

The Voice of Canadian Business™
Le porte-parole des entreprises canadiennes™

May 22, 2008

*Office of the President and
Chief Executive Officer*

*Cabinet du président
et chef de la direction*

Honourable Lise Bacon
Chair, Senate Committee on Transport and Communications
The Senate of Canada
Ottawa, ON
K1A 0A4

Dear Senator Bacon:

I would like to take this opportunity to express The Canadian Chamber of Commerce's support for Bill C-23, *An Act to Amend the Canada Marine Act (CMA), the Canada Transportation Act, the Pilotage Act and other Acts in consequence*.

The Canadian Chamber of Commerce is Canada's largest and most representative business association. We represent more than 175,000 members from every industry and every region of Canada. We participated in the 2002 review of *the Canada Marine Act* and have been a vigorous advocate for a competitive and sustainable marine transportation policy. Bill C-23 is a positive step in addressing the concerns of the Canadian business community. We strongly encourage the swift passage of this legislation.

Canada's ports are vitally important to the Canadian economy. Overall, marine transportation contributes in excess of \$175 billion annually to the Canadian economy. Canada's non-U.S. international trade represents over \$51 billion in exports and over \$125 billion in imports. Marine transport is the most used form of transportation to move goods between Canada and non-U.S. countries, accounting for 70 percent of exports and 40 percent of imports. Furthermore, the growth in trade is projected to double by 2020. To maintain and improve our standard of living and quality of life, improved transportation links, both rail and road, to ports and increased port capacity are required to facilitate Canada's growing trade volumes. Without improved access to Canadian ports and the ability of ports to handle increasing cargo volumes, Canadian ports risk losing traffic to U.S. ports, negatively impacting the Canadian economy.

The Canadian business community has been advocating for a more flexible marine transportation policy. Due to the integrated nature of the North American economy and transportation system, ensuring the competitiveness of all modes of transportation is critical to the long-term sustainability of our national multi-modal transportation system. The CMA must acknowledge the integrated nature of Canada's transportation industry, namely, that people and goods are being moved by a seamless, multi-modal transportation system that maximizes productivity and transportation efficiency.

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Under the current CMA, Canadian Port Authorities (CPAs) are restricted in the amount of capital they can access to invest in new facilities. They do not have access to federal government funding for infrastructure, and they are restricted in the amount they can borrow. Such provisions inhibit investment in infrastructure and place Canadian ports at a competitive disadvantage in comparison to U.S. competitors. Facilitating federal lending and enabling CPAs to borrow on a commercial basis will provide Canadian ports with the flexibility to respond to changes in the marketplace and compete on a level playing-field with other modes of transportation and U.S. competitors.

The proposed amendments to the *Canada Marine Act* announced by the Government of Canada address a number of our concerns. Restrictions were removed on receiving federal contribution funding and in certain cases, a commercially based borrowing regime may be implemented.

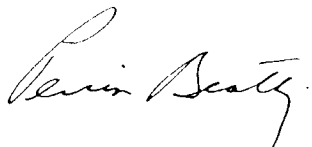
Specifically, to provide CPA access to government funding, *Section 25* of the *Canadian Marine Act* was amended to enable Canadian ports to apply for contribution funding for the capital costs of an infrastructure project; environmental sustainability; and security. The Canadian Chamber supports this amendment.

Furthermore, amendments to *Section 8(2)(l)* provide CPAs with the opportunity to work with the government in establishing a code to govern their borrowing regimes, leading to a more flexible and in some cases, commercially-based borrowing structure. The Canadian Chamber supports this amendment.

Marine transportation is a critical component to our national multi-modal transportation system. Ensuring a competitive and sustainable marine transportation sector will guarantee that our shippers and manufacturers have the ability to continue to expand their services to national and international markets in a cost effective manner. The proposed amendments to the *Canada Marine Act* will facilitate investment by Canadian ports in new facilities, enabling CPAs to efficiently respond to changes in the marketplace. Furthermore, the competitive position of Canadian ports is enhanced, facilitating increased trade and ensuring that they compete on an even footing with U.S. ports.

We trust that these comments will be helpful to you and your committee colleagues in dealing with Bill C-23.

Sincerely,

A handwritten signature in black ink, appearing to read "Perrin Beatty". The signature is written in a cursive, flowing style.

Perrin Beatty

c.c.: The members of the Senate Committee on Transport and Communications