

Speaking notes for
The Honourable Lisa Raitt, P.C., M.P.
Minister of Transport

to address the
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Introduction

- *(Acknowledgments of APPA officials, others, as appropriate...)*
- Thank you for your kind words of introduction and warm welcome.
- I'm delighted to be here for your annual spring conference to update you on activities taking place on Canada's marine transportation scene.

- As a former president and CEO of the Toronto Port Authority, I relish this chance to catch up with friends and former colleagues.
- It's also an opportunity to listen and learn how we can advance our mutual goal of increasing international trade.

Government of Canada's Economic Record

- The Government of Canada is committed to building safe, secure, environmentally responsible and efficient transportation networks that support global trade and economic growth.
- We have an impressive track record to back that up.

- Under the leadership of Prime Minister Harper, our focus remains on jobs, growth and long-term economic prosperity.
- We have met the challenge of the global economic crisis head on with our Economic Action Plan.
- We paid down debt and we cut taxes to stimulate job growth.

- Today, Canada has the strongest job record in the developed world, creating almost 1.1 million jobs since the recession - over 85 per cent of them full-time and in the private sector.
- Not a single Canadian bank had to be bailed out during the credit crisis and the World Economic Forum continues to rank Canadian banks the soundest in the world.

- We also have one of the smallest deficits in the industrialized and we're on track to balance the budget next year.
- We do all this at a time when many Western governments are still facing large deficits.
- Our record of fiscal prudence and sound economic management has drawn international recognition.

- The OECD, the IMF and Bloomberg have ranked Canada one of the best countries in the world to do business.
- To capitalize on these strengths, we have launched an ambitious free trade agenda.
- Canada has concluded free trade agreements with ten countries and is negotiating with about 30 more.

- We've witnessed the benefits of agreements like the ground-breaking North American Free Trade Agreement, now 20 years old, for businesses and workers alike.
- Since the signing of NAFTA, the North American economy has more than doubled in size – from U.S. \$8 trillion dollars in 1993 to U.S. \$19.2 trillion dollars in 2012.

- Late last year, our government announced an historic agreement-in-principle with the 28-nation European Union, providing access for Canada to a market of more than 500 million consumers.
- The Canada-E.U. Trade Agreement could boost the Canadian economy by \$12 billion dollars annually.
- That's the equivalent of creating 80,000 jobs a year.

- And, earlier this month, Prime Minister Stephen Harper announced a trade agreement with Korea.
- This landmark achievement, Canada's first trade agreement with an Asian market, will provide access for Canadian businesses and workers to the fourth largest economy on the Asian continent, with an annual GDP of \$1.1 trillion dollars and a population of 50 million people.

- Canadian exports to Korea, alone, are projected to grow by 32 per cent.
- Much, if not the majority, of this new business will involve maritime shipping.
- Stephen Harper, Prime Minister of Canada, has demonstrated his leadership and judgement through challenging economic times and our Government will continue implementing our low-tax plan for jobs and growth.

Marketplace framework

- To realize Canada's full potential, our Government has moved toward marketplace-based transportation frameworks to promote competition and efficiency.
- And they're working.

- Thanks to the divestiture of key ports and the privatization of railways and air carriers, the productivity of Canada's transportation sector grew by more than 31 percent from 1986 to 2008.
- Canadian ports, terminals, railroads, other transportation providers and government agencies have worked hard.

- We are continuously improving supply chain efficiency, reliability, and security to stay competitive in the continuously evolving world of global commerce.

Infrastructure investments

- Equally important, our government has invested strategically in Canada's transportation infrastructure.
- We have adopted a "gateway" approach to transportation and trade.
- In 2006, we launched the Asia-Pacific Gateway and Corridor Initiative.

- The Initiative supports strategic transportation infrastructure on our west coast, including principal road and intermodal connections, key border crossings and major Canadian ports.
- To date, we have invested \$1.4 billion dollars in Asia-Pacific Gateway projects, in partnership with all four western provinces, municipalities and the private sector.

