



# Manifest

ASSOCIATION OF CANADIAN PORT AUTHORITIES  
"Charting a Course for Tomorrow - Today."

## LETTER FROM THE CHAIR



The Association continues to work on issues related to the five-year strategic plan developed last April by the Board and presented to the membership at the AGM in St. John's. There are a number of outstanding issues related to the plan that the Board is still considering. More information will be provided to the membership in due course. That said, the action plan for the first year implementation - related to the strategic plan - has been developed and will be presented to the Board. However, there are several outstanding resourcing issues that must be revisited in the coming weeks. One of the things we will do this year is survey the membership to get a sense of what members are thinking: how they see things six years after the Canada Marine Act; the most important issues before CPAs within their respective regions; and what the Association can do to move the agenda forward for the future.

The Board decided in August that, due to the extensive turnover in the composition of CPA Boards, a Governance Seminar was needed this year. It was generally agreed that we could not wait a full year before the customary bi-annual Governance Seminar. As a result, the Seminar is being hosted by the Toronto Port Authority at the end of November in Toronto. As always, this seminar will be a good time for both boards and senior management to come together to discuss governance as it relates to Canada Port

Authorities. We will hear from experts in the field and those in the port business. I would like to thank all the sponsors of this year's seminar and the host port, the Toronto Port Authority.

This year I took on the role as the port representative for the recently created National Marine Industrial Council (NMIC) composed of 9 industry members and four Deputy Ministers from Transport Canada, International Trade, Industry Canada and Fisheries and Oceans. The Council met twice this year and formed working groups to deal with key issues for the marine mode. I Chair the working group on Competitiveness, Infrastructure, Trade and Strategic Vision. The Council is planning one more meeting before year-end, this time via a teleconference, to review the action plan going forward. It is hoped that this forum will raise the level of attention given to key issues we face in the marine mode of transportation generally, and the port sector specifically.

In addition to the ongoing work of the NMIC noted above, the ACPA continues to press forward on the infrastructure file. Given that the Canada Marine Act prevents direct investment in port development, the Association is seeking to work with Infrastructure Canada to assess the state of port-related infrastructure; the economic, social and environmental aspects of infrastructure; governance related to infrastructure; the infrastructure needed for the future; and financing mechanisms for infrastructure development. This will be the first time that there has been a comprehensive study of what is needed for port development as it relates to the overall

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*The Association of Canadian Port Authorities was founded in 1958 and groups together ports and harbours and related marine interests into one national association. Canada Port Authorities handle more than \$100 billion worth of cargo annually. The ACPA is the pre-eminent Association for the advocacy and advancement of the Canadian Port Industry. ACPA members contribute greatly to the local, regional and national economy of Canada.*



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competitiveness of Canada's major ports. I was also pleased to see that Transport Canada's 'Strategic Plan' for the coming year also singled out infrastructure as a key priority. We hope to have more to report to the membership on this initiative early in the New Year.

We were pleased with the federal government's announcement of funding for port security last May. We now look forward to the final funding program details being announced. All were impressed with how marine-facility operators met the IMO-imposed deadline of July 1, 2004 for the implementation of new, stringent security standards. We are pleased to say that Canadian ports are now among the most secure in the world. Of course, we all still need to be vigilant on the security front and to that end we continue to work with all stakeholders in the development of Transport Canada's marine restricted access area program for Canada.

Amendments to the Canada Marine Act (CMA) have always been on the agenda of Canada Port Authorities. We were most pleased with the positive recommendations made by the CMA Review Panel in June of 2003, many of which were contained in the Association's submission to the Panel. We look forward to having some of the recommendations finding their way into appropriate CMA amendments. Of course the volatility of the political environment in the past year caused delays in legislative activity, but we remain hopeful that the new government will soon proceed with the necessary amendments to the CMA.

As the current Chair of the Association, I am pleased to be working on behalf of all CPAs to advance the critical issues for the membership.

**Captain Gordon Houston**  
**CHAIR**

## BOARD-WALK

### Port Infrastructure Update: —●

There was a general discussion of intermodal linkages related to port infrastructure and the need for all to be onside with respect to infrastructure renewal. It was suggested that there had been a change of mindset in Ottawa circles about the need for infrastructure renewal in the transportation sector and that Transport Canada was also very much onside. It was important that all stakeholders take a longer-term view of the infrastructure file and consider what is required 10-15 years ahead.

### Port Security Update: —●

There had been good compliance with the MTSA/ISPS regulations by all marine facility operations in Canada pursuant to the July 1 deadline. The next security initiative is the Marine Facility Restricted Access Area Program (MFRAAP) and Transport's desire to have new regulations in place by the end of the year. There has already been countrywide consultations on this issue and more to come as Transport seeks to get consensus from all stakeholders for its new 'Transport Security Clearance'. The continuing concerns for CPAs are the

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potential impacts on human resources/productivity of port tenants and overall costs of implementation.

### **Port/Government Interface Format:**

This year's Interface will include an evening reception on Parliament Hill followed by a day-long conference. This would be done to continue to raise the overall profile of the port community on Parliament Hill and in Ottawa generally. The dates for this year's Interface is February 21 and 22, 2005.

### **Port Governance Program:**

There will be an increased effort to educate new CPA board members with respect to good governance in light of the high turnover of board composition in the past year. There has been some discussion of developing a one-day seminar that could be delivered at individual ports to allow board members more freedom as it relates to discussion of specific issues. The board decided that the Association could not let another year pass before holding the regular bi-annual governance seminar. Instead it decided to ask the Law and Governance Committee to have one in November 2004. The Seminar is being held on November 29-30 at the Westin Harbour Castle in Toronto, hosted by the Toronto Port Authority.

### **Marine Industry Benefits Study:**

Both Transport Canada and industry representatives are still working with the research consultant to finalize the benefits study. The study is expected to be made available to all in the industry before year-end.

### **Marine Navigation Services Study:**

This study was provided to the marine industry in draft form for comment. There would appear to be certain anomalies in the conduct of this study and other marine associations have taken up the cause. Recent discussions have confirmed that the second phase of this study will involve much more involvement by industry representatives.

### **Committee Activity Update:**

The Board will begin directing the work of the Committees by having the committees provide the board with a work plan and ongoing updates. It is important that committees have Chairs who take an active role in coordinating the work of the committees. It was noted that the Operations Committee is without a Chair and that the other committees, by and large, are functioning well. There will be further discussion of the role of the various Committees in the months ahead.

### **AGM Simultaneous Translation:**

An estimate for simultaneous translation for the AGM and Conference was provided to the Board for consideration. It was unanimously agreed that simultaneous translation would be provided at the next AGM and Conference. It is expected that partial funding for this initiative would be provided by relevant programs of Heritage Canada for non-profit organizations such as the ACPA.

### **Strategic Plan Implementation:**

The Association's strategic plan has been completed and presented to the membership. There are some outstanding resourcing issues related to an ambitious plan given current funding levels. The first step on Strategic Plan implementation is to clarify the way the Association works now and consider how it can be more effective in future vis-à-vis current resources.

### **AGM/Conference:**

The Board was unanimous in expressing gratitude for this year's AGM and Conference. The St. John's Port Authority is to be congratulated for hosting a most successful AGM and Conference. The attendance was exceptional and the Board and staff of the Port Authority went above and beyond the call of duty to host a most memorable event for the Association. Hats off to the "Beacon of Light" in the Atlantic!

