Association of Canadian Port Authorities | Association des administrations portuaires canadiennes

Written Submission to the House of Commons Standing Committee on Finance for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

The Association of Canadian Port Authorities

July 2025

To fully support its members, the seventeen Canada Port Authorities, in their mission of safety, security, trade enablement and business continuity, the Association of Canadian Port Authorities, recommends the following to the House of Commons Standing Committee on Finance:

1. Enhance port financial agility to attract and leverage private capital for critical investments.

2. Accelerate project approvals through regulatory reform.

3. Establish the Trade Diversification Corridors Fund.

4. Unleash port potential through partnerships and expanded activities.

5. Increase funding to support CBSA's trade facilitation mandate.

INTRODUCTION

The Association of Canadian Port Authorities (ACPA) — the voice of the country's 17 Canada Port Authorities (CPAs)— is pleased to present its recommendations for the 2025 federal budget to the members of the House of Commons Standing Committee on Finance (FINA).

As the country embarks on the most ambitious economic transformation since the Second World War, ACPA welcomes the plan to build infrastructure and diversify trade, through targeted funding and accelerated project approvals of Bill C-5, the One Canadian Economy Act. Canadian ports serve as Canada's gateways to the rest of the world and are therefore critical partners that can help the government, which CPA's strongly support.

Given their strategic importance to this vision, making sure that CPAs can fully contribute to it will require further complimentary legislative and regulatory action to modernize Canada's port system. Specifically, this includes increased financial flexibility, accelerated project approvals beyond the C-5 major nation-building projects, expanded trade corridor funding, partnerships and expanded activities to raise capital and generate revenue, and sufficient resources for CBSA to meet its trade facilitation mandate.

This range of action has been identified through the government's own Ports Modernization Review, which "aim[ed] to optimize CPAs' current and future role in the transportation system as innovative assets that support inclusive growth and trade." A critical finding of the review, supported by ACPA, is that,

> "…adjustments to port governance and financial management are needed to provide ports with the tools needed to unlock greater performance, efficiency, and productivity, while also providing for a higher degree of accountability in line with leading international management practices."

Despite this important first step in modernizing ports, the Ports Modernization Review remains unimplemented with the government yet to make the needed adjustments to governance. To empower CPAs so they can continue to support the government's trade and economic priorities, ACPA and its members propose the following practical and urgent policy changes that will modernize our port system, ensure supply chain resilience, and help deliver the One Canadian Economy.

RECOMMENDATIONS

1. Enhance Port Financial Agility to Attract and Leverage Private Capital for Critical Investments

Building the port infrastructure we need to fulfill this trade agenda will require $15 – 21.5 billion by 2040; however, Canada's port authorities now face a cumbersome borrowing process that constrains their ability to fund this infrastructure gap. To overcome this funding challenge, ports need greater financial agility including modernized borrowing rules and other measures to boost financial capacity and competitiveness.

The current framework — especially the restrictions around borrowing and the federal approach to evaluating port creditworthiness — hinders how ports can innovate and grow. The government-set borrowing limits for CPAs, which are determined by a debt-coverage ratio formula set out in each CPA's Letters Patent, are often insufficient to meet the ability of CPAs to borrow private capital and self-fund infrastructure projects. And raising these current static limits requires a slow bureaucratic review of years that effectively stops the projects the increases were sought for.

By introducing higher dynamic borrowing limits for CPAs, which accommodate for earnings potential, red tape will be cut and project development accelerated through greater funding certainty. This action will also reduce reliance on federal funding to fill the port infrastructure gap by enabling CPAs to raise the private capital needed to maintain public assets and unlocking the potential to attract private investment and accelerate construction.

Recommendation: Introduce a higher dynamic borrowing limit based on a debt-coverage ratio under a formula outlined for each CPA in their respective Letters Patent.

2. Accelerate Project Approvals through Regulatory Reform

ACPA supports Canada's new commitment to faster project approvals, anchored by the Federal Major Projects Office and the goal of two-year timelines, to unlock urgent trade infrastructure development. Ports are natural candidates for major projects prioritization, given their central role in enabling exports, securing supply chains, and supporting economic growth. Yet regulatory delays continue to hold back critical investments in port terminals, logistics hubs and inland gateways. ACPA and its member ports urge the government to work with CPAs to identify and designate major port infrastructure projects as "national interest projects" and ensure they are among the early beneficiaries of streamlined approvals.

