



CHAMBER OF  
MARINE COMMERCE  
[www.MarineDelivers.com](http://www.MarineDelivers.com)

# QUARTERLY REPORT

Bi-national Great Lakes-St. Lawrence shipping annually supports:  
**328,500 JOBS | \$60 BILLION IN ECONOMIC ACTIVITY | \$11.7 BILLION IN TAXES**

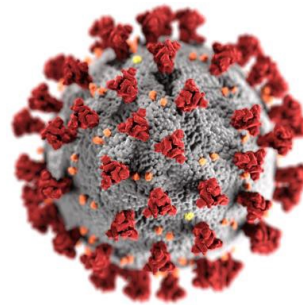
April 22, 2021

**President's Message: Welcome to the Chamber's Q1-Quarterly Report (January 1 to March 31) designed to inform our members what we've been doing on your behalf to create an efficient, competitive regulatory and business environment that promotes the growth and success of marine shipping. We welcome feedback and questions.**  
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## COVID-19 Response

### Testing

The first quarter of 2021 saw lockdowns in January to mid-February followed by an increase in cases leading to the third wave in mid-March and further restrictions. In the course of this, CMC continued to work with federal departments to assist the entry into Canada of critical marine contractors for the winter fit out of ships and for returning crew members. The government introduced new requirements to enter Canada that meant people had to obtain a PCR test 72 hours before boarding their flight to Canada and this requirement was later extended to land border crossings. Unfortunately the interim orders implementing these requirements also modified the meaning of "essential worker". This gave rise to confusion among board officials and cases of marine workers arriving in Canada being told they had to quarantine for two weeks rather than proceed as an exempted marine worker. Transport Canada, on March 4, responded to concerns advanced by CMC and others by providing procedures and contacts for marine workers who are delayed at the border.



A seventh update of the [CMC Ship Owner Best Practices for COVID-19](#) was released on March 5. The update provided new information on COVID19 testing services available across Canada, and in the United States, that provide PCR tests suitable for complying with entry requirements into Canada. CMC also shared information on two Health Canada approved rapid testing kits now available on the market suitable for use by members without the need for a health professional: the [Panbio COVID-19 AG Rapid Test Device](#) and the [Bd Veritor System For Rapid Detection Of SARS-CoV-2](#). Both kits are relatively affordable, use simple nasal swabs (instead of the deep nasal swab), and are relatively easy to use with some training. It is important to note both are antigen test kits and do not use the PCR technology that is required for entry into Canada.

### Vaccine Prioritization and Distribution

As the distribution of vaccines slowly rolled out across Canada, CMC continued to work on both prioritizing marine workers and exploring logistics. Building on a letter sent to ministers and chief medical officers across Canada that was coordinated with labor, CMC continued to reach out to provincial and federal officials to seek prioritization of all marine workers for the vaccine and to explore options to vaccinate crew members on board vessels who cannot access vaccination facilities back home.

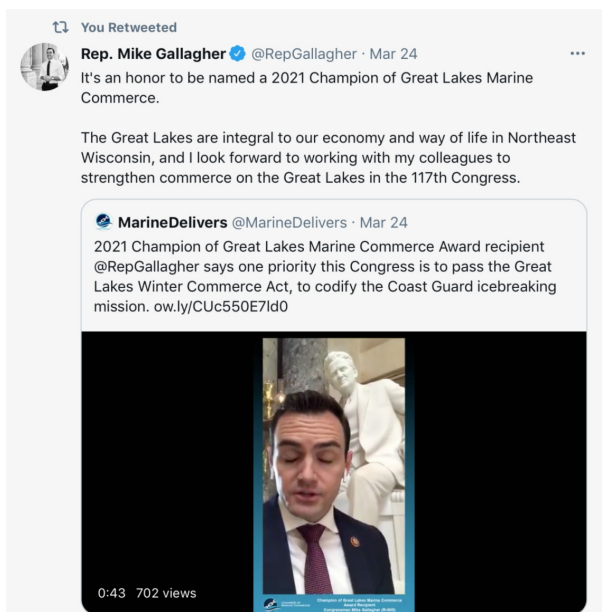


## U.S. Advocacy

In Q1 in the U.S. we saw the rocky transition to the new Biden Administration that has been off to a slow start. Michael Regan was appointed to head the Environmental Protection Agency (EPA) and Pete Buttigieg as cabinet secretary appointed to head the Department of Transportation (DOT). Our team in Washington has been in contact with new staff in both departments, building relationships and

advocating on behalf of CMC members on issues like ballast water regulation and the need for resilient infrastructure in the region. CMC recently spoke with the EPA who let us know that the timeline for VIDA regulations (which include ballast water regulations) is likely to be finalized later this year. EPA has told us that they are in contact with their Canadian counterparts with the hope of finding a binational solution for regulating ballast water in the Great Lakes.

