



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# ADDRESSING PORT INFRASTRUCTURE EXPANSION IN CANADA

Report of the Standing Committee on Transport,  
Infrastructure and Communities

Peter Schiefke, Chair

SEPTEMBER 2023  
44th PARLIAMENT, 1st SESSION

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**ADDRESSING PORT INFRASTRUCTURE  
EXPANSION IN CANADA**

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Transport, Infrastructure and Communities**

**Peter Schiefke  
Chair**

**SEPTEMBER 2023**

**44<sup>th</sup> PARLIAMENT, 1<sup>st</sup> SESSION**

## **NOTICE TO READER**

### **Reports from committee presented to the House of Commons**

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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# **THE STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES**

has the honour to present its

## **FOURTEENTH REPORT**

Pursuant to its mandate under Standing Order 108(2), the committee has studied the large port infrastructure expansion projects in Canada and has agreed to report the following:



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## SUMMARY

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In March 2023, the Standing Committee on Transport, Infrastructure and Communities (the Committee) undertook a study on large port infrastructure expansion projects in Canada. The Committee devoted two meetings to this study and visited the ports of Montreal, Halifax, St. John's, Hamilton and Prince Rupert. Stakeholders met during the trip and others heard by the Committee spoke about the port infrastructure expansion and optimization projects that are planned or underway in Canada, and the challenges faced in implementing them.

Some asked the Government of Canada to expedite its impact assessment process for port infrastructure projects. Certain stakeholders also said that the borrowing limits set out in the letters patent of Canada Port Authorities are too restrictive and asked that the process for increasing them be expedited. Labour shortages in the marine sector and the impact of automation on the organization of work in ports were also discussed.

Some witnesses asked the Government of Canada to allow port authorities to engage in activities beyond what would currently be provided for in the *Canada Marine Act* and letters patent. These included investment in housing, participation in tourism and commercial activities, and greater collaboration between port authorities on various projects, including joint infrastructure projects. Lastly, some also recommended the implementation of a national supply chain strategy and greater data sharing among all stakeholders.



## LIST OF RECOMMENDATIONS

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*As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.*

### **Recommendation 1—Strategic Review of Port Capacity**

**That the Government of Canada conduct a thorough strategic review and forecast of large port capacity in the medium and long-term to help better inform future infrastructure needs.**

### **Recommendation 2—Ensuring an Effective Regulatory Environment**

**That the Government of Canada reduce red tape and regulatory burdens as much as possible to ensure a more timely, predictable review process for large port infrastructure and expansion projects, while still maintaining its duty to properly consult stakeholders and consider the effects of projects from the perspective of safety, environmental protection and community impacts, including towards Indigenous communities.**

### **Recommendation 3—Improved Environmental Performance**

**That the Government of Canada require ports to play their part in reducing greenhouse gas emissions and carbon pollution, for instance by setting binding emission reduction targets and reporting regularly on their progress in meeting these targets, commensurate with national and international commitments.**

### **Recommendation 4—Borrowing Limits**

**That the Government of Canada consider raising the borrowing limits set out in the letters patent of Canada Port Authorities and simplifying the process for changing these limits; while protecting Canadian taxpayers from excessive risk.**

### **Recommendation 5—Review Process**

**That the Government of Canada develop strategies to address inconsistencies and wait times related to the review process for National Trade Corridors Fund applications, with the goal of improved timeline predictability.**

### **Recommendation 6—Representation of Port Authority Boards of Directors**

That the Government of Canada include labour representation on the board of directors of Canadian Marine Ports, the nominees to be selected based on consultation between the Minister and labour organizations.

### **Recommendation 7—Improved Relationships with Communities**

That the Government of Canada take measures to ensure that Canadian marine ports do a better job of managing their relationships with surrounding communities, Indigenous communities, labour organizations and intermodal partners.

### **Recommendation 8—Port Cooperation**

That the Government of Canada explore options to facilitate increased cooperation between port authorities, including collaborative planning, infrastructure investment and procurement.

