

SOUTHERN GULF ISLANDS FORUM

March 14th, 2022, 8:30 am – 12:30 pm

Meeting Notes: Marine Vessel Traffic

Welcome

MLA Adam Olsen opened the meeting and welcomed guests Pahalicktun, Chief of Lyackson First Nation, and Chief Roxanne Harris, Stz'uminus First Nation, at the meeting. Facilitator Judith Cullington welcomed the group including several guests from Transport Canada and the Vancouver Port Authority.

Presentation: Collaborative system to manage marine vessel traffic and optimize the supply chain flow

Marc-Yves Bertin (Director General, Marine Policy, Transport Canada) and Captain Shri Madiwal (Director, Marine Operations and Safety, Harbour Master at Vancouver Fraser Port Authority) provided information for the new [Active Vessel Traffic Management](#) (AVTM) Initiative¹. (PowerPoint attached.)

Marc-Yves Bertin noted that:

- ♦ The Vancouver Fraser Port Authority (VFPA) is Canada's largest port, handling \$1 of every \$3 of Canada's trading goods outside of North America. It plays a critical role for economic growth.
- ♦ With a significant increase in cargo volumes over the past decade, there has recently been much discussion about the expansion and optimization of port capacity – with emphasis on the latter.
- ♦ Increasing marine traffic and use of anchorages in the SGI results from an increase in bulk commodities (coal, grain and potash). Supply chain disruptions, like weather, labour or operations, contribute to ships spending more time at anchor.
- ♦ Port authorities assign and manage anchorage sites. Outside of port boundaries, marine pilots and vessel masters decide on which anchorages to use, and this primarily depends on marine safety considerations. Ships anchoring in the SGI have historically been bulk carriers.

¹ News release at <https://www.canada.ca/en/transport-canada/news/2021/08/government-of-canada-announces-new-system-to-improve-marine-vessel-traffic-flow-at-the-port-of-vancouver-and-in-southern-british-columbia.html>



- ♦ The anchorage initiative, as part of the federal government's Oceans Protection Plan (OPP) launched in 2016, is fairly localized and takes into consideration First Nations and local concerns.
- ♦ In 2018, the Interim Protocol for the Use of Southern BC Anchorages was put in place as a management tool to ensure a balanced use of anchorage sites across Southern BC; this remains in place as a bridge to a longer-term solution.
- ♦ The increased use of anchorages is a symptom of a larger issue stemming from the growth of the Vancouver Fraser Port Authority (VFPA) and the supply chain. To address the need for systemic solutions, the VFPA is leading work to design a new collaborative system to optimize supply chain flow called the Active Vessel Traffic Management (AVTM) Initiative with a goal to be the most sustainable system in the world.
- ♦ The AVTM Initiative aims to strengthen marine safety and manage marine traffic, improve the efficiency and reliability of the flow of goods, reduce environmental impacts including noise near Southern Resident Killer Whale (SRKW) habitat, and reduce negative social impacts like ambient noise and light pollution. An effective AVTM system should lead to efficiency gains and reduce the impact of anchorages in the SGI.
- ♦ The VFPA is scheduled to provide updated information on the Initiative to Transport Canada at the end of March.

Capt. Shri Madiwal continued the presentation and noted that:

- ♦ VFPA is working to make the supply chain more efficient. It has an excellent safety record.
- ♦ The AVTM Initiative aims to complement the Coast Guard's Marine Communication and Traffic Services.
- ♦ The ongoing stakeholder engagement and consultation process has heard significant interest in the project by Indigenous groups, community stakeholders, local governments, and many supply chain partners who view this project as a priority for their business. An understanding of the intricacies of the supply chain network enables an understanding of the benefits and effectiveness that can be gained by the work being done.
- ♦ Recent accomplishments of the VFPA were listed including:
 - multiple meetings and workshops with stakeholders that produced lots of engagement and feedback;
 - industry engagement in 2021 focused on understanding some of the bottlenecks; and
 - in 2022, the AVTM Initiative was developed, as was a reasonable implementation plan.
- ♦ The industry-based advisory panel created in 2022 will provide recommendations to advance the active vessel traffic management system at the end of March. The plan for 2023 and beyond is to gauge whether the AVTM Initiative is working successfully.

During questions and discussion, the following comments were made. *(Responses from TC and VFPA are noted in italics.)*



