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# Standing Committee on Transport, Infrastructure and Communities

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Chair: Mr. Peter Schiefke





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Wednesday, November 1, 2023

• (1930)

[*English*]

**The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)):** I call this meeting to order.

Welcome to meeting number 86 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to the order of reference of Tuesday, September 26, 2023, the committee is meeting to discuss Bill C-33, an act to amend the Customs Act, the Railway Safety Act, the Transportation of Dangerous Goods Act, 1992, the Marine Transportation Security Act, the Canada Transportation Act and the Canada Marine Act and to make a consequential amendment to another act.

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders and, therefore, members are attending in person in the room and remotely using the Zoom application.

I wish to inform all members of the committee that all witnesses appearing virtually have been tested for today's meeting and passed the sound test for the benefit of our interpreters.

Colleagues, appearing before us for the first hour of today's meeting is the Honourable Pablo Rodriguez, Minister of Transport.

[*Translation*]

Minister, it is a pleasure to welcome you here this evening. On behalf of the members of the committee, thank you for being with us.

We will begin with your opening statement. You have the floor for five minutes.

**Hon. Pablo Rodriguez (Minister of Transport):** Thank you, Mr. Chair.

Good evening, everyone. Greetings, colleagues.

First of all, I want to thank you for inviting me to speak about this important bill.

I am pleased to be joined by representatives of Transport Canada: Arun Thangaraj, Deputy Minister, as well as assistant deputy ministers Serge Bijimine and Lisa Setlakwe.

I am really pleased to be here. I think this is an important moment. I am delighted that we have this opportunity to discuss Bill C-33 and especially how it will strengthen our transportation supply chain.

[*English*]

Listen, I know you don't need me to tell you this, but over the past three years Canada's supply chains have really been put to the test and it's been a very difficult time. It is still difficult. COVID-19, increasingly frequent and intense weather events and Russia's war against Ukraine have caused and worsened supply chain disruptions.

[*Translation*]

The vast majority of Canadians felt the economic impact of those disruptions, many of which are still felt today.

All of which confirms how important it is to have a strong, resilient and efficient supply chain. Which, as you'll no doubt remember, is why we established the supply chain task force last year. We asked the task force from the outset to study ways to make the supply chain more resilient and reliable.

[*English*]

They conducted extensive consultations with industry representatives, and the group released a report with key recommendations. I'm sure you guys read it. Among these are that a national supply chain strategy be developed.

[*Translation*]

And Bill C-33 will lay the groundwork for that strategy.

However, it is important to note that, even before the war in Ukraine started and COVID-19 hit, Transport Canada had undertaken two separate reviews: the Railway Safety Act review and the ports modernization review.

[*English*]

Those two studies are done. They clearly reflect everything we've been through during the past two years. They highlight the need to modernize Canada's ports and rail networks. We can't forget something that you guys all know, that the majority of our trade passes through our ports and our rail system, so we always have to be ahead of the curve to modernize them.

● (1935)

[*Translation*]

The ports modernization review clearly showed us that our ports needed to work for and with Canadians. We therefore listened to what ports representatives, ports users and ports communities had to say.

By way of a response, Bill C-33 is designed to modernize the tools that the government, ports and railways use to support the entire transportation network. As we all know, the supply chain is profoundly interconnected. Our ports work together with our railways. They are inseparable from each other. We must therefore address all of that simultaneously.

That is why Bill C-33 contains amendments that address both ports and the railway system.

The purpose of those amendments is, first, to enhance railway safety and security by means of an updated framework.

They are also designed to better equip the ports to meet today's complex needs. That includes taking steps to work with Indigenous communities and to support our climate change commitments.

[*English*]

Also, it will further improve the safety and security of the transportation of dangerous goods in Canada.

With Bill C-33, we will ensure that the safety and security framework for operations is appropriate and up to date. All of these measures would make the Canadian transportation network safer, more competitive, more secure, more efficient and more reliable.

[*Translation*]

This bill, I have to say, is essential to our economy. We've been saying this for three years now. Supply chain issues raise Canadians' cost of living, which is already too high. Consequently, passing this bill is a major, even fundamental, move for our economy and an enormous step in the right direction. Which is why I am pleased to be discussing it with you.

I am now ready to answer your questions.

**The Chair:** Thank you, Minister.

With your permission, I will also welcome Deputy Minister Thangaraj and assistant deputy ministers Bijimine and Setlakwe.

[*English*]

Welcome to all of you.

We'll begin our line of questioning this evening with Mr. Muys.

Mr. Muys, I'll give the floor over to you. You have six minutes.

**Mr. Dan Muys (Flamborough—Glanbrook, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for taking time out of your busy schedule to be here as we conclude the witness testimony on Bill C-33.

Let me start with a fairly straightforward question. What, in your mind, is the number one thing that Bill C-33 is intended to accomplish?

**Hon. Pablo Rodriguez:** I would say that it increases efficiency and accountability, to answer very quickly.

**Mr. Dan Muys:** Efficiency and accountability.... Okay.

You talked about some of the chronology leading up to Bill C-33: the ports modernization review, which began in 2018; the rail safety review that started in 2017; and the national supply chain task force that was convened in January 2022—almost a couple of years ago.

The report of that national task force provided 13 immediate recommendations and eight, perhaps, longer-term recommendations. It had a fancy cover and a fancy logo. I should also add, by the way, that this very committee studied rail safety a year and a half ago. We had 33 recommendations, yet we only see one small provision regarding rail safety in Bill C-33.

After all that work, and over that length of time—going back six years—do you think Bill C-33 is the best you can come up with?

**Hon. Pablo Rodriguez:** I think Bill C-33 is a very good bill because of the two reasons I gave you.

First, on efficiency, it will allow our ports to better direct traffic and make decisions on how to be more efficient. It will also avoid anchorage, because the ports will have information they didn't have before, which will allow them to guide traffic and keep boats for the least possible amount of time for loading and reloading. That increases the efficiency.

On accountability, there are all kinds of measures—which you know—to make sure the ports understand they have not just a very important economic role but also a role within their communities.

**Mr. Dan Muys:** Let me ask you this, then: We heard from a witness on Monday afternoon about the port of Vancouver. You talked about the importance of our supply chains to our economy. Obviously, the port of Vancouver—our largest port, our gateway to Asia, with a significant portion of our trade going through that port—is absolutely critical. Yet, this witness indicated the port of Vancouver is ranked 347th out of 348 ports in the world. That's the second-worst-performing port in the world.

What is your reaction to that? How does Bill C-33 improve this?

● (1940)

**Hon. Pablo Rodriguez:** That's exactly why we need the bill.

The other reason is that we hope we're able to—

**Mr. Dan Muys:** That's not what witnesses told us.

**Hon. Pablo Rodriguez:** —work together to support this bill and make it a reality—to make the legislation. Again, it gives ports the capacity to make faster, better-informed decisions. It's the same thing for the railways. They will know how many boats are coming, or when the trains are there—or not. That will allow them to move everything more quickly and also to avoid, as much as possible, anchorage.

I think it's a big improvement.

**Mr. Dan Muys:** Let me ask you this, then, Minister: At the first meeting studying this bill, we had some of your departmental officials here. Some of them are here again today. I asked whether a cost analysis had been done, because we're adding reporting requirements, new regulations, advisory committees and data-reporting requirements. The answer was no. There was no cost analysis done as to what impact—whether it's on a small or large port—all these new provisions were going to have. We asked some of the witnesses. We had varying answers, depending on the size of the port—from a cost of \$200,000 to adding two additional employees when implementing the provisions of Bill C-33.

It seems to me as though you're adding all this cost. How do you justify the fact that no cost analysis was done up front and that you're just going to foist this upon the ports?

**Hon. Pablo Rodriguez:** Well, what's the cost of doing nothing? What's the cost of being inefficient in the way we move the boats? What's the cost—monetary but also on the environment side—of anchorage? They're huge costs because of the huge loss of opportunities also, so again, this will allow ports to be way more efficient and trains to work in a more secure and efficient way also. Again, to avoid anchorage, avoid the impact on the environment, avoid the impact on whales—

**Mr. Dan Muys:** Sure—

**Hon. Pablo Rodriguez:** —that's a big chunk of the benefits this will bring that you cannot necessarily calculate monetarily, but on the environment you can calculate—

**Mr. Dan Muys:** Let me ask one more question, because my time is winding down.

You talk about the cost of doing nothing, yet I asked you at the front end what is the number one thing that you think the bill will accomplish. I would actually submit that the number one thing the bill would accomplish is nothing at all.

We heard from witnesses. You don't have to take my word for it. I can replay some of their comments. Just on Monday, we heard a witness say that it would have no material impact on the efficiency of supply chains.... Let me repeat that: no impact on the efficiency of supply chains at all. Also, there are “missed” opportunities: we heard that numerous times from witnesses. One witness went so far as to say that having nothing—no bill—would actually be preferable to this bill.

Given these indictments—and look, I know you were saddled with this bill by your predecessor, so in fairness—would you commit today to withdrawing Bill C-33 and actually doing a proper consultation with stakeholders on an urgent basis, and then reintroducing it, yes or no?

**Hon. Pablo Rodriguez:** Well, I disagree with the premise of your question. I think it makes a huge positive impact. There's been lots of consultation. You guys are doing super important work. There has been debate in the House, there will be in the Senate, and I still hope that you'll support the bill.

[*Translation*]

**The Chair:** Thank you very much, Minister.

[*English*]

Ms. Murray, I'll turn the floor over to you. You have six minutes, please.

**Hon. Joyce Murray (Vancouver Quadra, Lib.):** Thank you very much, Chair.

Thank you for being here, Minister.

I was really pleased to hear you talk about the environment being an important objective of this bill. As I know you're aware, local stakeholders in Vancouver, such as the South Coast Ship Watch Alliance, have been very concerned about the environmental impacts of anchorage: light, noise and air pollution that affect local citizens and sound and other water pollution that affect the marine mammals. There are hundreds of species at risk in the Salish Sea that are affected.

Their view is that anchorage has a negative impact and that if ships arrived on time and on schedule thousands of anchor days per year could be prevented from being necessary. I'm very interested, given this, how the bill would improve the situation of anchorage. One last fact that they've put out is that anchorage growth has quadrupled while port tonnage grew by only one-quarter, so it's growing 16 times as fast as actual delivery of goods through the port. How does the bill help with that?

● (1945)

**Hon. Pablo Rodriguez:** I think that's a crucial question here, because it talks about the importance of the bill not only on the economic side but also on the environment side.

