

Marine Transportation in Canada

Statistics Canada 2006 shows that the share of the total cargo handled by the ports and marine terminals of the 19 Canadian Port Authorities (CPAs) went up to 54.4% in 2006 from 53.2% in 2005. According to Transport Canada, goods handled at Canada's ports reached almost \$144 billion in 2006. The Marine transportation industry and associated infrastructure are integral to Canada's economy and a critical contributor to the lives of all Canadians. To maintain and improve our standard of living and quality of life, investment in marine transportation must have an enhanced role in government policy making. While there have been amendments to the Marine Act to ensure added safety and associated penalties, there remains a lack of change adaptive to the current worldwide economical shift.

The marine industry and its costs have a direct influence on our competitiveness of our exports to compete in the world economy, considering that, Canada's marine transportation system handled \$143 billion of international trade in 2006. An increasing amount is the movement of inter-modal traffic. Given Canada's trade-dependence with the rest of the world, the use of Canada's marine transportation system could continue to increase. An efficient multimodal transportation system with effective marine transportation services is crucial to Canada's trade competitiveness.

Major road systems in Canada are becoming increasingly congested, and the resulting pollution is detrimental to the environment and human health. In addition, the cost of expanding and improving road and highway systems is formidable, and to some extent that cost could be alleviated through greater reliance on marine transportation. Revitalization of transportation by canals in Europe and increased movement of goods by water along the U.S. east coast are examples of initiatives to relieve road traffic and take advantage of the environmental benefits of marine transportation (Table 1).

Even though the marine mode is the lowest contributor per tonne shipped to greenhouse gas emissions, marine transportation infrastructure is under utilized and some of our internal waterways have seen significant declines in traffic levels. The Canada Marine Act Review determined that the St. Lawrence Seaway is used to only 50 % of its capacity.

Environmental Benefits of Marine Transport

Index	Water	Rail	Road
Energy use	1	2.2	9.7
Atmospheric Emissions	1	1.4	7.6
Accidents	1	13.7	74.7
Spills	1	10.0	37.5
Noise	1	1.4	1.3

Source: Sodes and Saint-Laurent, Vision 2000. Comparative Study of the Environmental Impacts of Modes of Freight Transport in the St. Lawrence Axis, Appendix 1 (2001).

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Contained in the "Marine Industry Perspectives on Key Policy Issues in the Current Economical Context" Discussion Paper (supported by the Association of Canadian Port Authorities, Chamber of Marine Commerce, and five other associations) it demonstrated a strong concern arising on the waterways wherein the capacity rises, the demand is rapidly decreasing. First on the list of reasons for this trend, is the inability to replenish the aging fleet in use today due to the 25% import duty applied on all foreign-built ships. This excessive charge deters fleet owners from renewing fleet in a timely fashion. Something that is lost on the aforementioned environmental benefits is missed through the operation of an aged fleet.

Recommendations

That the federal government:

1. Put in place a multimodal *National Transportation Strategy* that includes supporting the marine industry with policy initiatives that increase the utilization of the waterways for transportation of all commodities and particularly inter-modal traffic.
2. Undertake a comprehensive National Goods Movement study to determine the current and future market for marine transportation services such as short sea shipping, and to identify the appropriate investment vehicles for the necessary infrastructure to serve growing demand for marine transportation.
3. Identify marine transportation as an efficient, safe and secure way of moving people and goods in an environmentally respectful way, vital to the national economy and multimodal transportation system, and ensure that marine transportation is considered when making strategic investments.

SUBMITTED BY THE HAMILTON CHAMBER OF COMMERCE

THE TRANSPORTATION COMMITTEE SUPPORTS THIS RESOLUTION