

Office of the President and
Chief Executive Officer

Cabinet du président
et chef de la direction

December 5, 2014

Hon. Lisa Raitt, P.C., M.P.
Minister of Transport
330 Sparks Street
Ottawa, ON K1A 0N5

Dear Minister:

In September, the Canadian Chamber of Commerce concluded its 85th Annual General Meeting (AGM) in Charlottetown, PEI. A highlight of the Canadian Chamber's AGM is the Policy Session, where the resolutions submitted by local chambers of commerce and boards of trade from across Canada are debated and voted on by accredited delegates. Once approved, these resolutions become policy of the Canadian Chamber for the following three years.

In 2014, our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months. Our renewed national policy mandate includes the following issues which fall within your portfolio:

Maritime Goods Movement Act

For the past couple of years there has been a growing campaign against shipments arriving at Canadian ports and being transported onwards to destinations in the U.S. The most recent of these efforts was contained in the proposed piece of the U.S. legislation, The Maritime Goods Movements Act (MGMA). The MGMA would have imposed a fee on all cargo discharged at Mexican and Canadian ports bound for the U.S. Fortunately, the proposed tax was defeated in recent congressional negotiations, but is a clear indicator of the protectionist sentiment in the U.S. Protectionism is a growing concern in the U.S. and the threat of a similar border tax arising in the future is real. The Canadian Chamber of Commerce believes that the federal government should continue to work with the U.S. government to prevent the imposition of any new fees at the border and should work with the Canadian cross-border stakeholders to provide information and facts to U.S. lawmakers on Canada-U.S. cross-border trade and commerce.

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A National Plan for Canada's Transportation Sector

Canada's transportation networks play a vital role in the competitiveness of our economy. Our transportation systems connect our communities, allows us to move people and goods across the country and employ thousands of Canadians. Unfortunately the lack of a clear plan for the future of our transportation sector is hindering our competitiveness as a country. The Canadian Chamber of Commerce believes that the federal government should adopt - by no later than 2017 - a national transportation plan to improve Canada's multimodal transportation sector. This plan should: view the Canadian transportation sector a single, multimodal system that not only enables domestic transportation but provides a gateway into and out of North America; include a strong infrastructure investment plan; and encourage the proper regulatory and fiscal environment to encourage growth.

Ensuring Viability and Safety in Our National Airport System

The National Airports Policy was created to ensure that Canadian airports would serve Canada well into the future. One of the key components of this policy was the change of Transport Canada from owner and operator to landlord and regulator. There are currently 18 airports that have yet to be divested and at least 17 of these are under review. Unfortunately, there are no federal funds allocated to the divestiture of these airports. A federally supported and properly funded program similar to the Transport Canada Airport Divestiture Program is essential.

Reduce Costs to Improve Canadian Aviation Competitiveness

High fees, charges and taxes continue to hurt the competitiveness of Canada's aviation industry. It is a well known fact that millions of Canadians head to U.S. border airports for cheaper flight options. The current state of affairs is not sustainable. The Canadian Chamber of Commerce believes that the federal government must: examine the cost structure of government-imposed fees with the goal of reducing costs; develop policies to mitigate the impact of surcharges and fee differentials; remove airport rents where they still exist; and, revise the Airports Capital Assistance Program.

Trucking Disruption of Terminal Operations at Port Metro Vancouver

Port Metro Vancouver is a major economic enabler and vital to Canada's status as a trading nation. Disruptions of port activities have major impacts on Canada's economic health. For example, the most recent trucking disruption had an economic cost of approximately \$3.5 billion. Industry remains concerned that remedies to date are band-aid solutions that fail to provide a more permanent solution. To this end the federal government should: examine the factors affecting employment of union and non-union employees under conflicting conditions; look into the legal ramifications of this type of employment under provincial and federal legislation; adopt best practices of trucking employment in comparable port jurisdictions; and include industry representation throughout the process.