## **ACPA REACHING OUT**

As always, the ACPA seeks to reach out to other sectors to convey key messages with respect to the ongoing challenges in the port community. An effort must be made to ensure that we do not always 'preach to the converted' but work with other stakeholders in advancing the cause of a better transportation system for the future. Briefly outlined below are some of the recent efforts in this regard.

ACPA is a member of the Transportation Optimization Pact (TOP) comprised of associations from all the modes of transportation. TOP met with the new Minister of Transport in late September and had an open and frank discussion. It was a productive two-hour discussion of all the common issues of concern for the transportation sector. TOP indicated its support for the Minister as he moves forward as the primary transportation advocate in the country. Further meetings with the Minister are expected in the coming year.

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A Canadian Intermodal Conference was hosted in Toronto in September and ACPA was asked to present at the conference. It was an important event that outlined the need for a strong focus on intermodal issues. One of the key elements discussed at the conference was the need to address the growing transportation 'capacity gap' in the country in view of the exploding growth in trade; trade that is expected to double over the next 10-15 years.

In October I/E Canada (Association of Importers and Exporters), invited the ACPA to be a member of a panel on modal challenges with

representatives from rail, road, marine, shipping, the carriers and Transport Canada. Throughout the conference there was a full discussion of experiences of the 'customer' with respect to all the transportation service providers. In the end, it is all about the needs of the customer and how transportation service providers can best serve customer needs.

In early November, Transport Canada hosted a National Marine Conference in Montreal with a focus on short-sea shipping. This is an area Transport Canada has identified as a key issue in its

'Strategic Plan.' It is being viewed as one of the ways to address some of the congestion problems in the logistical chain and to meet future requirements imposed by the Kyoto Protocol. Other countries have had positive experiences with short-sea shipping and, in fact, there is evidence that more successes can be had in short-sea shipping in the Canadian context.

The fourth edition of the annual *Canadian Ports Magazine* was published in the Fall. It continues to be used to inform all about the importance of ongoing efforts of the port community in Canada.

## ACPA BOARD PROFILE

### **Alan Paul Vice-President, Finance Toronto Port Authority**

Alan Paul is the Chief Financial Officer for the Toronto Port Authority and is responsible for Finance, Human Resources, Information Technology, Risk Management and Pension

Administration. Alan has been with the Toronto Port Authority for almost 18 years, and has been CFO for 7 years. Alan is Chair of the ACPA's Finance Committee and Chair of the ACPA Board of Directors' Audit Committee.

Before being appointed CFO, Alan worked in the Finance Department

and at the TPA Works Department. He also worked at the Toronto City Centre Airport, which is run by TPA. Alan has a Bachelor of Arts from the University of Toronto with a major in Accounting and Economics and is a Certified General Accountant. Alan was born and raised in Toronto and now lives in Ajax, Ontario.

## TAKING CARE OF BUSINESS

### **VPA Works to Reduce Emissions**

The Vancouver Port Authority (VPA) and two container terminal operators have completed a study with a private supplier to test a fuel additive designed to reduce harmful air emissions in land-based container handling equipment. Results of the study indicate the additive significantly reduced particulate matter, nitrogen oxides and carbon monoxide emissions and generated improvements in combustion efficiency. CombustAll,

produced by Vancouver-based Catalyst Energy Inc., is a chemical catalyst added to diesel or heavy bunker fuel to increase the combustion efficiency of engines and boilers.

"As trade through the Port of Vancouver increases, the Vancouver Port Authority continues to seek ways to improve the environment in which we operate, to find solutions to reduce impacts from industry on our neighbouring communities and grow our business in a responsible and sustainable manner," said

Captain Gordon Houston, President and Chief Executive Officer, Vancouver Port Authority. The Port of Vancouver is participating with U.S. West Coast ports and Canadian and U.S. regulatory agencies in the West Coast Diesel Emissions Reduction Collaborative (WCDERC) to seek solutions to reduce air emissions resulting from port operations.

### **Business Cruising Nicely**

A new study confirms the economic contribution the cruise industry

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makes in Canada. The report, commissioned by the Vancouver Port Authority, the North West CruiseShip Association and the St. Lawrence Cruise Association, reveals that cruise ship activity in 2003 contributed a total of \$1.8 billion to the Canadian economy.

The beneficiaries of cruise spending include small and large B.C. businesses and businesses in the St. Lawrence region, in a variety of sectors such as retail, food and beverage, accommodation, tours and transportation, manufacturing and professional services.

While the cruise business is well established on the West Coast, Captain Gordon Houston, CEO of the Vancouver Port Authority, cautioned that while the Port of Vancouver has a vibrant cruise industry and is still the preferred home port in the Alaska cruise market for the vast majority of cruise lines and their passengers, it is facing growing competition from Seattle and other U.S. ports.

### **Hamilton Wins**

The 7th Annual Tourism Hamilton Awards took place on October 20 and was of special significance for the Hamilton Port Authority. The port was pleased to be recognized by winning the Corporate Partner of the Year award. This award was given to the port authority for its support of the Canada Marine Discovery Centre and HMCS Haida, two new Parks Canada facilities on the Hamilton waterfront. Specifically, the Hamilton Port Authority was pleased to sponsor the Friends of HMCS Haida Volunteer Program, providing volunteer uniforms for those dedicating their time to volunteer aboard the ship as tour guides and

maintenance workers. "The rebirth of waterfront recreation has been a prominent story for Hamilton in the past year. We are pleased to play a continuing role in public access and recreational activities for our harbour", said Brent Kinnaird marketing coordinator for the Hamilton Port Authority.

### **Saguenay Remembers**

Transport Minister Jean-C. Lapierre was pleased to see Port Saguenay's Grande Anse Terminal wharf named in honour of Marcel Dionne, federal M.P. for Chicoutimi from 1979 to 1984. "I am delighted that the memory of Marcel Dionne be perpetuated in this manner," said Mr. Lapierre. "Throughout his lifetime, Marcel Dionne contributed to the economic, social and cultural development of his region, which he loved dearly and for which he worked tirelessly." Port Saguenay is located about 54 nautical miles north of the junction of the Saguenay River and the Saint Lawrence River. The port plays a key role in the local economy and provides essential services to industries in the region.

### **Greater Victoria Harbour Authority: Even Greater**

Cruise traffic has made outstanding gains over the past few years and in 2003 the Authority had 147 ship visits with over 250,000 passengers. This represents a significant multimillion boost to tourism industry and the city generally. "We are working closely with the City of Victoria, the First Nations, and the Provincial Capital Commission and have released an inner harbour development formula," says Michael Cormier, the CEO of the Harbour Authority. The capital commission has the land and the Authority

hopes to be the operator of any new facility.

### **Port Traffic Up in Montreal**

Overall traffic handled at the Port of Montreal posted a remarkable 15.6 per cent increase for the first six months of 2004. It totalled 11 million tonnes, after a gain of 1.5 million tonnes over the first half of 2003. The Port of Montreal, the leading North-American container port serving the North Atlantic market, handled 5.2 million tonnes of containerized general cargo during the first six months of 2004, representing an increase of approximately 380,000 tonnes or 7.9 per cent over the same period in 2003.

A total of 583,834 TEU (20-foot equivalent unit) containers had passed through the port as at June 30, 2004, representing a 10.6 per cent increase over the 527,735 containers handled during the first six months of 2003. "If the economy shows any strength at all between now and the end of the year - and we really have no reason to believe otherwise - container traffic will certainly enjoy another record year," stated Port Authority President and CEO, Dominic J. Taddeo.

