

St. Lawrence Economic Development Council

Pre-budget Consultations in Advance of the Next Federal Budget

Submission by the St. Lawrence Economic Development Council

August 2020

Infrastructure and new technologies:

Recommendation 1: That the government increase budgets for maintaining and developing marine infrastructure.

Recommendation 2: That the government introduce tax incentives to help the marine industry develop innovative supply solutions by integrating new technologies, artificial intelligence or new communication tools to increase effectiveness at each stage of the supply chain.

Recommendation 3: That the government fund initiatives to facilitate interconnectivity and interaction among the various modes of transportation involved in shipping.

Recommendation 4: That the government use tax incentives to encourage companies that use short-sea shipping.

Upgrading the icebreaker fleet:

Recommendation 5: That the government promptly award contracts to upgrade the Canadian Coast Guard fleet in order to establish a clear construction schedule and a firm implementation date.

Recommendation 6: That the government increase the budget for maintaining and developing the marine infrastructure along the St. Lawrence Seaway (improved port safety and efficiency, ice cameras, qualified staff to handle emergency situations on board icebreakers, at the Ice Office and in relation to repairing weirs, etc.).

Acquiring and enhancing environmental knowledge and expertise

Recommendation 7: That the government recognize the expertise of the Quebec Maritime Network and Green Marine regarding their research into new opportunities to reduce the marine industry's environmental footprint.

Recommendation 8: That the government provide permanent funding for the Maritime Information System (MIS) in order to obtain and analyze up-to-date, relevant shipping data to support decision making.

Recommendation 9: That the government use tax incentives or direct contributions to encourage businesses to introduce innovative methods of further reducing the marine industry's environmental footprint.

Recommendation 10: That the government provide departments and agencies with effective and reliable technological tools to increase our knowledge of marine mammals and support decisions regarding the necessary coexistence of commercial navigation, recreational boating and the various species that inhabit in our waters.

Recommendation 11: That the government support research activities to fully assess the impact of underwater noise and develop new technologies that directly affect noise reduction and the risk of collision with whales, such as the Marine Animal Response Society's listening station, developed by Innovation Maritime.

August 7, 2020

Standing Committee on Finance
131 Queen St., 6th Floor
House of Commons
Ottawa ON K1A 0A6

Dear committee members:

Subject: Submission for pre-budget consultations in advance of the next federal budget

The St. Lawrence Economic Development Council (SODES) represents the marine industry and is dedicated to protecting and promoting the economic interests of the St. Lawrence maritime community, from a sustainable development perspective.

Quebec's marine industry is made up of close to 400 companies and accounts for 27,000 jobs and more than \$1 billion in annual wages. It also consists of a strategic network of 20 ports throughout Quebec, and transships an average of 110 million tonnes of cargo annually.

Connected to the Great Lakes, the St. Lawrence has a highly developed intermodal transportation system and offers many combinations of shipping, rail and road transportation to carry goods between ports, consumers and the various industries in North America.

Complementing the port system are Quebec's road network, which is linked directly to the Ontario and U.S. highway systems, five border crossings, which handle most of the truck traffic into the United States, numerous rail networks and three international airports, one of which is reserved for cargo.

This network is considered strategically important to maintaining and developing Canada's trade with the United States and with the rest of the world, which is increasingly important as the economy recovers from the COVID-19 pandemic.

The marine industry supports jobs with a direct connection to the waterfront – dockworkers, terminal workers, ship operators, pilots and truckers; however, close to 50% of direct jobs are held by steelworkers, miners and workers in other industries that depend on the goods being transported and would likely disappear if the navigation system ceased to exist.

Having steelworks and aluminum plants as well as iron ore, salt and alumina mines close to ports and marine terminals highlights the role of this transportation system in carrying raw materials and its importance to Canada's regional industrial economy.

The events of recent months have emphasized just how vital the marine industry is to Canada's economic development and particularly to supplying Canadians with essential goods. In addition, industry members want to contribute to and be key players in the Canadian government's efforts to get the economy going again.

To assist in this effort, the companies that we represent have provided the relevant federal departments and agencies with a number of growth-generating projects that will strategically position Canada for the recovery of the North American and international economies over the short, medium and long terms.

Our industry would be very pleased to be a partner in supporting the country's economic recovery.

Sincerely,

Mathieu St-Pierre

President and Chief Executive Officer