First Nations engagement

- ♦ Small First Nations communities with limited funding need capacity to participate and provide input.
 - *TC and the VFPA noted they have been engaging with communities, and funding for engagement has been made available under the broader OPP.*
- ♦ Stz'uminus community members use the Salish Sea as a source of food. They are concerned about noise and light pollution, and the increased traffic of ships in the bays. Stz'uminus community members often say: "When the tide is out, the table is set"—because this is where their food comes from. With increased marine traffic, the Stz'uminus people wonder how safe their food is and worry about the health of the Salish Sea.
- ♦ Concern was expressed about the VFPA [advisory panel](#) as it does not include Indigenous participants.
 - *VFPA noted the goal for the advisory panel is to identify supply chain constraints and that Indigenous communities will have opportunity to provide input.*
- ♦ The decision of the federal government to make the port the leader in this work could be perceived as a deliberate attempt to remove the interest of Indigenous Nations and communities from the conversation. The conversation has been led through a lens of supply chain, and the VFPA has been a disaster in its consultation work with First Nations. How does this program take Douglas Treaty rights into consideration?
- ♦ In W̱SÁNEĆ, there are many concerns regarding anchorages, vessel traffic, and the destruction of habitats on which the W̱SÁNEĆ people rely. These concerns are not just expressions of intense grief over the loss of those places that we used to be able to access, but a deep anger and frustration that the W̱SÁNEĆ people do not have decision-making power over the issues that impact them directly.
 - *TC wrote to Indigenous communities 2.5 years ago and invited them to engage; engagement has been ongoing and the next conversations will be tangible and rich.*
- ♦ Proper engagement takes way more time to reach First Nations communities – trust must be built before input can be sought. Sending a letter is not meaningful engagement.
- ♦ In the province of British Columbia, the Declaration on the Rights of Indigenous Peoples Act applies. Consultation on the SRKW process was unacceptable.

Community engagement

- ♦ The issues that communities have brought to the table are ongoing and have been raised for many years.
 - *VFPA outreach with the Islands Trust has been valuable.*
 - *Transport Canada accepts the concerns that a number of communities share, and hopes to see a higher degree of efficiency so as to reduce the number of anchorages.*
 - *As the port finalizes its design work there will be a need to engage community and industry on this and to take that feedback to determine how such a system would work in the SGI. This work is very much in need of continued engagement with different parties to test whatever model is designed.*
- ♦ It is discouraging that an initial draft plan will be made available by the VFPA at the end of March and it is unlikely that further consultations could be included at this point.



- *The federal government has made significant investments with environmental considerations, safety and security at the forefront of the Minister's expectations. TC is attempting to give control over decades of practice based on common law rights with a goal to give structured order to the behaviour and activity of vessels in the region that are calling in on Vancouver.*
- *The work of TC and the VFPA has entered a distinctly different phase where concerns have been heard and now the issues need to be defined so they can be put on the table – the VFPA is close to putting something on the table that can be defined.*
- *TC acknowledges that the work being discussed speaks to one part of the supply chain that is part of a broader system – the aim is to minimize inefficiencies among supply chain actors. Supply chain breakdown is causing people and ecosystems to be disrupted on a routine basis. The lack of coordination between grain growers and shippers make everyone lose money and increases the number of anchorages. There is need for a wider lens to coordinate with the railways, the growers and the shippers to figure out how to get out of the Gulf Islands.*
- *The [advisory panel](#) includes supply chain partners.*
- ◆ *It would be helpful if people understood what the ships are doing when they are in the SGI. It would also be helpful if the VFPA would improve communication directly with the people that are impacted.*

Ecosystem protection

- ◆ *The Salish Sea is of high ecological importance.*
- ◆ *The cargo and the economic interest of the country is being prioritized over the national significance of the Gulf Islands. Any risk to the coastline is too much.*
 - *The conversations that resulted in international law that allows vessels to anchor anywhere they wish out of necessity did not include the chiefs of this country and the protocol has been inadequately adopted by many vessel masters.*
- ◆ *There is opportunity for the VFPA to look at the traffic that goes through the port and determine which commodities (e.g., coal) might not be a part of the future mix of commodities.*
- ◆ *Constituents are confused by the inconsistency of seeing a tanker ship in an area of extreme environmental protection. How can freighters be allowed to anchor in National Marine Conservation Area Reserve?*
- ◆ *Once the environmental damage has been done it will take decades to rehabilitate.*
- ◆ *We want to be a whole and ethical community by protecting this space for everyone for future generations and we can find a way for there to be no anchorages here. The single success would be the universal adoption of no anchorages in the SGI. Vessels stacked high with cargo are a concern that must be addressed.*
 - *Transport Canada accepts the concerns that a number of communities share, and hopes to see a higher degree of efficiency so as to reduce the number of anchorages.*



Other Questions and Comments

- ♦ What kind of coordination on this issue happens in Ottawa?
 - *Strategic governance decisions require collaboration among ministries to ensure the country's various policy objectives are aligned; this collaboration needs to continuously evolve and perfect itself.*
- ♦ Are there audits and investigations done to enforce compliance related to pollutants, or is the process entirely primarily complaint driven?
- ♦ Do vessels pay a fee for anchorages within the VFPA boundaries? (No)
- ♦ Can vessels be detained in the originating ports until closer to port availability in Vancouver?
- ♦ How much coal moving through this area is metallurgic and how much is thermal? To what extent do thermal coal shipments contribute to the increase in Vancouver port shipments and the need for increased anchoring in the SGI?
 - *In 2021, 40% of coal exports were metallurgic and 60% were thermal.*

In closing, Marc-Yves Bertin made the following comments.

- ♦ Transport Canada wants to improve the situation on several different environmental and social levels
- ♦ The key is to constantly work towards improving and to set up the basis for improvement.
- ♦ We now need to move beyond and build upon what we have heard about issues that are important to various communities in this area and to bring those considerations to bare in moving forward.
- ♦ The next phase of this work is to see what the port is able to define as a proposed solution at which point we will continue the conversation.