### **Recommendation 9—Authorized Activities**

That the Government of Canada, in consultation with port authorities and affected stakeholders, consider simplifying the process for changing the activities authorized through letters patent in order to provide more flexibility in addressing the specific needs of each port.

### **Recommendation 10—Facilitating Data Collection and Sharing**

That the Government of Canada help facilitate greater data sharing between ports and other supply chain stakeholders to support the fluidity of our international gateways.

### **Recommendation 11—Supply Chain Recommendation Implementation**

That the Government of Canada implement recommendations 19 and 25 through 32 of the 7th Report of the Standing Committee on Transport, Infrastructure and Communities, entitled *Improving Efficiency and Resiliency in Canada's Supply Chains*, which are related to ports.

**Recommendation 12—Reducing Bureaucratic Hurdles at the St-Lawrence Seaway Management Corporation**

**That the Government of Canada take steps to reduce bureaucratic obstacles at the St-Lawrence Seaway Management Corporation that impede the full development of St. Lawrence Seaway assets as an intermodal trade corridor of strategic importance from a national perspective.**





# ADDRESSING PORT INFRASTRUCTURE EXPANSION IN CANADA

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## INTRODUCTION

On [3 February 2022](#), the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee) agreed to undertake a study on large port infrastructure expansion projects in Canada. As part of this study, the Committee visited the ports of Montreal, Halifax, St. John’s, Hamilton and Prince Rupert in March 2023. The Committee also devoted two meetings to this study and heard from 10 witnesses.

The following sections summarize the discussions with various stakeholders regarding capacity and competition issues for Canadian ports, challenges implementing port expansion projects across the country and cooperation among the parties involved in the Canadian supply chain.

## CAPACITY AND COMPETITION ISSUES

**“There is a need for funding projects to support redundancy in critical infrastructure to reduce risk of critical failures in supply chains ....”**

[Robin Guy](#),  
Vice-President and Deputy Leader,  
Government Relations, Canadian Chamber of Commerce

During this study, several witnesses raised issues surrounding capacity throughout the Canadian supply chain in order to identify the key bottlenecks and to see how they affect the efficiency of Canadian ports. Witnesses spoke about problems with rail and container storage capacity in Eastern Canada.<sup>1</sup> According to [Robert Ashton](#), President of the International Longshore and Warehouse Union Canada, ports in the West do not need to expand their container terminal capacity; rather, the focus should be on

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1 Standing Committee on Transport, Infrastructure and Communities (TRAN), *Evidence*, 44th Parliament, 1st Session: [Christopher Hall](#) (President, Shipping Federation of Canada); [Robert Ashton](#) (President, International Longshore and Warehouse Union Canada [ILWU]) and [David Miller](#) (Senior Advisor to the Executive, Vancouver Fraser Port Authority [VFPA]).



addressing problems with the rail network so that containers can move more quickly within the country.

[Christopher Hall](#), President of the Shipping Federation of Canada, said that “cargo is king,” as shippers always find the most efficient and affordable path to ship their goods to destination. On the subject of the competitiveness of Canadian ports with U.S. ports, he stressed that Canada must ensure that it has an efficient supply chain, since “once cargo finds another routing it won’t come back.” [David Miller](#), Senior Advisor to the Executive of the Vancouver Fraser Port Authority, said that if no port capacity is built in Vancouver and Prince Rupert, “our exporters and importers will be forced to rely on U.S. ports.”

Canada Port Authorities (CPAs) who were visited by the Committee or who came to testify spoke about their ongoing port infrastructure expansion and optimization projects. On the importance for Canada to remain competitive and invest in its trade infrastructure such as ports, railways, roads and airports, [Robin Guy](#), Vice-President and Deputy Leader, Government Relations, Canadian Chamber of Commerce, stressed that not only do current capacity requirements need to be met, but also long-term requirements. For example, during their visit to the Port of Montreal, the Committee learned that the port estimates that it will reach full capacity in a few years and is therefore looking to build a new container terminal in Contrecoeur.<sup>2</sup>

[Daniel-Robert Gooch](#), President and Chief Executive Officer of the Association of Canadian Port Authorities, pointed out that the Great Lakes ports are underutilized, a finding that the Committee heard as well during its trip.

