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**To:** Planning Committee  
**From:** Terry Crowe  
Manager, Policy Planning  
**Date:** August 28, 2002  
**File:** 0140-20-TCAN1-01  
**Re:** SUBMISSION TO CANADA MARINE ACT REVIEW PANEL

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**Staff Recommendation**

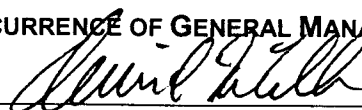
That:

1. The City of Richmond forward the attached Report from the Manager, Policy Planning to the Canada Marine Act Review Panel and submit the following issues for the Panel's consideration:
  - a. Continue federal funding and support for services (e.g. dredging, dyking, etc.) that are essential to ensuring that ports are able to remain competitive in the global economy;
  - b. Review the structure of Port Authority Board of Directors with a view to increased municipal representation on Port Boards;
  - c. Amalgamate the Fraser River Port Authority (FRPA) and the Port North Fraser (PNF) into one port authority; and
2. The Richmond Members of Parliament, Members of the Legislative Assembly and the Greater Vancouver Regional District also be informed.

  
Terry Crowe  
Manager, Policy Planning

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CONCURRENCE OF GENERAL MANAGER



## Staff Report

### Origin

The Fraser River Port Authority (FRPA) has informed the City of Richmond that the Minister of Transport, the Honourable David Collenette, has formed a four-member panel to conduct a review of the Canada Marine Act (CMA). The Review Panel will be consulting with stakeholders across the country and reporting its results and recommendations to the Minister in early 2003.

The CMA Review Panel will be in Vancouver on October 23 and 24, 2002 to conduct hearings with stakeholders. The deadline for submissions to the Review Panel is September 24, 2002. An overview of the CMA Review Panel and its mandate is included as **Attachment 1**.

### Background on the Canada Marine Act

The Canada Marine Act (CMA), which received Royal Assent in June 1998, serves the following purposes:

1. To make the system of Canadian ports competitive, efficient and commercially oriented;
2. To provide for the establishment of port authorities and the divesting of certain harbours and ports;
3. To manage the commercialization of the St. Lawrence Seaway and ferry services;
4. To improve pilotage authorities and manage other matters related to maritime trade and transport.

Included in the CMA is a provision to review the Act during the fifth year after it received Royal Assent.

### Port Authorities in Richmond

Of the 19 port authorities in Canada, Richmond is located within the jurisdiction of two of them: the Fraser River Port Authority (FRPA) and the Port North Fraser (PNF). Both port authorities were previously harbour commissions. When the CMA was enacted, they became re-established as port authorities as part of a National Ports System made up of independently managed Canada Port Authorities. This restructuring enables major ports to be governed by clear and consistent criteria from coast to coast.

The FRPA and PNF are governed by a Letters Patent that outlines their duties, powers and responsibilities. Both port authorities have a seven-member Board of Directors, appointed by the three levels of government in consultation with port users.

### Fraser River Port Authority

The FRPA has approximately 227 km (141 miles) of shoreline extending along the south arm of the Fraser River from the Strait of Georgia to Kanaka Creek in Maple Ridge and along the Pitt River to the mouth of Pitt Lake.

The FRPA manages navigation and administration of the harbour and approximately 514 ha (1,270 acres) of upland properties within its jurisdiction along the Fraser River. Most of the FRPA's upland sites are used for deep sea and coastal terminals, as well as for industrial and other port-related purposes. The Port serves both domestic and international cargo shipments of goods ranging from lumber and lumber products to steel and automobiles. The FRPA also performs other services such as channel maintenance through dredging and is involved in debris management.

### Port North Fraser

The PNF encompasses approximately 90 km (56 miles) of foreshore along the North Arm of the Fraser River extending from Pacific Spirit Park and the University Endowment Lands to 20<sup>th</sup> Street in New Westminster. The Middle Arm of the Fraser River, which runs between Sea Island and Lulu Island, is also managed by the PNF.

The Port functions as a shallow draft, tidal influenced waterway. It is a secondary trade and transportation route which handles domestic cargo almost exclusively. In addition to maritime shipments, the PNF administers approximately 920 ha (2,273 acres) of land and waterlots on behalf of the provincial and federal governments. The major industrial sectors in the PNF area include forestry, fishing, steel operations, barging, warehousing and distribution terminals and tugs.

### **Analysis**

As a stakeholder in the National Ports System, the City of Richmond can make a formal submission to the Canada Marine Act Review Panel. This section outlines the issues that Staff have identified and wishes to raise to the Panel.

### **Federal Financial Support For Port Activities**

#### Ports Competitiveness

British Columbia ports face competition from West Coast United States ports which have different fiscal and taxation policies that enable them to attract business and investment. In order to remain competitive as a gateway for shipping, BC ports need to ensure their continued operating efficiency and effectiveness.