If you look strictly at the environment, there are a few things that are very straightforward. For example, Bill C-33 requires the ports to develop climate plans to reduce emissions, and not only do they have to develop those plans, but they have to make them public and the ports have to report on the progress, on what they're doing in terms of emissions, in terms of the environment. That is there. That's an obligation and will be monitored and will be public.

The other one you're talking about is related to anchorage. I've spent a lot of time thinking about this and working on this, because I've seen some of those ships. I'm sure that Mr. Bachrach is interested in this. I know that a lot of friends around Vancouver are also. By giving the capacity to the ports to better manage traffic by making sure that ships arrive on time, spend less time there and leave faster, then you don't have all those ships waiting at anchor.

Anchorage has many impacts. One of them is that—and you said it—is that they have to keep their engines going, at least one, to keep the electricity and minimal functions on board. By doing that, they're polluting, and also, the noise of the engines has huge negative impacts on the whales. By being more efficient in the managing of the ships, you don't need that type of anchorage. I think it's a big step forward.

**Hon. Joyce Murray:** Thank you.

Recent digital acoustical research is showing that the sound in the water impacts more than the whales. It impacts basically every animal in the ecosystem of the water, as well as some of the plants they feed on. I will be bringing more about this forward to you as the minister, because I think the impact of sound on vulnerable species in the water has to be closely understood and mitigated.

I would like to ask another question about engagement with the community.

As a member of Parliament adjacent to the port of Vancouver, I know there are communities in the metro Vancouver area that are not of the view that the port is sufficiently connecting with and respecting the needs and views of the community.

In fact, there's a lot of opportunity for having port tourism. If you think of Cape Town and some of the other ports, they are very integrated with tourism and other recreational activities. I think Vancouver has some opportunities there.

You claimed that the bill will be addressing some of the issues of communities around the ports. Could you give us more detail about how this will be more responsive and respectful of not just the needs, but also the opportunities of the port communities?

**Hon. Pablo Rodriguez:** Absolutely.

I said during my speech that ports not only play an economic role, but also, as part of their communities, they have an impact on those communities, which is sometimes positive and sometimes not that positive. They have to listen to what the communities have to say.

Through Bill C-33, we're asking the ports to put in place three different types of committees: one would engage with local stakeholders, the second with local governments/politicians, and the third with indigenous communities. They have to strike those committees to be able to hear concerns and suggestions, to be better connected with the communities they're in.

That's lacking, and I'm even surprised that it's not there. But with Bill C-33, we're making sure that we put that in there. They will have to create those three committees.

**The Chair:** Thank you very much, Minister, and thank you, Ms. Murray.

• (1950)

[*Translation*]

Mr. Barsalou-Duval, you have the floor for six minutes.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you, Mr. Chair.

Minister, thank you for being with us today.

We've been studying Bill C-33 in committee for nearly three weeks now. We've had time to hear from many witnesses, notably from labour, management, railway companies, port authorities, shipping companies, logistics companies and environmental groups. I was surprised to see that virtually none of those witnesses were enthusiastic about Bill C-33. Your Liberal colleagues around the table even had trouble telling them anything positive about the bill. I'm not saying there's nothing positive in it, but, as a general observation, people either opposed it or were utterly indifferent.

Do you think it's normal that there isn't any more support for your bill?

**Hon. Pablo Rodriguez:** I didn't have a chance to be here during the testimony. I want to thank committee members once again for their work, which is essential.

I've had several meetings with people who support the bill. There are no absolutes; things aren't necessarily black or white. People may like certain parts of the bill and other parts less so. Whatever the case may be, the bill ultimately would grant more authority to the ports to make decisions concerning traffic, which they currently can't do. When I took up this file, I thought it wasn't normal for the ports not to have—

**Mr. Xavier Barsalou-Duval:** I understand what you're saying. I have another question for you.

What received most opposition, from both labour and management, was the possibility that the government or the Minister of Transport, in particular, might be able to appoint the chairpersons of port authorities. They didn't like that at all. They were afraid that there would be political interference, that appointees wouldn't necessarily enjoy the trust of their peers and that they would work in the interest of the government, rather than that of the ports.

Do you intend to use that power to engage in political interference?

**Hon. Pablo Rodriguez:** No, not at all.

That actually goes back to what I was saying earlier. The ports have an economic role to play, but also a social and community role. Ultimately, they have to serve the public interest, don't they? So they must serve all Canadians. Port managements, which include their boards of directors, also have to align with the country's interests and be accountable. The chairperson is appointed from among the members of the board, upon consultation of those members. If a port official did anything today without complying with any recommendation—

**Mr. Xavier Barsalou-Duval:** You're saying that the appointment is made after the board members are consulted. However, you can already appoint members of the board of a port authority too. So you have the option of appointing someone as a member of the board and then quickly appointing that individual as chairperson of a port authority.

**Hon. Pablo Rodriguez:** However, in Quebec, Mr. Barsalou-Duval—

**Mr. Xavier Barsalou-Duval:** I wanted to address a more specific point with you. You say you don't intend to make political appointments, and I want to believe you. I hope that's not what you'll do if you're ever granted that power.

Now, I've done a little research and I'm going to cite some recent examples of appointments made to the Department of Transport, starting with Sandra Papatello, who was appointed as director at the Toronto Port Authority in 2023 and who has donated \$18,500 to the Liberal party of Canada. I could also cite the case of Craig Thomas Munroe, who was appointed as a director at the Vancouver Fraser Port Authority and who donated \$16,000 to the Liberal Party of Canada. Then there's Jonathan Franklin Goldblum, who was appointed to the board of VIA Rail Canada and who donated \$14,000 to the Liberal Party of Canada. I could also name someone who was appointed President and Chief Executive Officer of VIA Rail Canada in 2022 and who was to donate \$1,000 to the Liberal Party of Canada the previous year, just before being nominated to his position.

And yet you tell me that you don't intend to make political appointments.

I also expanded my research and came up with some 60 individuals who have donated a total of \$200,000 since you came to power. From 2021 to the present, approximately 10% of appointments are connected with the Liberal Party. I think that's a lot.

As I told you, I want to believe you, but I don't get the impression that the power you have in your hands has been used conscientiously to date.

**Hon. Pablo Rodriguez:** You also could have named a lot of people who have no connection to the Liberal Party and who have never donated a cent to it. You chose to present the situation in a different way.

**Mr. Xavier Barsalou-Duval:** Some 10% of nominees have donated to the Liberal Party, but I don't think that 10% of the population has done so. If I'm not mistaken, that would be less than 1%.

**Hon. Pablo Rodriguez:** Your remarks have taken a bit of a partisan turn too, Mr. Barsalou-Duval.

How does donating to a party make a person incompetent? I'm sure that the total number of appointees includes people who have previously donated to the New Democratic Party, the Bloc Québécois or the Conservative Party.

• (1955)

**Mr. Xavier Barsalou-Duval:** I agree with you that there may be three good Liberal directors, Minister, but the preponderance of such donors nevertheless seems significant to me. Some 10% of appointments were associated with the Liberal Party, whereas less than 1% of the population belongs to your party. There is quite a major disparity here, on the one hand.

On the other hand, I'm not saying that all those people were appointed based solely on their politics because people who are competent and qualified to do the work may well have been appointed, but this gives me the impression that, if someone has donated to the

Liberal Party, his or her file winds up on top of the pile not under it. Isn't that the case?

**Hon. Pablo Rodriguez:** No.

**Mr. Xavier Barsalou-Duval:** I'd like you to convince me of that.

**Hon. Pablo Rodriguez:** I said no. *N-o*; it's a word: no.

**Mr. Xavier Barsalou-Duval:** I nevertheless told you some facts, and they're quite eloquent.

**Hon. Pablo Rodriguez:** You chose to state certain names. You could have chosen to state names from among the 90% who don't donate to the Liberal Party, but you chose to state those other ones.

Some people donate to all the parties.

**The Chair:** Thank you very much, Minister.

Thank you, Mr. Barsalou-Duval.

[*English*]

Next we have Mr. Bachrach.

Mr. Bachrach, I'll turn the floor over to you. You have six minutes. Go ahead, please.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair.

Thank you, Minister, for joining us this evening.

I'll start fairly generally.

It does seem as though this bill is mostly based on the economic needs of the supply chain and on the need to address some of the challenges we saw during the pandemic. It's certainly understandable that it speaks to some of the recommendations from the fairly prescribed legislative reviews that took place many years ago. However, there have also been very strong concerns from communities and people who are affected by the supply chain as they look to your government for more protection and more accountability.

Part of that work was this committee's study on rail safety, in which we heard from communities, unions and rail workers about their concerns. The picture they painted, as well as the picture the Auditor General has painted and the chair of the Transportation Safety Board painted, is a pretty bleak one. It leaves us with a lot of concern about the state of rail safety the tenth anniversary of the Lac-Mégantic disaster. Yet of the 33 recommendations in this committee's report, Bill C-33 addresses none.

Maybe my question for you is this: How can this committee understand this as anything other than an insult to the work we've done? The recommendations in the committee's study came from the people who've been deeply impacted by the supply chain. They want changes. They want your government to have their backs. Yet the bill we see in front of us doesn't have any of that. Why is that?

**Hon. Pablo Rodriguez:** The bill does touch security and safety of railways, but you spoke about Lac Mégantic, and you raised something extremely important. What I'm wondering is how is it still possible that, 10 years afterwards, you have the same trains going there.

When the Prime Minister named me to this position, the first thing I thought about was Lac Mégantic because any Quebecker—ask Mr. Barsalou-Duval this—will remember exactly where they were at the moment of the tragedy and in the days that followed.

I went there recently, and I spoke with CP to make sure that we do everything that's necessary to go around. We have an agreement with CP. We made that a couple of weeks ago.

I made a deal with the city of Lac Mégantic. I made a deal with the Government of Québec, and this will happen now.

The people—sorry, I'm just finishing, and it's a bit emotional for me for many reasons—the people in Lac Mégantic are still waking up every day and listening and seeing that same train going down the same rail every day with dangerous goods, and that's one of the things—

**Mr. Taylor Bachrach:** Yes, and I guess what we're asking you for, Minister, is not just to talk to the companies and ask them to do better. You're the Minister of Transport. We want legislative protections. We want you to reform a law that is archaic.

Why is it that these rail companies have their own private police forces, and when they have accidents that kill rail workers, they get to investigate themselves? Tell me that.

**Hon. Pablo Rodriguez:** First, it's the way it works in many countries, not only in Canada but in different countries—

**Mr. Taylor Bachrach:** Not in the United Kingdom.

**Hon. Pablo Rodriguez:** In many countries, okay? The other thing is that they don't work in silos. They are what they call the "first line of defence" in safety and security related to the railway system, but they're not the only police force that can investigate matters, right? The RCMP and other police forces can and do investigate, depending on where they have jurisdiction.