## PROJECT REVIEW

**“We need predictable timelines to encourage capital investment. It can’t take a decade to approve infrastructure projects.”**

[Robin Guy](#),  
Vice-President and Deputy Leader, Government Relations,  
Canadian Chamber of Commerce

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<sup>2</sup> The Contrecoeur port terminal expansion project is expected to handle up to 1.15 million twenty-foot equivalent containers per year. Port of Montreal, “[All about the project](#),” *Contrecoeur project*.

Witnesses expressed support for a more predictable, timely and consistent review process for port infrastructure expansion projects.<sup>3</sup> During his appearance, [Mr. Miller](#) gave two examples of recent projects at the Port of Vancouver that did not have to go through the federal impact assessment process.<sup>4</sup> He said that the port authority's internal assessment process resulted in their approval in 7 and 16 months respectively, unlike the Roberts Bank Terminal 2 project, which “has been in the federal environmental review process for nine and a half years.”

According to [Jacques Paquin](#), Executive Vice-President of the Port of Trois-Rivières, it is “increasingly difficult to launch major new port projects in Canada,” given the challenge of getting the required authorizations. [Bonnie Gee](#), President of the Chamber of Shipping, said that while they recognize that sometimes “government intervention” may be needed to launch projects, the lack of coordination between federal government departments on “conservation initiatives, reconciliation and project approval puts the industry in a challenging space to operate.” She expressed concern that this would result in a loss of operational flexibility for vessels, terminals and shippers. [Mr. Guy](#) argued that it is important to find a way to expedite the impact assessment process, but he also stressed that it is not a matter of economics or the environment, pointing out that they both “go hand in hand.”

[Mr. Gooch](#) said that decarbonizing shipping is a “top priority” for the CPAs. During the Committee’s trip, several authorities spoke about decarbonization projects, including exploring opportunities involving green hydrogen or improving the supply of shore power for ships. Shore power allows some vessels to shut off their engines, thereby reducing fuel consumption while docked.<sup>5</sup> [Mr. Paquin](#) said that this kind of initiative would reduce greenhouse gas (GHG) emissions at the Port of Trois-Rivières by 50%, but requires significant investments of over \$100 million. [He](#) said that it will be “necessary to get help, and specifically funding from programs like the NTCF [National Trade Corridors Fund] programs and maybe other sources.”

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3     TRAN, *Evidence: PSA Halifax (speaking notes)*; [Robin Guy](#) (Vice-President and Deputy Leader, Government Relations, Canadian Chamber of Commerce); [Christopher Hall](#) (Shipping Federation of Canada) and [Bonnie Gee](#) (President, Chamber of Shipping).

4     The Impact Assessment Agency of Canada conducts federal impact assessments to assess the potential positive and negative effects of proposed projects. Designated projects listed in the schedule of the *Physical Activities Regulations* may require an impact assessment. Under the *Impact Assessment Act*, the Minister of the Environment and Climate Change also has the authority to designate an activity. Government of Canada, “[Basics of Impact Assessments](#),” *Impact Assessment Agency of Canada*.

5     Port of Vancouver, [Shore power](#).



## BORROWING LIMITS AND PROJECT FUNDING

**“[T]o make the needed investments, CPAs need greater financial flexibility to act more nimbly while maintaining the arm’s-length, commercial nature of Canada’s CPAs.”**

Daniel-Robert Gooch,

President and Chief Executive Officer,  
Association of Canadian Port Authorities

The witnesses heard from during the trip and others heard by the Committee said that the borrowing limits imposed on CPAs in their letters patent were too low.<sup>6 7</sup> Stakeholders seen by the Committee during their visit to the Port of St. John’s explained that the authority’s financial capacity was insufficient to meet the port’s future infrastructure needs.

Mr. Miller said that the process for raising borrowing limits can take several years, which makes “responding quickly to commercial opportunities impossible” for CPAs.

Mr. Paquin would like limits to be quickly adjustable in keeping with the profitability of proposed projects. Mr. Gooch recommended that borrowing limits be eliminated and that the Government of Canada consider funding projects on their merits and on the creditworthiness of the CPA putting forward the project.