Greater Regulatory Harmonization between Canada and the United States

Canada and the United States (U.S.) enjoy one of the most integrated market environments in the world. Unfortunately, the efficiency created by this integration is constantly being undermined by different regulatory policies. Such differences mean that a considerable amount of time, money and human resources are spent ensuring compliance with regulations on both sides of the border. Canadian businesses welcome the work being done through the Canada-U.S. Regulatory Cooperation Council but believe that there is more that can be done. In particular the federal government should work with the U.S. government to: adopt a unified approach to reporting requirements, safety, security and environmental standards for the transportation sector; foster cooperation between all relevant government agencies on both sides of the border; create an institutionalized mechanism for regulatory cooperation which includes advanced notification of potential regulatory changes; and, ensure that all new regulations affecting the transportation sector are based on science and include an analysis of potential economic impacts.

Preparing for Canada's Growth by Securing Transportation/Utility Corridors

Market access for Canadian goods and services are all impacted by land-use planning and are often negatively affected by lack of coordination among relevant stakeholders. Political considerations at the local level are also negatively impacting our ability to develop our transportation corridors in an effective manner. The Canadian Chamber of Commerce believes the federal

government, in collaboration with other relevant levels of government should: develop a national transportation/utility corridor plan which includes an emphasis on energy infrastructure; and ensure that the processes for moving these initiatives forward follow best-practices for consultation with communities, Aboriginal peoples, existing landowners and businesses.

Protecting the National Economy by Managing the Lower Fraser River

The Lower Fraser River is crucially important to the 2.7 million people of the Fraser Valley and Metropolitan Vancouver, and is a significant contributor to the national economy. Since the majority of lands available for additional development of the Port Metro Vancouver are on the Fraser River, the Lower Fraser River is destined to play an increasingly important role in overall port activity and future growth of the Canadian economy. To ensure the continuous flow of commerce to and from the Asia-Pacific market, the federal government should work with all relevant stakeholders to bring together a task group to develop a holistic strategy to address the long-term funding and management requirements necessary to maintain, protect and further improve the Lower Fraser River; and charge this task group with responsibility for developing a comprehensive plan for the region.

Attracting International Tourists to Benefit Canada's Regions and SMEs

The Canadian Chamber of Commerce recognizes that the travel and tourism sector is one of the most significant in the Canadian economy. In 2013, the total contribution of the travel and tourism industry to the Canadian economy was \$84.3 billion, accounting for 4.5 per cent of Canada's total GDP and 600,000 jobs.

Nearly ten per cent of small and medium-sized enterprises (SMEs) are in the tourism industry, and SME operators across the country depend on a strong, national brand to market internationally.

Despite the proven success of the Canadian Tourism Commission (CTC), its core funding has declined by almost 50 per cent from a high of nearly \$100 million in 2001 to \$58 million in 2013/2014. While the CTC is producing excellent, cost-effective business results in markets where it continues to have a presence; it is unlikely to be enough for Canada to achieve its stated goal of \$100 billion in tourism revenues by 2015.

The Canadian Chamber recommends that the federal government:

1. Increase the Canadian Tourism Commission's budget to \$120 million in the 2015/2016 budget cycle.
2. Review the market efficiencies between the Canadian Tourism Commission provincial/territorial and local/regional organizations in order to maximize the returns on total funds invested.
3. Move the Canada Tourism Commission from Industry Canada to Foreign Affairs, Trade and Development to ensure a better focus on tourism as an export commodity.
4. Continue to enhance access for foreign visitors through improvement to Canada's visa system and by aggressively pursuing mutually beneficial liberalized air agreement.

Copies of the complete texts of these resolutions are attached. I hope to discuss them in more detail with you or your staff. My assistant will be contacting your office to schedule a meeting.

Sincerely,

A handwritten signature in black ink that reads "Perrin Beatty". The signature is written in a cursive style with a large initial 'P'.

Perrin Beatty
President and Chief Executive Officer

Attachments