Adam Olsen thanked the presenters, noted the tension apparent in his riding, and asked Transport Canada to embrace the fact that free, prior, and informed consent means free, prior, and informed consent.

Presentation: The role of the Chamber of Shipping

Robert Lewis-Manning, President, Chamber of Shipping, opened his presentation noting that the last two years have been particularly demanding on public servants at TC and VFPA who have worked hard through the pandemic. He commented that he has learned a lot from residents of the SGI since he spoke at a Local Trustee Meeting six years ago. He provided a general overview of shipping practices as they relate to the export of bulk commodities. (PowerPoint attached.)

- ♦ As a vessel sits, it is under contract between whomever is exporting material and the ship operator, and there is demurrage which is a penalty for inefficiency. Demurrage and freight rates are at record highs because of all the supply chain issues meaning a lot of people are paying a lot of money for things not to move.
- ♦ Most shipping challenges are related to cargo and it is important to have synergy between carriers and cargo.



- ♦ Many supply chain interruptions have been related to climate change and will not go away when the pandemic ends. We cannot be ignorant to the fact that climate change is going to change the way we manage the supply chain network.
- ♦ Commodity growth is not equal across commodities. For example, there has been a huge demand for coal during the pandemic as consumers have been ordering more, thus increasing the need for more container ships.
- ♦ There is a real desire for a level of sophistication in the shipping industry, and opportunities exist to focus on improved safety, benchmarking and measuring so we can understand change, and developing a predictive model for reducing ship impacts and improving performance.

The following short-term opportunities were noted.

- ♦ Better oversight of existing anchorages, possibly through a private/public/Indigenous partnership.
- ♦ Governance integration of all anchorages to seek reductions in impacts and efficiencies in operations.
- ♦ Improved vessel reporting requirements to support the VFPA in improving the allocation of anchorages.
- ♦ Support for the Chamber of Shipping's Near-Time-Arrival Project—an industry-led project to examine the process for arrivals and to minimize the time the vessel arrives to the time it loads.
- ♦ Developing regulations for conduct of ships at anchor in the SGI.

The COS Near-Time-Arrival Pilot Project was described as:

- ♦ A step for the industry to try to advise the ATVM initiative;
- ♦ An opportunity for collaboration between someone who is chartering the vessel and someone who is operating it; and
- ♦ An important pilot project that may identify synergies to support less time in the arrival and loading of commodities, all of which have different supply chain arrangements.

Questions and Discussion

In response to questions, Robert provided the following information.

- ♦ Framing the problem is necessary to understand the issue. The OPP process failed to frame the problem or, at least, communicate it to those in the SGI.
- ♦ The COS Near-Time-Arrival Pilot Project will focus on coal, primarily because coal has the least number of regulatory hurdles in its arrival process; the pilot project is intentionally meant to be somewhat simplistic in a complex process so that something can be achieved in a relatively short time; the focus on coal is focused on the nuts and bolts of the arrival process and the operation of commercial activity.
- ♦ There has not been as much engagement with Indigenous communities as industry would like, and the COS hopes that AVTM will be a catalyst for that change and prioritization.
- ♦ At any given moment, there are about 5-12 ships waiting offshore – even as far north as Haida Gwaii – that are destined for Vancouver.
- ♦ The process for the SGI to limit anchorages would likely be regulatory.



Breakout Room Discussion: What are the next steps that should be taken to address shipping and anchorage issues?

The group divided into smaller breakout rooms to discuss next steps. Note-takers from each group reported on the discussion.

Breakout Room 1 Participants: Clare Frater (facilitator), Adam Olsen, Deb Morrison, Karyn Scott, Jane Wolverton, Jake Rees, Alexa Lewis, Cole Smith (note-taker)

Participants in this breakout room expressed frustration as they discussed a need for a coordinated strategy and media attention, and the deep impact this is having for First Nations communities and cultural practices. The following comments were made:

- ♦ The federal government shifting the issues to the port authority is very troubling.
- ♦ The only lens used is that of the supply chain.
- ♦ The Federal Government does not have the power to shift its duty to consult to another entity, yet the Federal Government has allowed a semi-Crown entity to set the table and not allow the voice of Indigenous Peoples to be heard at the policy level, at the problem identification level, or at the decision-making level.

The group discussed ways to coordinate on efforts to deal with the situation.

