



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

ESTABLISHING A CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY: PART 2

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

Honourable Judy A. Sgro, Chair

**JUNE 2019
42nd PARLIAMENT, 1st SESSION**

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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

THIRTY-SECOND 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:

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LIST OF RECOMMENDATIONS

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.

Recommendation 1

That the Government of Canada work with provincial and municipal governments as well as the private sector to make strategic investments in projects that connect Canada from coast to coast to coast and support transportation fluidity and efficient supply chains. 8

Recommendation 2

That the Government of Canada look to invest in and expand our network of deep sea port facilities and upgrading of complementary transportation infrastructure, through sustainable funding envelopes, to allow for the more efficient movement of goods to international markets taking into consideration recommendations identified within the Port’s Modernization Review. 8

Recommendation 3

That the government of Canada give consideration to funding the development of dedicated short distance sea shipping infrastructures. 8

Recommendation 4

That the government of Canada consider funding for the new Maritime Information System to enhance knowledge related to the performance of the Eastern Canada Trade Corridor. 8

Recommendation 5

That Transport Canada work with port authorities and adjacent communities to modernize letters patent of Canadian ports to allow them to use their infrastructures in a more diversified manner. 8

Recommendation 6

That the Government of Canada ensure that the development of a National Trade Corridors Strategy is consistent with the objective of reducing the carbon footprint of the transport sector and increasing the use of renewable energies. 8

Recommendation 7

That the Government of Canada work with the Province of Quebec to accelerate the twinning of Route 185 for the section between Saint-Antoine and Saint-Louis-du-Ha! Ha!..... 13

Recommendation 8

That the Government of Canada work with the provinces of Quebec and Newfoundland and Labrador to complete the expansion of Route 138..... 13

Recommendation 9

That the Government of Canada partner with the Government of Newfoundland and Labrador, the Government of Quebec, and the private sector work toward building the fixed link, linking the province of Newfoundland and Labrador and the province of Quebec to increase the reliability of transportation between the two provinces and alleviating an existing bottleneck that exists with the current ferry service. 13

Recommendation 10

That the Government of Canada partner with provincial and municipal governments as well as the private sector to invest in strategic transportation infrastructure to allow the development of the Labrador Trough that will bring the cost-effective and efficient movement of resources to market..... 13

Recommendation 11

That the Government of Canada work in collaboration with Marine Atlantic Inc. to investigate means to lower fares and cost-recovery rates on the constitutionally mandated ferry service between North Sydney, Nova Scotia and Port aux Basques, Newfoundland and Labrador to allow more efficient and cost-effective transportation of people and goods..... 13

Recommendation 12

That the Government of Canada work with provincial and municipal governments as well as the private sector to upgrade existing rail infrastructure and associated road infrastructure to allow for capacity building in the area from Schefferville, Quebec to the deep-sea port in Pointe-Noire (Sept-Îles)..... 18

Recommendation 13

That the Government of Canada collaborate with the Government of Quebec and all stakeholders, including the St. Lawrence Seaway Management Corporation, the ports, marine operators and businesses, in order to increase promotion of the St. Lawrence–Great Lakes trade corridor at the international level..... 18

Recommendation 14

That the Government of Canada increase its efforts to promote the St. Lawrence-Great Lakes Trade Corridor internationally. 18



ESTABLISHING A CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY: PART 2

“ *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.*”¹

Canada Transportation Act Review,
Transport Canada

INTRODUCTION

The first [report](#) of the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee) on the Canadian Transportation and Logistics Strategy was presented to the House of Commons on 20 February 2019. It provided an overview of the discussions held with transportation corridor users and various stakeholders about the challenges and opportunities associated with the implementation of a Canadian transportation and logistics strategy.

This report also examined the fluidity of supply chains in Canada, border service performance, the transportation infrastructure deficit in remote regions, the protection of industrial land along trade corridors, and current and future capacity issues for road and rail transportation infrastructure moving freight to and from Canada’s gateways.

The recommendations in the first report sought to improve the overall effectiveness of Canada’s trade corridors, optimize the capacity of transportation, logistical and service infrastructures, and encourage cooperation among stakeholders in Canada’s supply chain.