"International trade is presently in the midst of booming growth, and this phenomenon is placing a great deal of pressure on infrastructures and intermodal transportation facilities throughout North America," Taddeo explained. "At the Port of Montreal, for example, we have not only enjoyed the best six months in our history in the container sector, but June was our best month ever, with 110,256 TEU containers handled on our docks: this number is simply unprecedented," he added.

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### **Hamilton's Modal Shift**

As part of its ongoing efforts to broaden its cargo base, the Hamilton Port Authority has embarked on a study to determine if it can become a hub for intra-lake commerce. The Port Authority has engaged the services of Cambridge, Ontario based marine consultant, Mariport Group to lead the study. It will focus not only on how ships and barges may be able to recapture freight lost to truck and rail, but more constructively on whether the marine mode can make the land based logistic component more efficient. The capacity of the marine industry to carry loaded trucks and boxcars, as well as traditional bulk, containerized and general cargo, could actually encourage innovation in intermodal freight handling.

### **Strong Showing by Fraser River**

Fraser River Port is thriving and will continue to be a strong generator of jobs and prosperity for BC's Lower Mainland, Port officials said at their Annual Public Meeting held in New Westminster, October 14th. "Last year our cargo throughput grew to a record 35.9 million

tonnes," said Malkiat Dhami, Chair of the Fraser River Port Authority Board of Directors, noting it was the second-highest throughput of any port in Canada.

The Port Authority expects this year will be even better. "Container volumes for the current year are already ahead of last year by roughly 27 per cent," said Captain Allen Domaas, President and CEO of the Fraser River Port Authority. "And our container capacity will have almost doubled once ongoing improvements to our terminals and properties are complete in 2005."

Domaas also praised the Lower Mainland Municipal Association, the Union of BC Municipalities, and the mayors of all nine municipalities surrounding the Port along the Lower Fraser, for recent resolutions they prepared calling for sustained federal government funding for annual channel maintenance dredging. He also thanked local MLAs and MPs for their support.

### **Traffic Up in the Seaway**

The total cargo moving through the Seaway was up 11.5 percent over last year, with the Welland Canal traffic up by about 1.6 million tonnes and the MLO section

showing an increase of 1.3 million tonnes. Grain traffic was up by 15.5 percent, with Canadian grain shipments from last year's good harvest accounting for the entire increase and covering a 2 percent decline in U.S. traffic. The Seaway expects Canadian grain movements for the year to exceed the budget forecast of 6.2 million tonnes and likely reach 6.7 million tonnes amounting to a 16 percent increase in the MLO section and 21 percent on the Welland Canal. The growth in traffic is a return to levels experienced in the late 1990s, but there is still capacity to handle new cargoes and different shipping methods.

### **Port Alberni Port Authority**

Port Alberni has not been resting on its laurels with an eye on the future cruise business. The Port Alberni Cruise Committee was created and plans are in the works to develop more cruise business. As well, Polaris Minerals Corporation of Vancouver still plans to build an aggregate plant for granite at Port Alberni. This will be fed by a sand and gravel plant in Port McNeil and then will ship to a receiving plant in Richmond, C.A.

### **Ro/Ro: Appointments**

**St. John's:** Mr. James Raymond Duffett of St. John's, Newfoundland and Labrador was appointed to the board of directors of the St. John's Port Authority. Mr. Duffett is currently president and director of several private sector companies, including Duckworth Gallery and Framing. He has served as managing director, president and CEO of Capital Construction Ltd. for several years. He was a director and secretary of the St. John's Junior Chamber of Commerce and chairman of various fundraising committees.

**Halifax:** Judy A. Steele, CA, of Halifax, Nova Scotia, was recently appointed to the board of directors of the Halifax Port Authority. Ms. Steele holds a bachelor of public relations from Mount Saint Vincent University and a chartered accountant designation. She currently holds the position of director, investor and external relations, at Emera Inc., in Halifax, Nova Scotia. Ms. Steele started her financial career at Ernst & Young in 1985, and served as a principal of the firm in Halifax before joining Emera in 1999. Ms. Steele is a member of the Institute of Chartered Accountants of Nova Scotia,

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and past chair of the Canadian Breast Cancer Foundation.

**Prince Rupert:** Two new board members were recently appointed to the board of the Prince Rupert Port Authority. Walter Paszkowski has had a long and distinguished political career as part of the Alberta Government. He was first elected to the provincial assembly in 1989, and has served as Minister of Agriculture, Food and Rural Development and Minister responsible for the Land Compensation Board. In 1997, he was appointed Minister of Transportation and Utilities and Minister responsible for Public Safety Services, and was appointed Minister of Municipal Affairs in 1999. Mr. Paszkowski retired from Alberta's provincial legislature in March 2001. Dale MacLean is currently the Executive Vice President of Taymor Industries in Vancouver. Prior to that, he held senior marketing and logistics positions with two major Canadian rail carriers with responsibilities related to the movement of intermodal containers.

President and CEO, Prince Rupert Port Authority, Don Krusel, was recently elected to the Board of Directors of the Western Transportation Advisory Council (WESTAC) as well as to its Executive Committee. WESTAC is a Western Canadian non-profit association of major transportation organizations represented by senior business, labour and government decision makers.

**Nanaimo:** Jane Gregory was appointed for a three-year term as the Provincial Representative on the Nanaimo Port Authority Board. Ms. Gregory has served on the Board of Governors of Malaspina University College and will complete her two-year term as Chair of the University-College Board in September 2004. Ms. Gregory is an educator having taught in communities throughout the Province. Her extensive community involvement includes being a Director of the Nanaimo Community Foundation, past Director of the Association of Community College Trustees and past Director of the YM-YWCA Board in Prince George. She also received an Honourary LLD from Malaspina-University College in 1999.

Carol Matthews' term as director expired in June and the ACPA would like to extend many thanks to Carol for her work on the Association's Governance and Law Committee over the years. All wish Carol well in her future endeavours.

**Saint John:** Captain Al Soppitt, President & CEO of the Saint John Port Authority recently appointed Mr.

Andrew Dixon as Vice-President, Trade & Operations. "We welcome Mr. Dixon to the Saint John Port Authority team. With his vast experience in logistics and customer service we look forward to having him on board," said Captain Soppitt. Mr. Dixon most recently worked with Logistec Stevedoring Atlantic Inc. in the position of Commercial Manager for operations throughout the Atlantic Region. He worked for Logistec Stevedoring Atlantic Inc. for the past seven years at their location in Saint John (Forest Products Terminal Inc. & Brunswick Terminals Inc.). Prior to that, Mr. Dixon was employed with Sudbury Transport in Fredericton, N.B. as General Sales and Traffic Manager before joining EMCO Distribution in the position of District Branch Manager in 1991.

Mr. Dixon was born in Saint John and received a BBA from the University of New Brunswick in 1983. Andrew completed the requirements to receive a diploma from the Canadian Institute of Traffic and Transportation (CITT) in 1989 and is the Chair of the local council of CITT and instructs a course in "Integrated Logistics" at the NBCC Saint John. In 1991 Mr. Dixon completed Western University's Executive Marketing Management program and he is an active member of the International Forest Products Transport Association (IFPTA).

**TSI Terminals:** Norman Stark, President and CEO of TSI Terminals Inc., announced the appointment of Morley Strachan to the position of vice-president, Business Development and Strategic Planning. Strachan joined TSI in May 1997 as director of marketing and was responsible for developing and implementing TSI's worldwide marketing programs for Vanterm and Deltaport. He has over 25 year's experience in both the public and private sectors including CP Rail, BC Rail and Alberta Economic Development. He has a B.Sc. and an MBA from the University of BC.