During his appearance, Mr. Guy said that “a federal commitment to major, strategic long-term investments is key to building Canada’s trade infrastructure.” Like Mr. Gooch, he agreed that the NTCF was a good program that funded projects able to support the Canadian supply chain. Mr. Guy said that the federal government should work to increase the speed at which projects receive funding, a desire shared by Mr. Gooch, who pointed out that delays can be cause for concern in “an environment in which construction and material costs, and inflation, are quite extensive.” Along these same lines, PSA Halifax recommended that existing NTCF beneficiaries be able to apply for additional funding to cover higher project costs caused by inflation.

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6 TRAN, *Evidence*: Daniel-Robert Gooch (President and Chief Executive Officer, Association of Canadian Port Authorities [ACPA]) and Jacques Paquin (Executive Vice-President, Port of Trois-Rivières).

7 Under the Canada Marine Act, the Minister of Transport may issue letters patent incorporating a Canada Port Authority (CPA) in accordance with the conditions set out in section 8(1) of the Act. The letters patent set out certain conditions, including “the limits on the power of the port authority to borrow money on the credit of the port authority for port purposes or a code governing that power, as the case may be.” Amending the limit requires additional letters patent to be issued.

## LABOUR AND AUTOMATION

**“There is a role automation can play in terminal operations. It’s been proven, and it doesn’t necessarily mean a loss of jobs.”**

Christopher Hall,  
President, Shipping Federation of Canada

During his appearance, Mr. Paquin pointed out that Quebec’s ports are facing a labour recruitment and retention challenge and he argued that artificial intelligence and automation are solutions to this issue. He said that the Port of Trois-Rivières, in collaboration with other St. Lawrence ports, has undertaken the creation of a port logistics centre of expertise and has asked the federal government for financial support for the centre and for support to encourage collaboration among the CPAs.

Mr. Hall expressed concern not just about shortages, but also “the overall efficiency of how labour is organized in Canada’s major ports.” He said the following:

Labour is having a difficult time recruiting, like all sectors. From a sustainability standpoint, how are we going to maintain the volumes, or grow the volumes, at our ports if we don’t include technology as part of the solution?

Mr. Hall said that introducing automation does not necessarily mean job losses. However, Mr. Ashton expressed concern that part of the work at Roberts Bank Terminal 2, including what he called “horizontal traffic,” would be automated. He believes that automation could result in the loss of jobs driving tractor trailers and operating the rubber-tired gantries. With regard to this project, Mr. Miller said that it was too early to estimate the degree of automation. He also said that the industry seems to be trending toward “partially automated terminals, where there are still a significant number of jobs.”

Mr. Ashton called on the Government of Canada to consult with labour when port infrastructure projects are likely to have an impact on their working conditions. He also recommended allowing labour unions to sit on CPA boards. When asked about this proposal, Mr. Hall said he believed that it is an interesting concept and that involving labour in the development of large port projects “would only benefit everyone.”

PSA Halifax argued that there was a shortage of Class A pilots at the Atlantic Pilotage Authority and asked the government to “allocate more resources to pilot training” in order to increase the pool of Class A pilots to meet demand at the Port of Halifax.



## RELATIONS BETWEEN THE PORT AUTHORITIES AND NEIGHBOURING COMMUNITIES

**“I think there needs to be some flexibility built into [the CPAs’] mandate—that ability to move in a slightly different way where the needs are a little bit different.”**

Herbert Pond,  
Mayor, City of Prince Rupert

The state of the relationship between CPAs and the surrounding communities was discussed during the Committee’s trip. While some CPAs said that they meet with communities regularly, including through a committee of local representatives, others said that they meet when a project is being considered. Committee members also heard about efforts by CPAs to relieve congestion on local roads by building infrastructure to move truck traffic or by increasing rail capacity at the port.