During the second phase of this study, the Committee focused on issues involving the effectiveness of transportation corridors in Eastern Canada. The Committee held seven

1 This excerpt was also quoted during a meeting of the Standing Committee on Transport, Infrastructure and Communities (TRAN), *Evidence*, 1st Session, 42nd Parliament, [Greg Northey](#) (Director, Industry Relations, Pulse Canada).



meetings, heard twenty-one witnesses and received three briefs in the second phase of its study.

The first section of this second report focuses on national issues common to the first report. The subsequent sections present case studies identifying trade and transportation challenges and opportunities in the Atlantic provinces and in Quebec.

ISSUES FROM COAST TO COAST

“ *This trade corridor [east of Montreal–Windsor] is rich in resources and renewable energy. It has direct access to what should be important trade diversification targets that are in the Atlantic Basin, namely, Europe, Africa and South America. The eastern trade corridor is key to economic diversification.*”

François-Xavier Morency,
Managing Director,
Maersk Supply Service Canada Ltd.

Echoing what other witnesses said in the first phase of the study, Ryan Greer, Senior Director for Transportation and Infrastructure Policy at the Canadian Chamber of Commerce, was pleased that the National Trade Corridors Fund (NTCF) had been created. However, he mentioned that there was not enough funding available to meet trade infrastructure needs. Alain Sans Cartier, Vice-President of Public Affairs and Strategic Partnership at the Quebec Port Authority, also believes that infrastructure needs exceed the \$2 billion investment allocated over 11 years. He called for “the creation of an infrastructure restoration program, specifically for ports, to modernize Canada’s strategic port heritage.”

According to François-Xavier Morency, Managing Director for Maersk Supply Service Canada Ltd., establishing a Canadian transportation and logistics strategy must align with the objective to reduce the transportation sector’s carbon footprint and increase the use of renewable energy. Mr. Morency made the following recommendation:

[R]educe the transportation sector’s carbon footprint to zero by 2050. This can be enabled by ensuring that infrastructure is built in a flexible way, ready to receive ships that might change their propulsion methods in the next decades; rails that can be electrified; and highways that can support alternative vehicles. Ensuring that all port slips have access to renewable shore power could be an immediate first step.

Maximizing oil and gas exports with a minimal transportation carbon footprint, such as pipelines, could be another.

Some witnesses expressed concerns about some of the 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](#), particularly about the delays associated with the environmental permitting process.² [Mr. Sans Cartier](#) made the following observation: “The question is how to reduce delays without compromising the quality of environmental assessments. Time limits should be more reasonable and more in line with development projects.”

Witnesses also pointed out that some airports play an essential role in remote regions, particularly on Labrador’s northern coast and Quebec’s Lower North Shore, giving residents a way to travel and resupply.³ [Jean Côté](#), Deputy Managing Director for Innovation et développement économique Trois-Rivières, spoke about the impact of the activities of the Trois-Rivières airport on the economic development of the Mauricie region, and he mentioned that the airport planned to build a new terminal to accommodate more flights to more destinations.

Other issues raised during the first interim report were also of concern to transportation corridor users and various stakeholders in the eastern part of the country. These concerns include the following:

- inter-provincial regulatory harmonization for truck weight and size;
- labour shortage in the transport industry; and
- Cohabitation and dialogue between municipalities and ports.

2 Standing Committee on Transport, Infrastructure and Communities [TRAN], *Evidence*, 1st Session, 42nd Parliament: [Alain Sans Cartier](#) (Vice-President, Public Affairs and Strategic Partnership, Quebec Port Authority), [Gaétan Boivin](#) (Chief Executive Officer, Trois-Rivières Port Authority) and [Nancy Healey](#) (Chief Executive Officer, St. John’s Board of Trade).

3 TRAN, *Evidence*: [Randy Jones](#) (Mayor, Municipality of Gros-Mécatina), [Nick McGrath](#) (Councillor, Town of Labrador City) and [Healey](#) (St. John’s Board of Trade).



Recommendation 1

That the Government of Canada work with provincial and municipal governments as well as the private sector to make strategic investments in projects that connect Canada from coast to coast to coast and support transportation fluidity and efficient supply chains.

Recommendation 2

That the Government of Canada look to invest in and expand our network of deep sea port facilities and upgrading of complementary transportation infrastructure, through sustainable funding envelopes, to allow for the more efficient movement of goods to international markets taking into consideration recommendations identified within the Port's Modernization Review.

