

**House of Commons of Canada's Standing Committee on Transport, Infrastructure and Communities**

**Date:** 28<sup>th</sup> March 2023

**Topic:** Large Port Infrastructure Expansion Projects in Canada

**Statement Submitted by:**

Jan Van Mossevelde, CEO  
Andrew Snelgrove, CFO  
Jonathan Chia, Head of Commercial

- a) Good morning Members of Parliament, Chairman, Vice-Chairman and Members of the Standing Committee on Transport, Infrastructure and Communities. My name is Jan Van Mossevelde, CEO of PSA Halifax. I am joined by my CFO, Andrew Snelgrove and our Head of Commercial Jonathan Chia. Together, we are delighted to be invited to participate in the dialogue on Large Port Infrastructure Expansion Projects in Canada.
- b) PSA Halifax is one of the fastest growing container terminals on the Atlantic Coast with container throughput exceeding 600,000 twenty-foot equivalent units (TEUs) in 2022, an increase of over 18% since 2020. The terminals are owned and operated by PSA International, a leading port group with flagship operations in Singapore and Antwerp, Belgium. The group's portfolio comprises over 60 deepsea, rail and inland terminals, as well as affiliated businesses in supply chain management, logistics, marine and digital services.
- c) Halifax is a strategic gateway for Canada, with natural deep waters, year-round ice-free access, and the capability to handle the largest vessels visiting the Atlantic East Coast. The port has established direct service connections in all major trade lanes offering cargo owners and logistics providers reliable access to the Canadian and USMW markets.
- d) Since PSA acquired the Halifax terminals (Atlantic Hub Terminal in 2019 and Fairview Cove Terminal in 2022), we have announced and committed to significant capital investments to enhance the port's capacity and capability. In March 2022, we announced the purchase of 2 new super post panamax cranes which will be delivered by the 3<sup>rd</sup> Quarter of 2023. This year, we have announced the purchase of 8 new electric RTGs which will be delivered by the 2<sup>nd</sup> Quarter of 2024. Besides equipment purchases, we have agreed to co-fund with the Halifax Port Authority a series of NTCF infrastructure projects to expand our on-dock rail capacity with the aim of shifting the movement of containers from truck to rail.
- e) We are optimistic of the port's long-term future but also cognizant of the near-term headwinds such as inflation, rising interest rates and weak consumer demand. This could potentially force the private sector to delay our investment plan which might risk long-term repercussions of under-investments in critical infrastructure. Hence, any governmental support to help the sector co-fund these large-scale, capital-intensive projects would ensure that the sector is able to continue with our investment plan even during difficult times. Some of the specific support measures we would like to propose are as follows:-

- i. **Development of inland dry ports and Off-docks.** Halifax is in critical need of inland dry ports and supporting off-docks to perform ancillary port services. Today, these ancillary services are conducted on prime waterfront areas which should primarily be used for vessel handling operations only. Any government support to help expedite the review process of potential projects and co-funding of these critical infrastructure would have tremendous benefits of reducing congestion at the seaports and improving supply chain resilience.
  - ii. **Publishing of nationwide trade and cargo flow data.** There is a severe lack of trade and cargo flow data available to help project sponsors understand key cargo and trade flows within Canada. If CBSA is able to sanitize and publish the data on cargo flows collected from cargo declaration, project sponsors will be able to utilize this information and make better decisions on key areas which require additional investments.
  - iii. **NTCF Project cost overrun caused by Inflation:** Over the last 3 years, NTCF beneficiaries have experienced significant project costs increase caused by inflation which is not covered by the original NTCF approved budget. We would like the government to allow existing NTCF beneficiaries to apply for additional NTCF funding for approved projects to cover the higher project costs caused by inflation.
  - iv. **Property Taxes:** Property taxes have increased over 230% since 2019. Providing relief to operators of key national strategic infrastructure will enable us to divert financial resources to continue funding our capital investment plans during difficult times.
  - v. **Marine Pilot Shortage:** The services provided by the Atlantic Pilotage Authority has been inconsistent. As vessel sizes continue to increase, we are experiencing a shortage of Class A pilots in Halifax. The situation is further exacerbated during the summer cruise season where passenger cruise vessels are prioritized over container vessels due to pilot shortages, leading to last minute berthing delays and underutilized labour. We therefore urge the government to allocate more resources to pilot training in order to increase the available pool of Class A pilots to meet the increased demand in the Port of Halifax.
  - vi. **Others:** Any additional support in the form of governmental grants, tax incentives, would be greatly appreciated and allow us to achieve our objectives to increase capacity in Halifax from 1 million to 1.5 million TEUs.
- f) Thank you and we look forward to contributing constructively to the discussions.