

CANADA PORT AUTHORITIES – BOARD OF DIRECTORS TERM RENEWAL LIMITS

The *Canada Marine Act* (CMA) sets out certain requirements with respect to the appointment of a Canada Port Authority's (CPA) Board of Directors, including specifying that directors be appointed to hold office for a term of not more than 3 years, the term being renewable only once.

Background

All appointees to the Board of Directors must possess generally acknowledged and accepted stature within the transportation industry or business community. Individuals appointed by Governor in Council (GIC) (nominated by users), must also possess relevant knowledge and extensive experience related to management of a business, operation of a port, or maritime trade. In addition, certain individuals may not be directors of a CPA, including elected officials, non-residents of Canada, as well as directors, officers, or employees of port users.

Given these requirements, smaller CPAs in more remote areas may have fewer candidates with the appropriate skills and qualifications to be considered for appointment as directors.

Added to this difficulty is the existing term renewal limit that restricts the long-term retention of qualified directors.

Increasing the number of renewable terms for board directors could enhance continuity in port governance, improve long-term retention of qualified and experienced directors where, in certain cases, the existing pool of qualified candidates is very limited.

Proposed Change

It is proposed to modify the Act by:

- increasing the term renewal limits for a board director from 1 renewal to 2 renewals, resulting in a total possible tenure of 3 terms of three years;
- allowing incumbent directors to remain in office until renewed or a new appointment is made (for a maximum tenure of 9 years); and
- providing the authority for the GIC to appoint a director in a provincial or municipal position that has remained vacant for one year.

Recommendation by CMA Review Panel

None made.

Stakeholder Views

The Association of Canadian Port Authorities indicated in its submission to the CMA Review Panel that there were strong suggestions within the port community that an amendment with respect to the number of term renewals would help smaller ports.