- This has culminated in an overall investment of more than \$3.5 billion dollars.
- We believe firmly in leveraging private sector funding to make taxpayer investments go further.

- As well, since 2007, we have announced 39 strategic infrastructure investments in nine provinces under the \$2.1 billion dollar Gateways and Border Crossings Fund.
- This includes investments in the Atlantic Gateway and Trade Corridor, a fully integrated multimodal transportation system.

- It offers deep water ports, efficient and reliable road and rail networks with access to U.S. markets, and airports with air cargo access to and from international markets.
- Other investments have benefitted the Great Lakes-St. Lawrence Seaway – a major economic asset to both our countries and to the competitiveness of shippers and ship-owners alike.

- The Seaway supports more than 200,000 jobs in Canada and the U.S. as well as \$35 billion dollars in business revenue.
- Between 2009 and 2012 traffic volumes on the Great Lakes-St. Lawrence Seaway rose by almost 30 per cent.
- They actually exceeded pre-recession levels in the Montreal-Lake Ontario section of the Seaway.

- Our recently announced New Building Canada Plan takes our government's unprecedented investments in infrastructure to the next level.
- Key transportation assets, including port infrastructure, will be eligible for funding under the \$4 billion-dollar National Infrastructure component of the Plan, which is earmarked for projects of national significance.

- This recognizes that, in today's highly-competitive environment, we need constant improvements in port capacity and port productivity.
- We also want to continue to encourage private sector partnerships and investment in marine infrastructure to stay competitive.

Ballast Water

- Ballast water is a regulatory matter affecting the safety of ships, crews and the environment.
- Even as we seek to increase our international trade, we want to keep invasive plants and animals out of Canadian waters.

- A global industry needs global solutions, which is why Canada has ratified and supports an international convention on ballast water.
- Transport Canada is working in Canada, in the United States and internationally towards fair, compatible, practicable and protective ballast water requirements.

Tanker Safety

- Another critical component of our global growth strategy is ensuring the safe navigation of tankers to protect both the safety of Canadians and our environment.
- In Canada, we have a strong legislative and regulatory regime that governs marine safety and which complements and reinforces our commitment to international regulations established by the International Maritime Organization.

- Our government has put in place strict rules and regulations governing the development and shipment of products like oil and gas to safeguard public health and the environment.
- Based on sound science and world-class standards, we are taking steps to ensure the tankers that carry these goods are equally safe.

- For example, large crude oil tankers can no longer operate in Canadian waters without a double hull.
- And all Canadian flagged tankers are inspected at least once a year to ensure they comply with current legislation and regulations.
- These inspections now extend to foreign tankers.

- This means that every foreign tanker in Canadian waters is inspected on its first visit to a Canadian port and again each year thereafter.
- We have also expanded the National Aerial Surveillance Program to keep a watchful eye over ships.

- Three aircraft strategically placed across the country, using state-of-the-art remote sensing equipment to monitor shipping activities over all waters under Canadian jurisdiction.
- This initiative includes the Integrated Satellite Tracking of Pollution Program, which can identify potential spills from satellite images.

- We are establishing an Incident Command System to allow the Canadian Coast Guard to lead and coordinate a more effective response to major incidents.
- The Coast Guard will integrate its operations with key partners, including private-sector response organizations.

- We are also:
 - Reviewing pilotage and tug escort requirements for vessels using our ports;
 - Improving our system of navigation aids – buoys, lights, etc;
 - Conducting research on diluted bitumen to better understand its behavior in the marine environment; and,
 - Developing options to enhance our current navigation system.

- Another pillar of a world-class tanker safety system is a liability and compensation regime that ensures polluters pay for oil spill clean-ups and compensates those affected by spills.
- We recognize that spills are a shared responsibility of ship owners and shippers.