For example, if something happens on a rail line on the island of Montreal, probably, the Montreal police will investigate. If it's between Montreal and Quebec City, then it will probably be the Sûreté du Québec, depending on where they have jurisdiction. They collaborate. Especially for complex investigations, they collaborate together.

● (2000)

**Mr. Taylor Bachrach:** If we look at what happened in the wake of the disaster in Field, B.C., that killed three men, I don't think we would see collaboration. I don't think we would see a system that works for those rail families who lost their loved ones.

Would you agree?

**Hon. Pablo Rodriguez:** They should have done better, but I don't know all the details.

**Mr. Taylor Bachrach:** Yes, so what we desperately need, Minister, and what I wish I saw in this bill, are reforms to an archaic 18th-century approach to rail policing. There's no reason that multi-

billion dollar companies should get to police themselves. Air Canada doesn't have its own police.

We desperately need this, and I'm appealing to you, I'm urging you to bring forward at the very earliest opportunity a legislative reform that gets rid of private corporate rail police in Canada and brings in a proper, accountable police agency that is paid for by the industry and reports to a civilian oversight commission.

This is what they do in the United Kingdom. I think most Canadians are shocked to hear that rail companies get to police themselves. I'm going to turn to one more....

Do I have 30 more seconds, Mr. Chair?

**The Chair:** You have 40 more seconds—

**Hon. Pablo Rodriguez:** Again, they are there, but they don't work in silos. Again, they collaborate, and other police forces are allowed and investigate quite often, too, but I hear what you're saying.

**Mr. Taylor Bachrach:** I'll ask my last question, and then perhaps you can answer in the next round.

The ports have said to us that they don't understand why this bill contains these three-year reviews of their borrowing limits. They've come to you with concerns about the time it takes to get their borrowing limits approved, and they don't see how what you've proposed in this bill does anything to improve that situation.

When it comes back around, I would love it if you took a few minutes to explain—because I know we have folks from the ports in the room—how what you've proposed speaks to the concern that they have about borrowing limits.

**Hon. Pablo Rodriguez:** Can I answer now?

**The Chair:** Unfortunately not, Minister. There are three seconds left, so we'll wait until the next round.

Thank you, Minister, and Mr. Bachrach.

Next we have Mr. Strahl.

Mr. Strahl, I'll turn the floor over to you. You have five minutes, please.

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Thank you, Mr. Chair.

Usually a minister comes to the first meeting to present their bill and talk about its many benefits.

Minister, you've had the benefit, or you should have had the benefit, of reviewing the testimony from over 10 hours of witnesses who have been before this committee before you arrived today. Whether they've been rail companies, marine groups, port users, port authorities, port terminal operators, unions or environmental groups, they've all said this bill is either bad for their sector or does nothing to improve the situation with supply chains.



Your opening statement could have been given by Omar Al-ghabra. I heard that speech in the spring.

Why haven't you listened to the industry groups, to the unions, to the environmentalists, to everyone who has been before this committee up until today's meeting and then come to this committee with what you're proposing to change, as opposed to telling us it's a very good bill and that many people are telling you how great it is, when your Liberal counterparts at this committee couldn't find anyone to come to defend it?

**Hon. Pablo Rodriguez:** You won't be surprised if I disagree with the premise of the question and most of your comments, Mr. Strahl.

**Mr. Mark Strahl:** They're the comments of the witnesses.

**Hon. Pablo Rodriguez:** There's a need for this bill. It's an important bill. Is it a perfect bill? No. Is it a bill that everyone goes crazy over and says, "Yoo-hoo, we're supporting Bill C-33"? Not necessarily.

However, is it making structural changes? It is—for ports, for trains, and also for the environment. With regard to the link between the ports and the communities, the importance of striking those communities—those communities with community leaders, with indigenous people, with local governments—is fundamental.

Are you against that?

**Mr. Mark Strahl:** Well, what I'm—

**Hon. Pablo Rodriguez:** Are you against the fact that we want to eliminate [*Technical Difficulty—Editor*] because it's necessary for the environment and necessary to improve the supply chain? Are you against that, Mr. Strahl?

**Mr. Mark Strahl:** What I am against, Mr. Minister, is this "Ottawa knows best", top-down approach when it comes to our supply chains. We've heard that time and time again, especially when it comes to you, as the minister, sitting in an office in Ottawa and telling the ports across the country—no matter how big they are, no matter how unique their situation is—that you know best, that you know who should be the chair, that that should come from on high in Ottawa.

I was shocked to hear you say that, right now, port boards are doing whatever they want. That is simply not the case. What they are doing is trying to efficiently move goods throughout the supply chain, and this bill will actually make that more difficult by inserting you and your political ideology into the boards of directors.

Why are you not allowing ports, which are supposed to be at arm's length from government, to operate at arm's length from government? Why is there this "Ottawa knows best" approach to port governance?

• (2005)

**Hon. Pablo Rodriguez:** Again, I have to disagree with the premise of your question and, again, most of your comments, Mr. Strahl.

With all respect.... You know, I respect very much what you do. We worked together as whips for a long time. It's not necessarily an easy job.

This bill makes a lot of changes in terms of supply chain efficiencies. It helps to improve relationships between the ports and local communities. It helps improve the safety and security at the ports. It's also asking the ports to work in the public interest because they have a role. Yes, the role on the economic level is very important, but they also have a role to play in terms of being members of those communities.

**Mr. Mark Strahl:** If I have time for one more question....

Why are you treating the port of Vancouver like the port of Saguenay or the port of Trois-Rivières? Why take this one-size-fits-all approach instead of taking into account the unique nature of each of the 17 port authorities across the country?

**Hon. Pablo Rodriguez:** I'm absolutely ready to look at that, and I understand that the challenges are different between the 17 ports and other smaller ports.

At the end of the day, what we want to do is increase the efficiency in terms of the supply chain. We want to make sure that ports do their job, that trains do their job, that governments and everyone do their jobs. We're going to look at the differences between big and small. Sometimes their capacities or needs are different, so I'm open to looking at that.

**Mr. Mark Strahl:** Do I have any more time, Mr. Chair?

**The Chair:** You have 14 seconds, Mr. Strahl.

**Mr. Mark Strahl:** I'll ask the same question that Dan Muys asked.

Will you withdraw the bill, talk to industry, talk to the players, and come back with something that can actually be supported by port users and supply chain users across the country?

**Hon. Pablo Rodriguez:** Quite the opposite. I would love to get your support for the bill, Mr. Strahl.

[*Translation*]

**The Chair:** Thank you very much, Minister.

[*English*]

Thank you very much, Mr. Strahl.

Next, we'll go to Mr. Rogers.

Mr. Rogers, I'll turn the floor over to you. You have five minutes, sir.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thank you, Mr. Chair.

Welcome, Minister, to our committee this evening.

You said, at the beginning of your comments, that the goal of the bill, of course, is efficiency and accountability. We've heard from many witnesses at these committee meetings, from marine ports, railways and so on, about Bill C-33. Many of them have made some good suggestions on how to improve the bill. Hopefully, at the end of the day, this will happen at this committee: recommendations that will lead to efficiency and accountability.

I want to ask you a question around data sharing because, again, a lot of them talked about that.

Minister, data sharing is a common element of Bill C-33. Can you please share with this committee why that's important to effective port operations, and how do you envision data sharing between ports, port users and the federal government to maximize results?

**Hon. Pablo Rodriguez:** I would say it's absolutely fundamental. I was even surprised—I've not been in this job for a long time, maybe three months or something—at the lack of sharing of information. Information is everything. Ports should know exactly when boats are arriving, the number of boats that are arriving, where the trains are, and this and that, so they can better work together.

With this bill, it's like we're thinking about the entire transportation system as being one. By sharing that type of data, you improve the flow. You improve the circulation. You increase the speed of goods arriving from A to B. You limit the impacts on the supply chain, and that does have an impact, at the end of the day, on prices for consumers because when you have problems with the supply chain, you know what the consequences are on the cost of living.

**Mr. Churence Rogers:** When it comes to data, digitization and investing in technology, it's all with the same objective: efficiency and accountability.

From the marine side, after hearing from many ports across the country and from witnesses here at the committee, who shared their concerns about the powers the bill would give you, many of the concerns are with regard to safety, such as not only anchorage, blockage, and those kinds of things, but also the right to protest. Specifically, Minister, Bill C-33 gives you some additional powers when it comes to emergencies.

Can you give us some context as to why those would be necessary?

• (2010)

**Hon. Pablo Rodriguez:** You've said it all. It's emergencies. It's just in case of emergencies. For example, and you've probably heard this, during the pandemic, a ship came in with a new variant of COVID-19. We could not stop it. It could come to the port; it was allowed to come here. This would give you power in emergencies. We could have said to the boat's crew to stay there for a while and to make sure everything is okay, but “No, we couldn't have a boat with a new variant of a very dangerous disease on it”. We're a G7 country, and we don't have the power to tell that boat, “Whoa, hold on for a second; you can spend a few days there until we control the situation”.

That is exactly what this is for.

**Mr. Churence Rogers:** From that perspective, when we talked about board governance, a couple of witnesses asked us, if we had to make up our minds, as a committee, do we want a board governance from a political side or a private sector side?

I just want to ask your thoughts on that.

**Hon. Pablo Rodriguez:** I think you need a board of directors that's there for the port and for the community. What happens if the chair does whatever they want? We have to understand that when we say ports play a super important role, it's not only in terms of the economic level but also in terms of their own community. Their impact is huge. That's why we're striking those three committees and asking them to speak with indigenous people, to speak with lo-

cal leaders and to speak with local governments and politicians, and to listen, not only speak but also listen. Sometimes the recommendations that come from there are amazing, and they're going to help you.

I think it strikes the right balance. I think it's necessary and required. Maybe not everyone falls in love with the bill, but it's definitely a step in the right direction.

**The Chair:** Thank you, Minister.

Thank you, Mr. Rogers.

[*Translation*]

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Minister, many people noted that there didn't seem to be a lot of enthusiasm for the bill that your predecessor tabled in Parliament.

Could you name a witness who was heard in committee and who supported the bill?

**Hon. Pablo Rodriguez:** I wasn't here during your proceedings, but I can say that many people like some parts of the bill and don't like others. The other evening, I spoke with people from the Association maritime du Québec—

**Mr. Xavier Barsalou-Duval:** Yes, I understand, but, generally speaking, the committee hasn't seen any enthusiasm for Bill C-33. No one told us they absolutely wanted this bill to be passed.