- ♦ We could consider a lawsuit from a Douglas Treaty perspective.
- ♦ We could stir up the public with a mobilizing campaign, which would be best done collectively, and not solely on the backs of Indigenous treaty rights.
- ♦ There are multiple arguments to weave in that allow people to relate no matter who they are.
- ♦ An editorial piece in local Vancouver and Victoria papers could be effective.
- ♦ It would be powerful for Forum members to write collaborative letters to the public, the government, and for media release about protection of the SGI.
- ♦ There was a collision in Plumper Sound two years ago just as the pandemic was beginning, and it was difficult to get the event highlighted in mainstream media.
- ♦ A potential angle for a story could highlight an observer of species at risk who was unable to record sounds of endangered owls because of the noise of a freighter's generator.
- ♦ Another angle could point out the irony of regulations meant to protect SRKW that disallow fishing though freighters are permitted to continue their transits.
- ♦ The issues have to cross partisan lines.
- ♦ It would be good to map out a strategy with a clear ask that the Forum could come to consensus about.
- ♦ Degradation of beaches has created a lack of opportunity to harvest.
- ♦ Vessels were at anchorage recently near Saturna Island while the Lyackson First Nation community was reburialing ancestors who had been exposed by erosion caused by climate change. the disrespectful presence of the ships detracted from these sacred events.
- ♦ Indigenous producers and film-makers are an important dimension to include in collaboration.



- ♦ This is a whole Salish Sea issue.
- ♦ Trust Council issued a statement to the Minister of the Department of Fisheries and Oceans and Transport Canada regarding a need for faster tugboat response in emergencies.
- ♦ Perhaps an in-person event could be organized, co-hosted by various Members of Parliament (MPs) and Members of Legislative Assembly (MLAs) in the area.
- ♦ A lot of important work has been done in the Arctic and the East Coast, and some on the SRKW, but otherwise leadership continues to pass the buck. some work has also been done on the North Coast, mostly related to marine safety and spill response exercises. the government has asked Indigenous communities to identify cultural and historical spaces, but that is not appropriate for the Nations – the land must be looked at as a whole and the foreshore, the forest and the ocean cannot be disconnected.
- ♦ The main challenge with organizing on the ground is capacity funding. offices lack funding to do broader coordination.
- ♦ The Islands Trust Secretariat confirmed funding for the future and there will be slightly more capacity once policy engagement completes in April.
- ♦ Vessels are getting larger and more susceptible to drifting when climate change is making winds stronger.

Breakout Room 2 Participants: Judith Cullington (facilitator), Laura Patrick, Doug Fenton, Pahalicktun-Chief Richard Thomas, Robert Lewis-Manning, Jeanine Dodds, and Laura Parker (note-taker)

This breakout room discussed how to make sure consultation occurs with First Nations; the following comments were made:

- ♦ Consultation with First Nations requires better communications about projects.
- ♦ Sending one letter to an Indigenous community does not constitute consultation.
- ♦ Consultation should involve meaningful, in-person, friend-to-friend relationships where groups can work together for the betterment of the SGI. and
- ♦ Consultation must also include funding provided for First Nations staff to assist in the work.

The group discussed what can be done to engage the public at large:

- ♦ First Nations must be put first.
- ♦ Roundtables would be an effective way to move forward.
- ♦ Timing is a concern with the upcoming deadline at the end of March and a need to engage with the province, federal government and the port. and
- ♦ Everyone needs to be at the table, including the Ministry of Environment and Climate Change Strategy and community groups like the South Coast Ship Watch Alliance that has done much work on the issues.



Breakout Room 3 Participants: Gillian Nicol (facilitator), Paul Brent, Karen Cooling, Jerram Gawley, Rose William, Peter Luckham, Shauna Johnson, Gary Holman, Elizabeth May, and Carly Bilney (note-taker)

In this breakout room's discussion of anchorage issues, the following comments were made.

- ♦ Anchorages need to be eliminated in the long-run, though we need to consider the impact this would have as it likely displaces the issues.
- ♦ First Nations outside of the SGI region should be incorporated into the discussions, as regulatory changes in the south can impact other coastal communities.
- ♦ What is the measurable impact of vessels anchoring in the Salish Sea?
- ♦ Mechanical or human failure poses a great potential risk and we need to learn from past near misses.
- ♦ The issues need to get back in front of the ministers so they understand this approach is not good enough.
- ♦ The issues also need to get in front of the media.
- ♦ Anchorages reflect a lack of infrastructure elsewhere in the supply chain (e.g., insufficient investment in rail infrastructure).
- ♦ The concerns of SGI residents are perhaps not being appropriately reflected.
- ♦ The port's advisory board is lacking the people who are experiencing the worst impacts.
- ♦ This is an appalling inefficiency and the incompetence settles on the VFPA.
- ♦ We do not well understand, or have documented, the underwater environmental impacts and perhaps no-go areas should be identified to inform industry.
- ♦ Could an expert be hired to make recommendations to the port?

The group discussed the need for advocacy:

- ♦ There is need for a more concerted political effort that includes all affected MPs and MLAs to act as advocates.
- ♦ Could the input of the Capital Regional District help in terms of advocacy?
- ♦ First Nations have a lot of potential in terms of an advocacy role.
- ♦ The Islands Trust has a limited budget to lead advocacy beyond writing letters.
- ♦ There is need for a strategy to be activists.
- ♦ The OPP is a public relations campaign that Canadians could embrace, but nobody knows about the anchorages issues and we need to help Canadians understand this is a significantly important issue.
- ♦ There is opportunity for a collaborative element to promote a unified front.

