

Bill C-33:

Safe Supply Chains Need Better Integration of Maritime Component

SUMMARY:

1. Assign anchorage management oversight to a multi-agency team.
Current research shows that anchorage has extensive environmental, health, and climate impacts, and there is a conflict of interest between the mandate of an industrial port (crown corporation) and established priorities for protection of the environment, public health, and indigenous relations,
2. Charge user fees for cargo ship total turnaround time.
A user fee system based upon total turnaround time would incentivize supply chain efficiency.
3. Mandate just-in-time cargo ship arrivals.
Vessel arrival systems as used worldwide should be mandated for Canadian ports.
4. Define port-related marine traffic to be included in greenhouse gas reduction targets.
Currently idling ships outside port boundaries are not included in greenhouse gas calculations.
5. Define the geographical area for environmental protection and community representation.
Marine waterways and adjacent communities beyond port jurisdictional boundaries require environmental protection and community representation.
6. Ministerial orders to prevent harm should include the natural environment.
The minister's powers to issue orders to protect from imminent harm should include environmental protection.

BACKGROUND

Safe supply chains need better integration of the maritime component. Ships commonly use anchorages before loading bulk commodities such as grain and coal at the Port of Vancouver. Too many ships waiting at anchor is not a sign of positive growth. It is a sign of a disconnect in the logistics between land-based and ocean-based transportation in supply chains. The result is inefficiencies that lead to long vessel lineups and congestion at port, finally translating into wasteful and serious economic and environmental costs.ⁱ

Supply chains suffering such conditions become weakened and lose their resilience. Even minor disruptions can snowball into marine traffic chaos lasting several months, 'parking problems' for waiting ships, excessive and unnecessary production of greenhouse gases, and cumulative environmental consequences in sensitive marine ecosystems^{ii,iii}.

What are the root causes of this disconnect? Inefficiencies arise when cargo availability dates and arrival dates for ships do not coincide. At the heart of the problem lies the gap between land-based sellers of commodities and international buyers sending their own or chartered ships from afar to port for loading. For many commodities, exporting sellers and their buying customers are separate legal entities with separate logistics. Last, but not least, laws and regulations on land are different and almost entirely separate from those relating to oceans and shipping.

RECOMMENDED CHANGES TO BILL C-33:

The following recommended changes refer to the text of the first reading.^{iv} Most of these concern new amendments to the current Canada Marine Act.^v

Key recommendations to consider: Underlined = proposed changes to first reading of Bill C-33.

1. ASSIGN ANCHORAGE MANAGEMENT OVERSIGHT TO A MULTI-AGENCY TEAM

Transport Canada recently invited public opinion regarding the question of whether the Port of Vancouver should be given management of Southern Gulf Islands (SGI) industrial anchorages.^{vi}

Compelling reasons why this should not be allowed have been described in detail.^{vii,viii} Foremost, a port authority is not a level of government but a crown corporation. There is a conflict of interest because of its commercial mandate, and there is a lack of sufficient regulatory powers for effective measures.

Giving exclusive jurisdiction and use of anchorages in the Salish Sea to port authorities

for commercial profit at the expense of public interests can hardly be considered a good solution.^{ix} Anchorages are overlapping with geographic space of several other national priorities, First Nations claims and fisheries, and multiple jurisdictions including ownership of the seabed by the province, and in the case of the Southern Gulf Islands, the provincial Islands Trust Act, with a mandate to protect and preserve these islands and adjacent waters.

Multi-agency and multi-jurisdictional input is necessary for a fair and appropriate management of anchorages in natural environments. A management plan for the National Marine Conservation Area Reserve for the Southern Gulf Islands, on which the federal government has been working on for twenty years, is long overdue and would be a better alternative. Such a management plan will be inclusive and is subject to parliamentary approval.^x

Bill C-33 100(f.2) Manage traffic in order to promote the efficiency of supply chains, with anchorage management oversight assigned to a multi-agency team representing fisheries, environment, climate, health, air quality, and indigenous relations.

2. CHARGE USER FEES FOR CARGO SHIP TOTAL TURNAROUND TIME

Charging user fees for specific anchorages, which are contested by First Nations and communities, and which are in planned or existing protected marine areas, would create a status quo or precedence for industry rights that is not in the interest of the public.

An effective alternative is charging fees for the total turnaround time of ships at port and in the Salish Sea, for international traffic after entering the vicinity of a port and before leaving. This area can be defined as the pilotage area in which a port is situated. These pilotage areas are already defined for both sides of the nation, and the Great Lakes.^{xi} For example for the Port of Vancouver, almost all international traffic enters the pilotage area east of Victoria and leaves through the same route.

Such user fees can be in the form of financial incentives and disincentives, for example by crediting users with above-average turnaround performance from revenue by less efficient users. This would foster healthy competition and it means that making efficient supply chains will be good business.