**Thunder Bay:** A long-time and well-respected member of the port community has decided to take his leave. Dennis Johnson has been the President and CEO of the Thunder Bay Port Authority for 10 years and held a number of other positions in his 24 years at the port. He has decided to retire. Dennis also acted as the Harbour Master and legal counsel for the port authority and continues to assist where required to ensure a smooth transition under the incoming CEO Tim Heney. All the best to Dennis in his eventual retirement.

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**Fraser River:** The Fraser River Port Authority is pleased to announce the appointment of Mr. Abtar (Ab) Berar to its Board of Directors. Kevin Falcon, Minister of Transportation, appointed Mr. Berar, a retired Vice-President with RBC Dominion Securities in Vancouver, to the Port Authority's Board of Directors for a three-year term effective August 16, 2004. In addition to over thirty years experience in the areas of corporate finance, Mr. Berar also brings experience working in Pulp and Paper related industries in BC. Active in the community, Mr. Berar is a member of the Advisory Committee on Judicial Appointments for BC, and President of the Indo-Canada Chamber of Commerce. He has also served on numerous Boards and community organizations including BCIT Board of Governors, Canada Pension Plans Tribunal, and the Vancouver Police Board.

Mr. Kim Husband, a retired BC Provincial Court judge, has been reappointed to its Board of Directors for a second three-year term, effective August 28, 2004. The re-appointment was announced August 27, 2004, by an Order in Council, on the recommendation of The Honourable Jean-C. Lapierre, Minister of Transport, and in consultation with user groups.

In addition to his responsibilities on the Port Authority's Board, Mr. Husband is currently Chair of the New Westminister Rotary Club's scholarship committee, a director of the Massey Theatre, and a director of the Douglas College Foundation. Mr. Husband sat on the Bench from 1978 to 2001. He was first appointed to the Port's Board of Directors on August 28, 2001. Prior to his appointment to the Bench, he was a

senior partner in a New Westminister law firm. He also worked as director of the Legal Aid Program, and served as president of the New Westminister Bar Association and Secretary Treasurer (elect) of the Canadian Bar Association (BC Branch). Always active in his community, Mr. Husband has also served as a member of the City of New Westminister's Advisory Planning Board, and as president of both the New Westminister Kiwanis Club and the YMCA/YWC

**Toronto:** Steve T. Mirkopoulos, of Aurora, Ont., was recently appointed to the board of directors of the Toronto Port Authority. Mr. Mirkopoulos holds a bachelor of applied science and engineering degree from the University of Toronto. He is a member of the Professional Engineers of Ontario, the Toronto Board of Trade and the Building Owners & Managers Association International. He currently serves as president and chief executive officer of Cinespace Film Studios in Toronto. From 1985 until 1994 Mr. Mirkopoulos held the post of chief executive officer of Horizon General Contractors. Some of his previous positions include general manager of Toronto Mechanical and Electrical Contractors, and technical administrator of nuclear fuel contracts at Ontario Hydro. Mr. Mirkopoulos also serves on the boards of the York University Foundation as chair of the finance and audit committee, and of the Toronto East General Hospital Foundation as vice chair of the annual programs committee.

**St. Lawrence Seaway Management Corporation (SLSMC):** Doug Smith was appointed Chairman of the Board of Directors for a two-year term. A

board member since November 2000, Mr. Smith represents domestic carrier members, and has served on the Corporation's Asset Renewal and Audit Committees. Mr Smith replaces Mr. Swenor, who stepped down after serving as Chairman for 6 years and who will remain on the Board for the next 2 years, continuing to represent the iron ore and steel members.

Prior to joining the SLSMC's Board, Mr. Smith worked for Ontario Hydro for 26 years, engaged in a wide variety of roles spanning finance, procurement, and business planning. Following his retirement from Hydro, he served part-time as President of the Chamber of Maritime Commerce from 1995 to 2000, and worked as an independent consultant.

The SLSMC is also pleased to welcome Guy Véronneau back to the Board, representing "other members". Mr. Véronneau served as President and CEO of the SLSMC from 1998 to 2003 and oversaw the transition of the former public sector St. Lawrence Seaway Authority into the commercialized SLSMC. Mr. Véronneau replaces Alan Holt, who has left the Board after serving two 3-year terms, the maximum permitted under the Corporation's Bylaws. Also leaving the Board this fall after six years of service will be Denise Verreault, the Federal Government representative and Marc Dulude, the Quebec Government representative. Their replacements will be announced in due course.



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## **Other Modal Moves**

### **Ontario Trucking**

**David Bradley**, President of the Ontario Trucking Association, made a presentation to an Ontario Legislative committee last week, commenting on emergency preparedness in the province. "The trucking industry needs to know what role it is expected to play in an emergency in order to respond quickly and effectively," Bradley said. "The transportation component of getting food, supplies and equipment to where they are needed, or to market, is often an afterthought. Governments and relief agencies often leave transportation considerations to the last and/or don't know who to call." Bradley discussed issues like access to fuel during a crisis (urging the province to establish an emergency stockpile) and temporary suspensions or exemptions from operating regulations such as driver hours of service and truck weights and dimensions. Other concerns raised included the issue of liability insurance while operating under emergency situations, as well as route planning and crash clean-up. Bradley also said there needs to be a clear focus on border problems, and that the Ontario government must have a specific strategic plan and funding in place for investment in border infrastructure such as bridges and approaches, as well as for highway improvement.

## **THE INTERNATIONAL SCENE**

### **AAPA Conference**

The AAPA Conference in Long Beach is always an eye-popper in terms of the things being done in the port sector in the United States to facilitate port business and promote port competitiveness. Jeff Shane, Under Secretary for Policy, U.S. Department of Transportation, spoke to the delegates. He pointed to the explosion in trade and the need for the U.S. to get ready to deal with increased trade flows: "Those of us in government with responsibility for national transportation policy must be cognizant of your requirements and creative in our approaches to developing increased capacity across our transportation system." He was quick to note that the domestic system carries more than 15 billion tons of freight annually, valued at over \$9 trillion and that even the most 'conservative' forecast suggests that

overall freight volumes will grow another 60 percent by 2020.

Mr. Shane noted that Secretary Mineta is committed to a "comprehensive program that would put the maritime sector on the national policy agenda more prominently than ever before." The Under Secretary quoted President Bush who recently noted that: "To compete in the global economy of the 21st century the United States needs a maritime policy tailored to 21st century needs." Mr. Shane went on to outline the many new initiatives that are being pursued in the U.S. to live up to the President's call to action.

At the conference we also learned about the new Oceans Policy presented to Congress on September 20, 2004. The policy can be seen at:

[www.oceanscommission.gov](http://www.oceanscommission.gov). There are specific initiatives covered in that policy such as those related to workforce issues; coastal management; funding for oceans policy; the value of oceans to the U.S. economy; integrated management with other countries; and more. There were a number of sessions dealing with global trends and the obvious conclusion: global trade is on fire and ports must prepare! Consider one of the recommendations made in the Oceans Policy with respect to infrastructure, recommendation 13-5 states: "The U.S. Department of Transportation, working with other appropriate entities, should establish a national data collection, research, and analysis program to provide a comprehensive picture of freight flows in the United States and to enhance the performance of the nation's intermodal transportation system. DOT should periodically assess and prioritize the nation's future needs for ports and intermodal transportation capacity to fulfill the needs of the nation's expected future growth in marine commerce."

There were a number of excellent debates about how ports must continue to work with local communities on matters of mutual interest. It was most informative to learn about how ports such as the Port of Long Beach has worked tirelessly with the community to make the port business a positive experience for all stakeholders. It is not always an easy goal, but one that must always be on the port agenda.