Our advocacy has also included a push for funding for the Great Lakes Coastal Resiliency Study, which was left off the U.S. Army Corp of Engineers funding priorities this year. We are pushing for Congress to appropriate efficient funds for this study, to address the concerns coastal communities faced when Lake levels are high, which led to a delay in the opening of the Seaway shipping season last spring.



## Champion of Great Lakes Marine Commerce Awards

The CMC instituted a new award program aimed at U.S. legislators who support the Great Lakes and St. Lawrence maritime sector called the [Champion of Great Lakes Marine Commerce award](#). This year's awards were presented to Senator Gary Peters (D-MI), Senator Tammy Baldwin (D-WI), Senator Todd Young (R-IN), Rep. Mike Gallagher (R-WI), Rep. Jackie Walorski (R-IN), and Rep. Marcy Kaptur (D-OH). Whether it is outwardly opposing further delay to the opening of the St. Lawrence Seaway last spring or fighting to increase funding for infrastructure and ice breaking capabilities in the region, each

of the recipients have been an important voice for Great Lakes-Seaway marine commerce. Each award recipient provided CMC with quotes and videos thanking CMC for the award, which were distributed to stakeholders and media via a press release and shared on social media.

## Ballast Water Update

At the beginning of the year, Transport Canada (TC) met with marine industry associations to discuss TC's latest proposed implementation and compliance timelines. TC has proposed regulations requiring domestic vessels to fit ballast water systems including vessels that primarily operate in the Great Lakes -St. Lawrence (GL-SL) region. However, the U.S. EPA have proposed standards that would not require systems on vessels that operate exclusively on the GL-SL region. This would create a serious regulatory misalignment in the



region creating operational, technical and competitive issues for Canadian domestic ship owners and their customers in the region.

Following the meeting in February, CMC provided written comments to TC reiterating that GL-SL vessels should be exempted from the proposed regulations to allow time for Canada and the U.S. to work on a common solution for their respective Great Lakes domestic fleets. There also needs to be a full and accurate cost benefit analysis for the domestic fleet and suitable technology needs to be available.

Building on this, CMC wrote to Foreign Affairs Minister Marc Garneau regarding the importance of regulatory cooperation for commercial vessels on the GL-SL region (and impacts on Canada's trade and Canadian competitiveness). We urged the Minister to work with TC and U.S. agencies to develop a bilateral approach.

CMC also engaged Research and Traffic Group (RTG) to take a closer look at TC's cost benefit analysis (CBA) to follow-up on several problems CMC had previously noted. The independent review noted that the CBA failed to show how regulating Canada's domestic fleet to fit ballast water management systems was justified. Transport Canada has used the benefits of regulating BWMSs on foreign-originated vessels as the basis of accepting the costs of equipping the domestic fleet. The review also illustrates how TC has greatly underestimated the costs to the domestic fleet operating in the GL-SL region. It calculated that the cost of extending the requirements to the GL-SL fleet would be more than \$560 million compared to just \$31 million in expected benefits. In addition, it also found that competitive consequences would lead to loss of business and jobs. These impacts weren't analyzed in TC's CBA.

## GHG Reduction Measures

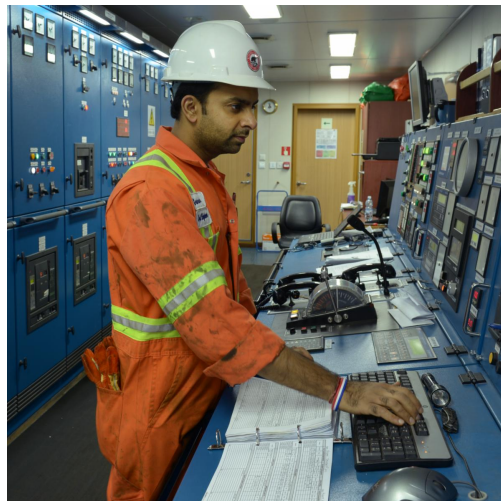
CMC worked with the International Chamber of Shipping on an industry submission to the International Maritime Organization (IMO) on March 13 to advance a refined proposal on establishing an International Maritime Research Board and a "moon shot" \$US 5 billion research fund. The proposal will be considered in June at the next meeting of IMO's Marine Environment Protection Committee. The fund is aimed at developing new propulsion technologies that are suitable for large oceangoing ships.