Now I'd like to discuss another important point: the right to strike.

Some labour people told us that they thought their right to strike might be threatened by certain provisions in the bill that seem to give the minister significant power and broad authority over port management, including the making of interim orders.

Mr. Bijimine said in previous testimony before the committee that he would be open to requesting a legal opinion on the matter. Has that been done? Can we assure people that the bill presents no potential threat to the right to strike?

**Mr. Serge Bijimine (Assistant Deputy Minister, Policy, Department of Transport):** It has been done, and there's no threat.

**Mr. Xavier Barsalou-Duval:** Thank you, that's much appreciated. A very effective answer too.

**Hon. Pablo Rodriguez:** Yes, it's an excellent answer. I agree with him, but, on that subject, I'd just like to say—

**Mr. Xavier Barsalou-Duval:** Actually I had another question. I'll ask it and then let you answer both questions.

**Hon. Pablo Rodriguez:** I can answer a question as you ask it, you know.

**Mr. Xavier Barsalou-Duval:** Oh, oh! That's harder if we both speak at the same time.

My next question concerns the distinction between small and large ports. Under this bill, ports would have to submit quarterly financial statements and establish advisory committees to discuss municipalities, citizens and Indigenous groups. I have to say that, in many respects, people felt there wasn't enough dialogue with the ports, so those provisions of the bill would perhaps promote discussion, in addition to improving transparency.

However, the Port of Montreal and the Port of Vancouver don't have the same resources as the Port of Saguenay, which has approximately 14 employees. Some witnesses came and told the committee that implementing what's required in the bill would force them to hire two persons and would cost them \$200,000.

Wouldn't it be smarter to draw a distinction between the large ports, which have the necessary funding and resources to make the required changes regarding organization and the sharing of information, and the smallest ports, which have fewer resources? Wouldn't it make more sense to lower requirements for the smallest ports, or perhaps to exempt them, wholly or partially, from those new provisions.

• (2015)

**The Chair:** Minister, unfortunately, no time is left for an answer. That's too bad.

[*English*]

Next we have Mr. Bachrach.

Mr. Bachrach, I will turn the floor over to you for two and a half minutes. Go ahead, please.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Very briefly, Minister, how does the three-year rolling review of port borrowing address the concerns that ports have brought forward with regard to borrowing limits?

**Hon. Pablo Rodriguez:** I have been following that, because that's a very important discussion and I know it has been raised a few times. I understand also that ports can sometimes be frustrated by the current process. Sometimes it takes time, and speed is very important. They say, "I need this, and I need this, and I have to invest" and then getting a loan takes a while. But the fact that you have those meetings every three years—so 17 ports every three years means five or six ports a year—and have to gather that information and report every three months—and they're not audited, by the way—allows us and the banks to have more information more regularly, so that accelerates subsequent decisions when a loan is required.

By the way, there can be loans in successive years too. You don't have to wait to go to the—

**Mr. Taylor Bachrach:** Fair enough, Minister.

I asked because I'm legitimately curious. The ports came and all of them told us that they don't understand how this makes things any better, so either you're not talking to each other or they communicated to you what they wanted, and you went and did something different, and now they are not happy about it.

I will leave it at that.

**Hon. Pablo Rodriguez:** Well, that's your opinion.

**Mr. Taylor Bachrach:** Fair enough. It's just what I observe at the committee table. We have witnesses come. They tell us things. You tell us things. We compare the two and try to make sense of them.

I want to bring up anchorages, which Ms. Murray brought up earlier. If I understand your response, you said, well, this addresses that because it's going to make the flow of traffic smoother at the ports.

When I talk to communities, when I talk to concerned residents, that's not good enough for them. What they are looking for are legislated protections that will protect sensitive marine areas and protect the quality of life in their rural communities.

Would you be open to those kinds of amendments? I guess what I'm trying to say here is that we're looking for a reason to support this bill, and right now we don't see very many, because all the people coming to committee say that it's not worth the paper it's written on.

Are you willing to consider amendments that would strengthen legislative protections for communities affected by anchorages?

**The Chair:** Could we have a 15-second response, please?

**Hon. Pablo Rodriguez:** I'm always open. Hey, those who know me—and I have been a minister for a while—know I'm always open to amendments if they make sense and we're able to put them in and do them.

We have the same objective. I think what we're putting in place will help us with this anchorage and help us in terms of the environment also, which is super important, so we have the same objective.

**The Chair:** Thank you, Mr. Minister.

Thank you, Mr. Bachrach.

Next we will go to Mr. Strahl once again.

Mr. Strahl, the floor is yours. You have five minutes.

**Mr. Mark Strahl:** Thank you.

Mr. Minister, can you give us a single concrete example of where the chair of a port board authority did what you have said now multiple times—just whatever they wanted?

**Hon. Pablo Rodriguez:** Well, it could happen, Mr. Strahl.

**Mr. Mark Strahl:** It could happen, but you are proposing a solution in search of a problem, Mr. Minister, if you can't give me a single example of how a port chair being appointed by the government but then elected by its membership is a problem.

Again, I have to come back to this, because we heard again and again from all sectors that are impacted that this would bring about the politicization of the port authority board, which is supposed to operate at arm's length from government.

Are you really telling this committee that you're prepared to upend that neutrality and insert yourself into that based on something that has not happened but that one day could?

**Hon. Pablo Rodriguez:** No. Our government would never do that, Mr. Strahl, and you know that very well. Maybe you have different intentions, but we would never do that.

With that being said, ports have to work in the public interest. That's fundamental. I've been trying to say this since the beginning, because we always see ports as only an economic driver, but they're also members of our community. They have obligations. They have to respect what's going on around them. It's important that there's this kind of accountability.

● (2020)

**Mr. Mark Strahl:** What you're creating, though, is an obligation to the government—not to the port community, not to the economy, not to port users and not to the supply chain. You're saying, “You report to me and I will tell you how to run your board.” I think it's absolutely incredible that you cannot point to a single example of why you would completely upend the way that port boards operate.

I want to turn to another—

**Hon. Pablo Rodriguez:** Well, the chair doesn't work in a silo, but works with his own board. They have their obligations—

**Mr. Mark Strahl:** Yes. They're appointed by your government and elected by their other board members.

**Hon. Pablo Rodriguez:** In Quebec boards—

**Mr. Mark Strahl:** That's how it supposed to work. That's how it has worked, and you haven't been able to point—

**Hon. Pablo Rodriguez:** One hundred per cent—

**Mr. Mark Strahl:** —to a single problem with the current system.

**Hon. Pablo Rodriguez:** The boards in Quebec—

**Mr. Mark Strahl:** Why are you—

**Hon. Pablo Rodriguez:** Can I answer, Mr. Speaker?

**Mr. Mark Strahl:** Why does the minister know better than the board members you appointed?

**The Chair:** Mr. Strahl, as long as there was a question there....

Go ahead, Minister.

**Hon. Pablo Rodriguez:** Mr. Strahl, you should be a bit more respectful and allow me to answer.

In Quebec, for example, 100% of the boards are chosen by the Government of Quebec. Is that the best idea? Not necessarily, but those people act in the interest of the government and in the interest

of the port and the communities. That's what we need the port authorities, the chair and the board to do.

**Mr. Mark Strahl:** Right. There's no problem, but you've decided you need more influence over port boards. I get it.

**Hon. Pablo Rodriguez:** I disagree.

**Mr. Mark Strahl:** On the issue of anchorages, unless the issue of loading grain in the rain is managed—there are 170 days of rain at the port of Vancouver, so there are 170 days when they can't load grain—this will continue to back up at anchorages, no matter how many people want to wish it away or how much you say we can make things better for the whales because of active vessel traffic management, which is already under way at the port of Vancouver.

How can you propose to reduce anchorage time when we can't even load grain in the rain at the port of Vancouver for 170 days a year?

**Hon. Pablo Rodriguez:** By better managing the traffic, Mr. Strahl. By making sure that ships arrive on time, that ships arrive at specific times, that the trains are there, that there's better communication and that data is shared.

**Mr. Mark Strahl:** It's fine if the trains are there, but if they can't unload.... If you can't load grain onto a vessel, the vessel will remain there or at anchorage, and it will cause backups.

What are we doing, and what is the government doing to ensure that grain can be loaded in the rain in Vancouver?

**Hon. Pablo Rodriguez:** The grain in the rain is an infrastructure challenge. It's not something that's in the bill. It's going to be solved—

**Mr. Mark Strahl:** It affects anchorages, though.

**Hon. Pablo Rodriguez:** —through investment decisions and infrastructure decisions.

It's up to my colleagues and to you guys to discuss all of that, but this bill brings concrete solutions or means to the ports to make sure that they can better manage traffic, diminish the impact of anchorage and waiting times, and the impact on the environment. It gives them the concrete tools to do that, so it's having a positive impact on the supply chain.

**The Chair:** Thank you very much, Mr. Strahl.

Thank you, Minister.

Finally, for this round, we have Mr. Badawey.

The floor is yours. You have five minutes, sir.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Mr. Chair.

I'm going to try to be a lot more productive after the hour that we've just heard.

Mr. Minister, thank you for being here, first of all.

I'm looking at Bill C-33. As I mentioned to a lot of the witnesses....

By the way, a lot of the witnesses support a lot of the bill. I'm not going to buy the fact that no one supported it. A lot of them gave support to many parts of the bill. At the same time, they were giving opinions on other parts they thought could be changed.

We've noticed and recognized throughout the years in the ports modernization review, the rail safety review and the supply chain task force report... I'll even throw in the St. Lawrence Seaway review, because I consider that somewhat of a port, in terms of its trade corridor. We're working on Bill C-33 and we have Bill C-52 coming up. As you said, Mr. Minister, it's to update and modernize.

The whole concept behind reports coming to the committee.... I value the committee a lot. I've been on this committee since 2015. I've worked with and learned a lot from the partners we're dealing with today. With that said, and upon listening and learning.... Here's a bill that gives opportunity for the door to be wide open for people to walk in, to take all of those reports—bills included—and create the first part of a transportation strategy, integrating transportation logistics not just in Canada but also binationally. We heard from CP Rail-CP Kansas City the other day.

My question for you is this: As we move forward.... We heard a lot of the comments made tonight. We heard, more importantly, the comments from the partners. Do you feel this is just the start of the conversation?

In fact, in listening to those partners and witnesses, we expect this committee to simply do its damn job and come back with amendments, instead of bitching about everything they think they heard. We come back with amendments and present them to you and your team. Of course, with that, if there's an expectation of what this bill is going to be and accomplish, that will be done through the work of the witnesses, the testimony received and committee amendments. Then it's back to you. Of course, with that said, it's a bill that can hopefully make most or all more productive in the jobs they're doing within their port authorities, the rail sector and other...that this bill is attached to.