Closing Comments and Next Steps

In discussion about what next steps the Forum ought to take, the following comments were made:

- ♦ When an idea is settled upon and ready to be implemented, the ministers must be informed of the issues (Elizabeth May offered to spread the word to her colleagues).
- ♦ Anchorages should be eliminated now in the short-term and then the effects should be measured to determine what can be done to make the situation better.



- ♦ There is need for more advocacy and better coordination among provincially and federally elected representatives on the south coast.
- ♦ There is need for coordinated communication work to raise this issue publicly.
- ♦ The immediate opportunity is to be vocal about how the current engagement process, that expires at the end of the month, is unacceptable.

A working group was formed with the following Forum members and attendees: Adam Olsen, Jane Wolverton, Peter Luckham, Doug Fenton, Paul Brent, Deb Morrison; Karyn Scott noted that she is involved with Shauna Johnson on the Indigenous Management Board that includes coastal First Nations and it would be good to be kept in the loop so they can coordinate.

Attendees

<p>Forum Members:</p> <p>Adam Olsen, MLA, Saanich North and the Islands Ben McConchie, North Pender Island Trustee Deb Morrison, North Pender Island Trustee Elizabeth May, MP, SGI Gary Holman, SSI CRD Director Jane Wolverton, Galiano Island Trustee Jeanine Dodds, Mayne Island Trustee Laura Patrick, SSI Island Trustee Paul Brent, Saturna Island Trustee Peter Luckham, Chair SSI Local Trustee Committee WSÁNEĆ Leadership Council representative: Shauna Johnson, Marine Use Planner</p>	<p>Invitees:</p> <p>Chief Richard Thomas, Lyackson Nation Chief Karyn Scott, Lyackson Nation, Consultations Coordinator Chief Roxanne Harris, Stz'uminus First Nation Karen Cooling, Constituency Assistant to MLA Doug Routley Doug Fenton, Thetis Island Trustee Cole Smith, Constituent Advocate, MLA Sonia Furstenu's Constituency office Rose Williams, Legislative Intern, Green Caucus Jerram Gawley, Legislative Intern, Green Caucus</p>
<p>Presenters:</p> <p>Marc-Yves Bertin, - Director General, Marine Policy, Transport Canada John Wilson, Associate Director Marine Safety and Security, Transport Canada Jennifer Carter, Director, Seaway & Domestic Shipping Policy Lindsey Raymond, Manager/Senior Policy Advisor Calum Rabchuk, staff, Transport Canada Shri Madiwal, Director, Marine Operations and Safety, Harbour Master at Vancouver Fraser Port Authority VFPA staff: Andrea Kwasnicki, and Liam Moran Robert Lewis-Manning, President, Chamber of Shipping Stephanie Jones, President, BC Terminal Operators Association</p>	<p>Staff:</p> <p>Alexa Lewis, office of MP Elizabeth May Carly Bilney, Note-Taker, Islands Trust Judith Cullington, Facilitator Clare Frater, Director, Trust Area Services Gillian Nicol, A/Engagement Planner, Islands Trust Jake Rees, office of MLA Adam Olsen Laura Parker, office of MLA Adam Olsen</p>

UNCLASSIFIED / NON CLASSIFIÉ

Active Vessel Traffic Management

Southern Gulf Islands Forum
March 2022



Canada

1

UNCLASSIFIED / NON CLASSIFIÉ

Objectives

- To provide context around anchorage use in the Southern Gulf Islands
- To update on Transport Canada and the Vancouver Fraser Port Authority's actions related to anchorage and Active Vessel Traffic Management

2022-03-14



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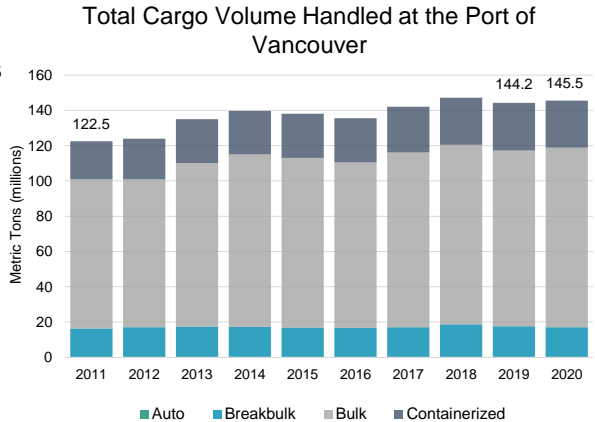
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Cargo volume handled at the Port of Vancouver has increased

Stimulated by Asian demand, cargo volume handled annually at the Port of Vancouver has been steadily increasing, and this trend is expected to continue in the future.