During the Committee’s visit to the Port of Prince Rupert, port officials spoke at length about the involvement of the neighbouring Indigenous communities in port operations. This includes labour at the port, where over 35% of the workers identify as Indigenous. Also raised was the participation of Indigenous-led business in conducting infrastructure projects. The port cited the Fairview-Ridley Connector Corridor project, a 5 km road built by the Coast Tsimshian Northern Contractors Alliance, a local First Nations joint venture, and completed in 2022.

Mr. Paquin said that the Port of Trois-Rivières’s growth was largely due to the relationship between the port and the city and neighbouring communities. Pointing out that the port did not have a lot of vacant spaces to develop, he said that the city transferred a major road to the port, enabling it to more effectively manage the truck traffic entering and leaving the port. Mr. Paquin also spoke about a project in collaboration with the city to redevelop a portion of the port facilities near the downtown and the historic quarter of Trois-Rivières. He said that since the project is of a more “recreational and tourist” character, it falls outside the powers it has as a CPA, and this is why the authority could not go ahead.<sup>8</sup> He asked the federal government for

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8 Under section 28(2) of the Canada Marine Act, Canada Port Authorities may engage only in port activities related to shipping, navigation, transportation of passengers and goods, handling of goods and storage of goods. They may also engage in activities that are deemed in their letters patent to be “necessary to support port operations.”

“greater agility and flexibility” to conduct projects that go beyond the responsibilities of CPAs.

[Herbert Pond](#), Mayor of Prince Rupert, asked to explain the special case of his city, with a population of 12,000, which is host to Canada’s third largest port, the Port of Prince Rupert. [He](#) pointed out that the trade corridor through the city “supports billions of dollars of economic activity across Canada and generates millions of dollars of revenue for the provincial and federal governments”, while the city is battling “aging infrastructure, near-zero vacancy rates and inadequate revenues.” On the topic of infrastructure, [Mr. Pond](#) explained that the city had to declare a state of emergency last winter following 14 water main breaks in two weeks. He asked the federal government to provide the city with financial assistance to modernize its “aging water system.”

[Mr. Pond](#) expressed support for the port’s expansion, saying that Prince Rupert has “a lot of undeveloped land in the port complex, and congestion [there] is very low.” He did say that he would like to see the city benefit more from this expansion. [He](#) suggested that for smaller communities that host large ports, the federal government should expand the mandate of CPAs to include investment in housing. [Mr. Pond](#) also explained that the amount of payments in lieu of taxes by the Port of Prince Rupert to the city is a friction point between the two parties, with the city looking for “predictable long-term cash flow so that it can borrow to do the work it needs to do within the municipality.” [He](#) also recommended that a portion of the fees paid annually by CPAs to the federal government be returned to the host communities.

## COOPERATION AMONG PORT AUTHORITIES

**“Port infrastructure expansion projects cannot be evaluated in isolation and must be part of a national growth strategy that encompasses all the pieces of the supply chain that would support fluidity through the intended project and the gateway as a whole.”**

[Bonnie Gee](#),  
President, Chamber of Shipping

During the Committee’s trip, the members were interested in the extent of collaboration among Canadian ports and learned that it was limited, despite some openness on the part of CPAs. The Committee heard that Canadian ports are competing more with their U.S. counterparts than with each other.



Mr. Paquin explained that the ports of Trois-Rivières, Montreal and Quebec City decided to form a partnership to increase the competitive capacity of the St. Lawrence. Working groups were created to focus on various subjects of interest to the three entities, such as the environment and marine traffic management. He said that they were currently working on “standardized procedures for receiving ships at the three ports” and also spoke about implementing a “shared communications tool” so that users of the three ports can register at the same place.

Mr. Paquin argued that the Government of Canada “has to create conditions that are favourable” for greater cooperation among the ports. He added that the three CPAs in the partnership would like to expand their cooperation, but he had the following to say about the limits imposed by the *Canada Marine Act*:

[I]f we wanted to look at optimizing our infrastructures and sharing our strategic plans and development plans, and try to establish a strategic plan that reflects the strengths and weaknesses of each of the three facilities to make the network more effective as a whole, we could not do that. That is prohibited.

Mr. Gooch also argued that there is a need to explore ways for Canadian ports to collaborate more, such as on “joint infrastructure projects or procurement.”