● (2025)

**Hon. Pablo Rodriguez:** Absolutely. You're right on.

I also want to thank you, Mr. Badawey, for all your work. I remember sitting with you on this committee in 2015. I was parliamentary secretary to the minister of infrastructure, so you've been here for a while. You know your stuff. I want to thank you for that, and also for the work you are doing as Parliamentary Secretary to the Minister of Transport.

Yes, this is an important start. There are many things in there. There is other stuff, as you said. Regarding Bill C-52, this bill or any bill, if the committee has suggestions for amendments or recommendations, of course I'll be ready to listen to that. However, you need to have a positive approach and not just come here to criticize the bill. I mean, I have a lot of respect for my colleagues and friends in the Conservative Party, but the only thing they have been doing is criticizing you guys. They could bring some suggestions. If

they're good, of course we're going to listen to them, because it's in the interest of all Canadians. It's not only in the interest of ports and the whole supply chain. More importantly, it's in the interest of our fellow citizens.

**The Chair:** Thank you.

**Mr. Mark Strahl:** I have a point of order, Mr. Chair.

**The Chair:** Yes, go ahead on a point of order.

I'll stop your time, Mr. Badawey.

Go ahead, Mr. Strahl.

**Mr. Mark Strahl:** I want to allow the minister to respond, but I think Mr. Badawey's characterization of the questions I asked as “bitching” is extremely unparliamentary and not worthy of someone in his position. I think you should have called him out on it and I'd ask you to do that now.

**The Chair:** I'm going to ask all members to be diligent in the words they're using.

**Mr. Vance Badawey:** Thank you, Mr. Chair.

Thank you, Mr. Strahl. Actually, I wasn't pointing you out, and I'm sorry you took it that way. It must have been the conscience you had.

However, I was actually speaking with—

**Mr. Mark Strahl:** Mr. Chair, I have a point of order.

**The Chair:** Go ahead, Mr. Strahl.

**Mr. Mark Strahl:** If you want to have order in this committee, I suggest you bring Mr. Badawey to order. If he wants to disrespect me, that's fine, but when he disrespects you, I think you should call him to order. This is an outrageous display by a parliamentary secretary.

**The Chair:** I'm going to, once again, ask that all members act diligently and choose their words wisely, especially when we have a minister present.

**Mr. Vance Badawey:** Thank you, Mr. Chair.

Again, my comment was really characterizing the entire session, not one individual. With that, I'll move on.

I guess the direction I'm taking with this discussion and line of questioning is simply whether you see, Minister, as we move forward with this bill, that it can lead, as I mentioned to one witness a meeting ago, to the establishment, again, of integrating a transportation strategy, integrating transportation logistics throughout the country—and binationally, quite frankly—and with that, from the testimony we heard, to in fact take that testimony, learn from it, and, yes, present amendments. That's my question.

I guess my point to the committee members is this: Let's do our job. If you have problems or challenges—I won't call it bitching this time—with this bill, then let's simply do our job, come back with amendments and present them to the minister. The expectation from all of us will be that, hopefully, changes may be made, but let's be more proactive to actually propose those amendments versus sitting here and complaining about everything about the bill. That's the job of this committee. Let's do our job.

I'll go back to the question, Minister.

**Hon. Pablo Rodriguez:** Yes. I think the vision behind this bill, and you said it, Mr. Badawey, is that we have to think of this as one system—one system that is integrated, one system that shares data, shares information and understands that it depends on the other. If one part is weak, the whole system is weak.

You're absolutely right in the sense that we have to see what we do with those lessons, not only on Bill C-33 but on Bill C-52 and others—

**The Chair:** Thank you.

**Hon. Pablo Rodriguez:** That's it.

• (2030)

**The Chair:** Perfect. Thank you very much, Minister.

**Hon. Pablo Rodriguez:** Time flies when you're having fun.

**The Chair:** Thank you, Mr. Badawey.

Minister, on behalf of all members of this committee, I thank you once again for being with us this evening, especially at this late hour.

I would like to thank all the associate ministers for their presence as well.

Colleagues, I will suspend for two minutes as we prepare for the next round of witnesses.

We are suspended.

• (2030)

(Pause)

• (2035)

**The Chair:** I call this meeting back to order.

Colleagues, appearing before us for the second half of today's meeting, we have, from the Shipping Federation of Canada, Mr. Christopher Hall, president and chief executive officer, who's joining us in person. Welcome, sir.

Joining us online, we have Mr. Wade Sobkowich, who is the executive director of the Western Grain Elevator Association. I want to welcome you too, sir.

We'll start with opening remarks by Mr. Hall.

I'll turn it over to you, and you have five minutes, sir.

**Mr. Christopher Hall (President and Chief Executive Officer, Shipping Federation of Canada):** Thank you. It's a real pleasure to be here this evening.

The Shipping Federation of Canada is a national association that represents the owners, operators and agents of the ocean ships that carry Canada's imports and exports to and from world markets.

We support the government's efforts to modernize Canada's marine transportation system, not only through Bill C-33, but also through several other legislative initiatives, including the marine sections of Bill C-52, and the amendments to the Canada Shipping Act and the Marine Liability Act, which came into effect this June.

When viewed in conjunction with the recommendations of the national supply chain task force, these initiatives represent the most extensive transformation of Canada's marine transportation system in the last 25 years, and one that is long overdue, given the shocks, disruptions and challenges the system has experienced since then.

As it relates to the Canada Marine Act, we note that Bill C-33 provides updated language regarding the act's purpose, which now extends to managing marine infrastructure and services in a manner that maintains resiliency and safeguards national security, and for managing traffic, including moorings and anchorages, in order to promote supply chain efficiency.

We view the references to “resiliency” and “national security” as important additions that reflect the increasingly unpredictable nature of the environment in which our supply chains operate and the need for greater flexibility in responding to those challenges.

Although we also support giving ports explicit authority to manage marine traffic, we would caution that this represents a very small piece in a much larger puzzle of solving efficiency challenges at ports such as Vancouver. Indeed, these challenges cannot be resolved without considering the broader context in which ships operate, and where factors such as rail and road infrastructure deficits, labour availability, labour stability, productivity challenges and rail performance issues, to name a few, all play a major role.

Bill C-33 also gives the minister new regulatory authority to compel users and port authorities to share information and data in support of marine traffic management. This represents an important first step in developing a national supply chain data and digitization strategy, as per the recommendations of the national supply chain task force.

However, if this strategy is to be successful, it will be important to ensure that data-sharing commitments by stakeholders are based on incentives rather than penalties and that the strategy's primary focus is on connecting existing digital platforms rather than building new ones.

In addition, government departments and agencies, particularly CBSA, must also be prepared to join the digitization effort, ideally by migrating to a maritime, single-window reporting model for collecting data from supply chain stakeholders.

Finally, although we will not be making specific comments on the amendments that pertain to the governance and reporting requirements of the CPAs, we believe that these amendments will require additional scrutiny and consultation if they are to gain the level of buy-in from stakeholders that will be necessary for their successful implementation.

Turning now to the proposed amendments to the Marine Transportation Security Act, we were pleased to see the addition of the new “Purpose” section, which articulates the act’s overall objectives. However, we have concerns regarding the very broad criteria under which the minister may impose security-related measures, which essentially extends to any circumstance that creates the need to “deal with threats and reduce direct and indirect risks”.

Although we support the minister’s enhanced ability to act quickly in response to threats or risks to the marine transportation system, the lack of specificity and details as to what qualifies as a threat or a risk makes it difficult to ascertain what constitutes a legitimate need for immediate action. This is important, because these broadly construed criteria serve as the trigger for the minister’s ability to exercise the continuum of powers at his or her disposal under the act, which include not only the ability to make regulations, but also to issue interim orders, directions to vessels and emergency directions, which are outside of the normal regulatory process and the normal checks and balances that are accorded to it.

Finally, as it relates to the Customs Act, we note that Bill C-33 proposes amendments regarding the time and manner in which goods are to be made available for examination and the need for goods to be examined in a secure area, etc.

● (2040)

This raises serious concerns as to whether CBSA has the necessary facilities, infrastructure and personnel for conducting cargo examinations, and whether it has the necessary funding to address the significant deficits that currently exist in these areas.

This is a major and ongoing issue of concern in the marine mode, as it has been our experience that CBSA’s current lack of resources not only impedes the efficient examination and movement of cargo but also hinders the development of new shipping services and market opportunities at ports across Canada.

This concludes my comments. Thank you very much. I’ll take your questions.

**The Chair:** Thank you very much, Mr. Hall.

Next we’ll go to Mr. Sobkowich.

Mr. Sobkowich, the floor is yours. You have five minutes for your opening remarks, sir.

**Mr. Wade Sobkowich (Executive Director, Western Grain Elevator Association):** Thank you, Mr. Chair and members of the committee.

The Western Grain Elevator Association is a national association of grain companies. We handle in excess of 90% of Canada’s bulk grain shipments. Today, I’ll highlight our views and observations on Bill C-33 in the context of the grain supply chain.

Alongside the lead-up to Bill C-33, as was pointed out in the earlier session, the supply chain task force report was tabled in October of 2022.

The task force report refers extensively to Canada’s competitiveness and prosperity, the need to create a competitive transportation system and the need to address the power imbalance between transportation service providers and shippers. It rightly positions shippers and exporters as drivers of the national economy and places the needs of those who produce and sell Canada’s resources as paramount.

It’s the WGEA’s observation that the spirit of Bill C-33 is in stark contrast to that of the task force report. We have some examples.

The first area of inconsistency is port governance. The federal government has the objective of increasing the volume of Canadian agricultural exports and is investing in infrastructure projects that help increase the flow of goods. At the same time, in the last 11 years, grain farmers in western Canada have grown nine of the largest crops on record, mostly through innovation. This is a good news story for Canada.

We have, however, seen past decisions by port authorities that were not in the grain sector’s best interest. This led to our organization’s advocating for changes to port governance to provide more representation for tenants and the provincial economies where the product has originated.

I feel like we’re losing focus and sight on the fact that ports are there for the national economy, first and foremost.

Instead, Bill C-33 does the exact opposite. It increases representation from local municipalities and the provinces in which the ports are located. It raises a real concern for us that port operations are going to be governed by local issues rather than the national interest.

The second suite of concerns has to do with vessel management. With a growing crop, we face the challenge of evolving the supply chain to move more product each year. This is not a situation of trying to find ways to do more with less. In practical terms, we need to find a way to have more vessels ready to load in the port of Vancouver, not less. It’s Canada’s largest working port designed for commerce, and it has to be—first and foremost—viewed through that lens.