Of course the issue of government investment in ports came to the fore. The issue of federal and state

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governments investing in the future of ports was most evident in Long Beach. With more than a dozen container ships anchored in the harbour, and waiting in the queue to be off-loaded, the Port is still looking to the future with a massive 5-year dredging project underway; the recent completion of a multi-million dollar pier; and expected federal funding of over \$700 million to widen a bridge in the harbour to enable the Port to accommodate more post-panamax vessels in the years ahead. Infrastructure is priority number one for the largest port in North America.

### Seaport Security

The lack of resources devoted to homeland security, especially to protect critical transportation infrastructure such as ports and systems for moving containerized trade, indicates the U.S. government is still not serious about preventing another catastrophic terrorist attack, security expert Stephen Flynn told a Congressional panel recently. Efforts to implement new security measures by the Coast Guard and Customs and Border Protection to scrutinize foreign cargo vessels are deficient. Efforts by U.S. and overseas ports and inbound containers amount to 'baby steps' that are inadequate to meet the terrorist threat said Flynn. Flynn joined September 11 Commission members Jamie Gorelick and John Lehman in urging the Bush administration to speed up the development of a comprehensive strategic plan for transportation security that covers all modes.

### Operation Safe Commerce

International standards, including shared policies, procedures and processes, need to be developed for the safe and economical flow of trade, according to US Senator Patty Murray, who reported the Phase one findings of Operation Safe Commerce (OSC). OSC is a US federal program designed to test and evaluate practices, policies and procedures to improve the security of international containerized shipping. The first OSC test containers arrived at the Port of Tacoma in March 2004. Since then, hundreds of OSC containers have moved through the Puget Sound Load Center (Port of Seattle and Port of Tacoma). The tests tracked shipments from their origination point to the distribution centre in Washington. "We found that technology alone is not the answer," said Murray. "Technology is just but one part of governmental policies, logistical procedures and the physical processes needed to move containers in the global economy."

Vulnerabilities were identified and assessed on each OSC test program. According to Murray, addressing those vulnerabilities will require co-operative working relationships with overseas trading partners and governments to reduce risk. The objective of OSC is to create the knowledge base for possible future international standards for secure containerized shipment. A proposed Round two for OSC, funded by \$17 million in Department of Homeland Defense, Office for Domestic Preparedness grants, will "stress test" selected supply chains to prove supply chain security approaches.

## CAPITAL BRIEFING

### Transport Canada's Strategic Plan

The Minister of Transport released the departments 'Report on Plans and Priorities' and the following is contained in the 'Strategic Plan' related to the surface mode, but with an obvious impact on the ports:

#### 1. Inter-modal Policy Framework and Projects:

Transport Canada recognizes the growing importance of modal integration to the efficient movement of goods. To better understand modal freight connections, the Department is consulting with provinces and stakeholders to identify impediments to modal integration, including physical and institutional barriers. Analysis of the available information and

the results of the consultations will support the development of a national inter-modal policy framework in 2004, to identify areas of potential action for both public and private sector interests.

#### 2. Modal Choice Freight and Passenger Studies:

To develop a better understanding of modal choice preferences by both shippers and passengers, a series of

research studies are planned. These studies will include the development of predictive models, data collection through surveys and analysis of trends in, and impacts of, modal preferences. These studies will help improve policy analysis on modal demand and help shape future decisions on modal supply and the impact of investment decisions on the various modes.



## THE MARINE MODE

Transport's 'Strategic Plan' included the following as it specifically relates to marine transportation:

### **1. Canada Marine Act**

**Review:** In 2002, a review was carried out by a panel of marine industry experts to address the implementation issues that have arisen in the four years since the passage of the Canada Marine Act (CMA). The panel's report, which was tabled in June 2003, contained two general recommendations and 28 specific recommendations concerning the Canada Port Authorities (CPAs), the St. Lawrence Seaway, public ports, pilotage, and ferries. The report also contains ten observations considered by the panel as important to the objectives of the National Marine Policy and the CMA. In 2004, Transport Canada will continue to undertake several studies concerning competitiveness and financial issues related to the CPAs, as well as studies on the economic impact of the marine industry benefits and trends. The results of these studies, in conjunction with the panel recommendations and observations, will guide the Department's considerations regarding amendments to the CMA, future marine policy direction, and the use of alternative mechanisms to promote a more efficient and effective marine industry.

To understand these issues, and to best address them, Transport Canada is undertaking studies, considering various options and consulting with central agencies in the context of marine infrastructure realities. More specifically, issues such as investment, access to government program funding (such

as SHIP and CSIF, which are currently not available to the marine industry), borrowing limits and other financial issues, are being examined with the objective of promoting a marine industry that is flexible and able to attain or maintain economic competitiveness and respond effectively to changing market demands. The CPAs' ability to compete in current and emerging markets, make infrastructure investments and respond to market changes is being assessed through regular interaction with port stakeholders.

### **2. General Agreement on Trade in Services:**

A new round of negotiations on the World Trade Organization's General Agreement on Trade in Services (GATS) started in 2002. Maritime services are part of the negotiations and Canada has put forward an offer of commitments based on two specific principles: market access (removal of trade barriers), and national treatment (removal of government bias toward domestic industries). Successful conclusion of these negotiations will allow for greater access to foreign markets for our transportation industry.

### **3. Shortsea Shipping Initiatives:**

Further use of the marine mode can help alleviate surface congestion, enhance modal integration and contribute to reducing greenhouse gas emissions. To this end, shortsea shipping, generally defined as the movement of cargo and passengers by water between points within close proximity without crossing an ocean, covers domestic coastal and inland shipping as well as that between Canada, the U.S. and

Mexico. Memoranda of Cooperation have been signed with the U.S. and Mexico to share information and experience, and Transport Canada will explore opportunities with stakeholders to enhance the use of marine capacity and improve modal integration and efficiencies. As a result of a series of workshops attended by many modal stakeholders, a Departmental strategy regarding shortsea shipping will be developed during 2004.

### **Focus on Infrastructure**

Transport Canada's 'Strategic Plan' does not ignore one of the key issues for the National Ports System and that is transportation infrastructure and the note is quoted verbatim below.

#### **Infrastructure and Efficient, Secure Trade Corridors:**

A productive and competitive economy requires effective coordination and integration among all modes. This is fundamental to our success, particularly in the context of an integrated North American market. It is also essential if we are to achieve our goals for a more environmentally sustainable future. Given transportation's key role as an economic enabler, and in light of the increasing pressures placed on transportation infrastructure, investments need to be strategic and consistent with the North American economic context.

A multimodal infrastructure strategy and sustainable funding mechanisms are required to support projects that improve system efficiency and the

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integration of the various modes as part of a holistic approach to transportation choices. Such a strategy would place resources where they are most needed from a competitiveness perspective as well as in support of our environmental agenda. We must ensure that our most strategic ports, rail lines and trucking corridors interconnect efficiently with each other. The seamless flow of people and goods needs to be one of the central criteria in determining infrastructure funding.

The future of our economy depends on efficient trade corridors that allow all modes of transport to capitalize on Canada's competitive advantage as a gateway between North American and other global markets. But while we need to continue to make investments to improve the smooth and efficient flow of goods and people across the Canada-U.S. border, trade flows and tourism are increasingly dependent on concerns about the security of the transportation system. Addressing these concerns involves the development of a multi-jurisdictional approach to border issues and specific interdepartmental strategies.

