian Ferry Association</b> Serge Buy, Chief Executive Officer	2018/09/26	110
<b>Canadian National Railway Company</b> Brad Bodner, Director Business Development	2018/09/26	110
<b>Canadian Pacific Railway</b> James Clements, Vice-President Strategic Planning and Transportation Services	2018/09/26	110
<b>Chamber of Shipping</b> Bonnie Gee, Vice-President Robert Lewis-Manning, President	2018/09/26	110
<b>Forest Products Association of Canada</b> Joel Neuheimer, Vice-President International Trade and Transportation	2018/09/26	110
<b>Global Container Terminals</b> Marko Dekovic, Vice-President Public Affairs	2018/09/26	110
<b>Greater Victoria Harbour Authority</b> Sonterra Ross, Chief Operating Officer	2018/09/26	110

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Islands Trust</b> Peter Luckham, Chair Islands Trust Council	2018/09/26	110
<b>Neptune Bulk Terminals (Canada) Ltd.</b> Rob Booker, Senior Vice-President Operations and Maintenance	2018/09/26	110
<b>Port Alberni Port Authority</b> Zoran Knezevic, President and Chief Executive Officer	2018/09/26	110
<b>Port of Nanaimo</b> Ewan D. Moir, President and Chief Executive Officer	2018/09/26	110
<b>Pulse Canada</b> Greg Northey, Director Industry Relations	2018/09/26	110
<b>Southern Railway of British Columbia</b> Derek Ollmann, President	2018/09/26	110
<b>Teck Resources Limited</b> Michael O'Shaughnessy, Director Logistics	2018/09/26	110
<b>TransLink</b> Geoff Cross, Vice-President Transportation Planning and Policy, New Westminster	2018/09/26	110
<b>United Trucking Association</b> Gagan Singh, Spokesperson	2018/09/26	110
<b>Vancouver Fraser Port Authority</b> Peter Xotta, Vice-President Planning and Operations	2018/09/26	110
<b>Vancouver International Airport Authority</b> Gerry Bruno, Vice President Federal Government Affairs	2018/09/26	110
<b>Victoria Airport Authority</b> Geoff Dickson, President and Chief Executive Officer	2018/09/26	110
<b>Atlantic Provinces Economic Council</b> David Chaundy, Interim President and Chief Executive Officer	2018/10/02	111

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Tata Steel</b> Rajesh Sharma, Strategic Advisor, Former Chief Executive Officer and Managing Director	2018/10/02	111
<b>Saskatchewan Association of Rural Municipalities</b> Ray Orb, President	2018/10/04	112
<b>Shipping Federation of Canada</b> Michael Broad, President Karen Kancens, Vice-President	2018/10/04	112
<b>Atlantic Provinces Trucking Association</b> Jean-Marc Picard, Executive Director	2018/10/16	113
<b>Mining Association of Canada</b> Brendan Marshall, Vice-President Economic and Northern Affairs	2018/10/16	113
<b>Montreal Port Authority</b> Tony Boemi, Vice-President Growth and Development Sophie Roux, Vice-President Public Affairs	2018/10/16	113
<b>St. John's Board of Trade</b> Nancy Healey, Chief Executive Officer	2018/10/16	113
<b>Buffalo and Fort Erie Public Bridge Authority</b> Debbie Zimmerman, Board Member	2018/10/18	114
<b>Canadian Airports Council</b> Daniel-Robert Gooch, President	2018/10/18	114
<b>Detroit International Bridge Company</b> Stan Korosec, Director Canadian Government Relations, Ambassador Bridge	2018/10/18	114
<b>Gabriolans Against Freighter Anchorages Society</b> Chris Straw, President	2018/10/18	114
<b>Prince Rupert Port Authority</b> Ken Veldman, Director Public Affairs	2018/10/18	114

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Town of Labrador City</b> Nick McGrath, Councillor	2018/10/18	114
<b>Council of the Haida Nation</b> Peter Lantin, President	2018/11/20	121
<b>Cowichan Tribes</b> Natalie Anderson, Referrals Coordinator	2018/11/20	121
<b>Eagle Spirit Energy Holding Ltd.</b> Calvin Helin, Chairman and President	2018/11/20	121
<b>Heiltsuk Tribal Council</b> Marilyn Slett, Chief Councillor	2018/11/20	121
<b>Lax Kw'alaams Band</b> John Helin, Mayor	2018/11/20	121





## APPENDIX B LIST OF BRIEFS

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The following is an alphabetical list of organizations and individuals who submitted briefs to the Committee related to this report. For more information, please consult the Committee's [webpage for this study](#).