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That the government of Canada give consideration to funding the development of dedicated short distance sea shipping infrastructures.

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That the government of Canada consider funding for the new Maritime Information System to enhance knowledge related to the performance of the Eastern Canada Trade Corridor.

Recommendation 5

That Transport Canada work with port authorities and adjacent communities to modernize letters patent of Canadian ports to allow them to use their infrastructures in a more diversified manner.

Recommendation 6

That the Government of Canada ensure that the development of a National Trade Corridors Strategy is consistent with the objective of reducing the carbon footprint of the transport sector and increasing the use of renewable energies.

CASE STUDY: ATLANTIC PROVINCES

Trade between the Atlantic provinces and the northeastern United States is primarily through marine and road transportation.⁴ The port of Saint John, in New Brunswick, was the busiest of the Atlantic provinces in 2016, ranking 3rd in the country, with 26.4 million tonnes of traffic. The ports of Halifax, in Nova Scotia, Belledune, in New Brunswick, and St. John's, in Newfoundland and Labrador, ranked 9th, 13th and 15th in Canada, respectively. The busiest border crossings for road transportation in the Atlantic provinces were Woodstock and St. Stephen in New Brunswick.

For rail transportation, Nova Scotia and New Brunswick ranked 7th and 8th in Canada, respectively, for volume of imports by rail in 2016. For exports by rail that same year, the rankings were reversed, with New Brunswick and Nova Scotia ranked 7th and 8th respectively. In terms of air transportation, the Moncton and Halifax airports were ranked 8th and 9th, respectively, for cargo loaded and unloaded in 2016.

4 Transport Canada. *Transportation in Canada 2017: Statistical Addendum*, 2018. Please note the statistical addendum is available only by request.



Figure 1: Inset of Atlantic provinces

Inset of Atlantic Provinces



Source : Maps prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series*, “[Administrative features](#)”, 1:5M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series*, “[Hydrographic features](#)”, 1:5M, Ottawa, NRCan, 2018; *Transport networks in Canada – Canvec Series*, “[Transport features](#)”, 1:5M, Ottawa, NRCan, 2018; and Transport Canada, *Canada’s National Highway System*, 2015. The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).

Making Route 185 a Double-Lane Highway

“ *As the only remaining single-lane section of highway between Halifax and Toronto, Route 185 increases costs between the Atlantic region and the larger central Canadian economy for both carriers and consumers. The improvement in the highway would effectively eliminate a tariff of sorts and an interprovincial trade barrier.*”

Adrienne O’Pray,
President and Chief Executive Officer,
New Brunswick Business Council

Route 185 is a 101-km stretch of road between Highway 20 in Quebec and the New Brunswick border. The estimated completion date for widening Route 185 between Rivière-du-Loup and the New Brunswick border is 2025, with about 40 km remaining to link Saint-Antonin and Saint-Louis-du-Ha! Ha!.⁵ Various witnesses mentioned that the remaining untwinned stretch is a major bottleneck for road trade between the maritime provinces and the rest of Canada, as longer road trains⁶ cannot take this route.⁷ According to Adrienne O’Pray, President and Chief Executive Officer of the New Brunswick Business Council, and Glenn Davis, Vice-President of Policy of the Atlantic Chamber of Commerce, it should be a priority to twin Route 185 sooner, so that more double road trains can be used: this would help address the shortage of truck drivers while also reducing greenhouse gas emissions.

5 Government of Quebec, Transports Québec. [Autoroute Claude-Bécharde \(85\) Réaménagement de la route 185 en autoroute](#) [AVAILABLE IN FRENCH ONLY].

6 A road train is a vehicle combination consisting of a tractor coupled to a trailer. A double road train is a vehicle combination consisting of a tractor coupled to two trailers. Termium Plus: the Government of Canada’s terminology and linguistic data bank, Record 1 2009-07-10, “[road train](#)” and Record 1 2008-06-20, “[double road train](#),” accessed on 27 May 2019.

7 TRAN, *Evidence*: [Adrienne O’Pray](#) (President and Chief Executive Officer, New Brunswick Business Council), [Glenn Davis](#) (Vice-President, Policy, Atlantic Chamber of Commerce), [David Chaundy](#) (Interim President and Chief Executive Officer, Atlantic Provinces Economic Council), [Jean-Marc Picard](#) (Executive Director, Atlantic Provinces Trucking Association) and [Ryan Greer](#) (Senior Director, Transportation and Infrastructure Policy, Canadian Chamber of Commerce).



