

# SHIPPING FEDERATION OF CANADA

## ISSUES & ACTIVITIES UPDATE – FEBRUARY 2006



### CURRENT MARINE INDUSTRY ISSUES

#### LAURENTIAN PILOTAGE

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The Canadian Transportation Agency recently released its reasons for ruling against the Laurentian Pilotage Authority's contested tariff increase of 5 percent plus an additional 4.9 percent, which came into effect on July 1<sup>st</sup> 2005, but has been held in trust due to the CTA hearing process. The key reasons cited by the CTA include the fact that the proposal would initiate spiralling cost increases between Districts 1 and 2 that are unrelated to service; that there have been insufficient service improvements in District 1; and that the increase would not result in financial self sufficiency for the LPA since all of the additional income would flow directly to the Corporation of Mid St. Lawrence River Pilots.

The LPA has appealed to the Governor-in-Council to overturn the CTA decision, in response to which the Federation has sent its own letter citing the reasons for which the decision should be upheld and strongly urging the Governor-in-Council against any action to reverse the CTA's ruling.

#### ATLANTIC PILOTAGE

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New tariffs for various ports, including Saint John, Restigouche, Halifax, Sydney, Bras d'Or, Humber Arm, and Bay-of-Exploits came into effect on January 1 2006. The tariffs, which vary from port to port will generate an overall increase of 4.25% for the Authority. Collective agreement negotiations with employee pilots continue to linger and will likely end up in arbitration in the first quarter of 2006. The APA and its pilots have been without an agreement for more than two years.

The Minister of Transport has ordered the Authority to make regulations that will increase the minimum size of Canadian flagged ships subject to compulsory pilotage, which should be published in 2006. This regulatory change is aimed at reducing pilotage requirements for offshore supply vessels. This will impact on the APA's business at some ports, but may also relieve the stress of pilot shortages in areas such as Placentia Bay

#### CUSTOMS ACI

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Phase II of Customs ACI program, which requires mandatory electronic reporting for all U.S. trans-border marine shipments, came into effect on December 12, 2005. For carriers who have not reported electronically in the past, the implementation window for full electronic reporting is spring

2006 (the exact date has yet to be announced). During the implementation period, the carrier must continue to present paper copies of conveyance and cargo reports to the local CBSA office, regardless of whether or not an electronic report is also transmitted. However, marine carriers who were transmitting electronic conveyance and cargo reports for U.S. loaded cargo prior to December 12, 2005 are exempt from the dual reporting requirements (i.e. they do not have to submit paper reports).

#### BALLAST WATER REGULATIONS

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Although discussions between the Federation and Transport Canada have resolved a number of outstanding issues related to the proposed ballast water regulations, the Federation continues to be concerned over several key aspects of the regulations, including the definition of ballast water, the obligations of vessels declaring no ballast on board (NOBOBs), and non-oceanic voyages along the eastern coast of North America. Following consultation with members of its Environment Committee, the Federation recently reverted to Transport Canada with a number of alternate drafting proposals designed to address these and other concerns. Although Transport had planned to obtain authorization to publish the regulations in Part 11 of the Canada Gazette in mid February, it is now doubtful that this is a realistic timetable.

#### MEMORANDUM OF UNDERSTANDING ON ENFORCEMENT

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Discussions between the industry and the government on the development of a memorandum of understanding on enforcement for ship source oil pollution are ongoing, with industry continuing to push Transport Canada and Environment Canada to include wording within the MOU that explicitly articulates the Departments' intent with respect to the enforcement of provisions under Bill C-15 (the new *Migratory Birds Act*). Of particular concern to the Federation is the need for assurance that ships and their crews will be protected under international conventions in cases of spills, and that Transport Canada will assume the lead role among other government departments as far as vessel directions and detentions are concerned.

#### LEGISLATION

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Although a number of marine-related bills (including the *Pacific Gateway Act*, the *Transportation Amendment Act* and the revised *Canada Marine Act*) fell off the docket following the dissolution of Parliament, they will likely be re-introduced once Parliament has reconvened next month. The *Canada Marine Act* is of particular concern to the industry, and the

Federation plans to make representations to Transport Canada to amend the bill before it is reintroduced. More specifically, the Federation will question why the proposed amendments pay so little attention to the recommendations of the *Canada Marine Act Review Panel*.