**Canadian Ferry Association**

**Council of the Haida Nation**

**Engineers Canada**

**Federation of Canadian Municipalities**

**Government of the Northwest Territories**

**Lax Kw'alaams First Nation**

**Port Alberni Port Authority**

**Southern Railway of British Columbia**

**Western Canadian Short Line Railway Association**



## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 26, 33, 108 to 114, 118, 121, 127 and 128](#)) is tabled.

Respectfully submitted,

Hon. Judy A. Sgro, P.C., M.P.  
Chair



## Supplementary Opinion of the Conservative Party of Canada

### Introduction

Over the past year, the Standing Committee on Transport, Infrastructure and Communities (TRAN Committee) has undertaken a study on a CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY with a special focus on the impact of transportation corridors within the Canadian transportation system.

Transportation corridors are integral to the safe and efficient flow of goods in and out of Canada.

In a country as large as Canada we have a very diverse topography. Whether they traverse through mountains, the prairies or navigable lakes and rivers, Canada's multiple transportation corridors present both unique opportunities and challenges.

One way to address these challenges is to capitalize on the diverse modes of transportation that are utilized by commodities where technologically and economically possible, for example using pipelines to transport oil.

While transportation by rail remains a safe and viable option, the data shows pipelines are the safest and most efficient way to transport oil.

While natural challenges such as topography and weather can be overcome by the market place, the Government of Canada can, through its policies, make things better or worse for our integrated transportation system.

This supplementary report seeks to highlight this fact.

Members of the TRAN Committee frequently heard from stakeholders, who participated in the study, that certain actions by the current Government are having a negative impact on their ability to operate in an efficient manner.

Take the diversification of oil transportation off of rail and into a pipeline for example. Doing this would contribute to an increase in safety and efficiency in the transportation system.

However, during its study, the committee heard from numerous witnesses about the negative impacts that the current Government's policies are having on this safer and more efficient way of transporting oil.

Referencing the Government of Canada's Bill C-48 *Oil Tanker Moratorium Act*, Mr. Calvin Helin, Chairman and President, Eagle Spirit Energy Holding Ltd. told the TRAN committee on November 20, 2018:

*“The other thing our chiefs wonder about is how come this is being proposed, essentially to cut off half of B.C.’s coast to important commercial traffic, when tanker shipping of oil and petroleum fuels is happening everywhere else in Canada.”*

And when asked to comment on a statement that the Government’s decision to introduce Bill C-48 was not based on statistical data or science, Mr. Michael Broad, President of the Shipping Federation of Canada, stayed at Committee on October 4, 2018:

*“I’d agree with . . . that.”*

Moving more oil through pipelines would remove the demand for rail transportation for this commodity and thereby free up more space for other cargo such as bulk and container traffic.

Another opportunity to address the challenge of Canada’s large geographic expanse is to enact policies that encourage investments by transportation companies in every phase of the transportation system.

However, throughout this study it became clear that the current Government is stifling investment through measures like Bill C-69 and the carbon tax.

This was reiterated again and again in testimony to the Committee.