Bill C-33 will enable the creation of a regulated system to restrict the presence of vessels in Canada’s ports. A natural consequence of increasing trade is an increase in vessel activity. As a country, it doesn’t work to have conflicting objectives of growing exports but reducing the presence of vessels to move exported product.

A major contributor to increased days at anchor is the ongoing challenge for the railways to deliver enough trains on time and in the appropriate sequence. Some of those things are outside the railway's control and some of them are within, but Bill C-33 only addresses the symptoms of vessel numbers and vessel wait times while ignoring the root cause of inadequate, unpredictable and often poorly executed rail service.

I heard the minister speak earlier and say that the bill addresses end-to-end supply chain issues and needs to be looked at in the fullness of the supply chain, but we don't see that in the bill. If the government intends on passing legislation to help supply chains, it really has to look primarily at railcar supply from the railways versus railcar demand from exporters, on a week-to-week basis, and introduce legislation that provides discipline that matches railcar supply with demand. Vessels wait for railcars to arrive. That's why they're waiting in Vancouver. It's not because of poor management by grain exporters.

Demand for Canada's exports must be set by customers, not by the railways. Bill C-33 not only ignores this root cause but will regulate vessel activity to match limitations already in place due to the rail environment. Instead of liberating supply chains to operate commercially, we see this as restricting vessel activity to match the restrictions already in place in the rail sector.

The third suite of areas has to do with appeals and dispute resolution.

Bill C-33 falls short in establishing dispute resolution processes that are typical of legislation where a similar imbalance of power exists, as we find between ports and their tenants. It should include a straightforward means for tenants to appeal unfair or unreasonable decisions of a port authority. There are mechanisms in other sectors where the same scenario exists, but they're not there for the marine sector.

• (2045)

In addition, Bill C-33 should address the obvious conflicts of interest that arise in a port's dual role as a developer and a regulator. This is a topic on which the bill is silent.

I just have a few more comments. The fourth area—

**The Chair:** Unfortunately, we're already about 10 seconds over, Mr. Sobkowich. I'll have to cut you off there, but we have a copy of your remarks, and we'll make sure that those get included in your witness testimony for today.

We'll go right away to our line of questioning, and for that I'll turn the floor over to Mr. Muys.

You have six minutes, sir.

**Mr. Dan Muys:** Thank you, Mr. Chair.

Thank you to both witnesses.

Mr. Sobkowich, you said that the spirit of Bill C-33 does not align with the the national supply chain task force, which is certainly a comment that we've been making as well, particularly given the urgency of the recommendations of that supply chain task force.

You heard the testimony. The minister said, when I asked, that the efficiency of supply chains and accountability were the two things that Bill C-33 delivered.

How would you react to that?

• (2050)

**Mr. Wade Sobkowich:** We don't see that in this bill. What we see is legislation that intends on addressing symptoms rather than root causes.

We have, for many years, been advocating for improvements to the Canada Transportation Act to create an environment where you have more of a balance between railways and shippers. When grain companies put on sales programs, they need to get the railcars in order to get the grain from the country elevator system to port terminals to load those vessels. Not only do they need to have enough capacity, but they need to have the trains move in the right sequence. Otherwise, what we end up having to do is berth a vessel and load it partially, but we don't have the rest of the grain that was supposed to arrive, so we have to send it back to anchor and bring in the next vessel to load, perhaps, canola, because that's the train that came in.

That's a big part of the reason we have too many vessel movements and vessels staying too long. It has to do with railcar supply, and it has to do with sequencing of trains. There's nothing in this bill that addresses those.

**Mr. Dan Muys:** Right. You talked about that because—and I was going to ask—railcars are part of the problem with supply chains, and you've identified that.

What does Bill C-33 do to remedy that? There's very little in Bill C-33 on rail. In fact, there's one little part about railway safety, and it's not even very robust at that.

I know you were cut off earlier. I don't know if there are other comments you want to make with regard to the integration of rail and the ports and how that's affecting supply chains.

**Mr. Wade Sobkowich:** Thanks for that.



I wanted to talk about blockades and work stoppages. The one positive note we have about the bill is the proposed amendment to section 107, which gives the minister the power to direct a port to stop unsafe activities. That relates, we think, to blockades. That does have some merit, but, for the grain supply chain, strikes, lock-outs and work stoppages are also a significant issue, so we wanted to flag that as well, because a blockade has as big an impact on the supply chain as a work stoppage, and we've seen too many of those in recent years.

**Mr. Dan Muys:** We had a witness on Monday who said that, in their view, there was no material impact on supply chains from Bill C-33.

Would you agree with that? Do you want to speak a little bit about that?

**Mr. Wade Sobkowich:** I wouldn't agree with that. The impact is that we're replacing a... When grain terminals receive grain from railcars, we don't necessarily know which train is showing up when, so they need to be nimble in their ability to manage vessel traffic in order to get those trains unloaded and get those vessels loaded and out as early as possible.

Export terminals pay significant demurrage charges to the vessel companies. If the vessel stays longer, they pay contract extension penalties to their customers. They could default on a contract, so there's a high level of incentive for grain exporters to get those vessels in and out as quickly as possible. In the absence of measures to put disciplines on the ability to receive enough trains in the right sequence, they need to compensate for that by having flexibility on the vessel management side. What this will do is replace that with a regulated system for managing vessels, which we don't think is going to be helpful.

**Mr. Dan Muys:** Thank you.

Mr. Hall, I have about a minute left. I want to give you an opportunity to elaborate. You raised data sharing concerns as well as concern about the ministerial powers in Bill C-33. Maybe in the remaining minute, you can talk a bit about that.

**Mr. Christopher Hall:** On data sharing, we were very pleased to see that mentioned in the bill. That is something that we, as a country, have been lacking momentum with to really turn the page on digitization in the transportation sector, so to see it brought into the bill was very positive.

There's now some serious work to be done to create the platforms and tie the platforms together. I think the biggest challenge will be getting different government departments to collaborate, communicate and share that data. That's probably the bigger block than industry, frankly, so we're pleased to see that in the bill.

**Mr. Dan Muys:** On ministerial powers, is there too much power?

**Mr. Christopher Hall:** On ministerial powers, yes, we're seeing in several pieces of legislation the expansion of powers to the ministers without enough definition of what that power is really meant to deal with, and just not enough detail around the situation when those powers would be brought into play.

• (2055)

**Mr. Dan Muys:** Right. The ability of the minister to appoint the board chair, for example, is a cause for concern, from your point of view.

**Mr. Christopher Hall:** Those were interesting points I was listening to. We were refraining from speaking to the governance aspects and leaving that to the port authorities and others to very strongly articulate, but we certainly wouldn't want to see that process politicized any more than it already is.

**Mr. Dan Muys:** Thank you.

**The Chair:** Thank you very much, Mr. Hall.

[*Translation*]

Ms. Koutrakis, you have the floor for six minutes.

[*English*]

**Ms. Annie Koutrakis (Vimy, Lib.):** Thank you, Mr. Chair.

Thank you to our witnesses for your testimony this evening.

Mr. Hall, it's really nice to see you once again. Thank you for your important work.

I was looking at the 2022 annual report of the Shipping Federation of Canada. Your objective is "to work towards a safe, efficient, competitive, environmentally sustainable and quality-oriented marine transportation system."

From a supply chain optimization perspective, do you see the measures of this legislation supporting increased efficiency? If so, how?

**Mr. Christopher Hall:** We see some, absolutely. Particularly on the data side, that is definitely an improvement.

I think the amendments really call out the need for the system to be more resilient and more flexible to deal with the problems we have had with supply chains in the last couple of years. Although there may not be a lot of concrete changes, just the fact that the various acts now reference resiliency and security as being key components will have knock-on effects in the follow-up regulations that I assume will follow.

**Ms. Annie Koutrakis:** Do you think the measures, the changes and the updates could have been written up in a different way to make it even more efficient and effective, or do you think what is in there right now is sufficient?

**Mr. Christopher Hall:** You can always do more. That's for sure. It's a very large bill covering five or six different acts, so it's a very complex piece of writing.

Some of the points that Wade just made we can certainly support. It's not perfect. That's for sure. There are certainly some gaps, but on balance, we view it as at least being a step in the right direction. Will it make us the leanest trading partner in the world? No. There are still a lot of problems, with labour being one, as well as some overall port efficiency problems and capacity constraints, but at least it's a step in the right direction.

**Ms. Annie Koutrakis:** Thank you.

My next question is for Mr. Sobkowich.

In a news release issued on July 20, 2022, entitled “Canadian Agriculture Groups Ready for the Most Important Harvest in a Generation”, a campaign was launched called Canada's Ready.

You were quoted as saying:

We are working in a port oversight system that simply lacks proper checks and balances, in contrast to what we have in rail or air transportation where there are tools available to hold people accountable for decisions

In your opinion, do you believe that Bill C-33 addresses those concerns that you have spoken about?

**Mr. Wade Sobkowich:** Bill C-33 doesn't include dispute resolution with the port authority, so it doesn't. It's a bit of a stretch for us to say that there is proper dispute resolution in the rail sector, because if there was, we wouldn't have the rail problems we have today.

We are definitely pursuing additional amendments to the Canada Transportation Act through the rail review that's going on right now, but, no. We believe there should be a better, proper dispute resolution with a port authority for decisions they may make, because they are in a conflict of interest position. They are potentially in a conflict of interest position both as a developer and as a regulator. We saw some of that manifest itself in some of the decisions made by the Port of Vancouver in recent years.

**Ms. Annie Koutrakis:** Would you be able to elaborate a little bit more on the conflict of interest piece? I'd really like to dig down a little bit deeper and see how you see that being a conflict of interest and how it manifests itself.

**Mr. Wade Sobkowich:** The primary example of that we have is Roberts Bank T2 and the fact that it was developed without a proponent. It was the port authority itself that made the decision that it needed to develop T2 Roberts Bank and to incur costs associated with that. Infrastructure is required to serve the new development. We're not necessarily saying that was a bad idea or that it shouldn't have been done, but the costs from that are being borne in large part by the existing tenants. The port authority has the ability to charge rents, according to its letters patent, and the ability to charge infrastructure fees on infrastructure to and from these new developments. We think that's a perfect example of an area in which the port was acting as both a developer and a regulator, and that put grain terminals in an awkward situation.