Establishing a Fixed Link to the Mainland for Newfoundland

“ With Route 138 completed and a fixed link between the island and the mainland, transportation time from central Canada to the island and to the lower north shore of Quebec would be reduced tremendously.”

Gerry Gros,
Mayor,
Town of Anchor Point

Newfoundland and a number of communities in Labrador and on Quebec’s Lower North Shore rely heavily on ferries for transportation and supplies. However, ferry sailings may be cancelled or delayed due to bad weather or ice conditions.⁸ According to John Spencer, Mayor of Channel-Port aux Basques, Marine Atlantic’s trip cancellations have risen by more than 50% since 2016.⁹ Some witnesses were concerned the situation would get worse in years to come due to the effects of climate change in the region.¹⁰

In addition, some witnesses indicated that fares were very high:¹¹ about \$121 for an adult ticket between Argentia and North Sydney (non-constitutionally obligated service) and about \$46 for a ticket between Port aux Basques and North Sydney (constitutionally obligated service).¹² According to Jim Lane, Councillor for Channel-Port aux Basques, since the Government of Canada set cost-recovery targets for Marine Atlantic of 65% of its operational costs for the constitutionally obligated service and of 100% for the non-constitutionally obligated service, either fares have gone up or service has been cut.

8 TRAN, *Evidence*: Daniel Villeneuve (President and Chief Executive Officer, Great Northern Port Project Inc.), Gerry Gros (Mayor, Town of Anchor Point) and John Spencer (Mayor, Town of Channel-Port aux Basques).

9 Marine Atlantic is a federal Crown corporation under the Minister of Transport, providing ferry service between the island of Newfoundland and the province of Nova Scotia. Service between Port aux Basques (Newfoundland) and North Sydney (Nova Scotia) has been constitutionally protected since Newfoundland joined Canada in 1949. Marine Atlantic, Corporate Plan Summary, 2018/19 – 2022/23, 6 November 2018.

10 TRAN, *Evidence*: Spencer (Town of Channel-Port aux Basques), Jim Lane (Councillor, Town of Channel-Port aux Basques) and Gros (Town of Anchor Point).

11 TRAN, *Evidence*: Spencer (Town of Channel-Port aux Basques), Jim Lane (Town of Channel-Port aux Basques) and Danny Dumaresque (as an individual).

12 The price includes a fuel surcharge and security fee, but not the vehicle rate. Marine Atlantic, Passenger Rates, accessed on 27 May 2019.

Other witnesses said that having a reliable fixed link between Newfoundland and the Lower North Shore would reduce their dependence on ferries.¹³ [Danny Dumaresque](#), who appeared before the Committee as an individual, believes the best solution would be a tunnel under the Strait of Belle Isle between Point-Amour in Labrador and Yankee Point in Newfoundland. According to several witnesses, the fixed link project must go hand in hand with the Route 138 extension from Kegashka to Old Fort in Quebec, which would reduce freight transport times between central Canada and Newfoundland.¹⁴

Recommendation 7

That the Government of Canada work with the Province of Quebec to accelerate the twinning of Route 185 for the section between Saint-Antonin and Saint-Louis-du-Ha! Ha!.

Recommendation 8

That the Government of Canada work with the provinces of Quebec and Newfoundland and Labrador to complete the expansion of Route 138.

Recommendation 9

That the Government of Canada partner with the Government of Newfoundland and Labrador, the Government of Quebec, and the private sector work toward building the fixed link, linking the province of Newfoundland and Labrador and the province of Quebec to increase the reliability of transportation between the two provinces and alleviating an existing bottleneck that exists with the current ferry service.

Recommendation 10

That the Government of Canada partner with provincial and municipal governments as well as the private sector to invest in strategic transportation infrastructure to allow the development of the Labrador Trough that will bring the cost-effective and efficient movement of resources to market.

Recommendation 11

That the Government of Canada work in collaboration with Marine Atlantic Inc. to investigate means to lower fares and cost-recovery rates on the constitutionally mandated ferry service between North Sydney, Nova Scotia and Port aux Basques,

13 TRAN, *Evidence*: [Dumaresque](#) (as an individual), [Villeneuve](#) (Great Northern Port Project Inc.), [Gros](#) (Town of Anchor Point) and [Jones](#) (Municipality of Gros-Mécatina).

