



**Written Submission for the House of Commons Standing Committee on Finance
Pre-Budget Consultations**

Submitted By: Clear Seas Centre for Sustainable Marine Shipping

Date: August 04, 2020

- **Recommendation 1:** That the federal government make additional funds available to the Oceans Protection Plan in recognition of the importance of marine industries and trade to our economy. The next iteration of the OPP should also include a clear focus on research and independent information.
- **Recommendation 2:** That the federal government provides funding of \$700,000 per year over 5 years to the Clear Seas Centre for Sustainable Marine Shipping to enable it to continue to provide impartial evidence-based information concerning sustainable marine shipping in Canada as we restart our economy.

About Clear Seas

Clear Seas is an independent not-for-profit research centre that supports safe and sustainable marine shipping in Canada. It provides impartial information to policy makers and the public. Clear Seas' mandate is to initiate and interpret research, identify best practices, share information and facilitate dialogue. Its fundamental premise is that better information leads to better decisions.

The organization was launched in 2015, with funding from Transport Canada, Alberta Energy, and the Canadian Association of Petroleum Producers. The funding was aimed at establishing the organization, getting operations underway and enabling it to develop a sustainable funding model. Clear Seas also received an additional infusion from the Government of Alberta in 2019.

Clear Seas' research focuses on the human, environmental and economic impacts of marine shipping. That includes practices for safe handling of bulk commodities at marine terminals, impacts of shipping oil and liquefied natural gas, spill prevention and response, GHG and pollution reduction, impacts on coastal and Indigenous communities, and more.

The organization collaborates with Indigenous groups, stakeholders and experts to identify knowledge gaps, share results of existing studies, and facilitate new research to ensure decision makers have access to accurate, up-to-date information.

Research and Knowledge Mobilization

Clear Seas research is conducted by staff and through academic institutions, contractors and other subject matter experts. It is intended to help generate sound, practical solutions to recognized problems and issues.

The information Clear Seas collects is provided on its website which has been visited by close to 200,000 users and has received more than 375,000 page-views since its launch in November 2016. Its popular interactive web pages address topical issues such as: *Oil Tankers in Canadian Waters*, *Underwater Noise & Marine Mammals*, *Who Pays for an Oil Spill*, and *LNG & Marine Shipping*.

Clear Seas has also become a trusted authority for media across Canada on issues related to marine shipping and the transportation of oil and gas. Clear Seas has been cited as a source on oil shipped in Canadian waters in articles published by the Montreal Gazette, the Saskatoon StarPhoenix, and The Province and reporters from the CBC have contacted Clear Seas to ask questions or check facts for articles related to oil transport and capping sulfur emissions.

Clear Seas has published 8 research reports on marine shipping in Canada on aspects ranging from polls of Canadians' attitudes, through studies on spill response in ports and vessel drift and response in the Pacific, to examinations of the value that Canadians derive from shipping and its attendant risks.

Clear Seas' research materials and products have also been used extensively in the public policy making process across Canada. Transport Canada and the Canadian Coast Guard have considered Clear Seas' work in the formulation of policy and changes to procedures. Clear Seas was invited to provide evidence to the House of Commons and Senate Committees examining Bills C-86 and C-48. Clear Seas also participated in two Technical Working Groups of the BC Ministry of Environment's Phase Two Enhancements to Spill Management in BC.

Clear Seas' Value Proposition

Clear Seas is not an advocacy group. Its value rests primarily in its ability to gain public trust through impartial research and communications. It does not take positions on ongoing projects. It will, however, help

to address risks associated with different activities in a dispassionate, evidence-based way in order to counter and dispel false information.

Clear Seas' independent fact-based approach can be leveraged to help build public trust and confidence in shipping as a safe and essential element of Canada's well-being and prosperity. This includes enhancing the safety of the movement of petroleum and other products by ship. Dedicated to continual improvement, Clear Seas addresses stewardship and sustainability issues related to the seagoing link of a supply chain that spans ports, rail, road and pipeline movement of commodities. It can help to bring differing views together by providing agreed upon facts on which to base decisions; and it can contribute to continuing improvement to make shipping safer and more sustainable.

Clear Seas' activities remain vitally relevant in the current context. This relevance will only grow as balancing economic prosperity with the safeguarding of our environment continues to be the focus of intense public discussion and government policy as Canada moves towards its 2050 emissions targets. As Canada looks to chart a path forwards following the COVID-19 pandemic, marine trade will be a vital component of our economic recovery.

Trade and Shipping Role in COVID Recovery

Trade is an essential component of the Canadian economy, and it is of critical importance that we as a country are able to get our resources to market. Marine trade will be at the core of Canada's economic recovery from COVID-19.

More than 340 million tonnes of cargo, accounting for \$200 billion worth of goods move through Canadian ports every year, adding roughly \$25 billion to Canada's GDP and generating more than \$53 billion in overall economic activity.¹

Marine shipping transports about 20% of Canadian exports and imports by dollar value.² The Canadian commercial marine shipping industry directly contributes \$3 billion to Canada's GDP.³ The Canadian marine shipping industry itself is a direct and indirect source of roughly 99,000 jobs across the country.⁴ These jobs account for approximately \$4.6 billion in labour income nationally.⁵

Marine shipping is also a vital component of Canada's trade diversification goals. Canadian exports to non-US destinations reached \$153 billion in 2018, the overwhelming majority of which is moved by cargo ship.⁶