The Fraser River, for example, is a key component of the Province's economy as it is a living, working river that currently supports deep sea terminal activities and the West Coast salmon run. Eleven (11) of 19 municipalities that make up the Greater Vancouver Regional District (GVRD) border the Fraser River.

Currently, Richmond is participating with other GVRD municipalities in studying ports competitiveness.

### Dredging

In order to maintain the level of river flows and enable bulk and container shipping vessels to access deep sea port terminals, the Fraser River requires regular dredging to remove sediment that has been carried down the river and built up on the river floor. Dredging not only enables vessels to safely navigate the Fraser River, but also reduces the threat of flooding in bordering municipalities.

Until 1997, the Federal Government had allocated capital and operating funds for channel development and maintenance programs that included dredging of and dyke maintenance along the lower Fraser River. The Canadian Coast Guard and the Department of Fisheries and Oceans discontinued the dredging programs and directed that the Port Authorities benefiting from dredging should assume the financial responsibility for this work.

This decision by the Federal Government has created financial hardship for the Port Authorities that have to undertake dredging. The FRPA, for instance, is working towards a model that would finance dredging from the sale of Fraser River sand. However, this model is market driven, not yet profitable, and may not be sustainable over the long term.

Without federal funding for dredging, the secondary channels, including the Steveston Harbour, will silt up very quickly and become unusable for navigation. Waterborne commerce, economic growth and development, and flood control benefits will also be jeopardized if the Fraser River navigation channels are not regularly maintained.

### Dyking

Dyking and dredging are essential related activities. Without dredging, extra dyking will be required. With dredging, existing dykes still must be maintained and upgraded as necessary. As with dredging, dyking should be supported and funded by multi-sectors, including the federal government.

### Summary

The City urges the Review Panel to consider the impact that the lack of federal funding will have on the ability of local port authorities to continue to operate efficiently and effectively. If the CMA is to help Canadian ports be competitive, efficient and commercially-oriented, it is essential that there be federal support to keep commercial waterways properly maintained and protected. Just as there are many sectors which benefit from dredging and dyking, there should be multi-sector and federal government funding for it.

The City requests that the CMA Review Panel urge the Federal Government to continue to provide or fund services such as dredging, dyking and other river maintenance that will help local port authorities to function effectively and remain competitive in today's global economy.

## **Municipal Representation on Port Boards**

The local port authorities now consist of seven directors, appointed as follows:

1. The Governor in Council appoints one individual nominated by the Minister of Transport;
2. The municipalities mentioned in the Letters Patent of the port authority appoint one individual for all municipalities;
3. The Province of British Columbia appoints one individual;
4. The Governor in Council appoints the four remaining individuals nominated by the Minister of Transport in consultation with the users selected by the Minister or the classes of users.

Municipalities are only directly involved in the selection of one individual on the Board of Directors. In the case of the FRPA, there are nine (9) municipalities that fall within the port authority's jurisdiction and are mentioned in the Letters Patent. These 9 municipalities are only permitted to share in the appointment of one individual to the Board. Currently, the municipal representative is Mr. Geoff Day. The majority of directors are federally appointed.

Municipalities have a close, essential relationship with port authorities and can influence the shape of development through their jurisdiction over servicing, infrastructure and transportation issues in the uplands. It would be desirable to have more representatives appointed by municipalities in order that local issues can be better addressed, represented and co-ordinated.

The City of Richmond requests that the CMA Review Panel re-consider the structure of the Port Authority Board of Directors to enable greater representation by the municipalities that are within the jurisdiction of the port authorities. For example, four (4) municipal representatives would be better.

### **City – FRPA – PNF Relationships**

The City co-operates and has a working relationship with both port authorities.

With the FRPA, the City:

1. Established a City-FRPA Liaison Committee which meets at least quarterly to address issues of mutual concern;
2. Provided input into the FRPA's Land Use Plan;
3. Is co-operating to develop the FRPA's Fraser-Richmond Lands (281 hectares/694 acres) for a deep sea port;
4. Is finalizing a First Accord to improve co-operation among the FRPA and the eight other municipalities; and
5. Is finalizing a Second Accord to better co-ordinate City-FRPA interests.

With the PNF, the City:

1. Provided input into the PNF's Land Use Plan;
2. Co-operates to address specific issues (e.g. site specific development); and
3. Is considering entering into an Accord to better co-ordinate interests.

While the City co-operates with both port authorities, it has to:

1. Duplicate efforts in co-ordination, co-operation, planning, administration and resources; and
2. Prioritize among the two port authorities which initiatives it will pursue in a timely manner.