In his opening remarks to the Committee on September 26, 2018 Mr. Peter Xotta, Vice-President, Planning and Operations – Vancouver Fraser Port Authority, made the following comments on the impact of Bill C-69:

*“We’re concerned about the impact that Bill C-69 will have on investment in Canada. As a trading nation that aspires to more trade, Canada needs its ports to be ready to manage the increased movement of goods.”*

And responding later to a question, Mr. Xotta also said:

*“The extended timeline that appears to be unfolding is obviously costly. It impacts the securing of commercial partners because of the uncertainty around when that facility might be constructed and thus operational. . . . What is the message, essentially, that’s being sent to international investors of major infrastructure projects?”*

Commenting on Bill C-69 at Committee on September 26, 2018, Mr. James Clements, Vice-President, Strategic Planning and Transportation Services – Canadian Pacific Railway, also expressed concerns about the impact this Bill will have on Canada’s trade corridors:

*“Finally, it is worth noting that the goal of achieving more efficient trade corridors is undermined by federal policy-making that favours additional regulatory interventions in the*

*marketplace and the imposition of significant new requirements for major projects that fall under federal jurisdiction, such as those proposed in Bill C-69.”*

*And: “By adding an additional uncertainty and complexity into the review process, we are concerned that it is going to discourage the attraction of capital to infrastructure projects that will enhance the supply chain.”*

Responding to a question at Committee on September 26, 2018 regarding the impact of Bill C-69, Mr. Rob Booker, Senior Vice-President, Operations and Maintenance – Neptune Bulk Terminals (Canada) Ltd.:

*“With specific reference to Bill C-69 . . . we wouldn't have invested. If that had been the condition two years ago, we would not have made the \$450-million investment, because there's no certainty in process. It's really simple. From a business perspective, if there's not certainty in income or outcome, even in timeline—never mind yes or no—if there's just no certainty in timeline how can you make an investment?”*

In commenting on the Government's imposition of a carbon tax, Mr. Jean-Marc Picard, Executive Director – Atlantic Provinces Trucking Association noted the following at the October 16, 2018 meeting of TRAN Committee:

*“. . . a carbon tax must not have a negative impact on revenues and must give us the flexibility to invest in carbon-reducing technologies.”*

Speaking at the same October 16, 2018 meeting, Ms. Nancy Healey, Chief Executive Officer, St. John's Board of Trade, made the following comment about the current Government's carbon tax:

*“. . . everything that comes here either floats or flies, so we are particularly vulnerable. We agree that we need to do something about carbon emissions, but we feel that a carbon tax should be revenue neutral.”*

*And: “We're concerned that this is a tax grab.”*

### **Conclusion:**

These were just some of the comments that stakeholders made with respect to the detrimental impact that legislation such as Bill C-48, Bill C-69 and the carbon tax will have on Canada's transportation system, and more specifically, our transportation corridors.

Canada cannot begin to address its transportation issues without first addressing policies detrimental to resource development, transportation, trade and investments in infrastructure.

Throughout this first part of the TRAN Committee's study on CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY the issues identified above can be summed up in two words:

Bad policies.

Bad policies that will have a long lasting negative impact on:

1. Our ability to develop our resources,
2. Our ability to get our resources to market
3. Canada's reputation as a reliable supplier of these resources; and
4. Investments in infrastructure necessary to transport Canada's exports and imports safely and efficiently.

Therefore, we make the following recommendations:

RECOMMENDATION #1

That the Government withdraw Bill C-48.

RECOMMENDATION #2

That the Government withdraw Bill C-69.

RECOMMENDATION #3

That the Government eliminate the carbon tax.



## NDP Supplementary Opinion

While we support the majority report, we believe it fails to address several crucial issues and important witness statements. Therefore, the NDP is providing this document as a supplementary opinion to the interim report on the Canadian transportation and logistics strategy.

The supplementary opinions of the New Democrats balance economic development and the well-being of Canadians. They reflect the ideas and values defended by the NDP and meet the expectations of Canadians as regards coexistence, energy transition, safety and promoting gender equality.

First of all, the NDP believes the government should be committed to ensuring that Canadians are able to coexist peacefully with the various transport industry stakeholders. Without regulations and measurable standards, industry interests often take precedence, at the expense of the well-being of communities.