Time spent at anchor is directly correlated with poor efficiency and lack of resilience in supply chains, and it is directly correlated with environmental and socio-cultural impacts as well as excessive production of greenhouse gases.^{xii,xiii}

Fees for turnaround time of ships at port and in the Salish Sea are not difficult for

administration, and multiple problems can be addressed in a cohesive manner that makes commercial sense.^{xiv}

New Amendment ***Canada Marine Act, Section 49(1), Fixing of Fees:***

“(d) any activity or time spent that is producing greenhouse gases by vessels using the port, not including international marine traffic before entering and after leaving pilotage areas as defined under the Pilotage Act”;

3. MANDATE JUST-IN-TIME CARGO SHIP ARRIVALS

Poor efficiency has been reported for Port of Vancouver.^{xv} A recent study performing quantitative analysis and preliminary computer simulations demonstrated the importance of vessel arrival for port congestion problems at the Port of Vancouver.^{xvi}

Virtual arrival systems facilitating the just-in-time arrival of ships at ports have become an international standard and have been recommended for the Port of Vancouver numerous times, including their own advisory panel on active traffic management.^{xvii,xviii,xix,xx,xxi,xxii,xxiii}

Nevertheless, the Port of Vancouver has not implemented any such efforts used at other international ports in their new traffic management AVTM.^{xxiv}

It is time for mandating such measures for Canadian ports, to expedite closure of overflow anchoring in vulnerable marine ecosystems, such as the Southern Gulf Islands, where there are some 300 species at risk and persistent multiple negative environmental and health impacts of anchoring.

Marine Act, Purpose of the Act, Section 4:

“(f.3) integrate the marine component into supply chains by applying principles of just-in-time arrival for vessels at port, for the purpose of harmonizing the arrival of goods and ships at port terminals, increasing efficiency and resilience of supply chains, and minimizing marine traffic and environmental impacts in the pilotage areas in which a port is situated.”

Marine Act, Definitions, 2(1):

“**just-in-time arrival** means the arrival of ships in pilotage areas near ports at a time when terminals are ready to load or unload specific goods, thereby requiring port users to allow for virtual or electronic arrival procedures, provide necessary electronic data to a port authority, which is required to maintain healthy competition by safeguarding and protecting sensitive business information and coordinate communication with

approaching ships”

“pilotage area means an area of water in which ships are subject to compulsory pilotage as defined under the Canada Pilotage Act, 1985”

4. DEFINE PORT-RELATED MARINE TRAFFIC TO BE INCLUDED IN GREENHOUSE GAS REDUCTION TARGETS

It appears that the Port of Vancouver is not reporting ship activity outside of its area of jurisdiction, thus vastly underestimating greenhouse gas production and anchorage use of port-related marine traffic.^{xxv}

Such loopholes should not exist. In order to address logistic and environmental problems comprehensively, all local marine traffic that is directly related to port visits should be reported, including ships idling at Salish Sea anchorages. This can be achieved by amending simple and practical geographic boundaries for port traffic that have already been established under the Pilotage Act.

At the same time, this defines clearly that international voyages are not included in reporting by port authorities.

Amend proposed text for ***Canada Marine Act, Replacement of Subsections 27(2) and (3):***

“(a) establishing a greenhouse gas emissions reduction target in respect of the operation of a port by a port authority, not including international marine traffic before entering and after leaving a pilotage area as defined under the Pilotage Act”;

5. DEFINE THE GEOGRAPHICAL AREA FOR ENVIRONMENTAL PROTECTION AND COMMUNITY REPRESENTATION.

Bill C-33 brings advancements such as advisory committees from communities. As discussed above, port traffic exceeds the area of jurisdiction of a port authority. Mandated levels of safety and environmental protection, as well as representation from communities, should include all areas that suffer from traffic managed by a port.

This can be easily defined and amended as follows:

Marine Act, Purpose of the Act, Section 4:

“(d) provide for a high level of safety and environmental protection throughout the Canaian Territorial Sea.

(f) manage the marine infrastructure and services in a commercial manner that encourages, and takes into account, input from users and the community located along

the Territorial Sea within which marine traffic transits, moors, and anchors.

6. MINISTERIAL ORDERS TO PREVENT HARM SHOULD INCLUDE THE NATURAL ENVIRONMENT.

The proposed amendment **107.1 (1)** allows the Minister to take immediate action to prevent harm, but harm to environment is not included. This should be remedied by amending the following section, or a respective section should be amended in the **'Purpose' section 4(d)**.

"107.1 (1) If the Minister is of the opinion that there is a risk of imminent harm to national security, national economic security or competition that constitutes a significant threat to the safety and security of persons, goods, the natural environment, ships or port facilities or the security of supply chains, the Minister may, by order, require a port authority or a person in charge of a port facility to take any measure, including corrective measures, or stop any activity that the Minister considers necessary to prevent that harm."

Also, ships carrying dangerous goods should not be allowed to cross sensitive or protected areas such as the Southern Gulf Islands. The Transportation of Dangerous Goods Act, 1992, and its regulations should be examined for enforcing such measures, and if insufficient, such provisions should be amended to Bill C-33.

Summary of Recommendations

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5 Define geographical area for environmental protection and community representation.

Marine waterways and adjacent communities beyond port jurisdictional boundaries require environmental protection and community representation.

6 Ministerial orders to prevent harm should include the natural environment.

The minister's powers to issue orders to protect from imminent harm should include environmental protection.

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