14 Ibid.



Newfoundland and Labrador to allow more efficient and cost-effective transportation of people and goods.

CASE STUDY: PROVINCE OF QUEBEC

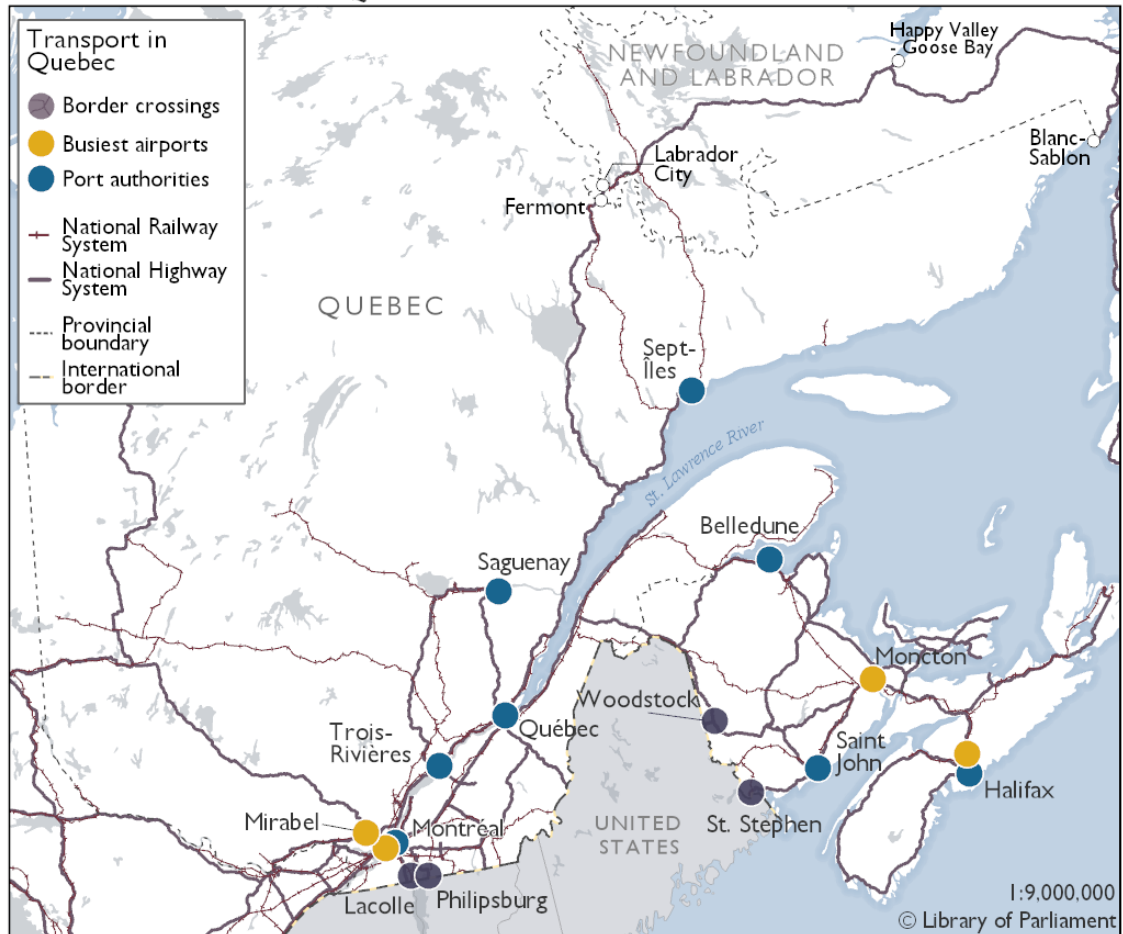
Trade between Quebec and the United States is primarily by road, and the province's busiest border crossing is the Lacolle crossing.¹⁵ For rail, Quebec was ranked 4th among the provinces for volume of rail imports and 5th for exports in 2016.

In terms of marine transportation, the Port of Montreal was ranked 2nd in Canada, with 35.4 million tonnes (Mt) of traffic in 2016. The Port of Quebec City was 4th, with 24.8 Mt, the Port of Sept-Îles was 5th, with 22.9 Mt, and the Port of Trois-Rivières was 12th, with 2.8 Mt. For air transportation, the Montreal and Mirabel airports ranked 4th and 7th in Canada respectively in terms of cargo loaded and unloaded in 2016.

