

Navigating the Political Landscape in Canada

February 9, 2016



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New Liberal government

- Mandate for change produced a comfortable, geographically representative majority with cities as a foundation.
- Personal popularity of Prime Minister Justin Trudeau provides a flexible mandate
- Trudeau embodies a shift in values toward openness, transparency, collaboration, consultation, a more positive tone.
- Bottom line: A greater focus on sustainability and the environment as a key, persisting consideration in economic decisions.
- With a majority government (184 MPs) the Liberals will not need the support of any other party

Collaboration and Accountability

**A New Tone for Governing –
Ministers to be accountable
for the Liberal commitment
to bring a different style of
leadership to government.**



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The Liberal government is also bringing with it a renewed sense of collaboration, accountability and transparency.

Mandate Letters to Ministers included the following excerpts:

- Honesty and a willingness to listen
- Work to be informed by feedback from Canadians
- Pursuit of goals with a renewed sense of collaboration
- Constructive dialogue with stakeholders
- Acknowledge mistakes when they are made
- Expectation of being open, honest and sincere



Liberal Government Priorities

Increased investment in green infrastructure is a key element of the Liberal economic plan.

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A new liberal government drastically changes our political environment in Canada. Here are some key areas and themes from our new government that will affect Ports.

Green Infrastructure


Increased investment in green infrastructure is a key element of the Liberal economic plan.

In addition to economic imperatives, Prime Minister and his team are resolved toward showing progress on protecting oceans, waterways, and fighting climate change.

Reducing GHG's – Implications for Ports



“ Develop a plan to combat climate change and reduce greenhouse gas emissions, consistent with our international obligations and our commitment to sustainable economic growth ”

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- Environment Mandate Letter
 - **In partnership with provinces and territories, develop a plan to combat climate change and reduce greenhouse gas emissions, consistent with our international obligations and our commitment to sustainable economic growth. You will attend the Paris climate conference with me and, upon our return, we will set a date to meet with provincial and territorial leaders to develop a pan-Canadian framework for addressing climate change.**
 - **In partnership with provinces and territories, establish national emissions-reduction targets, ensuring that the provinces and territories have targeted federal funding and the flexibility to design their own policies to meet these commitments, including their own carbon pricing policies. These targets will recognise the economic cost and catastrophic impact that a greater-than-two-degree increase in average global temperatures would represent, as well as the need for Canada to do its part to prevent that from happening. As part of this effort, support the Minister of Finance in creating a new Low Carbon Economy Trust to help fund projects that materially reduce carbon emissions under the new pan-Canadian framework.**

- Treat our freshwater as a precious resource that deserves protection and careful stewardship, including by working with other orders of government to protect Canada's freshwater using education, geo-mapping, watershed protection, and investments in the best wastewater treatment technologies. Work with the Minister of Finance to fulfill our G20 commitment and phase out subsidies for the fossil fuel industry over the medium-term.
- Supported by the Ministers of Fisheries, Oceans and the Canadian Coast Guard, and Natural Resources, immediately review Canada's environmental assessment processes to regain public trust and help get resources to market and introduce new, fair processes.
- Working in collaboration with the Minister of Fisheries, Oceans and the Canadian Coast Guard, renew our commitment to protect the Great Lakes, the St. Lawrence River Basin and the Lake Winnipeg Basin.
- Work with the Minister of Fisheries, Oceans and the Canadian Coast Guard to increase the proportion of Canada's marine and coastal areas that are protected – to five percent by 2017, and ten percent by 2020 – supported by new investments in community consultation and science.

Liberals favour trade

“ The Liberal Party of Canada strongly supports free trade, as this is how we open markets to Canadian goods and services, grow Canadian businesses, create good-paying jobs, and provide choice and lower prices to Canadian consumers ”





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Liberals will build on trade legacy of previous governments in their own way.

“The Liberal Party of Canada strongly supports free trade, as this is how we open markets to Canadian goods and services, grow Canadian businesses, create good-paying jobs, and provide choice and lower prices to Canadian consumers,” Liberal leader Justin Trudeau on October 5 2015, during federal election campaign.

*On the trade file, criticism of the Conservative government was reserved to process and consultation.

- Liberals maintained a pro- trade posture throughout the election campaign, even when they strayed as far as possible from the Conservative government’s position on virtually every other topic.
- Liberal Trade Minister Chrystia Freeland expected to continue the work of the Conservative government on TPP and CETA. There is speculation Freeland could begin work toward a FTA with China.
- Trudeau has maintained his pro-trade tone in meetings with President Obama and other world leaders at events such as G20, APEC, and World Economic Forum.

Federal Budget



“ The next Canadian federal budget will focus on investments that boost exports and investments in “Trade Corridors” ”


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- Budget 2016 will be geared to stimulus and will focus on short term, shovel ready projects.
- Budget 2016 will have a section on investing in “Trade Corridors”. A major focus will be on making investments that “boost exports”. This is clearly good news for ports.
- As ports, our ‘hook’ needs to be to talk about how investments in port infrastructure will boost exports.
- Next years, Budget 2017 will be the “Legacy Budget” for the Liberal Government and have bigger spending and long term infrastructure investments.
- We should expect a budget “sooner rather than later.”



Transport Canada



“ Greater investments in Canada’s roads, bridges, transportation corridors, ports, and border gateways, helping Canada’s manufacturers get their goods to market ”

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- Marc Garneau Mandate Letter

- Formalize a moratorium on crude oil tanker traffic on British Columbia’s North Coast, working in collaboration with the Minister of Fisheries, Oceans and the Canadian Coast Guard, the Minister of Natural Resources and the Minister of Environment and Climate Change to develop an approach.
- Work with the Minister of Infrastructure and Communities, who will have the lead, on the delivery of a newly-focused Building Canada Fund which will make greater investments in Canada’s roads, bridges, transportation corridors, **ports**, and border gateways, helping Canada’s manufacturers get their goods to market.
- Lead, with the support of the Minister of Agriculture and Agri-food and in the context of responding to the review of the *Canada Transportation Act*, a full review of the Canadian grain transportation system.
- Work with the Minister of Fisheries, Oceans and the Canadian Coast Guard and the Minister of Environment and Climate Change to improve marine

safety.

- Work with the Minister of Fisheries, Oceans and the Canadian Coast Guard to review the previous government's changes to the *Fisheries Act* and the *Navigable Waters Protection Act*, restore lost protections, and incorporate modern safeguards.

Opportunities for Canadian ports

INFRASTRUCTURE

REGULATORY

PORT SECURITY

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Provide a one-time injection of \$1.9 billion for the rehabilitation of existing port assets.

Remove barriers to financial flexibility for ports by improving the amendment process for supplementary letters patent and providing flexibility on borrowing capabilities.

Allocate \$10 million towards the creation of a new port security program.

Areas that could be challenging for ports under new government (Do No Harm)



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1. Oil Tanker Traffic Prohibition in Northern B.C.
2. Managing change as the new government addresses climate change. ACPA can show leadership if it can participate in and navigate through the process. Example: avoiding radical change to fuel standards, which could hurt jobs and investment.
3. First Nations: Federal duty to consult not comprehensively defined for ports. Implications for all 18 ports, not only British Columbia.
4. Managing commitments on freshwater commitment, and mitigating the Ontario example and impacts re: Great Lakes.

Questions?



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