

November 13, 2009

The Honorable John Baird P.C., M.P.
Minister of Transport, Infrastructure and Communities
Transport Canada
Minister's Office
330 Sparks Street
Ottawa, Ontario K1A 0N5
Canada

Dear Minister:

In October, the Canadian Chamber of Commerce concluded its 80th Annual General Meeting (AGM) in Victoria. A major highlight of the Chamber's AGM is the Policy Session. It is during the Policy Session that 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 2009, our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months.

Beyond the issues we have already brought to your attention, our renewed national policy mandate includes a number of additional issues that fall within your portfolio. Accordingly, we would like to discuss these with you directly in the near future.

Improving the Regulatory Review Process for the Development of Infrastructure

Delegates at the 2009 AGM agreed that there is a need to improve Canada's regulatory review process for the development of new infrastructure projects. As an economic enabler, Canada's infrastructure allows value-added sectors to develop, to create jobs, and to compete. To improve our trade potential and business competitiveness, Canadian infrastructure is in need of major investments. Unfortunately, the regulatory review process needed before starting infrastructure projects can be unduly slow and unpredictable. This can discourage potential investors and prevent business from making informed location and logistics decisions. With this in mind, the Canadian Chamber calls on the Government to extend the March 2009 Building Canada Plan project exemptions beyond 2011; establish joint-scoping processes which would include the timelines, consultations and assessments that are

undertaken during the regulatory review process; and to ensure that the necessary resources are available to complete the regulatory review in a timely manner.

Nexus Pass Appeal

The Nexus Pass was created to facilitate the movement of trusted travelers across the border. Unfortunately there have been problems with the program including with the appeal process for revoked passes. The Canadian Chamber recommends that the federal governments set up an effective appeal process, which could include an independent review, for the assessment of seizure of NEXUS passes, the goal being to deal with the possible return of the cards as soon as is possible.

US Customs Pre-Clearance – Belleville International Terminal

In 2006, the US CBP advised that the maritime terminals in Victoria “lack an infrastructure necessary to maintain passenger sterility and vessel security;” The potential loss of pre-clearance services at Belleville International Terminal would have a significant impact on the economy of Vancouver Island and the tourism industry of British Columbia. The Canadian Chamber recommends that the federal government partner with the government of BC to develop the Victoria marine pre-clearance site at Belleville International Terminal as a model for future marine facilities in Canada, and that it examine other marine based pre-clearance sites to ensure they also meet U.S. infrastructure and security requirements.

Canada Border Services Agency Cost Recovery Fee for Services

Increasingly we are seeing the ‘thickening’ of the border, often based on unnecessary barriers erected on a premise of security. The Canada Border Services Agency (CBSA) cost recovery fee for service is having a devastating effect on businesses. At a time when we are seeing increased competition from ports in the United States, this new cost will further erode the competitiveness of Canadian ports to act as gateways for international trade. We recommend that the federal government through the CBSA continue the escalation of its Core Service review process for all transportation modes to ensure that service and efficiency levels are maintained.

Marine Transportation in Canada

The share of the total cargo handled by the ports and marine terminals of the 19 Canadian Port Authorities (CPAs) has increased in recent years with almost \$144 billion in goods being handled in 2006. The marine industry and its costs have a direct influence on the ability of our exports to compete in the world economy. To remain competitive and to reduce congestion on major road systems it is crucial that Canada establish an efficient multimodal transportation system with effective marine transportation services. The Canadian Chamber of Commerce believes that the Government needs to establish a multimodal National Transportation Strategy that includes supporting the marine industry; undertake a National Goods Movement study to determine the current and future market for marine transportation services; and recognize the importance of marine transportation by identifying it as an efficient, safe and secure way of moving people and goods in an environmentally respectful way.

National Urban Agenda Needed

According to the 2006 Census, over 80% of Canadians live in Canada's largest urban cities. These regions not only house a significant portion of the population but they also act as economic drivers for the entire country. Unfortunately, the lack of a concentrated urban strategy is hampering the ability of Canadian cities to act as strong engines of economic growth and recovery. Compounding the problem is the lack of necessary investment in transportation infrastructure, both to support existing infrastructure and to construct additional capacity. The delegates at the 2009 AGM believe that there is a need for a national urban strategy which includes a transportation plan that provides for sustainable and predictable funding for urban transit systems.

Strengthening Canada's Urban Public Transit System

There have been increasing demands on Canada's public transit systems in recent years yet Canada remains the only OECD and G8 nation without a long-term federal transit plan. The development of a National Transit Strategy should be a priority for the federal government. This plan should include a permanent federal funding mechanism, support for municipalities developing jurisdictional wide planning and should encourage private investment in infrastructure projects.

Completion of an All-Weather North-South Trans Canada Highway

Canada's development has thus far relied upon overland, east-west transportation linkages; however it is time to create an all weather highway connecting Canada's North and South. Construction of this highway would create thousands of jobs and has the potential to inject \$58.9 billion into national GDP due to expansion of the petroleum industry. The Canadian government should therefore fund the development and competition of an all-weather North-South Trans Canada Highway.

National Economic Infrastructure: Marine Atlantic

The Marine Atlantic ferry service is a part of the national highway system and benefits Canadians and Canadian businesses by linking the Newfoundland and Labrador market with the rest of Canada. Unfortunately, variations in pricing, reliability and overall service are negatively affecting businesses on both the island and the mainland. Delegates at the 2009 AGM believed that the Canadian government should sponsor an economic impact study to understand Marine Atlantic's role in the Canadian economy; designate the Marine Atlantic service as an essential service under federal legislation and ensure that it is an efficient and reliable service by specifying the actions that must be taken to ensure that all active vessels are no more than 25 years old.

Cabotage - A Need to Increase the Number of Empty Containers Available to Canadians

Canadian customs tariffs on international container equipment has a negative impact on the environment, intermodal surface transportation service providers and Canadian shippers and retailers. This substantially reduces the number of empty containers that are available to domestic producers. In order to increase the number of available containers to

domestic shippers, the Canadian government should direct Transport Canada to harmonize container regulations with the United States and should amend Customs Tariff Item 9801.10.00 to match the US Cabotage rules.

Should you wish to discuss these issues further, I would be pleased to do so.

Sincerely,

Perrin Beatty
President and Chief Executive Officer

Attachments

c.c. Yaprak Baltacioglu, Deputy Minister, Transport Canada