• (2100)

**Ms. Annie Koutrakis:** I would actually like to take this opportunity to say that when the minister was here in the previous panel, I thought his openness and flexibility were quite telling. I think the committee welcomes your testimony and recommendations and feedback. We and the minister welcome these submissions, and if we can strengthen this bill to be what it should be—because we're changing the bill not just for today but for a longer term—I think there's a willingness and an openness on the part of all of us here, including the minister, to do that.

Through you, Mr. Chair, I say please do so, and we'd be very interested in hearing more.

**The Chair:** Thank you, Ms. Koutrakis.

[*Translation*]

I now turn the floor over to Mr. Barsalou-Duval for six minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Mr. Sobkowich and Mr. Hall, welcome to the Standing Committee on Transport, Infrastructure and Communities.

I'll go to Mr. Hall first.

Earlier you seemed to say that the minister would acquire a lot of power under this bill. We noticed that too. We felt the minister would disregard the rules and take a lot of latitude, considering everything the minister would be able to do, with few restrictions or guidelines. In some places, for example, the bill states that the minister may act if the minister believes there is an issue. I think the verb "believe" is weak. In other words, the minister wouldn't have to prove anything.

Do you think those powers should be subject to guidelines? What kind of guidelines should there be? Earlier you talked about definitions, but should the minister have to prove there's a genuine issue in certain situations, either immediately or subsequently?

**Mr. Christopher Hall:** Thank you for your question.

[*English*]

We are fundamentally opposed to interim orders and ministerial orders and directions to vessels as normal forms of governance. We see those types of instruments having the potential to be abused and to be used more frequently than they should be and to be used as a method to essentially circumvent the normal regulatory process for which there are extensive consultations and inputs from industry in order to get to the right place.

Yes, the minister needs the ability to act quickly if there is an emergency, but we haven't seen any situations in recent times in which there has been that great an emergency that an interim order or a ministerial order would have been appropriate, and yet that wording is being introduced in every piece of marine legislation. It was just brought into a piece of the Canada Shipping Act 2001 recently, and we were quite vocal about that section. Without that definition of exactly what it can be used for in what circumstances, it's just very broad and open to interpretation and has the potential to be—I won't say misused, but in situations where the other processes—

[*Translation*]

**Mr. Xavier Barsalou-Duval:** I'd like to hear from you again on this.

Apart from definitions, do you have any methods or measures to suggest to ensure the minister is subject to a certain degree of accountability when the minister acts under those provisions? For example, if the minister has to demonstrate, based on supporting documents, the need to act under those provisions, the minister may act in a moderate and non-abusive manner. I'm suggesting some potential solutions to you. I'd like to know if you have any ideas about this.

[English]

**Mr. Christopher Hall:** Thank you.

Not enough detail that would help with any drafting of new wording...but certainly any way to circumscribe those powers a little bit better would be helpful, or just remove them altogether and let the normal regulatory process take its course if a change is needed.

• (2105)

[Translation]

**Mr. Xavier Barsalou-Duval:** That leads me to another topic I wanted to address with you, which is the distinction between large and small ports. I believe you were here earlier when I discussed the issue with the minister. He couldn't respond because my time had unfortunately elapsed. I hope we'll have enough time this time.

If I'm not mistaken, you've previously worked at the Port of St. John's, Newfoundland and Labrador. It's a very beautiful port, which I've had a chance to visit, but it's also very small.

Do you you think it would be acceptable for the new operating rules provided for under Bill C-33 to be different for smaller ports?

[English]

**Mr. Christopher Hall:** The new reporting requirements are certainly going to be a burden for the small ports—there is no question.

The problem with that, from a shipping industry perspective, is that the cost will be put back onto the users of the port, whether they be the port tenants or the shipping lines calling the port. At the end of the day, the users will bear that cost. That would be our primary comment about the additional reporting measures for the small ports.

In terms of larger ports, yes, they have adequate resources.

[Translation]

**Mr. Xavier Barsalou-Duval:** Above approximately what revenue level would you say that a port is no longer a small port, but a large port? Is it \$5 million, \$10 million, \$20 million, \$40 million or \$100 million? I have no idea. You no doubt know the industry better than we do.

[English]

**Mr. Christopher Hall:** Ports have a unique way of describing themselves. Sometimes they'll describe their size in terms of total tonnes of goods shipped. Sometimes they like to refer to the number of containers. Then they'll refer to other volume measures. So, the answer is that it depends. I'm sorry that isn't a clear answer.

In terms of the 17 CPAs, they're all very different, as you know. The old expression is that if you've seen one port, you've seen one port. However, there are certainly many small ones within the system and a few larger ones. You could probably draw your own conclusions as to which ones would probably struggle under the new reporting requirements.

**The Chair:** Thank you, Mr. Hall.

[Translation]

Thank you, Mr. Barsalou-Duval.

[English]

Next we have Mr. Bachrach.

The floor is yours. You have six minutes, please.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Thank you to both of our witnesses for joining us.

I'll start with a couple of questions for Mr. Sobkowich.

AT a previous meeting, there was a representative from Global Container Terminals who expressed some concern about the ports' wanting to increase their borrowing limits. This is something that we've heard repeatedly from the ports. I'll quote his testimony:

Increasing the borrowing limits for port authorities does not necessarily stimulate private investment; rather, it can deter it. This happens because port authorities must repay what they borrow with interest, and this cost ultimately falls on the shoulders of terminal operators, which in turn pass it to their customers, leading to potential inflation.

I'm wondering if the WGEA shares the concerns that have been expressed here with regard to the ports' passing these costs on to customers.

**Mr. Wade Sobkowich:** In principle, we do have a concern.

We've had some major disputes with the port on some cost items. I can't speak specifically to Global Container's comments, but I can say that.... For example, the letters patent of the Vancouver port authority require it to set rents based on local market rates. We would say that when you're dealing with a national supply chain and with a speculative commercial real estate market in Vancouver, setting rent to tenants in the port at local commercial market rates is not appropriate. We need to look at a broader supply chain when setting those types of things.

I know that doesn't answer your question. I'm just trying to characterize our concerns from a financial point of view and characterize what happens with ports and what we've seen in terms of passing those costs on to tenants. We're seeing the same thing with gateway infrastructure fees that are being passed on—exorbitant amounts of money.

To come around to answering your question as directly as I can, I will say that anything that increases costs to port tenants should be avoided. In some cases, you can pass on those costs to customers, but we're competing in a global environment. If we can't supply the grain that the customer wants at the price that the customer wants, then someone else in another country is going to do it. We need to be very cost conscious.

I hope that partially, at least, answers your question.

• (2110)

**Mr. Taylor Bachrach:** Thank you for that.

On the ports modernization review, the WGEA said, “Boards of Directors should be amended to include seats for representation from the major user sectors, such as the grain industry.”

We've had an interesting conversation at committee, in discussing this bill, about the makeup of port boards, potential conflicts of interest and how to manage those conflicts.

If a direct representative of a user group like the WGEA were to sit on the board of the port authority, how would you see managing that potential for conflict of interest?

**Mr. Wade Sobkowich:** I would first point out that most other major ports in the world have direct users sitting on their boards of directors. They seem to work well, because those who use the port are the ones who know best about operating the port and the decisions that need to be made. Are you going to address all of the community and peripheral issues out there with that? No. That's where the other appointees come in and bring that into the conversation.

The Port of Vancouver doesn't allow even one user representative on the board. You have to be a retired worker from a grain terminal in order to even be appointed to the board of directors. It's not the same. We're saying there should be direct user appointees on that board. Then, of course, they'd have to sign on to the terms of reference, etc., requiring them to operate in the best interest of the port itself.

Does this create a bit of a challenge? Potentially. Is it insurmountable? No.

**Mr. Taylor Bachrach:** Your answer is very interesting and, I think, instructive for the committee.

I asked the question because the other group that would like to see themselves represented on the boards of directors of port authorities are the workers at the ports. We've heard representatives from the port union or longshore union suggest that it would be very beneficial to have representation on the board for the same reasons you just indicated. Like users, the unions that represent the workers have unique experiences, skills and expertise to offer to the governance of the port.

Would you say that the same rationale would apply in this case?

**Mr. Wade Sobkowich:** No, I wouldn't.

The users are employees of grain companies and terminals. In other sectors, it's the same thing. There's a collective bargaining process to address those types of issues when it comes to employment. The terminals themselves are the drivers of the economy. They're trying to get product to customers. They're the ones with the primary vested interest in having product flow through the port as efficiently as possible.

Could you have an advisory committee? We have a committee for almost everything here now. Could you have one for workers that needs to be consulted? Perhaps, but we don't necessarily see them on the board of directors.

**The Chair:** Thank you very much.

Next, we'll go to Mr. Strahl.

Mr. Strahl, the floor is yours. You have five minutes.

**Mr. Mark Strahl:** Thank you, Mr. Chair.

I want to continue along that line with Mr. Sobkowich.

I'm not sure I follow your logic on how the ILWU—which has workers at the port who are very much part of the ecosystem and have an interest in how the port is run—would be excluded, in your mind, but active port users would be included. To me, there is a conflict of interest there.

I would challenge you to be a bit careful of what you wish for, because I would suggest, if you open up this can of worms—if you want to go down that road—that it's a very difficult argument to make: that union representation shouldn't be there when active port users are there.

How do you respond to that?

• (2115)

**Mr. Wade Sobkowich:** I guess we draw a differentiation.

There's a chain of relationship between terminals and their employees, and terminals and the port. There isn't, necessarily, a direct linkage between the unions and the port itself. Maybe I'm wrong about that. That was an immediate and initial reaction to the question. We see the users of the port being the companies that own those assets on port lands. That's what we mean when we're talking about user representation.

**Mr. Mark Strahl:** Okay.

There's another conflict of interest that this bill specifically allows for now, which again I think is a mistake. If you're going to avoid active participants in the port's operations from sitting on the board of directors, I guess my question is, do you have a concern with the fact that now, for local government representation, which is increasing under this bill, they've removed the conflict of interest provisions?

They've said that it doesn't matter if that municipal employee or provincial employee has a direct relationship with the port. They're still eligible to be appointed to the port. Are you okay with that or do you think that also is a problem for a conflict of interest on the port boards?

**Mr. Wade Sobkowich:** That's a good question. I don't really know how to answer that question. I can tell you that our primary concern is the increase of having seats on the board that represent local interests primarily. That's where our concern is focused. We haven't considered the question you're asking about the conflicts of interest of individuals.

**Mr. Mark Strahl:** There is a maximum of two new directors that are envisioned in this bill that can be appointed. Both of them, as you say, are local to the port's location. Can you speak a bit to the fact that—I think we even heard it here—the ports should be a social enterprise or that they should respond directly to the needs of, in this case, Vancouver, which is the biggest port in my province?