Transport Canada is committed to completing the divestiture of operations, fine-tuning the governance regimes based on recent experience, and exploring new avenues for the commercial development of transportation infrastructure and services. In collaboration with Infrastructure Canada, provincial and territorial governments and other stakeholders, the Department will continue to promote strategic investments in Canada's transportation system.

## **Marine-Facility Security**

Transport Canada consultations on a Marine Facilities Restricted Area Access Clearance Program (MFRAACP) concluded in October. The proposed program would further enhance marine security by requiring background security checks for port workers who require access to certain restricted areas or occupy certain designated positions. The program will build on the experience gained from Canada's program of background security checks for airport personnel, which was introduced in October 1985.

"These proposed amendments represent Transport Canada's next steps to enhance marine security and build on the new port and ship security requirements in place since July 1," said Mr. Lapierre. "Transport Canada looks forward to working with stakeholders in the marine industry to develop these amendments, including the Marine Facilities Restricted Area Access Clearance Program."

The amendments are being proposed further to the Government of Canada's National Security Policy, announced on April 27, 2004 by Deputy Prime Minister Anne McLellan, which proposes to strengthen Canada's marine security by:

- \* clarifying and strengthening accountability;
- \* establishing Marine Security Operations Centres;
- \* increasing the Canadian Forces, RCMP and Canadian Coast Guard's on-water presence, as well as the Department of Fisheries and

Oceans' aerial surveillance activities;

- \* enhancing civilian and naval fleet communications;
- \* pursuing greater marine security co-operation with the United States; and
- \* strengthening the security of marine ports and facilities.

Transport Canada expects to have the new regulations in place by early 2005 and has established working groups to continue to consult widely with stakeholders.

## **Marine-Facility Contribution Program**

The funding announcement for this program was made by Transport Minister Tony Valeri at the Port of Halifax's Pier 21 last May. The Marine Facility Security Contribution Program is a three-year, \$115 million commitment to assist ports and port facilities with security enhancements. At the time of the announcement then Minister Tony Valeri said that, "Canada's ports are among the most competitive in the world. Today's announcement demonstrates the Government of Canada's commitment to helping them remain among the most secure."

In October all marine-facility operators in Canada with a security plan were provided an information package on the contribution program and asked for specific feedback from stakeholders. Later in the Fall Transport Canada will be launching the application process for the first round of funding and will issue specific 'Application Guidelines' that will provide detailed information related to application and associated requirements. Examples of eligible

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costs to be covered under the program include such things as: security and surveillance equipment; perimeter security and access control measures; infrastructure security protective measures; training; command, control and communication equipment; services provided by sub-contractors and other parties; and security design studies. Ineligible costs are all costs incurred prior to April 1, 2004 and include things like: research and development costs; indirect costs like overhead; consultants hired to prepare MSCP applications; economic and viability studies; and ship security costs. A "National Project Review Committee" will be set up to evaluate applications.

### **Advisory Council on National Security**

Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness Anne McLellan invited applications from Canadians wishing to serve as members of the new Advisory Council. The Council will provide confidential expert advice on issues related to national security to the Cabinet Committee on Security, Public Health and Emergencies through the National Security Advisor to the Prime Minister, Rob Wright. The Government will select a maximum of 15 members to serve on the Advisory Council. The members must have experience in the following areas: intelligence, law and policy, human rights and civil liberties, emergency planning and management, public health emergencies, public safety, transportation security, border security and international security.

### **Smart Regulation**

An external advisory body recently announced the release of a report, entitled *Smart Regulation: A Regulatory Strategy for Canada*. It is available on the Committee's web site, [www.smartregulation.gc.ca](http://www.smartregulation.gc.ca). It contains a section on smart regulation related specifically to Transport Canada. The Committee was created in May 2003 and was asked to recommend how the government needs to redesign its regulatory approach to better serve the needs of Canadians in the 21st century. In fulfilling their mandate, they listened to the views of a wide range of stakeholders, experts and citizens with experience and knowledge about regulation. What we heard confirmed that regulation is an important government tool which should be used more strategically to advance public policy and national priorities.

The directions proposed by the Committee in this report are intended to better align the regulatory system with the fast pace of change, evolving global markets and high citizens' expectations that characterize the 21st century. The Committee believes that regulation must protect health and safety, support the transition to sustainable development and, at the same time, enable innovation and competitiveness in a way that instills trust in Canadian products, markets and institutions. The transformation of the regulatory system proposed in this report will require the sustained attention of senior government leaders.

### **Another One Divested**

Transport Canada and the Corner Brook Port Corporation (CBPC) reached an understanding on the terms and conditions for the transfer of the port of Corner Brook to the local entity. The next step in the transfer process will consist in drafting a final transfer agreement to formalize into a legal document what has been discussed verbally. The terms and conditions that have been discussed include a financial contribution of approximately \$15 million from the Government of Canada.

The CBPC is a not-for-profit local entity that has been established to promote the development of the Port of Corner Brook. The property to be transferred includes the Corner Brook Container Terminal Wharf, a transit shed, an office building, approximately 3 hectares of upland property and the Port of Corner Brook harbour bed. "The Corner Brook Port Corporation is very excited at the opportunity of becoming responsible for developing our port facilities and promoting our services within the Atlantic region and around the world," said Mr. Pollett. "Once we take over ownership of the port facilities, our goal is to make Corner Brook one of Atlantic Canada's premier ports."

### **Transportation Planning and Modal Integration Initiatives**

Winning projects that advance transportation planning and enhance integration and connections between modes of transportation were recently announced by Transport Minister Jean-C. Lapierre. "The Government of Canada recognizes that innovation is critical in addressing Canada's transportation challenges," said Mr. Lapierre. "By encouraging the development of



innovative approaches to transportation issues, we can boost the efficiency and integrity of the transportation system as a whole and improve its sustainability."

Under the Transportation Planning and Modal Integration Initiatives, applicants submit project ideas to Transport Canada, which then selects and gives funding to the winning projects. The 17 winning projects were selected from 58 submitted in May 2004, following a call for proposals issued by the department in February 2004.

Funding for these projects is part of the Government of Canada's \$600 million [Strategic Highway Infrastructure Program](#) (SHIP), which was announced on April 3, 2001.

### **Freight Transportation to go Green**

Transport Minister Jean-C. Lapierre announced funding for four new projects to help the freight transportation sector reduce the growth of greenhouse gas emissions. The \$1,518,000 in funding comes from Transport Canada's Freight Incentives Program. "These projects represent a wide range of initiatives within the freight sector to reduce greenhouse gas emissions using new technologies," said Mr. Lapierre. "All of the projects will result in a significant reduction of greenhouse gas emissions for the freight companies involved." The four winning projects were proposed by Canadian National Railway, IDC Distribution Services Ltd., La Compagnie minière Québec Cartier, and the Société des Chemins de Fer du Québec inc.

The Freight Incentives Program is a four-year, \$5-million program designed to encourage the adoption and use of technology and equipment that reduce greenhouse gas emissions cost-effectively in the rail, marine and air freight transportation sectors.

### **Border Improvements**

Industry Minister David Emerson, on behalf of Transport Minister Jean-C. Lapierre, together with British Columbia Transportation Minister Kevin Falcon, announced the completion of a southbound dedicated NEXUS/FAST lane at the Pacific Highway border crossing. "The completion of this project will go a long way toward improving the movement of people and goods across our borders, something that is vital to the

health of our economy," said Mr. Emerson. "This innovative technology will lead to fewer delays for travellers and area residents while helping to better facilitate the flow of trade to and from the United States."