Like Ms. Gee, Mr. Hall recommended implementing a national supply chain strategy. In his view, it would “guide Canada’s future decisions regarding investment in trade-enabling infrastructure.” With a similar objective, the implementation of a national freight strategy was also discussed during the Committee’s visit to the Port of Halifax. Mr. Hall said that such a strategy would need to take into account the uniqueness of each port.

Mr. Guy spoke about a strategy for the corridors, particularly in the West, the St. Lawrence and the Arctic, and said that the federal government should play a leadership role in its development. He believes that this strategy would bring the stakeholders together, including the provinces, the private sector, communities and Indigenous groups.

Mr. Gooch pointed out that locally, port authorities take a strategic view of how all the pieces of the supply chain fit together. He said that a national supply chain strategy is needed to “put all the pieces into a national context.”

Along these same lines, Mr. Hall also recommended the development of a national supply chain data and digitization strategy. During the trip, the Committee members learned that several ports have projects to increase the visibility of data about the flow of goods through their ports and the performance of their corridor. For example, during

their visit to the Port of Hamilton, the members heard about a partnership between the port and McMaster University to create a data analytics resource, Fluid Intelligence, aimed at solving the challenges associated with the flow of goods in southern Ontario.<sup>9</sup>

The members found that CPAs appeared to be working individually and not with the shared goal of improving the fluidity of the supply chain nationwide. As a result, the members noted a lack of standardization between the data collected from one port to another. Mr. Hall’s proposed strategy would be to pool the data collected by the different platforms. In this respect, [Trevor Boudreau](#), Director of Government Relations for the Vancouver Airport Authority, made the following recommendation:

[F]ocus support and prioritize digital infrastructure and data sharing to create greater visibility, efficiency and multimodal collaboration. This will ensure that Canada is making the most of existing and future port infrastructure, providing clarity for end-users and delivering improved climate outcomes.

[Mr. Hall](#) argued that “[g]overnment departments and agencies must also be prepared to join the digitization effort,” particularly through a “maritime single window reporting model” that would consolidate all data collected from all the components of the supply chain. [Ms. Gee](#) agreed, saying that there was a lack of coordination not just among ports, but also between federal government departments. She said that there seems to be no coordination in terms of managing the arrival of vessels and clearing the vessels in.

## CONCLUSION

During its study, the Committee heard from various Canada Port Authorities about their plans to expand and optimize their port infrastructure. Witnesses spoke about the challenges implementing these projects, including the time required for the project review process, the authorities’ low borrowing limits, and the labour shortage in the marine sector. Challenges related to the cohabitation between the ports and adjacent communities were also discussed. Lastly, witnesses expressed support for greater collaboration among Canadian ports, including greater sharing of cargo flow data and the development of a national supply chain strategy.

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9 Hamilton-Oshawa Port Authority, [Sustainability Report](#), 2021, p. 20.



## APPENDIX A LIST OF WITNESSES

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The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<b>Association of Canadian Port Authorities</b> Daniel-Robert Gooch, President and Chief Executive Officer	2023/03/23	59
<b>Chamber of Shipping</b> Bonnie Gee, President	2023/03/23	59
<b>International Longshore and Warehouse Union Canada</b> Robert Ashton, President	2023/03/23	59
<b>Vancouver Airport Authority</b> Trevor Boudreau, Director, Government Relations	2023/03/23	59
<b>Vancouver Fraser Port Authority</b> David Miller, Senior Advisor to the Executive	2023/03/23	59
<b>Canadian Chamber of Commerce</b> Robin Guy, Vice-President and Deputy Leader, Government Relations	2023/03/28	60
<b>City of Prince Rupert</b> Herbert Pond, Mayor	2023/03/28	60
<b>Port of Trois-Rivières</b> Jacques Paquin, Executive Vice-President	2023/03/28	60
<b>Shipping Federation of Canada</b> Christopher Hall, President	2023/03/28	60



# REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 59, 60, 74 and 75](#)) is tabled.

Respectfully submitted,

Peter Schiefke  
Chair



### Supplementary Report from Conservative Members

Conservative Members of the Standing on Transport, Infrastructure and Communities (TRAN) would like to thank the Committee, its Clerk, Analysts and staff, the witnesses that shared valuable insights, and the Ports of Montreal, Halifax, St. John's, Hamilton and Prince Rupert for hosting members of the committee to better understand the challenges facing Canada's Ports.