- Our Government appointed a Tanker Safety Expert Panel to improve our knowledge and understanding of how well the current system is working.
- The panel reviewed our current ship-source oil spill preparedness and proposed new ways to bring Canada's tanker safety system to a world-class status.

- The panel submitted their first report in November of 2013 with recommendations to improve oil tanker safety on Canada's east and west coasts.
- We are studying the report and will take all necessary actions to prevent oil spills, clean them up should they happen, and ensure that polluters pay.

- The panel is now focusing its attention on ship-source oil spill preparedness and response requirements in the Arctic, as well as requirements for a national hazardous and noxious substances system.
- A second report will be prepared for this fall and I look forward to its release.

DOT-111 Rail Cars

- Similarly high standards apply to rail tankers carrying dangerous goods to market or to ports for export.
- Following the tragedy in Lac-Mégantic, we took immediate action to improve rail safety and the transportation of dangerous goods in Canada.
- Among the many steps, in January of this year, I issued new regulations for Class 111 tank cars.

- This includes thicker steel requirements as well as the addition of top fitting and head shield protection.
- Some companies have begun building tank cars to the new standard, and these are already in service within Canada.

- We have also appointed a Railway Safety Advisory Committee composed of railway companies, the Railway Association of Canada, provinces, shippers, suppliers, municipalities and officials from my department.

- Transport Canada is also discussing with the US regulators and key industry stakeholders what other improvements can be made to the DOT-111 tank car.
- This includes looking at retrofitting, repurposing and retiring of the older DOT-111 fleet.

Harbour Maintenance Tax

- I would like now to spend a few moments on proposed legislation that would impose a tax or fee on inbound cargo entering the U.S. from Canadian ports.
- This is an issue of grave concern to port authorities in our country and to the Government of Canada.
- We firmly believe that such a move is unwarranted.

- Proponents claim that the proposed legislation is needed because the Harbor Maintenance Tax creates a competitive disadvantage for U.S. ports compared to Canadian ports.
- Canada competes on a fair playing field.
- Our ports are independent, self-governing and self-financing.

- The number of U.S. containerized cargo imports via Canadian ports has actually decreased over the past decade.
- U.S. ports handle a substantially higher proportion of Canada's domestic cargo – at least three times the average of U.S. cargo moving through Canadian ports.

- Consider this: since the beginning of 2009, U.S. good exports to Canada have increased by 25 per cent – helping America to bounce back from the recession.
- The United States' and Canada's ability to move products across our borders safely and efficiently gives our integrated economy a major competitive edge.

- This is something we have actively worked to advance through the Beyond the Border Action Plan initiative.
- We should not be undermining our shared competitiveness by imposing new barriers and impediments to our integrated supply chain.
- It is incumbent on me to highlight that more than eight million American jobs depend on trade and investment with Canada.

- In 2013, Canada's total merchandise trade with the U.S. was \$605 billion dollars.
- The United States and Canada enjoy the largest and most important bilateral trading relationship in the world.
- As a result, we have a shared interest in safe and efficient transportation systems that support job creation and economic growth on both sides of our border.

- Our governments are working to harmonize systems and support this bilateral trade and growth.
- The imposition of any new tax would have a negative effect on trade, growth and jobs- an impact that will be felt on both sides of the border.
- This would be in nobody's best interest.

- Canada supports an open, transparent, market-based approach to our most important bilateral trade relationship.
- But, rest assured. We will vigorously defend our trade interests and the rights attained through our international trade agreements.
- So I trust we can count on the AAPA's support to advocate for this position with the Administration and Congress.

Conclusion

- I am confident we will be able to resolve differences such as this that occasionally arise.
- Because trade irritants should not stand in the way of the powerful economic partnership and longstanding friendship our two countries enjoy.
- And, at the end of the day, we share common objectives: increased trade, economic growth, and job creation in a working environment that is safe, secure and sustainable.

- We look forward to working with crucial partners like you – and countries the world over – as we pursue long-term economic growth, jobs and prosperity for us all.
- Thank you.