15 Transport Canada. *Transportation in Canada 2017: Statistical Addendum*, 2018.

Figure 2: Inset of the Province of Quebec

Inset of the Province of Quebec



Source : Maps prepared by Library of Parliament, Ottawa, 2019, using data from Natural Resources Canada (NRCan), *Administrative boundaries in Canada – CanVec Series*, “[Administrative features](#)”, 1:5M, Ottawa, NRCan, 2018; *Lakes, rivers and glaciers in Canada – CanVec Series*, “[Hydrographic features](#)”, 1:5M, Ottawa, NRCan, 2018; *Transport networks in Canada – Canvec Series*, “[Transport features](#)”, 1:5M, Ottawa, NRCan, 2018; and Transport Canada, *Canada’s National Highway System*, 2015. The following software was used: Esri, ArcGIS Pro, version 2.1.0. Contains information licensed under [Open Government Licence – Canada](#).



Opening up the North Shore

“ *The 138 and the tunnel are a must if we’re going to preserve our way of life, our culture and our heritage.*”

Randy Jones,
Mayor,
Municipality of Gros-Mécatina

One of the North Shore’s regional priorities is to help connect communities by taking action on the transportation and telecommunication fronts. According to Randy Jones, Mayor of the Municipality of Gros-Mécatina, completing Route 138 would make the region less dependent on marine and air transportation, which are often affected by bad weather, for travel, resupplying fresh food and maximizing the region’s tourism and economic potential.

As indicated in the Committee’s first report, according to Rajesh Sharma, Strategic Advisor and former Chief Executive Officer of Tata Steel, although it is important to invest in port infrastructure and terminals, the transportation infrastructure that brings the goods to port must not be overlooked, either. Mr. Sharma and Nick McGrath, a Labrador City Councillor, believe that additional investments are needed to improve the infrastructure at the Port of Sept-Îles, as well as the rail line at the port, in order to support current and future demand from the mining industry on Quebec’s North Shore and in Labrador.

Maximizing the Potential of St. Lawrence Ports

“ You can have the best, the most efficient port in the world, but if it’s not working before or after the port—the rail, the road or in the St. Lawrence—you’re doing it for nothing. You have to look at the whole chain of transportation[.]”

Gaétan Boivin,
Chief Executive Officer,
Trois-Rivières Port Authority

In a [brief](#) submitted to the Committee, the St. Lawrence Economic Development Council explained that, in order for Quebec’s ports to remain competitive, efforts to promote the St. Lawrence–Great Lakes trade corridor at the international level would need to be increased, and investments in port infrastructure, innovation and optimizing navigation conditions would have to be made.

The three Quebec port authorities that appeared before the Committee each have projects underway to increase their capacity, such as building the Contrecœur terminal for the Port of Montreal, a new deep water terminal for the Port of Quebec and a new dock for the Port of Trois-Rivières.¹⁶ Representatives also mentioned the importance of optimizing the rail and road networks to improve port capacity. Some witnesses also mentioned that the federal government should review the letters patent to grant the port authorities more flexibility for expanding their operations or developing the shoreline.¹⁷

16 TRAN, *Evidence*: [Tony Boemi](#) (Vice-President, Growth and Development, Montreal Port Authority), [Sophie Roux](#) (Vice-President, Public Affairs, Montreal Port Authority), [Sans Cartier](#) (Quebec Port Authority) and [Boivin](#) (Trois-Rivières Port Authority).

17 TRAN, *Evidence*: [Sans Cartier](#) (Quebec Port Authority) and [Boivin](#) (Trois-Rivières Port Authority).



Recommendation 12

That the Government of Canada work with provincial and municipal governments as well as the private sector to upgrade existing rail infrastructure and associated road infrastructure to allow for capacity building in the area from Schefferville, Quebec to the deep-sea port in Pointe-Noire (Sept-Îles).

Recommendation 13

That the Government of Canada collaborate with the Government of Quebec and all stakeholders, including the St. Lawrence Seaway Management Corporation, the ports, marine operators and businesses, in order to increase promotion of the St. Lawrence–Great Lakes trade corridor at the international level.