While the Conservative Members support the general direction of this report, we would like to register opposition to two of the report's Recommendations in this Supplementary Report.

1. We believe that the word "binding" in Recommendation 3 is problematic.

Firstly, Ports are already punching above their weight in environmental performance. Furthermore, setting binding emissions targets and reporting regimes adds red tape at a time when Canada's supply chains are already stretched. We would also point out that the Government of Canada is failing to meet its own emissions targets year after year so to impose a binding targets on Ports is disingenuous.

2. We believe Recommendation 6 on Port Authority Board composition pre-empts this Committee's forthcoming review of Bill C-33 which includes provisions on Port governance. To include a prescriptive recommendation of inclusion of one stakeholder group and not others on Port Authority Boards as a Recommendation of this report is pre-mature. That discussion is best reserved for when Bill C-33 comes before Committee.



**SUPPLEMENTARY REPORT  
OF THE  
NEW DEMOCRATIC PARTY OF CANADA**

*Addressing Port Infrastructure Expansion in Canada*

The New Democratic Party supports the findings and recommendations of the majority of the Standing Committee on Transportation, Infrastructure and Communities' report *Addressing Port Infrastructure Expansion in Canada*. This includes the report's call for a thorough strategic review of port capacity, requiring climate plans and emissions targets for ports, inclusion of labour representation on port authority boards of directors, and facilitating cooperation between port authorities.

This supplementary report highlights additional solutions brought forward by witnesses but not included in the committee's final report. These include emergency federal funding to address the Prince Rupert infrastructure crisis; reallocation of federal port stipends to small host municipalities; expanding the mandate of ports to allow for investment in housing; and respecting regulatory oversight and safety for port infrastructure expansion projects.

**Emergency Funding for the Prince Rupert Infrastructure Crisis**

In Prince Rupert Mayor Herbert Pond's testimony before the Committee, he described the ongoing infrastructure crisis in his city, which in December 2022 experienced 14 watermain breaks in a two-week period and has an infrastructure backlog of \$650 million.

*"The trade corridor through Prince Rupert supports billions of dollars of economic activity across Canada and generates millions of dollars of revenue for the provincial and federal governments, yet it was all put at risk this past winter. The City of Prince Rupert declared a state of emergency when it battled 14 water main breaks in the space of two weeks. Much larger urban municipalities won't deal with that many in a year. Our little municipality needs help if we're to play our part in hosting this strategically necessary corridor."* - [Mayor Herbert Pond, TRAN 60, March 28, 2023](#)

Despite having a population of only 12,300, Prince Rupert is the third-largest port in Canada and is rapidly growing. In 2022, 29.9 million tons of cargo passed through the port. The port's success has put pressure on civic infrastructure and housing, however constraints on municipal revenue streams have meant the city has struggled to address these pressures and accommodate port-related growth.

The NDP recommends that the federal government joins the government of British Columbia in providing emergency funding to address Prince Rupert's water infrastructure crisis, and in doing so maintain the effectiveness of this vital part of Canada's supply chain.

### **Reallocation of Federal Stipend to Host Municipalities**

In smaller port municipalities, port activity contributes disproportionately to the local economy. Although structures vary by province, constraints on port authorities' contribution to municipal governments often make it difficult for communities to invest in vital civic infrastructure and services.

*"Another thing that might be considered for communities under a certain size is a return of the federal stipend that comes from port revenues, each year, which is returned to the federal government as a small profit. Those are probably fairly meaningless in the grand scheme of things to Ottawa, but they would be indispensable in a small community."*-  
[Mayor Herbert Pond, TRAN 60, March 28, 2023](#)

In his testimony, Mayor Pond advocated for the federal government to re-allocate the annual stipend paid port authorities currently pay to federal government. This stipend, he proposed, could be redirected to host municipalities, particularly those in which the port accounts for a large portion of the local economy. He articulated that this stipend is relatively insignificant in the context of total federal revenues but could make a huge positive impact for municipalities like Prince Rupert, where it would amount to approximately \$3 million per year.

