

GOVERNMENT RESPONSE TO RECOMMENDATIONS

Committee Recommendation		Government Response
1	<p>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.</p>	<p>The Government supports this recommendation and action is ongoing.</p> <p>Given the complex, multi-jurisdictional nature of the management of Canada’s transportation infrastructure, including ports, the Government is aware that a long-term transportation and logistics supply chain strategy is necessary to provide stability, vision, and cohesion to our decision-making on a national scale. The National Supply Chain Strategy would support and complement existing federally articulated trade strategies, as well as provincial and territorial trade strategies.</p> <p>A commitment highlighted in Budget 2022, the National Supply Chain Strategy would articulate a whole-of-government approach to developing near and longer-term actions that will address transportation pressures and bottlenecks facing Canada’s supply chains, including how future infrastructure needs are addressed at all levels of government.</p> <p>The Supply Chain Strategy would serve as a framework for investments in supply chain projects through the National Trade Corridors Fund, as well as the launch of the Advancing Industry-Driven Digitalization of Canada Supply Chain initiative to support the collection and sharing of real-time data to make freight transportation system more efficient. These investments would improve asset/traffic management, foster resiliency, and improve coordination across modes – including at ports and in the rest of the marine sector.</p> <p>Further to the commitments announced in Budget 2022, in Budget 2023, the government announced early actions to support the National Supply Chain Strategy and committed to the creation of a long-term roadmap for Canada’s transportation infrastructure to better plan and coordinate investments to support future trade growth.</p> <p>Work is currently underway to articulate this plan, which will be developed in tandem with industry, provinces, territories, and Indigenous Peoples, and will seek to identify the right mix of investments to support transportation supply chain infrastructure needs over the long-term.</p>
2	<p>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.</p>	<p>The Government supports this recommendation and action is ongoing.</p> <p>Building Canada’s clean economy will require significant and sustained private sector investment in major projects. Ensuring the timely completion of these projects is essential. In the past year, the federal government has taken action to make Canada’s rigorous regulatory process more efficient. This includes \$1.3 billion over six years, starting in 2022-23, and \$55.4 million ongoing, to the Impact Assessment Agency of Canada and twelve other federal entities to continue to improve the efficiency of assessments for major projects.</p> <p>Budget 2023 also committed the Government to develop a</p>

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		<p>concrete plan to improve the efficiency of the impact assessment and permitting processes for major projects. The Ministerial Working Group on Regulatory Efficiency for Clean Growth Projects will oversee this work. Its mandate is to coordinate government efforts to grow the clean economy and meet net-zero commitments by ensuring an efficient regulatory framework to support the development of clean growth projects. The Impact Assessment Agency of Canada has been actively working on a number of efficiency enhancements that will complement the broader Government plan. These include further scoping of assessments; providing guidance on the potential for the integration of permitting information requirements into the impact assessment process to save time post-assessment; providing further guidance to proponents on Indigenous consultation; and advancing regional assessments.</p> <p>On Friday, October 13, 2023, the Supreme Court of Canada rendered its opinion on the constitutionality of the Impact Assessment Act. The Government accepts the Court’s opinion, which provides clarity and direction to develop amendments to the impact assessment legislation to ensure it meets Canadians’ needs and values.</p> <p>In addition, Budget 2023 provided \$11.4 million over three years, starting in 2023-24, to Crown-Indigenous Relations and Northern Affairs Canada to engage with Indigenous communities and to update the federal guidelines for federal officials to fulfil the Crown’s duty to consult Indigenous peoples and accommodate impacts on their rights. This will support the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act and provide more clarity on how the government will proceed to ensure an effective and efficient whole-of-government approach to consultation and accommodation.</p>
3	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.	<p>The Government supports the recommendation and action is ongoing.</p> <p>On November 17, 2022, the Government of Canada tabled legislative amendments to the <i>Canada Marine Act</i> as part of Bill C-33, Strengthening the Port System and Railway Safety in Canada Act, that would require Canada Port Authorities to establish targets, monitor progress, and publicly disclose the results of their efforts to reduce greenhouse gas emissions and mitigate climate related risks. This is inclusive of new authorities to allow the Governor in Council to make regulations to set greenhouse gas emissions reduction targets for ports to support Canada’s ambitious commitments on climate change.</p> <p>This complements other policies that the Government of Canada is pursuing to decarbonize the marine sector. Canada’s strengthened 2030 Emissions Reduction Plan is an ambitious and achievable sector-by-sector path to reach its new climate target of cutting emissions by 40 per cent below 2005 levels by 2030, and to put us on track toward our goal of achieving net-zero emissions across all sectors</p>