"The construction of this lane will help improve traffic flow, expedite border crossings and enhance the safety and efficiency of Highway 15," said Mr. Lapierre. "This is good news for both commercial traffic dependent on this crossing to move their goods across the U.S. border and the surrounding residential and commercial neighbourhoods." The improvements, which began this summer, were undertaken to improve the safety and efficiency at the Pacific Highway border crossing.

### **Green Freight Transportation in Quebec**

Transport Minister Jean-C. Lapierre announced \$1,147,500 in funding for three new projects to help the freight transportation sector reduce the growth of greenhouse gas emissions in the province of Quebec. The funding comes from Transport Canada's Freight Incentives Program. The three winning projects were proposed by Canadian National Railway, the Société des Chemins de Fer du Québec inc., and La Compagnie minière Québec Cartier.

### **Green Freight Transportation in BC**

Industry Minister and Regional Minister for British Columbia David Emerson, on behalf of Transport Minister Jean-C. Lapierre, announced \$370,000 in funding for a new project to help the freight transportation sector reduce the growth of greenhouse gas emissions in the province of British Columbia. The funding comes from Transport Canada's Freight Incentives Program.

IDC Distribution Services Ltd. of Vancouver B.C. will use the funds to purchase a Railpower Hybrid Switching Locomotive - Green Kid. The Green Kid locomotive will be used as a switching locomotive to transfer railcars between the common user storage tracks owned by the Fraser River Port Authority and the ramp tracks located on the facility. It is estimated that the use of a Green Kid will reduce fuel consumption by as much as 57 per cent compared with a traditional locomotive.



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## New Marine Terminal

Transport Minister Jean-C. Lapierre inaugurated the new marine terminal at the port of Cap aux Meules ferry wharf. The second phase of the project should start shortly and consist primarily in demolishing the existing terminal, renovating the parking area, and making the entire outdoor facility safe. "This project, estimated at some \$2 million, will contribute to the region's economic development by providing it with renewed transportation facilities that will serve this community well for many years to come," added Mr. Lapierre.

The port of Cap aux Meules is owned by Transport Canada and is classified as a remote port under the terms of the National Marine Policy. It is the main gateway for passengers and goods to and from Magdalen Islands. The Cap aux Meules marine terminal is located at the ferry wharf built in 1998 to accommodate the new MV Madeleine ferry linking Cap aux Meules to Souris, Prince Edward Island.

## Transport Canada Performance Report

The following three items were excerpted from Transport Canada's recently published "Departmental Performance Report" for the period ending March 31, 2004" for Marine Transportation in the past year:

**1. Review of the Canada Marine Act:** After consultation with private sector and government stakeholders, the Minister of Transport completed a statutory review of the Canada Marine Act, which was subsequently tabled in Parliament in June 2003. The review report is available at:

[www.tc.gc.ca/pol/en/Marine/cma\\_report.htm](http://www.tc.gc.ca/pol/en/Marine/cma_report.htm).

The marine industry is evolving quickly, and the associated issues are complex. Research and analysis with potential future implications for the Canada Marine Act are continuing. Areas of further research include increased spending by the U.S. for port security, the competitiveness of Canada Port Authorities, and evolving marine market trends. Transport Canada will report any actions resulting from the review of the Canada Marine Act and associated continuing research in future years.

### 2. Marine Industry Benefits Study:

In 2003, Transport Canada initiated the Marine Industry Benefits Study, a joint industry/government initiative aimed at evaluating the impact of the marine transportation industry on the Canadian economy as a whole. The aim of the study is to provide a better understanding of the economic impacts and benefits of the Canadian marine transportation industry. The study is also allowing Transport Canada to strengthen its relationship with key marine industry stakeholders and remain current regarding issues that are important to the industry. Results from the study will be reported in future years.

**3. Marine Liability Act:** In January 2003, the Department released a report regarding a proposal for a new compulsory passenger insurance regime under the Marine Liability Act. The report is available at:

[www.tc.gc.ca/pol/EN/Report/Marine/rcpi.htm](http://www.tc.gc.ca/pol/EN/Report/Marine/rcpi.htm). Following consultations with industry stakeholders, provincial governments and other federal departments and agencies it

was announced in August 2003 that the regulations for compulsory marine passenger insurance would be tailored to address the concerns of various segments of the industry, as well as to protect the interests of passengers in the event of injury or loss of life (see: [www.tc.gc.ca/mediaroom/releases/nat/2003/03-h085e.htm](http://www.tc.gc.ca/mediaroom/releases/nat/2003/03-h085e.htm)). The new regulations are being developed.

## Transport and CPAs

The Performance Report also outlined specific areas of interest with respect to Canada Port Authorities as follows:

### 1. Canada Port Authorities Compliance Monitoring:

Transport Canada is responsible for ensuring that all Canada Port Authorities (CPA) conduct their affairs in accordance with the provisions of the Canada Marine Act, the associated management regulations and their Letters Patent. Accordingly, Transport Canada developed the CPA Compliance Monitoring Framework and related procedures, to ensure national consistency in legislative monitoring, reporting methodologies and documentary evidence gathering. In order to facilitate these monitoring activities, a national Port Monitoring Database was launched in December 2003 providing Transport Canada with the means to record and report significant information related to the administration of CPAs, thereby ensuring consistency in the monitoring process.

In February 2004, an audit was conducted in order to determine whether an effective system of compliance monitoring and oversight had been instituted by Transport Canada. The auditors

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concluded that the Department's mandate with respect to CPAs had been clearly defined, and that a satisfactory framework had been established to exercise oversight responsibilities related to CPA's compliance with the Canada Marine Act and Regulations and the Authorities' Letters Patent.

**2. CPA Property Issues:** Transport Canada is responsible for approving real property transactions at Canada Port Authorities. This involves ensuring that strategic port development is consistent with the Canada Marine Act, and takes into consideration environmental concerns as well as urban planning, to ensure that issues related to city congestion and intermodal connections are addressed. In addition, Transport Canada is responsible for consulting First Nations where an aboriginal right or title exists with respect to property managed by a CPA.

**3. CPA Gross Revenue Charges/ Public Port Tariffs:** Transport Canada is responsible for collecting Gross Revenue Charges from Canada Port Authorities, including any associated interest. Once paid, Transport Canada issues a Certificate of Good Standing to CPAs, which forms an integral part of their financing process. For public ports that Transport Canada continues to operate directly, Transport Canada establishes a national public port tariff system. These funds help to offset costs associated with their ongoing operation, maintenance and long-term capital needs

### **WTO General Agreement on Trade in Services**

Transport Canada continues to take an active role in Canada's bilateral,

plurilateral and multilateral trade negotiations. With respect to the current multilateral Doha Development Round of negotiations in the World Trade Organization (WTO), Transport Canada is playing a key role in the negotiation of services, under the General Agreement on Trade in Services. In April 2003, Canada's Initial Conditional offer was publicly released at the same time as it was transmitted to WTO members. The offer contains new commitments in the areas of international maritime transport services, maritime auxiliary services and improvements in road transportation services. Additionally, in February 2004, Transport Canada launched a comprehensive consultations exercise in order to refine Canada's strategy in the transportation services sector in preparation for ongoing General Agreement on Trade in Services negotiations, as well as other anticipated trade negotiations.

### **Climate Change and the Great Lakes**

Dr. Frank Millerd of Wilfrid Laurier University, recently completed a study: "The Economic Impacts of Climate Change on Canadian Commercial Navigation on the Great Lakes". The study was commissioned by Environment Canada to:

- Estimate possible changes in shipping costs in the Great Lakes St. Lawrence River water transportation system due to climate change impacts on water levels;
- Give an indication of the degree to which the usability of specific ports may be put at risk from climate change impacts on the water level in the Great Lakes St.