Municipalities require predictable revenue to maintain and advance services and infrastructure. Port authorities do contribute to their surrounding communities, just as they rely on their services and infrastructure to accommodate their workforce. However, a more significant, structured contribution would better allow municipalities to plan and invest for the future. Therefore, the NDP recommends that for situations in which small communities support large ports, the federal government re-allocate the annual port stipend to the municipal government for investment in infrastructure.

### **Expanding Port Mandates to Include Housing**

The committee's *Recommendation 9 (Authorized Activities)* recommends *"That the Government of Canada, in consultation with port authorities and affected stakeholders, consider simplifying the process for changing the activities authorized through letters patent in order to provide more flexibility in addressing the specific needs of each port."* This is an important recommendation that several witnesses called for in their testimony before the Committee. The NDP recommends expanding this recommendation to specifically allow ports to invest in workforce housing.

*“For small municipalities that host large ports, there should be consideration for expanding the ports' mandates to include housing in small communities. Large urban ports invest heavily in decongesting travel corridors in their host communities, to the great benefit of those host communities. Rupert doesn't need decongesting, but we desperately need housing to accommodate the next workers for the next project.”*  
- [Mayor Herbert Pond, TRAN 60, March 28, 2023](#)

The current federal mandate for ports already allows investment to alleviate community pressures related to port activity. For example, ports are permitted to invest in decongestion efforts in local municipalities to alleviate traffic issue caused by port operations. However, not all port municipalities experience the same issues or require the same investments. For example, Prince Rupert struggles less with congestion issues than ports in larger metropolitan areas, but the rapid expansion of the Port of Prince Rupert has strained local housing supply.

The government must acknowledge that port municipalities are diverse and require different policy approaches depending on their unique context. As such, the government should evaluate expanding the mandates of port authorities to allow for investment in housing related to the supply chain workforce.

### **Respecting Regulatory Oversight**

With regard to the Committee's *Recommendation 2 (Ensuring Effective Regulatory Environment)*, the NDP notes that port authorities and users indeed deserve efficient, timely, and properly resourced approval processes and regulations. At the same time, it is important that the federal government's regulatory approach for ports properly involves local stakeholders, protects the environment, and respects Indigenous title and rights.

An example of the necessity of a thorough review process was outlined in testimony by [International Longshore and Warehouse Union President Robert Ashton](#) regarding the Port of Vancouver's proposed Roberts Bank Terminal Two expansion in the Fraser River estuary. In his testimony, Mr. Ashton described his union's serious environmental and labour concerns regarding the project, which are shared by environmental groups and some area First Nations. While the port authority shared its frustration with the Committee regarding the time required for the federal review process, the seriousness of important stakeholders' concerns underlines the need for a thorough, comprehensive review process, along with rigorous regulations.

### **Conclusion**

While the NDP agrees with the majority of the committee's report and recommendations regarding port infrastructure expansion in Canada, there were several missed opportunities to provide solutions to problems described in witness testimony. The NDP urges the federal

government to address opportunities and challenges related to Canada's marine ports using the recommendations in both the Committee's report, and this supplementary report.

**NDP Recommendation 1- Reallocation of fees to host municipalities**

**That, in cases in which a port municipality is small in relation to its port, the Government of Canada re-redirect the stipend the port authority pays the federal government to the municipality, to be invested in municipal infrastructure necessary to support port activities.**

**NDP Recommendation 2- Federal funding for the Prince Rupert Infrastructure Crisis**

**That the Government of Canada provide emergency funding to the City of Prince Rupert to address its ongoing water infrastructure crisis, and in doing so safeguard the functioning of an important, growing Canadian port community.**

**NDP Recommendation 3- Including Housing in Port Mandates**

**That the Government of Canada, in consultation with port authorities, municipalities and other stakeholders, consider expanding the mandates of port authorities to allow for investment in housing related to the supply chain workforce.**