- **Bulk volume** at the Port increased 2.5% on average, led by grain (8.3%), fertilizers (5.5%) and chemical, metals and minerals (4.1%)
- **Container traffic** at the Port increased faster than the bulk volumes (3.1%), taking over an increasing share of the railway capacity at the gateway



Source: Vancouver Fraser Port Authority

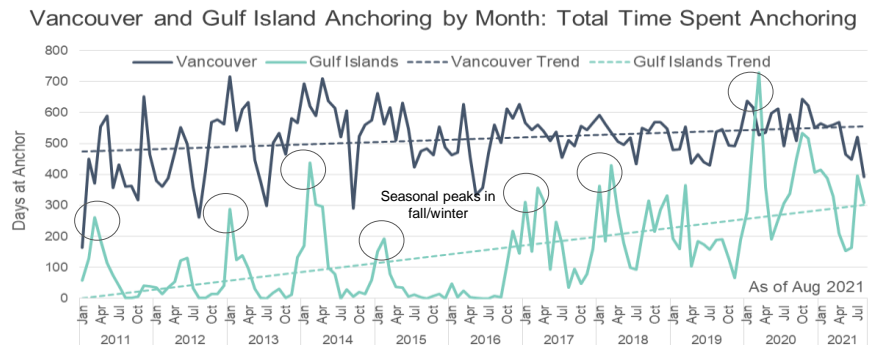
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And vessel traffic and anchoring have followed a similar trend

The increase of cargo is linked with an increase in anchorage use.

Anchorage usage in the Southern Gulf Islands (SGI) has increased noticeably. These anchorages are typically used by bulk vessels waiting for their cargo to arrive.



Source: Transport Canada calculated using INNAV Note: Chart displays anchoring times on a monthly basis

2022-03-14

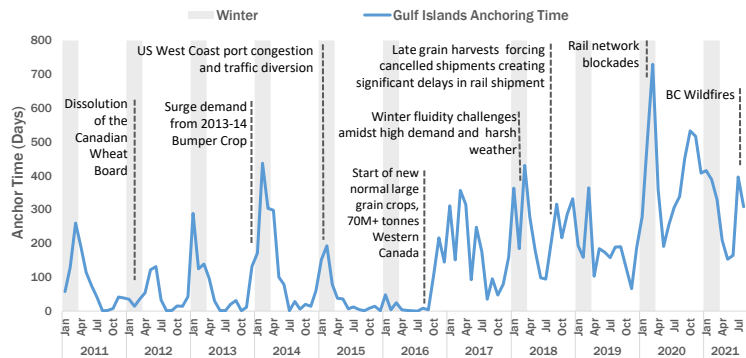


Supply chain disruptions also contribute to ships spending more time at anchor

Supply chain disruptions (weather, labour, operations), both on marine and inland, occur regularly and have cascading effects on supply chain performance which can lead to coordination challenges

The **pandemic** further impacted Canada's supply chain and the transit of cargo in and out of the port.

Gulf Island Anchoring Time and Supply Chain Challenges/Disruptions



Source: Transport Canada calculated using INNAV, Port of Vancouver, Canadian Grain

2022-03-14



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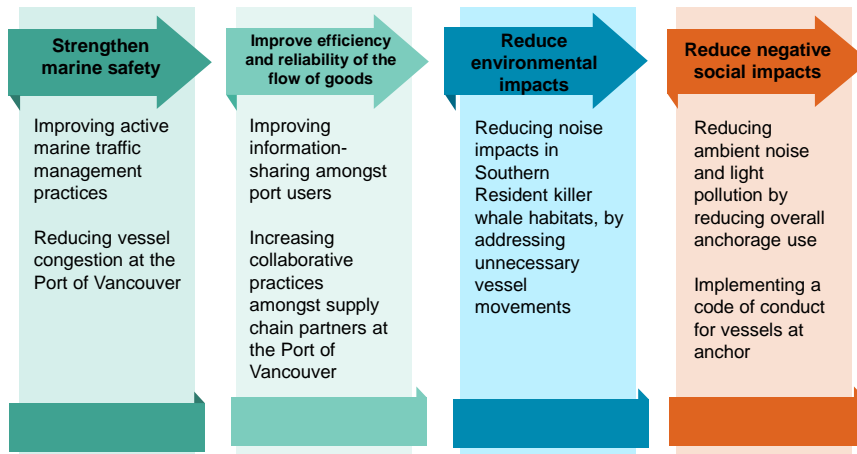
Evolution of the Anchorages Initiative

- The *Interim Protocol for the Use of Southern B.C. Anchorages* was put in place in 2018 to:
 - Ensure the balanced use of these sites across Southern British Columbia and
 - Establish noise and light guidelines for vessels at anchor
- On August 12, 2021, the Minister of Transport announced that the Vancouver Fraser Port Authority would design and implement a new **collaborative system which will manage marine vessel traffic and optimize the supply chain flow**
 - Intent is to see anchorages use addressed as part of a broader systemic approach



6

Vision for the Active Vessel Traffic Management System



Transport Canada will continue to support the VFPA in work to design an AVTM system ahead of the March 31, 2022 deadline set in the Minister's announcement



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Ongoing stakeholder engagement and consultations process

- VFPA is seeking feedback from broad cross-section of stakeholders:
 - Industry Associations
 - Terminal Operators
 - Marine Carriers, Cruise Lines and Domestic operators
 - Pilotage Authority, Pilots and Canadian Coast Guard
- In 2022, the Port Authority initiated engagement process with:
 - Indigenous groups, community stakeholders, and local government stakeholders in the Port of Vancouver and Southern Gulf Islands