The marine shipping industry is also a significant generator of government revenue. The Port of Vancouver alone generates over \$1.4 billion (\$860 million federally) in total tax revenue a year.⁷ Marine shipping in the Great Lakes – St. Lawrence Seaway generates \$12 billion in economic activity in Canada, and \$2.5

¹ Canadian Port Industry, *Association of Canadian Port Authorities*, 2016 <http://www.acpa-ports.net/industry/industry.html>

² The Value of Commercial Marine Shipping, *Council of Canadian Academics*, 2017 https://cca-reports.ca/wp-content/uploads/2018/08/ValueMarineShipping_fullreport_EN.pdf, 13

³ Ibid, 43

⁴ Ibid, 56

⁵ Ibid, 56

⁶ The State of Trade, *Global Affairs Canada*, 2019 https://www.international.gc.ca/gac-amc/publications/economist-economiste/state_of_trade-commerce_international-2019.aspx?lang=eng

⁷ Port of Vancouver Economic Impact Study, *InterVistas*, 2016 <https://www.portvancouver.com/wp-content/uploads/2016/05/2016-Port-of-Vancouver-Economic-Impact-Study.pdf>, viii

billion in total tax revenue (\$1.5 billion federal) every year.⁸ The Government of Canada also collected \$5.13 billion in import duties from non-US trade in 2017.⁹

Simply put, Canada is a trading nation, through and through.

In an era marked by eroding trust, citizens have access to more information than ever – but the level of knowledge and understanding has, in some ways, diminished. The outlook of the shipping sector relies on establishing and maintaining a fact-based dialogue with Canadians about an essential yet largely invisible industry.

As the Government of Canada continues to move forward with the Trans Mountain Pipeline project, and provincial governments including Newfoundland and Labrador and British Columbia expand their offshore oil and liquified natural gas production, Clear Seas is ideally positioned to provide impartial, evidence-based information about the impacts of shipping these products on Canada's marine waterways and coastal areas.

In February, the FPT Transportation Ministers launched a Marine Transportation Working Group to explore the role of marine transportation in Canada. There was recognition that marine trade and commerce is vital to our economies and provides critical services to many rural and remote regions, including Indigenous and Northern communities. The working group will examine a number of topics including ferry operations, marine shipping, connecting rural and remote communities, and environmental impacts, with a view to increasing opportunities for collaboration between governments. Marine trade remains an essential component of our national dialogue, and Clear Seas is ideally positioned to help inform these conversations.

Nations around the world have recognized the import role that marine trade will play in helping the global economy recover from the impacts of COVID-19. Canada sits on the United Nations' High-Level Panel for a Sustainable Ocean Economy made up of 14 sea-faring nations. In a joint declaration in June 2020,¹⁰ the panel recognized that the ocean transports around 90 per cent of world trade and is a solution to a prosperous world, and that marine trade will be more important than ever as the world embarks on post-COVID-19 recovery.

Through the Oceans Protection Plan, Canada has made a bold commitment to responsible development and stewardship of its marine waterways and coastal areas. This needs to be supported by data and research - information that can be provided by organizations like Clear Seas. Marine trade, which is so heavily dependent on these waterways and coastal areas, will be integral to the success of our economic recovery. To ensure that Canada is able to maintain this delicate balance, it is imperative that the government invest new resources in a renewed Oceans Protection Plan.

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Strengthening Public Trust in Canada's Marine Trade Supply Chain

⁸ Economic Impacts of Marine Shipping in the Great Lakes – St. Lawrence Region, *Martin Associates*, 2018 <https://www.marinedelivers.com/wp-content/uploads/2019/01/Ecolmp-e-Web-FullReport.pdf>, 7

⁹ Canada's Import Duties 1988-2018, *Statistics Canada*, 2018 <https://www150.statcan.gc.ca/n1/daily-quotidien/181019/dq181019d-eng.htm>

¹⁰ Joint Statement on The Role of A Sustainable Ocean Economy in A Post-COVID-19 World, *High Level Panel For Ocean Sustainability*, August 2020 <https://www.oceanpanel.org/news/joint-statement-role-sustainable-ocean-economy-post-covid-19-world>

Clear Seas is well-positioned to provide evidence-based information to support current and future public policy on marine shipping, including a renewed Oceans Protection Plan. Its ability to analyze and synthesize complex issues into accessible communications products can assist in building confidence in and support for the improvement of a safe marine shipping industry – a key element of Canada’s transportation supply chain.

Five years out from its founding, Clear Seas has shown that it can make major contributions to research on the topic of sustainable marine shipping in Canada and is engaging with many Canadians from across the country. Clear Seas is very well positioned to provide research and evidence to help Canada pursue an informed and responsible pathway to its 2050 emissions reduction targets.

Over the next three years, Clear Seas will be transitioning to a hybrid model with industry contributions through port authorities expected to make up approximately half of the required \$2.5 million annual operating budget. Beginning in 2020, the Vancouver Fraser Port Authority is providing \$1 million per year, which provides essential bridging financing for the organization, and discussions with other provinces and federal departments remain ongoing. Clear Seas is looking to secure the remaining funding needed to continue a national research focus from federal and provincial governments.

Marine trade is a vital component of the Canadian economy and will be an essential feature of Canada's economic recovery following the COVID-19 pandemic. It is critical that Canadians are properly informed about the risks and benefits of the marine supply chain, and Clear Seas is ideally positioned to fill this role. In the global disruption that occurred as a result of COVID-19 -- and the recovery that will follow -- Clear Seas will help inform the vision of a vibrant, safe and sustainable marine shipping industry.

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