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		<p>by 2050. Transport Canada is leading the development of a marine climate action plan to enable the sector to reduce its emissions. It is engaging across government, with provinces and territories and Indigenous peoples, as well as with industry representatives, to coordinate around the shared goal of marine decarbonization.</p> <p>Moreover, Canada is a signatory to the Clydebank Declaration for Green Shipping Corridors as announced on November 10, 2021. As a signatory, Canada has pledged to support the establishment of green shipping corridors (defined as “zero-emission maritime routes between two or more ports”), including by facilitating partnerships across the sector and identifying and addressing barriers to the formation of green corridors. In June 2023, G7 Transport Ministers, including Canada, pledged to support the establishment of at least 14 green shipping corridors involving G7 members by the middle of this decade, an increase from the Clydebank Declaration’s target of six corridors. Globally, around 30 green shipping corridor initiatives have been announced, including those involving the Port of Montréal, the Port of Vancouver, and the Port of Halifax. Other green shipping corridors involving Canadian ports are also in development.</p> <p>To further this important work, in November 2022, Canada announced the Canadian Green Shipping Corridors Framework. The Canadian Green Shipping Corridors Framework is intended to provide guidance to the people and organizations working on green shipping corridors in Canada, to ensure consistency and empower all parties to work together to eliminate greenhouse gas emissions and address the climate crisis. The Canadian Green Shipping Corridors Framework is aligned with the United States Green Shipping Corridors Framework released in April 2022.</p> <p>In Budget 2023, Canada announced a new Green Shipping Corridor Program, which will invest \$165.4 million over seven years to address the environmental impacts of marine shipping. The program will help to launch the next generation of clean vessels, invest in shore power technology, and prioritize low-emission and low-noise vessels at ports.</p>
4	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.	<p>The Government supports the recommendation and action is ongoing.</p> <p>The Government recognizes the importance of port investment in promoting and facilitating trade, so the Government is committed to ensuring that Canada Port Authorities have access to capital while balancing fiscal risk to Canadian taxpayers. As part of the Ports Modernization Review, Transport Canada analyzed how best to modernize port borrowing to facilitate access to appropriate levels of capital for development. Bill C-33, the legislation stemming from the Ports Modernization Review, would establish triennial reviews of port borrowing that would allow the Government to assess the financial capabilities of each port and establish borrowing limits that are financially</p>

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		sustainable and reflective of port performance and needs.
5	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.	<p>The Government supports this recommendation and action is ongoing.</p> <p>The National Trade Corridors Fund is a merit-based program designed to help fund infrastructure projects in Canada. These projects improve the transportation system, by helping it withstand the effects of climate change, better adapt to new technologies and innovation, and address the needs of Arctic and northern communities.</p> <p>Since 2017, the National Trade Corridors Fund has launched seven calls for proposals, committing \$4 billion in federal funding to 184 transportation projects across Canada, leveraging investments of over \$10.2 billion. To ensure timely and transparent communication with National Trade Corridors Fund applicants, the Government of Canada responds to email inquiries, questions, and acknowledges receipt of National Trade Corridors Fund applications within the two-week service standard. In addition to set service standards, each National Trade Corridors Fund call for proposal is guided by specific service standards that may be impacted by various factors, including high volumes of National Trade Corridors Fund applications seeking federal funding. For example, during the Increasing the Fluidity of Canada’s Supply Chains call for proposals, 182 Expressions of Interest applications and 129 Comprehensive Project Proposal applications were submitted for funding consideration in the six-month intake period, compared to 264 Experessions of Interests and 79 Comprehensive Project Proposals submitted for funding consideration within the three-year intake period under the Continuous call for proposals.</p> <p>Other factors that can impact National Trade Corridors Fund review process timelines include the complex nature of infrastructure projects that may require several rounds of clarification from project proponents, as well as timelines to complete Transport Canada’s analysis to ensure the value-for-money of each project given the program's oversubscription. The additional analysis will ensure that projects recommended for funding will have the most meaningful impact on Canada's supply chains. As well, the cumulative timelines for Transport Canada to fully assess a project, the time required for a project proponent to obtain all the required permits to allow for the signature of a project’s contribution agreement can also impact the start of project activities.</p>
6	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.	<p>The Government acknowledges this recommendation.</p> <p>During the Second Reading of Bill C-33, Members of Parliament from the New Democratic Party highlighted their intent to put forward an amendment that would seek to establish labour representation on the board of directors of Canada Port Authorities. The Member of Parliament from Skeena—Bulkley Valley (British Columbia) has also presented a Parliamentary petition to that effect. The Government will work with other parties to evaluate this recommendation during the study of</p>