8

AVTM Accomplishments and Timelines

2021 Accomplishments	2022 Plan	2023 and Beyond
<ul style="list-style-type: none"> Minister of Transport announced plans to design a new vessel traffic management system VFPA initiated broad stakeholder engagement with industry and partners for insight and feedback into AVTM development 	<ul style="list-style-type: none"> VFPA announced development of advisory panel to provide expertise in the development of AVTM VFPA and partners to continue engagement with public, Indigenous communities, and surrounding municipal governments on AVTM design 	<ul style="list-style-type: none"> Vessel traffic management approach is tested, and refined

9



9

Advisory Panel on AVTM

- On January 31, 2022, the VFPA formed an industry-based advisory panel to advance the design of a new traffic management system
- The Advisory Panel is designed to leverage expert guidance to focus on operational innovations within the existing legal and regulatory framework
- The Advisory Panel is expected to provide its recommendations related to the proposed AVTM system to the VFPA later this month

2022-03-14



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Contact Information

Questions? Comments? Please contact us directly:

Transport Canada

**Marc-Yves Bertin, Director
General, Marine Policy**
Marcyves.Bertin@tc.gc.ca

**Jennifer Carter, Director,
Domestic Marine Policy**
Jennifer.Carter@tc.gc.ca

AVTM inbox
TC.Anchorage-Ancrages.TC@tc.gc.ca

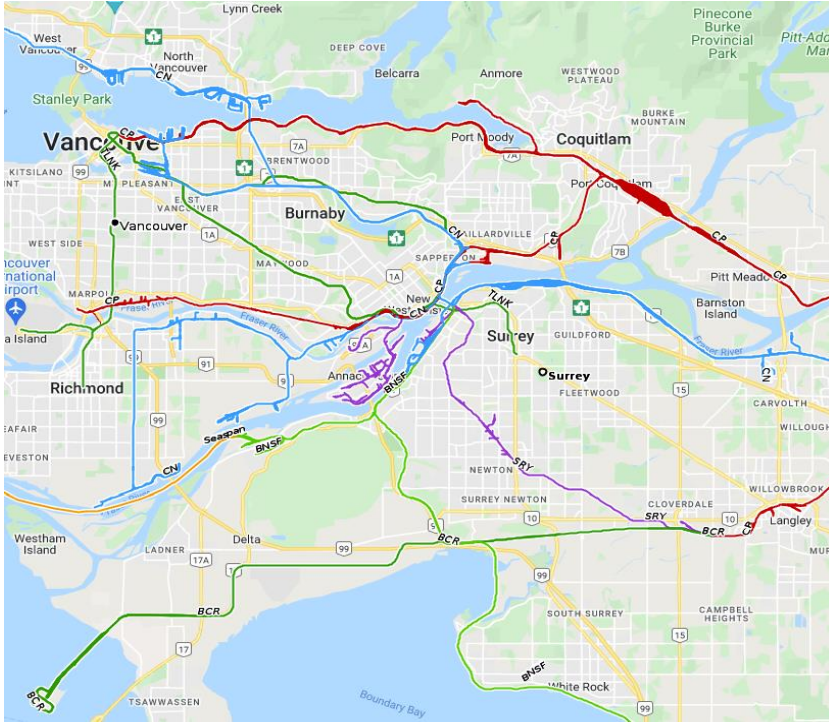
Vancouver Fraser Port Authority

**Shri Madiwal, Director of Marine
Operations and Harbour Master**
shri.madiwal@portvancouver.com

AVTM inbox
AVTM@portvancouver.com

11






**CHAMBER
OF SHIPPING**

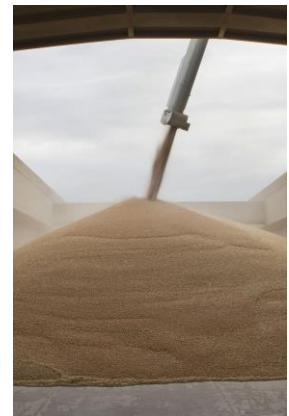
**Southern Gulf
Islands Forum**

14 March 2022

1

The Chamber of Shipping

- Industry association based in Western Canada
- **Members**
 - Ocean carriers (ships)
 - Agents (represent owner, operator, charterer)
 - Shippers (own cargo)
 - Terminals (associate members)
- **Mission:** Support safe, competitive, low impact marine transportation
- Represent approx. 85% of cargo moving through BC



SGI Forum– 14 March 2022

2

Quick Facts

- Ships at anchor in the SGI are under contract to move cargo
- Ships at anchor are called bulkers and carry dry-bulk commodities such as grain, potash, and coal
- Tankers carry liquids and do not anchor in the SGI (normally)
- In most situations, ships at a proper anchorage are safer than drifting/loitering off the coast
- A ship's contract begins when it tenders "notice for readiness." (physically, legally, regulatory)
- The contract, or charterparty, stipulates when the ship must arrive (laycan)
- Demurrage is the "penalty" paid by the charterer to the ship operator on the failure to load or discharge cargo within an agreed period of time
- It is in the interest of both the charterer and the ship operator to minimize demurrage. The ship is an expensive asset that makes more \$\$\$ moving cargo than waiting to load/discharge cargo