Can you talk a bit about how the port of Vancouver is actually...? We've heard this before. Do you believe that for your interests in Alberta, Saskatchewan and Manitoba it's actually your port as well?

**Mr. Wade Sobkowich:** Definitely, but I don't have the numbers in front of me. Not only grain but much of the product—especially the bulk product—that goes through the port of Vancouver originates in the three prairie provinces, and some in B.C. as well. When we're taking a look at governance of the port and at how the port should be run and what decisions should be made, that needs to be the primary focus.

That's why we're advocating for additional seats from the provincial economies that need to move product, that have industries that need to move product through the port.

**Mr. Mark Strahl:** Would you say that this shifts the balance too much, that there's too much local and not enough national in terms of focus?

**Mr. Wade Sobkowich:** Ports are there for the national interest. That needs to be maintained. With this change, there's too much of a local focus.

**Mr. Mark Strahl:** Do I have any time left, Mr. Chair?

**The Chair:** You have 24 seconds, Mr. Strahl.

**Mr. Mark Strahl:** Well, in the interest of the time of night, I will turn those back over to the committee.

**The Chair:** Thanks on behalf of a grateful chair, Mr. Strahl.

Ms. Murray, the floor is yours. You have five minutes, please.

**Hon. Joyce Murray:** Thank you.

I'm going to pick up on the idea of national versus local interest. My experience in talking to people about the port of Vancouver is that often the local interests have a real focus on environmental sustainability, and that is part of the objectives of this bill. This is one of the five main themes: the environmental sustainability of port infrastructure and operations. Also, I would say more broadly that the safety and security of the rail system are tied into environmental sustainability as well.

A second piece of this is that your organizations are very much subject to social licence: the support that there is for the operations. With transportation, whether it's shipping or rail, the public's social licence is a very important element.

I would like to get your thoughts about the degree to which this bill is doing what it is aiming to, which is increasing environmental sustainability, whether it's through supply chain efficiency or the preventing of spills and accidents. Do you feel that what it's doing is sufficient and are there are ways in which you see potential amendments to improve environmental sustainability through those kinds of improvements?

Mr. Hall, why don't we start with you?

• (2120)

**Mr. Christopher Hall:** Thank you. I'll take that.

Generally, having worked in that system for over seven years, I think that most ports are doing a pretty good job. My exposure to most of the other ports across the country indicates that they have had those principles at heart most of the time, especially in the last few years. The need to intersect appropriately with the community is also top of mind of all Canadian port authorities.

Despite the extra resources that may be required for the smaller ports on the additional reporting, I think that additional reporting adds another layer of transparency and accountability to a port authority, which will only serve the public to the good.

The ports are doing a lot of good things. A lot of times, it stays within that port ecosystem and word doesn't get out about the good things that industry as a whole and the port authority are doing or the collaborations that take place. Perhaps the new reporting requirements and the new community liaison groups that ports must establish will bridge that gap, albeit it a resource problem for the smaller entities.

**Hon. Joyce Murray:** Can or should ports have any power to determine the fuel sources of the shippers that are coming into those ports? How can ports nudge forward the reduction of bunker C use and the requirement for lower carbon fuels?

**Mr. Christopher Hall:** Fortunately, we don't burn bunker C anymore and haven't for a lot years. The drive to decarbonization of shipping is obviously a global initiative. It will take a number of factors all coming together. Frankly, the ports really won't have the ability to drive that. They will need to be ready to respond for what the new fuels are and the production of those fuels.

Ports need to be ready. They need to have the land available, because all of the fuels will require massive land use if that port is to be considered a bunkering port. Many won't. The whole bunkering network around the world will dramatically change as we transition to new fuels. There will probably be more bunkering ports required. There'll be a whole redistribution of bunkering around the world. How that will look remains to be seen.

I think that ports are keeping a very close eye on it, particularly the European and Asian ports. They're making some very good strides, but it is extremely expensive, as you can imagine.

**Hon. Joyce Murray:** With the reduction of sound and noise from shipping, how do you see this bill potentially helping to reduce that impact on our threatened orca and salmon and the whole marine ecosystem?

**Mr. Christopher Hall:** I suppose you could make the argument that, if the movement of ships is more efficient, you'll thereby decrease the volume of ships and therefore improve the sound levels.

**Hon. Joyce Murray:** Great, because that's a key objective of this bill.

**Mr. Christopher Hall:** That's a key objective. Will the traffic flows be diminished enough to make a marked difference in that degree for underwater noise and some of the other factors? I think that only time will tell.

**Hon. Joyce Murray:** Thank you, and if I have time for...

**The Chair:** Unfortunately, there is no time left, Ms. Murray.

[*Translation*]

I'll now turn the floor over to Mr. Barsalou-Duval for two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

My question is for Mr. Sobkowich.

Some witnesses came to the committee to talk about issues related to anchorages. This is a major source of irritation for residents, not to mention that it can also have an impact on the natural environment.

As I understand it, the grain industry is frustrated. Grain producers would like to get their grain to market. There seemed to be problems in shipping their goods.

I also discovered that the export of coal from Canada is permitted, whereas it's a prohibited practice on the west coast of the United States. I find that peculiar. We are ultimately serving as a transit point for pollution caused by American coal that can't be shipped from the United States.

I don't know if you have this kind of expertise, but I'd like to know if the bulk terminals used to export coal could be converted to other types of terminals, such as grain terminals.

● (2125)

[*English*]

**Mr. Wade Sobkowich:** I'm with the grain industry, so I'm not very familiar with coal terminals. I've not heard of coal terminals being converted to be used for grain.

I'm really out of my element. I don't think I can answer that question right here on the spot without doing some research.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** All right. It was worth a try. If you had had the answer, it would've been interesting to get that information.

I also have a question for Mr. Paul, if I have any time left.

Representatives of the ports of Montreal, Quebec City and Trois-Rivières came and testified in committee and mentioned that they would like to have more opportunities for port authorities to operate in a collaborative manner. They felt that the bill didn't contain the necessary elements to promote greater collaboration.

Are you aware of that situation? If so, would you please tell us a little about it?

[*English*]

**Mr. Christopher Hall:** When the three ports in the St. Lawrence announced that collaboration initiative, we were extremely supportive. I won't say it was the first time for them, but it was a big step for especially three ports to come together and decide to co-operate both operationally and potentially commercially. That was a big change.

Is that something you could legislate? I'm not sure whether that would be effective. I think the collaboration, when it happens, has to be organic. It has to be driven by a business need. That's what's will cause increased efficiency and collaboration.

**The Chair:** Thank you very much, Mr. Hall.

Finally, we have Mr. Bachrach.

The floor is yours for two and a half minutes, please.

**Mr. Taylor Bachrach:** Mr. Hall, I'm keen for your thoughts on this issue of anchorages. It seems like both the shipping industry and the port authorities want maximum flexibility. Obviously, they saw some challenging times when it came to congestion over the past couple of years, but the impact on communities has been severe.

Communities who are seeing this industrial traffic parking on their doorstep, emitting all sorts of air pollution and noise pollution, and threatening really sensitive marine ecosystems don't see it as being a good thing or even necessary. They want the minister to step in and put in really strong legislative controls that prevent companies from using not all anchorages but certain anchorages in certain areas for the reasons that I've outlined.

Does that not seem like a reasonable thing? Given the number of anchorages out there and given the validity of these concerns that communities have expressed, taking some anchorages off the table through legislation—maybe not entirely, but at least not allowing companies to park there for 14 or more days—seems like a pretty reasonable thing.

**Mr. Christopher Hall:** Protecting communities and the environment is certainly reasonable—no argument there—but make no mistake: Anchorages are as important to the port as are the various terminals and docks and piers within the port confines itself. In fact, anchorages should really be considered part of the critical infrastructure of a port.

Reducing anchorages reduces the ability for a port to be flexible. It reduces the ability for the terminals to operate in the normal course of trading. I think Mr. Sobkowich spoke to it. Grain in particular is traded in a very specific way. That is an internationally accepted and internationally used program. If you eliminate anchorages or reduce them significantly, that trading will no longer be able to exist. That's how the grain is bought and sold. The vessels are contracted to carry that grain. They need anchorages. They need to arrive at a certain time.

**Mr. Taylor Bachrach:** We heard from the minister earlier that by increasing the fluidity and efficiency of the supply chain, we're not going to have those impacts on anchorages. If we don't have those impacts on anchorages, that means we don't need them, right?

**Mr. Christopher Hall:** In theory, I suppose, yes, if—

**The Chair:** Thank you very much, Mr. Hall, and thank you, Mr. Bachrach.

On behalf of all committee members, I'd like to thank our witnesses for appearing with us on this late Wednesday evening.

I will now ask all the witnesses to please leave the room or log off.

Yes, Mr. Badawey.

• (2130)

**Mr. Vance Badawey:** Thank you, Mr. Chair.

I have just a quick question. This is the last meeting for this study.

Through you to the clerk, what is the expectation for the next meeting to actually deal with what we've heard and the direction this committee wants to take? What's the process?

**The Chair:** Thank you, Mr. Badawey.

I'll turn it over to the clerk for a response to that.

**The Clerk of the Committee (Ms. Carine Grand-Jean):** The next step is that the amendments are to be submitted to me, as the clerk of the committee, by Friday, November 10, at noon. That's the last moment. Then you will have clause-by-clause on Monday, November 20.

**Mr. Vance Badawey:** Is that including the amendments that have been [*Inaudible—Editor*]?

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** On a point of order, Mr. Chair, I couldn't hear the clerk at all. I don't know why.

**The Chair:** I'm sorry about that.

We will ask the clerk to repeat the response to Mr. Badawey's question.

**The Clerk:** I hope you can hear me well.

I was explaining that the amendments are to be submitted on Friday, November 10, at noon. That's the last date. We will then move to clause-by-clause on November 20 during the meeting.

**Mr. Vance Badawey:** Thank you, Madam Clerk.

Will that include the amendments when we go clause by clause?

**The Clerk:** Yes.

**Mr. Vance Badawey:** Great.

Mr. Chair, if I could encourage all members who had “grievances”—I'll use that word this time, in light of Mr. Strahl's concern—to come back with those amendments.... I would encourage even our partners to come back with amendments as well. I think all of us can understand and appreciate the fact that we're all trying to get this bill right, especially with the considerations that are contained within the bill.

I would very strongly encourage that we get those by November 10, as the clerk has outlined.

**The Chair:** Thank you very much for that response, Madam Clerk.

With that, I want to thank Mr. Sobkowich as well as Mr. Hall for their testimony this evening.

I wish you both a wonderful evening.

This meeting is now adjourned.







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