**Recommendation 1: That the federal government develop standards to minimize the negative effects of noise and visual pollution for communities near ports, airports, railyards, etc.**

*“The other component is to ask ships to voluntarily consider local residents and to try to keep the volume down for the noise they generate and the number of lights they have on display. We’re finding that ships have to run generators 24-7, because that’s how they keep the oil circulating and power all their equipment, so there is actually not a lot that can be done. Some ships seem to comply more than others. I receive copies of complaint emails from communities across the country and it seems bizarre to me the way this situation is being managed. Someone has to write to the port of Vancouver and ask them to tell this ship to turn down their lights or try to mitigate the noise, and then they have to wait for a possible answer in a voluntary system. We think it should be regulated.”*

*- Chris Straw, Gabriolans Against Freighter Anchorages Society*

Mr. Chris Straw told the Committee about the issues caused by an unproductive supply chain. Residential communities experience problems resulting from economic activity, such as noise and visual pollution, which do not seem likely to be resolved simply by the good faith of the stakeholders involved. The government should assume its responsibilities and defend the interests of Canadians. It should ensure that residential communities have a healthy environment and that the negative effects resulting from economic activity are regulated.

Further, New Democrats believe it is the government’s duty to encourage the energy transition within the transport industry. If it wants to meet its obligations under the Paris Agreement, the federal government must put incentives in place to help the various industry partners.

**Recommendation 2: That the federal government promote energy transition in the trucking industry by providing incentives.**

*“Groupe Robert set an excellent example by choosing natural gas for 150 of its trucks. The technology, however, isn’t quite mature, so the return on investment isn’t there yet. A natural gas-powered vehicle costs about \$85,000 more. A company has to have substantial savings to make that kind of investment. For our part, we are at the mercy of manufacturers. All we can do is buy what they want to sell us, and right now, that’s diesel engines. However, the industry has made a real effort to reduce diesel use.”*

- Jean-Marc Picard, Atlantic Provinces Trucking Association

When he appeared before the Committee, Mr. Jean-Marc Picard said that the goodwill of industry partners is not enough to ensure the energy transition in the transport industry. The government should position itself as a strong leader in tackling climate change rather than investing \$4.5 billion in public funds to buy a pipeline.

In addition, the St. Lawrence Seaway was closed for a number of days this winter, which clearly demonstrates that the current icebreaking fleet is unable to fulfill its mandate. It is both an economic development issue and a safety issue.

**Recommendation 3: That the federal government accelerate the procurement process for new icebreakers so that the issues encountered in the St. Lawrence Seaway and the Great Lakes can be addressed quickly.**

*“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 the Great Lakes, and, of course, the Canadian Arctic. Despite its importance, the icebreaking fleet has shrunk significantly over the years and is currently made up of over-age 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, we need 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.”*

- Michael Broad, Shipping Federation of Canada

Also with regard to the icebreakers, the NPD is seeking assurance that the government is addressing the fundamental requirements of our trade corridors.

Lastly, there is a severe labour shortage in the transportation industry, as in various other economic sectors. In its interim report, the Committee recommends only that a national policy be developed to address the labour shortage. Given that this is largely a male-dominated industry, the NDP believes the government has a role to play in making it easier for women to seek jobs in this industry.

**Recommendation 4: That the federal government put in place a national policy to make it easier to integrate and recruit women in the freight transportation industry.**

*“A lot is being done to try to attract women and young people to the industry. This is all new for us. We aren’t turning anyone away. Our human resources council, in Nova Scotia, has some excellent programs to attract women to the industry. In our region, we are starting to see the numbers go up. I know efforts are being made nationally as well. Our best drivers are 71-year-old males. That isn’t reasonable. We really need a major change in the efforts to recruit new blood.”*

*- Jean-Marc Picard – Atlantic Provinces Trucking Association*

Once again, Mr. Jean-Marc Picard gave the Committee an overview of the efforts the industry is making to adapt. Increasing the number of women could be an option to address the labour shortage the industry is facing. To open the door to having more women fill these positions, the government should implement a national policy to make it easier for them to access jobs in the industry.