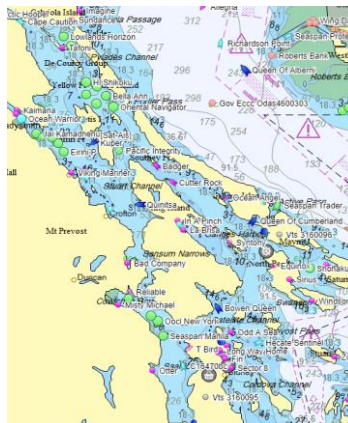


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3

Convergence of challenges

Significant supply chain disruption Lack of focus on cause and effects (impacts)



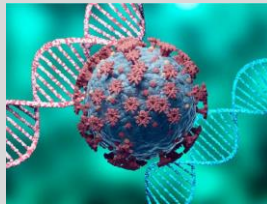
Steady growth in trade***



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4

Supply chain disruption



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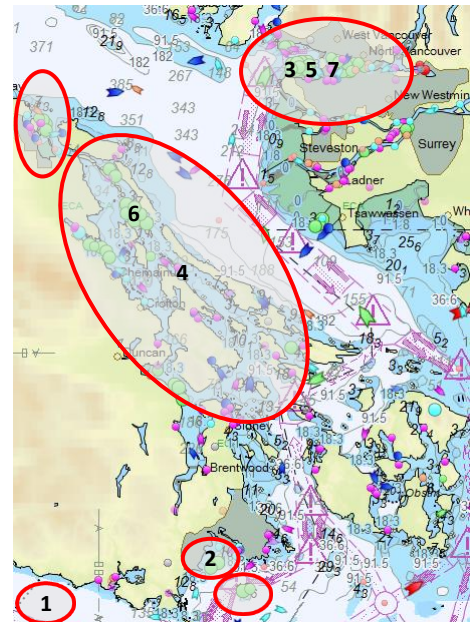
5

Lack of focus on cause and effect

6 different governance approaches (and rules) for region and ships destined for Vancouver terminals

Recent example (extreme but not unusual)

1. Waited offshore due to lack of anchorages (=risk)
2. Proceeded to Royal Roads to anchor due to lack of availability
3. Proceeded to English Bay for CFIA inspection (insufficient resources for inspection elsewhere)
4. Failed inspection. Unsure of length of time to prepare for 2nd inspection, so went to anchorage vic. Ladysmith. (no consideration for other locations because of governance)
5. Passed inspection. Proceeded to terminal
6. Only partial load because of weather. Ship proceeded back to SGI because English Bay was full
7. Proceeded to terminal to complete loading



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6

Steady growth in trade (not exactly)

- Commodity growth is not equal across commodities
- Vancouver has a very diverse portfolio of imports and exports
- Dynamics of shipping have changed over past decade, with a tendency towards larger vessels in some trades
- Rapid increase of imports during pandemic has had significant ship management impacts regionally

Vessel Arrivals		0
Vessel Departures		0
Vessel Category	At Berth	At Anchor
Bulker	1	3 v
Chemicals	1	v
Coal	4	20 v
Concentrates	2	v
Container	7	15 v
Dredger	2	v
Dry Cargo	1	2 v
Grain	5	6 v
Other Cargo	1	v
Potash	1	2 v
Roro	1	v
Steel		1 v
Sulphur	1	v

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7

VFPA Active Vessel Traffic Initiative

Opportunities

- Focus on improved safety
- Integrating the governance of anchorages on the South coast
- Review and improve pilot dispatch model
- Early identification and deconfliction for choke points
- Benchmarking, measuring, and improving productivity
- Developing a dynamic and predictive model for reducing ship impacts (improving performance)
- Developing a dynamic framework for marine mammal deconfliction
- Considering the establishment of anchorages in lower impact areas
- Developing increased oversight of marine shipping on the South coast



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8

Shorter-term opportunities

1. Improve the oversight of existing anchorages, possibly through a private/public/Indigenous partnership
2. Integrate the governance of all anchorages to seek reductions in impacts and efficiencies in operations
3. Improve vessel reporting requirements to support VFPA improving its allocation of anchorages (to reduce impacts, reduce inefficiencies, reduce costs)
4. Launch a review to identify alternative lower-impact anchorages (much work has already been done)
5. Review regulatory support to identify gaps in capacity (to reduce impacts, reduce inefficiencies, reduce costs)
6. Support the Chamber's Near-Time-Arrival Project
7. Develop regulations for conduct of ships at anchor in the SGI

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9

COS Near-Time-Arrival Pilot Project

- Aims to systematically identify the constraints and opportunities to reducing the time a ship waits before loading bulk commodities
- Initial focus on single commodity with relatively straight forward regulatory and operational constraints
- Officially supported by Minister Environment and Climate Change Canada through Salish Sea Marine emission Reductions Fund
- Currently negotiating contribution agreement and expect kick-off in April/May
- Will likely inform AVTM, GHG strategy, regulatory modernization



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Robert Lewis-Manning

Robert@cosbc.ca

604-681-2351

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