

## March 2016 – Update on CTA Review

### Background

As you may know, the Final Report of the *Canada Transportation Act* Review was recently tabled by Minister of Transport Marc Garneau in the House of Commons. The review was launched in June 2014 by the previous Conservative government, with a mandate to identify priorities and potential actions in transportation to support Canada's long-term economic growth.

### Recommendations

The review was led by well-known former federal politician and business leader David Emerson. The final report includes more than 60 recommendations. A number of recommendations are specific to marine transportation, including items of particular interest to the Guild and our members.

The most important of the Report's recommendations of concern to the Guild is a phase-out of the operating restrictions in the *Coasting Trade Act*. The Report recommends an elimination of these restrictions within a transition period of no more than seven years. The *Coasting Trade Act* is the legislation that stipulates that activities being conducted between Canadian ports and within Canadian waters is restricted to Canadian-flag vessels whenever a Canadian-flag vessel is available. The Act effectively restricts and limits the use of "flag-of-convenience" vessels being operated by foreign seafarers on Canadian voyages. Guild Members would be impacted significantly if the elimination of restrictions in the *Coasting Trade Act* resulted in the companies that currently operate Canadian-flag vessels that conduct work in Canada's domestic waters, being required to compete against flag-of-convenience vessels employing low-cost foreign crews.

Among other relevant recommendations, the Report suggests moving the Canadian Coast Guard, currently a special-operating agency within the Department of Fisheries & Oceans, to the Transport Canada portfolio.

The Report also makes specific recommendations regarding pilotage, especially in respect of governance and the possible consolidation of pilotage authorities into a single national body. The Guild is working closely with and supporting the Canadian Marine Pilots Association as it reviews these recommendations and undertakes appropriate actions to ensure the interests of pilots are safeguarded.

## Next Steps

Minister Garneau has stated that, over the next several months, the Government of Canada will widely consult on the recommendations. This process will involve Parliamentary committee hearings and other stakeholder engagement activities. The Guild has experience with these type of consultation activities at the National level.

Given our obvious concern regarding the *Coasting Trade Act* recommendations, these activities will be closely monitored and the Guild will certainly participate in the consultative process at every opportunity. This is essential to protect the interests of our members and, indeed, to ensure that the domestic shipping regime currently in place is maintained.

To make our case as effectively as possible, it is imperative that the Guild begin commissioning evidence-based research demonstrating the economic and strategic value of current provisions regarding the manning of domestic vessels by Canadian crews. Because of the immense significance of this matter, a leading Canadian government relations and public policy firm, has been engaged to advise on strategic positioning and to assist in activities intended to ensure that the Guild's point of view is heard and understood.

Guild members will be kept informed of further developments on this matter.