### **Amalgamation of the Fraser River Port Authority (FRPA) and the Port North Fraser (PNF)**

The Fraser River is currently managed by two separate port authorities. Although the nature of the activities of the North Arm and the South Arm of the Fraser River are different, both port authorities focus on efficiency and effectiveness in its commercial shipping functions and river management, and both have common approaches to environmental issues.

It would seem reasonable to combine the two authorities in order to simplify administration and ensure that all of the Fraser River is managed by one common vision, jurisdiction and set of policies.

The City requests that the CMA Review Panel re-assess the jurisdiction and functions of the FRPA and PNF and amalgamate them into one port authority.

### **Conclusion**

The CMA Review Panel is seeking input from interested stakeholders to consider any changes or refinements of the Canada Marine Act.

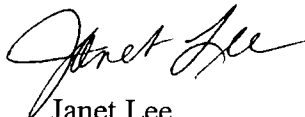
The City of Richmond submits the following key issues to the CMA Review Panel for its consideration:

1. Continue federal funding and support for services (e.g. dredging, dyking, etc.) that are essential to ensuring that ports are able to remain competitive in the global economy.
2. Review the structure of Port Authority Board of Directors with a view to increased municipal representation on Port Boards.
3. Amalgamate the Fraser River Port Authority (FRPA) and the Port North Fraser (PNF) into one port authority.

August 28, 2002

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It is recommended that this submission be endorsed by the Council of the City of Richmond and forwarded to the CMA Review Panel as well as to Richmond's Members of Parliament and Members of the Legislative Assembly and to the GVRD for information.



Janet Lee  
Planner 2

JL:cas



Transport Canada  
Canada Marine Act  
Review Panel

Transports Canada  
Loi maritime du Canada  
Comité d'examen



July 24, 2002

Le 24 juillet 2002

### REVIEW OF THE *CANADA MARINE ACT*

On May 26, 2002, the Honourable David Collenette, Minister of Transport, announced the appointment of a panel to assist him in conducting a review of the *Canada Marine Act* (CMA). Joining me on the Panel are Mr. Allan Donaldson, Mr. David Gardiner, and Mr. Frank Metcalf. The CMA Review Panel will consult with stakeholders across the country and report its results and recommendations to the Minister early in 2003.

The CMA, which received Royal Assent in June 1998, contains a provision requiring that a review of the Act be completed during the fifth year after it has received Royal Assent. The CMA allowed for the establishment of port authorities and the continued divestiture of certain harbour beds and port facilities. It also facilitated the commercialization of the St. Lawrence Seaway, contained provisions for the further commercialization of federal ferry services and aimed to improve the way pilotage authorities operate in Canada.

### EXAMEN DE LA *LOI MARITIME DU CANADA*

Le 26 mai 2002, l'honorable David Collenette, ministre des Transports, annonçait la création d'un comité de quatre membres pour l'assister dans le cadre de l'examen de la *Loi maritime du Canada* (LMC). J'exerce les fonctions de président du comité avec l'aide compétente des autres membres, M. Allan Donaldson, M. David Gardiner et M. Frank Metcalf. Le Comité d'examen de la LMC consultera des intervenants partout à travers le pays et soumettra un rapport au Ministre vers le début de 2003.

La LMC a reçu la sanction royale en juin 1998. Une de ses dispositions précise que la loi doit faire l'objet d'un examen à terminer durant la cinquième année suivant sa sanction. La LMC a permis d'établir des administrations portuaires et de poursuivre la cession de certains lits de port et installations portuaires. Elle a facilité la commercialisation de la Voie maritime du Saint-Laurent et elle comportait des dispositions en vue de la commercialisation accrue des services de traversiers fédéraux ainsi que l'amélioration des méthodes de fonctionnement des administrations de pilotage du Canada.



A CMA Review Guidance Document has been prepared to facilitate discussions between the Panel and stakeholders. It contains background information on how the CMA was developed, an overview of the marine industry, and a summary of the main issues that have previously been raised with respect to the CMA. As stated in the Guidance Document, the Panel's mandate is not to alter the general principles established by the National Marine Policy but to review and make recommendations concerning implementation problems encountered over the four years of the Act's existence. The Panel will also report to the Minister on any other major issue that might be raised during the consultations. The Guidance Document can be downloaded from the web site address or requested through the CMA Review Secretariat.