At the same meeting, IMO will be considering a package of short term measures to reduce GHG emissions from ships. As such, Transport Canada has contracted Serco Ltd. to study of the Energy Efficiency Design Index (EEDI) for new ships, from which Canadian domestic vessels are exempt, and the pending Energy Efficiency Index for Existing Ships (EEXI). While CMC and members have cooperated with TC, CMC is carrying out its own study of the pending EEXI and carbon intensity indicators under the IMO short term measures package to determine impacts. Both studies will be used in discussions with Transport Canada to advance greenhouse gas measures that are appropriate for the domestic fleet.

CMC has also created [web pages \(French\)](#), one-pagers and [magazine articles](#) on the progress made by Canadian ship operators to reduce GHGs already through fleet renewal and alternative fuel, which we have been sharing with politicians and government officials.

## Labour Code Changes: Hours of Work and Rest

In December, Employment and Social Development Canada (ESDC) published proposed regulations on the allocation of hours and work on the rest that would have general application for all federally regulated industries. As such, these proposed regulations would apply on board domestic ships, but they were developed in a broader context and did not account properly for the circumstances on board ships and existing regulations. On February 19, CMC joined Les Armateurs du St Laurent in submitting comments to ESDC calling for domestic ships to be exempted from these proposed new



requirements under the Labour Code on the basis that they are already regulated by the Marine Personnel Regulations under the Canada Shipping Act, 2001.



## Pilotage Reform

On the Feb 25th, CMC joined several other marine industry associations, who are members of the national Industry Coalition, in a meeting with Transport Canada on pilotage costs and efficiency. This was followed-up with a joint industry proposal to TC. Canada's pilotage system has an excellent safety record. However, a common vision must be developed to improve the efficiency and cost-effectiveness of the system as we continue to implement the

new Pilotage Act and its stated principles.

## Chamber of Marine Commerce 2021 Outlook Virtual Speaker Series

The CMC hosted its four-part Marine Club Luncheon Speaking Series in January and February. The series received excellent feedback by attendees, which included CMC members but also a significant number of government officials from Transport Canada, DFO, Global Affairs, TSB, the IJC, the US Coast Guard, city officials, academics, other industry associations etc. The series helped the CMC raise its profile amongst new audiences through widespread advance marketing and led to new membership inquiries, contacts and industry/media relationships. It also provided additional value for our members. Our feedback survey indicated that more than 90% of respondents would like us to have virtual events, in the future, even when in-person events resume.



## Media Outreach and Communications

CMC continued its media work in Canada and the United States in the first quarter where we helped the Seaway distribute its end-of-year press release and set up an advance Canadian Press article that appeared in media outlets throughout Canada, along with issuing our own binational 2021 Policy Wish List press release to government officials and media.

The CMC also provided interviews and comments on expectations for the upcoming season to trade and traditional media in advance of the Opening of the St. Lawrence Seaway in both Canada and the U.S.

The CMC completed its series of 5 videos (highlighting marine's role in the delivery of daily essentials) and 4 video vignettes that include interviews with member spokespersons, highlighting the critical nature of the GLSLS; some of which were used in our virtual event speaking series in January-February. The CMC will start promoting these videos in the coming weeks to our various stakeholders.

## 2021 Marine Delivers Magazine

The 2021 edition of *Marine Delivers Magazine* was launched through email blast, mail-outs and social media promotion to our industry, political, media, academic and environmental stakeholders. The magazine features interviews with American and Canadian port and shipping executives on their views and expectations for the year ahead, highlights the marine sector's legislative priorities,

and showcases new environmental technology and related R&D projects. The edition is produced in [digital](#) and print formats, and individual articles are also posted on our [online Marine Delivers Magazine](#), which we update with fresh news throughout the year. Please feel free to share the magazine and its articles widely with your own stakeholders, and on your own communication channels.



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