Recommendation 14

That the Government of Canada increase its efforts to promote the St. Lawrence-Great Lakes Trade Corridor internationally.

APPENDIX A LIST OF WITNESSES

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
Pulse Canada Greg Northey, Director Industry Relations	2018/09/26	110
Atlantic Provinces Economic Council David Chaundy, Interim President and Chief Executive Officer	2018/10/02	111
Tata Steel Rajesh Sharma, Strategic Advisor, Former Chief Executive Officer and Managing Director	2018/10/02	111
Atlantic Provinces Trucking Association Jean-Marc Picard, Executive Director	2018/10/16	113
Montreal Port Authority Tony Boemi, Vice-President Growth and Development Sophie Roux, Vice-President Public Affairs	2018/10/16	113
St. John's Board of Trade Nancy Healey, Chief Executive Officer	2018/10/16	113
Town of Labrador City Nick McGrath, Councillor	2018/10/16	113
Atlantic Chamber of Commerce Glenn Davis, Vice-President Policy	2018/10/18	114
Canadian Chamber of Commerce Ryan Greer, Senior Director Transportation and Infrastructure Policy	2019/05/14	143

Organizations and Individuals	Date	Meeting
Municipality of Gros-Mecatina Randy Jones, Mayor	2019/05/14	143
Town of Anchor Point Gerry Gros, Mayor	2019/05/14	143
Town of Channel-Port aux Basques Jim Lane, Councillor John Spencer, Mayor	2019/05/14	143
As an individual Danny Dumaresque	2019/05/16	144
Great Northern Port Inc. Daniel Villeneuve, President and Chief Executive Officer	2019/05/16	144
Innovation et Développement économique Trois-Rivières Jean Côté, Deputy Managing Director	2019/05/16	144
Maersk Supply Service Canada Ltd. Francois-Xavier Morency, Managing Director	2019/05/16	144
New Brunswick Business Council Adrienne O'Pray, President and Chief Executive Officer	2019/05/16	144
Quebec Port Authority Alain Sans Cartier, Vice-President Public Affairs and Strategic Partnership	2019/05/16	144
Trois-Rivières Port Authority Gaétan Boivin, Chief Executive Officer	2019/05/16	144

APPENDIX B LIST OF BRIEFS

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](#).

Innovation et Développement économique Trois-Rivières

Municipality of Gros-Mecatina

St. Lawrence Economic Development Council

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. 110, 111, 113, 114, 143, 144 and 147](#)) is tabled.

Respectfully submitted,

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

Introduction

This spring, the Standing Committee on Transport, Infrastructure and Communities (TRAN Committee) continued its study on a CANADIAN TRANSPORTATION AND LOGISTICS STRATEGY with a special focus on the transportation corridors of Quebec and Maritimes.

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

In a country as large as Canada, transportation plays a major role in getting our exports to the coast and our imports to their final destination.

What We Heard

The current Liberal government has imposed a carbon tax on provinces who don't meet the Liberal's carbon reduction standard. This tax has led to price increases and competitiveness challenges for transportation companies and providers in provinces where there is a federal carbon tax.

Adrienne O'Pray, President and Chief Executive Officer of the New Brunswick Business Council noted in her testimony to Committee on Thursday, May 16, 2019:

In New Brunswick, because the plan that was brought forward by the previous government was not accepted, it's put us into a federal backstop. We would certainly advocate for New Brunswick to have another opportunity, sooner rather than later, to bring forward an alternative plan for New Brunswick.

At this point, a carbon tax for fuel would be about a 5.5-cent increase for every litre, whereas in the other provinces it would be roughly 1 to 1.3 cents. Even within Atlantic Canada, that puts New Brunswick in the position of being uncompetitive with its neighbouring provinces.

While getting products to and from our Canadian ports is becoming more expensive due to the carbon tax, the proposed Liberal government's Bill C-69 is threatening to make construction on port projects more uncertain and potentially more costly.

Alain Sans Cartier, Vice-President for Public Affairs and Strategic Partnerships with the Quebec Port Authority noted in his testimony on Thursday, May 16, 2019:

The Association of Canadian Port Authorities has spoken on Bill C-69. There are of course many concerns about the time limits set out in the bill. The timelines for environmental assessments are already a challenge, even though all Canadian ports are putting considerable effort and resources into minimizing environmental impacts. There are still concerns about this. The question is how to reduce delays without compromising the quality of environmental assessments. Time limits should be more reasonable and more in line with development projects.