## FEDERATION & INDUSTRY INITIATIVES

### ICE REPORTS & MAPPING

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The Federation recently hosted a meeting between members and representatives from Canadian Ice Services to discuss the quality of ice reports and mapping provided by Canadian Ice Services. The meeting elicited agreement on a number of points including: the fact that ice reports will continue to be issued at 1800 hours everyday in order to maintain quality; the need to maintain helicopter reconnaissance by the Coast Guard as an ice-charting supplement; and the need to investigate training opportunities for navigators and ice advisors to improve the quality of daily reports.

### NATIONAL MARINE & INDUSTRIAL COUNCIL

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The National Marine and Industrial Council (NMIC) held its most recent meeting in Ottawa on November 24<sup>th</sup>. Key developments at the meeting included announcement of the Minister of Transport's intention to appoint a panel to address key pilotage issues (which would have a mandate to submit a report to government by September 2006), and of the Minister's desire to seek input from industry with respect to potential nominees to the recently created Pacific Gateway Council. Another important development was Environment Canada's announcement of its intention to become a full member of NMIC, thus joining the Departments of Fisheries and Oceans, Transport, International Trade and Foreign Affairs, all of whom are already NMIC members. To learn more about NMIC's work and deliberations, please consult <http://www.tc.gc.ca/pol/en/acf/nmic/menu.htm>.

### ENVIRONMENT CANADA INFORMATION SESSIONS

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The Federation held a day long industry familiarization session for a delegation of representatives from Environment Canada on November 17<sup>th</sup>. The session was designed to provide EC officials with an overview of the Federation's structure and mandate, to highlight the Federation's interest in environmental issues and its commitment to environmentally sustainable navigation, and to review a number of key environmental dossiers for the marine industry, including the proposed new ballast water management regulations, the Federation's Code of Best Practices for Bilge Water Management, and the upcoming memorandum of understanding with TC and EC on enforcement related to ship source pollution. The Federation will follow this initiative up with a more generalized training session for EC officials, which will serve as an introduction to the shipping industry and how it operates, and to the industry's efforts to address key environmental issues.

Planning for this session is now underway, with a view to offering the session in Ottawa in the near future.

### TRAINING AND EDUCATION

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**Marine Agency Operations Course:** The first two modules of the joint Federation \ Institut maritime du Québec course on Marine Agency Operations were held on November 18<sup>th</sup> (Documentation Needs and Requirements) and January 13<sup>th</sup> (Navigating in Canadian waters). The third and final module (Time Spent in Port) will be held on March 17<sup>th</sup>, and will cover a range of subjects including initial boarding, statements of facts and time sheets, reporting to the principal, accounts and sailing. Members who are interested in registering for this course should contact [kkancens@shipfed.ca](mailto:kkancens@shipfed.ca).

**Transportation of Dangerous Goods Courses:** The Federation's day-long course remove section about Norm Loiseau in the transportation of dangerous goods was held in Montreal on December 6 and in Toronto on January 11. The next course will be held in Quebec City on February 21st. The Federation is developing a schedule of dates and locations of dangerous goods training for 2006, which will be available shortly. For further information on dangerous goods training, please contact [jmoram@shipfed.ca](mailto:jmoram@shipfed.ca).

### GREEN SHIPPING CONFERENCE – APRIL 6TH

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The Shipping Federation's sixth annual conference, entitled "Green Shipping: A New Licence to Trade?" will be held on April 6<sup>th</sup> at the Ritz-Carlton Hotel in Montreal. The conference will take the form of a round table discussion on the impact of environmental issues on the business of shipping, and the degree to which environmental compliance is becoming a pre-requisite for being competitive in the maritime industry. Panellists – who will include representatives from the port, seaway, shipowning, ship management, environmental and government sectors - will explore and debate the topic of "green shipping" from the following key perspectives:

- How are environmental issues reshaping the business environment of the shipping industry?
- What kinds of technical / management solutions are available to the industry to respond to environmental challenges?
- What is the government's future policy direction with respect to marine environmental issues?
- Is there a match between industry expectations and government intentions on environmental issues?
- What is the business case for green shipping?

Further information on the conference will be available on the Federation's website ([www.shipfed.ca](http://www.shipfed.ca)) shortly.