



Association of Canadian Port Authorities

Submission to Pilotage Act Review

2018

Executive Summary

Founded in 1958, the Association of Canadian Port Authorities (ACPA) brings together 18 ports and related marine interests into one national association. As the leading Association for the advocacy and advancement of Canada’s port industry — representing all Canada Port Authorities (CPAs), various government entities and companies doing business in the marine sector — ACPA is the champion for Canadian ports in matters related to government policy, trade, competitiveness and public awareness in order to contribute to sustainable transportation. CPAs are world-class facilities serving as one of the country’s major economic engines, enabling international and domestic marine trade while working closely with pilots to enhance commerce.

Recommendations:

1. ACPA recommends transparency, accountability and flexibility in the governance and delivery of pilotage.
2. ACPA recommends the use of unique local knowledge in the final program design and delivery of pilotage.
3. ACPA does not recommend amalgamation of pilotage authorities.
4. ACPA recommends the elimination of compulsory pilotage on the open waters of the Great Lakes.
5. ACPA recommends the extension of certification and use of waivers for all qualified mariners
6. ACPA recommends the modernization of pilotage through an appropriate mix of technology and human intervention.

Governance

Governance is fundamental to the delivery of pilotage. The *Canada Transportation Act* review (2016) recommended the amalgamation of the Pilotage Authorities and this is now being considered within the review. Given the broad and varying nature of Canada's coastal and inland waters, regional knowledge and expertise is important to the provision of efficient and reliable marine transportation. Transparency, accountability and flexibility as well as the capacity for ongoing review and risk assessment are critical criteria for a modernized pilotage regime that is competitive and facilitates social licence with port communities.

Recommendation 1:

ACPA recommends transparency, accountability and flexibility in the governance and delivery of pilotage, in keeping with government standards for auditing and reporting.

Recommendation 2:

ACPA recommends that pilotage program design and delivery incorporate unique regional knowledge capacity.

Recommendation 3:

ACPA does not recommend amalgamation of the pilotage authorities.

Inland Pilotage

Pilotage in Canada is regional in nature, with a clear coastal/inland split in the delivery and impacts of pilotage on these unique waters. Pilotage is working well on the coasts, providing social licence as trade flows grow, thereby enabling competitiveness. However, the inland pilotage situation is different; pilotage charges, as a proportion of overall costs, are an acute factor negatively affecting the utilization and competitiveness of the inland Great Lakes and St. Lawrence Seaway, which is now at fifty per cent capacity. Pilotage charges can be as much as \$80,000 for a round trip from the lower St. Lawrence River to Lake Superior and even higher for foreign-flagged vessels – much of this through waters that are safe and well-charted inland seas.

Competing trucks and railroads in this market do not incur equivalent charges, even though they are closer to full utilization and emit more carbon per tonne of cargo moved per kilometre. While the government position has been of modal neutrality, it could be argued that the higher regulatory burden, long-term underfunding of marine infrastructure and un-tolled use of public roads, has subsidized road and rail modes.

In light of GLSLS underutilization and modal subsidization inequity, reduced or eliminated pilotage requirements and costs could make the marine mode more competitive. Improved

navigational technologies, or removing the need for pilots on board while traversing large stretches of open and well-charted waters.

Recommendation 4:

ACPA recommends the elimination or reduction of compulsory pilotage in the open waters of the Great Lakes. The Canadian and American governments, through the Regulatory Cooperation Council potentially, should discuss the security framework which established compulsory pilotage on these waters and develop or use existing alternate means of ensuring security, such as Canadian Coast Guard and U.S. Coast Guard cooperation.

Waivers and certifications, where appropriate, can reduce the use of pilots and enable increased Great Lakes and Seaway utilization. The highly successful Great Lakes Pilotage Authority Certification Regime allows certified, highly skilled domestic master mariners to provide safe, flexible and cost-effective command of vessels in the Great Lakes. Flexibility in pilotage, with the extension of waivers and certifications to **all** qualified mariners, could provide a mechanism to enhance the utilization of the GLSLS by shippers and make marine transportation a more competitive modal option.

Recommendation 5:

ACPA recommends the extension of certification and waivers to qualified mariners in compulsory pilotage zones, within and beyond the Great Lakes.

Economic and Public Policy Considerations

Growing trade flows has led to larger ships using Canada's ports more frequently. As a consequence of this change, ports and pilots face two daunting challenges: increased ship specialization requiring sophisticated and unique port cargo handling systems; and, larger ships that need deeper and wider channels, berths and highly-skilled ship-handling.

Pilots can and should be a part of this modernized and responsive pilotage and marine transportation system as they provide assurance to communities and enable the navigation of Canadian waters for trade. Ports have been a part of this evolution, partnering with and investing in the development of technology to assist pilotage, such as the electronic navigation in the Port of Montreal.

The current framework for delivering pilotage should be modernized to accommodate new vessels and new technologies. This new pilotage framework will need to be structured to anticipate changes in delivery with ongoing risk assessment and technology integration. Formal review of pilotage areas, processes, new technologies and best practices will provide a mechanism for evolving this system. Furthermore, as data and technology "brains" replace

some of the “brawn” of marine transportation and port operations, so too must pilots balance their efforts with the advantages of technologies such as e-navigation and draught information systems.

Recommendation 6:

ACPA recommends the risk-based use of technology where appropriate on an ongoing basis to evolve pilotage. A mix of human pilots, technology and certifications should be established to deliver efficient, world-class pilotage that can accommodate global changes in technology and fleets.

Conclusion

Given trade growth and community concerns, Canada needs a pilotage regime that is flexible, competitive, transparent, accountable and appropriately balances human pilots and technology. Looking ahead, the *Pilotage Act Review* is at the centre of the policy decisions our country must make to build the frameworks for sustainable marine transportation.