The Panel considers the views of stakeholders, to be important to our work, and I therefore would invite you to raise any concerns or share your views with us regarding implementation issues relating to the provisions and operation of the CMA. In the interest of ensuring effective consultation, it is suggested that stakeholders specify wherever possible the potential amendments to be made to the CMA together with the reasons for the proposed changes. Please feel free to send your submission to the CMA Review Secretariat at the address given below. If you also wish to meet with the Panel,

Un document d'orientation de l'examen de la LMC a été préparé pour faciliter les discussions entre le comité et les intervenants. Il contient un historique de la LMC, un aperçu de l'industrie maritime et un résumé des questions importantes soulevées précédemment dans le contexte de la LMC. Tel que stipulé dans le document d'orientation, le mandat du comité ne vise pas à modifier les principes généraux établis dans la Politique maritime nationale. Le comité examinera les problèmes de la mise en œuvre des dispositions de la LMC et formulera des recommandations concernant les problèmes survenus au cours des quatre années d'existence de cette loi. Le comité devra également signaler au Ministre toute autre question d'une plus grande portée qui pourrait être soulevée au cours des consultations. Le document peut être téléchargé à partir du site Web ou on peut en faire la demande au Secrétariat de l'examen de la LMC.

Le comité reconnaît que les points de vue des intervenants, sont importants pour son travail, et par conséquent, je vous invite à nous faire part de toutes préoccupations ou tous points de vue concernant des questions d'application liées aux dispositions et à l'application de la LMC. Par souci d'efficacité durant la consultation, nous suggérons que les intervenants décrivent avec le maximum de précision les modifications qu'ils proposent de voir apporter aux articles de la LMC, ainsi que leur justification. N'hésitez pas à envoyer vos présentations au Secrétariat de l'examen de la LMC à

please notify the Secretariat by September 3, 2002. A consultation schedule is attached which includes the deadlines for written submissions and the dates for the consultation locations.

CMA Review Secretariat  
 Transport Canada  
 Place de Ville, Tower 'C' (25th Floor)  
 330 Sparks Street  
 Ottawa, Ontario  
 K1A 0N5

Telephone: (613) 990-9472  
 Facsimile: (613) 998-1845  
 E-mail: [cmareview@tc.gc.ca](mailto:cmareview@tc.gc.ca)

CMA Review Web Site Address:  
[www.tc.gc.ca/pol/en/marine/menu\\_e.htm](http://www.tc.gc.ca/pol/en/marine/menu_e.htm)

Yours truly,

l'adresse ci-dessous. Si vous désirez rencontrer le comité, veuillez en aviser le Secrétariat d'ici le 3 septembre 2002. Vous trouverez aussi ci-joint un calendrier de consultations, veuillez le consulter pour prendre connaissance des délais des présentations par écrit.

Secrétariat de l'examen de la LMC  
 Transports Canada  
 Place de Ville, Tour C (25<sup>e</sup> étage)  
 330, rue Sparks  
 Ottawa (Ontario)  
 K1A 0N5

N<sup>o</sup> de téléphone : (613) 990-9472  
 N<sup>o</sup> de télécopieur : (613) 998-1845  
 Courriel : [examenlmc@tc.gc.ca](mailto:examenlmc@tc.gc.ca)

Adresse électronique du site Web de  
 l'Examen de la LMC :  
[http://www.tc.gc.ca/pol/fr/transport\\_maritime/menu\\_f.htm](http://www.tc.gc.ca/pol/fr/transport_maritime/menu_f.htm)

Je vous prie d'agréer l'expression de mes salutations distinguées.



Richard Gaudreau  
 Chair, *Canada Marine Act* Review Panel /  
 Président, Comité d'examen de la *Loi maritime du Canada*

Att.

p.j.

CMA REVIEW PANEL CONSULTATION AND SUBMISSION SCHEDULE	CÉDULE DES CONSULTATIONS ET DES PRÉSENTATIONS DU COMITÉ D'EXAMEN DE LA LMC
<u>DATE / LOCATION</u>	<u>DATE / ENDROIT</u>
September 17, 2002 – St. John's September 18-19, 2002 – Halifax September 20, 2002 – Saint John September 24-25, 2002 – Montreal September 26-27, 2002 – Quebec City  <b>*Deadline for filing of briefs for above locations is <u>September 3, 2002.</u></b>	17 septembre 2002 – St. John's 18-19 septembre 2002 – Halifax 20 septembre 2002 – Saint John 24-25 septembre 2002 – Montréal 26-27 septembre 2002 – Québec  <b>*Pour les endroits ci-haut: S.V.P. soumettre vos mémoires avant le <u>3 septembre 2002.</u></b>
October 8-9, 2002 - Toronto October 10, 2002 - Thunder Bay October 11, 2002 - Winnipeg October 23-24, 2002 - Vancouver October 25, 2002 - Prince Rupert November 13, 2002 - Ottawa  <b>*Deadline for filing of briefs for above locations is <u>September 24, 2002.</u></b>	8-9 octobre 2002 - Toronto 10 octobre 2002 - Thunder Bay 11 octobre 2002 - Winnipeg 23-24 octobre 2002 - Vancouver 25 octobre 2002 - Prince Rupert 13 novembre 2002 - Ottawa  <b>*Pour les endroits ci-haut: S.V.P. soumettre vos mémoires avant le <u>24 septembre 2002.</u></b>