While Canada's port authorities welcome the federal government's steps to streamline project approvals for national interest projects, we see this as just one piece of what the federal government is signalling will be a broader reform agenda that we hope is extended to all project approvals and permitting processes. Timely implementation of this new regulatory approach would send a strong signal to global investors, support domestic productivity, and allow ports to meet trade, security, and climate mandates more effectively.

Recommendation: Prioritize port infrastructure projects under the Federal Major Projects Office and designate them as "national interest" for accelerated two-year regulatory approvals.

Recommendations: Accelerate and reform project approval and permitting processes for all projects.

3. Establish the Trade Diversification Corridor Fund

Prime Minister Carney has promised to establish a $5B Trade Diversification Corridor Fund, which, if realized will accelerate the investment needed to build trade infrastructure projects and ensure Canadian companies can reach new export markets more quickly and efficiently. Setting up this fund early in the government's mandate will send positive signals to important domestic and international stakeholders that Canada is intent on following through on its campaign pledges, enhancing Canadian reliability and sparking private investment.

Recommendation: Establish the $5 billion Trade Diversification Corridors Fund in the 2025 federal budget.

4. Unleash Port Potential through Partnerships and Expanded Activities

Canadian Port Authorities (CPAs) require greater financial flexibility to support their share of infrastructure development. Borrowing frameworks, broader revenue-generation opportunities, and increased latitude to collaborate across sectors are key elements to achieving this. These enhancements would boost financial capacity and position ports to attract much-needed private capital.

Reforms must also modernize the scope of port activities and partnerships. Allowing CPAs to engage more freely with other ports, Indigenous communities, and private stakeholders would improve operational efficiency and support Canada's trade diversification efforts.

Present limitations on joint ventures, capital structuring, and procurement processes are barriers to timely development and impede the fluidity of national supply chains. Streamlined rules around shared procurement and joint initiatives would foster stronger collaboration and faster delivery of critical projects. And, inclusive partnerships, especially with First Nations, would also strengthen project design and outcomes, positioning ports as strategic contributors to Canada's economic resilience.

Expanding the "activities" that ports are permitted to do could ease their dependence on federal funding by enabling new income streams and encouraging outside investment.

Recommendation: Enable CPAs to better collaborate through joint ventures, shared projects, and joint procurement with other CPAs and partners.

Recommendation: Give CPAs flexibility to capitalize subsidiaries without earning caps, aligning investment limits with the market.

Recommendation: Allow CPAs to hold equity stakes in Special Purpose Entities and joint ventures with private partners for port-related activities.

Recommendation: Expand the definition of allowed "Activities" that CPAs can engage in to allow them greater flexibility in revenue development.

5. Increase Funding to Support CBSA's Trade Facilitation Mandate.

To maintain Canada's competitiveness and supply chain resilience, the Canada Border Services Agency (CBSA) must balance trade facilitation with border security.
The Association of Canadian Port Authorities (ACPA) supports Bill C-2, the *Strong Borders Act*, for enhancing tools available to the CBSA, RCMP, and Canadian Coast Guard to combat cross-border crime. However, equal attention must be given to trade facilitation to support Canada's economic goals.

Currently, CBSA operates marine container examination facilities in only five locations, leading to delays, port congestion, and inefficiencies. Key regions like the Great Lakes–St. Lawrence Corridor lack adequate inspection capacity, resulting in underused infrastructure and fragmented trade flows. Expanding examination capacity would reduce bottlenecks, improve port efficiency, and strengthen Canada's reliability in global supply chains.

Recommendation: Increase Funding to CBSA Trade Facilitation Mandate

CONCLUSION

Canada cannot build one economy from thirteen, compete globally, and achieve our trade diversification goals without modern, secure, and agile ports. The recommendations herein will unleash CPAs' full potential as infrastructure builders, trade facilitators, and stewards of national resilience.

On behalf of Canada's 17 port authorities, ACPA thanks the committee for its continued attention and partnership. We stand ready to support implementation of these recommendations through Budget 2025 and beyond.