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		Bill C-33 by the House of Commons Standing Committee on Transport, Infrastructure and Communities.
7	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.	<p>The Government supports this recommendation and action is ongoing.</p> <p>Bill C-33 would seek to create more opportunities for Canada Port Authorities to work together with Indigenous groups and local communities to improve responsiveness and transparency in port management of economic, environmental, and social issues. For example, Bill C-33 would require Canada Port Authorities to create community advisory committees to support structured engagement with communities, local government advisory committees and Indigenous groups. These advisory committees would enable ongoing dialogue and inform port planning and decision-making.</p>
8	That the Government of Canada explore options to facilitate increased cooperation between Canada Port Authorities, including collaborative planning, infrastructure investment and procurement.	<p>The Government acknowledges the recommendation and action is ongoing.</p> <p>In October 2022, the Minister of Transport noted the department's intent to lead an examination of the complementarity of Canada Port Authorities with a view to supporting greater productivity of these key federal assets. This examination is currently underway.</p>
9	That the Government of Canada, in consultation with Canada Port Authorities and affected stakeholders, consider simplifying the process for changing the activities authorized through the letters patent in order to provide more flexibility in addressing the specific needs of each port.	<p>The Government acknowledges this recommendation and further consideration is required.</p> <p>Currently, the <i>Canada Marine Act</i> provides flexibility and allows the Government to add activities into the letters patent of Canada Port Authorities on a case-by-case basis. In some instances, non-core activities that support Canada Port Authorities' financial self-sufficiency are allowed, and this may include activities such as industrial development to potentially alleviate bottlenecks. Furthermore, the Minister of Transport may amend activities deemed in support of port operations with the approval of the Minister of Finance and the President of Treasury Board before the supplementary letters patent are issued. The greater scrutiny for non-core activities arises from the risk such operations have to the Crown.</p> <p>Transport Canada has already taken steps to streamline and improve the process for modifying activities through Canada Port Authorities' letters patent. An Instruction Guide has been shared with Canada Port Authorities, which sets clear expectations for documentation to be submitted for the Department's review when Canada Port Authorities request changes to their letters patent. These efforts have resulted in significant improvements to the process, with the Department receiving an increased number of complete submissions.</p> <p>Moreover, Bill C-33 includes provisions that would clarify the allowable activities of Canada Port Authorities. For example, Bill C-33 is seeking to enable the development of inland terminals that would move trade away from congested urban areas and facilitate the movement of goods, while improving marine terminals efficiency.</p>

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10	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.	<p>The Government supports this recommendation and action is ongoing.</p> <p>Budget 2022 provided \$136.3 million over five years to support a modern, digital, analytics driven approach to supply chain management through the development of industry-led data solutions. This includes funding to support freight data sharing projects to increase visibility across Canada’s key marine and regional trade corridors.</p> <p>In addition, through the National Trade Corridors Fund, the Government of Canada is investing more than \$18 million to facilitate data sharing at Canadian ports, enable supply chain visibility, and reduce congestion. To build upon this success, in February 2023, Transport Canada launched the Advancing Supply Chain Digitalization call for proposals under the National Trade Corridors Fund to strengthen Canada’s digital infrastructure and make transportation supply chains more efficient and reliable, including at Canadian ports. This call for proposals targeted projects that will improve asset and operations management, coordination, planning, and optimization of supply chains to help alleviate bottlenecks and boost network fluidity and resilience. Transport Canada has earmarked up to \$50 million of federal funding for this call.</p> <p>Furthermore, Bill C-33 would provide, through the establishment of a regulation-making authority, an improved line of sight into supply chains and investment. To inform this important work, Transport Canada would consult with stakeholders to ensure the data and information captured are meaningful and purposeful to decision-making, including on port infrastructure, operations, and competition. In parallel, the Government of Canada intends to collaborate with industry on the development of standards and a governance model that will serve as a foundation for the supply chain visibility platforms.</p>
11	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.	<p>The Government acknowledges this recommendation and action is ongoing.</p> <p>The Government addressed these recommendations in the government response to the 7th Report of the Standing Committee on Transport, Infrastructure and Communities, entitled Improving Efficiency and Resiliency in Canada’s Supply Chains.</p>
12	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.	<p>The Government acknowledges this recommendation and further consideration is required.</p> <p>The Government of Canada recognizes the Great Lakes-Saint Lawrence Seaway System (the Seaway) is vital to Canada’s supply chains and economic prosperity. The Seaway is a strategic bi-national inland waterway of major economic importance to both Canada and the United States. Transport Canada is committed to ensure the Seaway continues to be positioned as a critical transportation corridor for North America.</p> <p>Since 1998, the St. Lawrence Seaway Management</p>

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		<p>Corporation has managed and operated the Canadian Seaway assets under framework agreements with the Minister of Transport. The St. Lawrence Seaway Management Corporation is authorized to charge tolls and generate other revenues to finance its activities, which is supplemented by federal funds provided through a statutory appropriation to eliminate annual deficits. The Government of Canada and the St. Lawrence Seaway Management Corporation work with partners, including tenants and Canada Port Authorities, to continuously invest in this vital trade corridor to ensure its efficiency and reliability.</p> <p>Transport Canada has supported the development of Seaway assets through the National Trade Corridors Fund. The National Trade Corridors Fund invested \$22.6 million in 2023 to support the St. Lawrence Seaway Management Corporation to reconstruct and rehabilitate three wharves located at the Welland Canal in Port Colborne, Ontario, to support operations and increase the capacity of the trade corridor. This project will have important benefits for the region, such as relieving supply chain congestion and facilitating the movement of goods.</p> <p>Transport Canada has also implemented measures to reduce bureaucratic hurdles to activities related to land managed by the St. Lawrence Seaway Management Corporation. For example, Transport Canada has recently implemented a new process to expedite the review of tenant leases and licenses that are up for renewal with the St. Lawrence Seaway Management Corporation .</p>