Bill C-69 raises concerns around the whole issue of time limits. It could increase delays when the ones we have are already problematic.

During this short second part of our study we learned about the importance of the oil tanker industry to the Quebec and Maritime region. We explored what impact a tanker ban, like Bill C-48, would have on these regions of Canada. Not surprisingly, stakeholders in the shipping and port industries viewed the measures in C-48 as impractical and detrimental to the local economy.

Francois-Xavier Morency, Managing Director with Maersk Supply Service Canada Ltd. noted in his testimony on Thursday, May 16, 2019:

I think it's about how you mitigate the actions you take in shipping. It's too detrimental to the industry to stop the tanker traffic. I think these are choices we have to make. It's important for New Brunswick. It's important for Newfoundland. It's important for the east in general.

Conclusion:

This report reflects just some of the comments that stakeholders made with respect to the harmful impact the Liberal Government's policies 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.

The Government of Canada should first address policies under its direct control which are damaging to resource development, transportation, trade and investments in infrastructure.

Therefore, we make the following recommendations:

Recommendation #1:

That the Government of Canada eliminate the federal carbon tax and work cooperatively with individual provinces on their carbon reduction plan.

Recommendation #2:

That the Government of Canada withdraw Bill C-69 because it will create delays and uncertainty for proponents of projects related to transportation corridors.

Recommendation #3:

That the Government of Canada withdraw Bill C-48 because it will have a negative impact on Canada's reputation and it is not based in science or safe navigation practices.

Study on the Canadian Transportation and Logistics Strategy

NDP Supplementary Opinion

The NDP supports the majority report of the Canadian Transportation and Logistics Strategy study, although it does not address the important issue of Transport Canada's designation of new airports. That is why we hereby wish to provide a complementary opinion to the report in order to cover this issue brought to the attention of the committee.

It is the NDP's view that the development of new airports is essential to provide Canada with an efficient airport infrastructure. Regional airports are an important economic development tool for the regions and are of particular interest to airlines wishing to develop new markets. The typical case of Trois-Rivières Airport is a good example. Mr. Jean Côté, Assistant Director General of Innovation and Economic Development Trois-Rivières, explained to the committee the importance the airport had for the Mauricie economy. He also told the committee the pitfalls that hampered its development, the main one of which concerns the designation of the airport by the federal authorities, in order to make it eligible for various customs and aviation security services. Regulations allowing airports to apply for official designation are recent and, according to Mr. Côté's testimony, it appears that the system in place has several shortcomings.

“On July 28, Transport Canada amended the regulations for the commercial airport designation process. This amendment now allows Trois-Rivières Airport to apply for the full services of the Canadian Air Transport Security Authority. [...] We have to wait to build the new terminal and Transport Canada comes to inspect and make recommendations or approve the designation of the airport for CATSA services, or the Canadian Air Transport Security Authority. [...] We already had some preliminary plans that I wanted to submit to Transport Canada before going into the plans and

specifications to see if the room is big enough and all that. I was refused. We are waiting for it to be built to inspect afterwards. [...] This is the problem of the egg and the chicken. In Transport Canada's questionnaires for airport certification, one of the first questions we are asked is how many passengers a year there are. Here is the problem. We do not have one because we do not have an adequate terminal to accept passengers."

- Jean Côté, Assistant Director General of
Innovation et développement économique
Trois-Rivières

It seems that these various obstacles to the designation of new airports artificially slow down the development of the latter. These difficulties also create a risky investment environment for decision makers, as in the case described by Mr. Côté, where the Trois-Rivières airport authority must take the risk of building a terminal without a guarantee that it will meet the necessary standards for its designation later on. Considering that the federal government is also investing in the construction of this terminal, this lack of safeguards seems inconsistent and may cost taxpayers millions of dollars. Thus, the problems preventing the designation of new airports in Canada are more administrative, including lack of clarity, lack of support and some administrative inconsistencies.

In order to help Canadian airports and the economic community trying to develop their aerospace sector, particularly in situations such as Trois-Rivières, where the will of the community is unequivocal, the NDP proposes the following recommendation to the committee:

Recommendation 1

That the committee recommends that the federal government accelerate the designation of new airports in Canada by simplifying the designation process and by accompanying airports in this process.