Lawrence River water transportation system; and

- Describe alternate modes of transport available that may be used to displace shipments made on the Great Lakes St. Lawrence River water transportation system.

The final report includes two additional study components -- cost of alternative transportation modes as well as information on the degree to which ports will be put at risk by the projected changes of water levels.

The main conclusions of the study are that the Great Lakes St. Lawrence River water transportation system may be adversely affected by climate change. Climate change is predicted to result in lower water levels in the Great Lakes, limited vessel loadings and thus increasing transportation costs. The lower water levels predicted as a result of a doubling of the atmospheric concentration of carbon dioxide could increase transportation costs by 35 percent, more moderate climate change could result in a 15 percent increase in shipping costs. The impacts on shipping costs will vary between commodities and ports. With higher water transportation costs some commodities may move by alternate routes or, with a lack of alternate modes, the production of a commodity may cease.

### **Cleaning Up Victoria Harbour**

The Government of Canada and the BC Hydro and Power Authority (BC Hydro) are working together to clean up Victoria Harbour's Rock Bay, one of the most contaminated sites in BC. The Government of



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Canada will contribute \$14.7 million and BC Hydro will contribute \$17.4 million of the \$32.1 million project cost to clean up the Rock Bay site. Rock Bay is the location of a former coal gasification plant that operated from the 1860s to the early 1950s.

Coal tar, which is the main source of contamination at Rock Bay, was largely a waste by-product of the coal gasification process, which produced gas to power city lights and heat the community for over 90 years. In addition, there is also some metal and hydrocarbon contamination at the site. This residual contamination poses minimal health risks, but it does exceed the allowable levels, and limits most future activities at this site.

Accessible Transportation and the Policy Sub-Committee of the Treasury Board Advisory Committee on Real Property.

**Emilia Warriner:** Ms. Warriner is the new Director of the Marine Security Contribution Program at Transport Canada in Ottawa. She is responsible for the new marine-facility security funding program announced last Spring by the Minister of Transport.

## OTTAWA MOVES

**Dale Neufeld:** Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, the Honourable Anne McLellan, recently appointed Dale Neufeld as Acting Director of the Canadian Security Intelligence Service (CSIS). Mr. Neufeld has been Deputy Director Operations of CSIS since April 2001. A graduate of the University of Saskatchewan, Mr. Neufeld joined the Royal Canadian Mounted Police (RCMP) in 1971 and served in various positions throughout the country, including posts in western Canada, Ottawa and London, Ontario. After joining CSIS in 1984, Mr. Neufeld assumed positions of increasing responsibility in the Service's operational sector. Prior to being appointed to his current position as Deputy Director, Mr. Neufeld served as Assistant Director, Operations.

**Baljinder S. Gill:** Baljinder S. Gill of Ottawa, Ontario, was appointed to the Canadian Transportation Agency. Mr. Gill is currently the Chief Executive Officer for MG & BAL Business Services in Ottawa, Ontario. He holds a bachelor's degree in education, masters' degrees in arts, economics and science, as well as a Diploma in Professional Transportation from the Canadian Institute of Traffic and Transportation at the University of Toronto. Mr. Gill worked at Transport Canada for almost 15 years as Senior Facility Planning Officer, Manager of the Environmental Assessment Navigable Water Protection Program, and Chief of Facility Planning Marine Technical and Support Services. He has also sat on the Minister of Transport's Advisory Committee on

## ON THE HILL

### Politics in General

It's no secret that a minority government presents a different environment than does one in a majority situation. As the federal government proceeds with its mandate all parties will now be listened to more closely. This should signal to all those engaged in federal government advocacy that they NOT ignore the opposition parties when implementing their various government relations' strategies. As always, no strategy is complete without ensuring that senior officials are fully apprised of your key issues. In fact, some argue that the latter is even more important in a minority government scenario given that a strong facts-based advocacy effort will be more palatable to all parties. This has always been true, but more so in this new public policy environment in Ottawa.

The key Ministers are now firmly in place and are now on top of their respective portfolios and confident about the policy and program directions of their departments. Under Paul Martin's regime the role of the Parliamentary Secretary was elevated to that of a Privy Councillor and many of them now attend Cabinet meetings regularly. Parliamentary Secretaries have always been important people in Ottawa given that they have a firm grasp of the issues in the department for which they act and – most importantly - they have direct access to the Minister in charge.

It remains to be seen how functional the various House of Commons Standing Committees will be in the coming weeks. These Committees are charged with reviewing legislation and these all-party Committees are no longer the sole domain of the party in power who traditionally held the Chair's position, as well as held a majority on the Committee. This democratic



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deficit has been corrected and it could either paralyze the legislative process or produce good, solid outcomes in their legislative review. In the coming months this may have some resonance with Canada Port Authorities as relevant pieces of legislation may be tabled for consideration.

Whatever happens, it promises to be an interesting session of Parliament.

### **Transport Standing Committee**

The various standing committees of the House of Commons have been staffed and the new Chair of the

Transport Committee is Roger Gallaway. Mr. Gallaway was the past Chair of the sub-committee on Marine Transport which no longer exists. The members of the Committee include: Vice-Chairs Jim Gouk and Caroline St-Hilaire; Dave Batters, Raymond Bonin, Robert Carrier, Bev Desjarlais, Jim Karygiannis, Rob Nicholson, Francis Scarpaleggia, Andrew Scheer and Borys Wrzesnewski.

Mr. Gallaway is the M.P. for Sarnia-Lambton and was first elected to Parliament in 1993 and re-elected in 1997, 2000 and 2004. He is currently Parliamentary Secretary to the Leader of the Government in the House of Commons with special emphasis on democratic reform.

He has served on countless other committees most notably Finance and Canadian Heritage,

### **Notable Bills**

C-9 An Act to implement the Economic Development Agency of Canada for the regions of Quebec was introduced on October 9, 2004. The Canada Shipping Act, the Canada National Marine Conservation Areas Act and the Oceans Act, Bill C-3 received second reading and was sent to the Transport Committee. The fate of the Canadian Transportation Act and the Canada Marine Act were still uncertain at the time of writing.

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Atlantic Pilotage Authority



## UPCOMING EVENTS

### ACPA Board Meetings

- November 28, 2004** Toronto, Ontario  
Westin Harbour Castle
- February 21, 2005** Ottawa, Ontario

### Upcoming ACPA Events

- November 29 and 30, 2004** ACPA Governance Seminar  
Westin Harbour Castle  
Toronto, Ontario
- February 21 and 22, 2005** ACPA Annual Port/Government Interface  
Ottawa, Ontario
- May 2005** ACPA Operations Seminar  
Quebec City, Quebec

### Future ACPA Annual Meetings/Conferences

- 2005** The Vancouver Port Authority will host  
The 47th Annual Meeting and Conference  
Fairmont Waterfront Hotel  
Vancouver, BC, August 2-7, 2005
- 2006** The Oshawa Harbour Commission will  
host The 48th Annual Meeting and  
Conference  
Oshawa, Ontario
- 2007** The Montreal Port Authority will host  
The 49th Annual Meeting and Conference  
Queen Elizabeth Hotel  
Montreal, Quebec, September 8-13, 2007

### Future AAPA Conventions

- 2005** Tampa, Florida  
**2006** New Orleans, Louisiana  
**2007** Alaska

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