

**REPORT ON PILOTAGE
DEVELOPMENTS IN
CANADA**

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It's a great pleasure to be here, participating once again in the annual meeting of west coast pilots. I believe meetings like these always represent an excellent opportunity to discuss issues of common concern, improve cooperation and collaboration between pilot groups and, at the end of the day, help promote pilotage as the best way of maintaining safe marine transportation.

This year, we meet at a time of great economic uncertainty. It is not just that the cycle of the global economy has – after more than ten years of growth – begun an inevitable downturn. If that was all it was, there would be reason enough for concern, but at least we would be allowed to think that things were, in a fashion, normal. Cycles are cycles. They include growth and the good times that come with it, and they include declines and the belt-tightening that comes with that.

But this is different. Despite recent indications that there may finally be some light at the end of the tunnel, we are nevertheless going through the worst global financial crisis in over half a century and no one is sure where it is all going to end. Has the stock market finally bottomed out or will it drop again to 7,000, 6,000 or something even lower? In any event, it would appear the recession will continue to worsen right through 2009 and improvements might not be seen until sometime in 2010.

Of course, when the global economy suffers, the marine industry, as if in lock-step, suffers right along with it. A week has not gone by since last summer without some terrible news affecting our sector.

Few industries feel the effects of a bad economy faster or harder than the shipping industry does. Orders for new vessels are being cancelled – only 9 ships were built worldwide this January, compared to 151 ships during the same month last year. Scheduled services are being reduced and there is a glut of shipping containers on the market.

While my comments today are not related to this difficult challenge we all face, and I have little in the way of advice to offer in any event, I wanted to begin my remarks by acknowledging the seriousness of the situation, stating that as marine pilots we are as concerned about it as everyone else in our industry and affirming our determination to work with others in the maritime transportation community to get through these tough times.

Marine pilotage in Canada has gone through a relatively rough patch over the past several years and while I am glad to report that we have come through it intact, it has not been easy and there are lessons to be learned.

From 2003 to 2005 pilotage charges on the St. Lawrence River – the busiest Canadian waterway – had risen significantly and there was a perception by some in the shipping industry that the quality of the pilotage service provided had declined.

I expressed a fear that this situation could lead to government action that would be contrary to the interests of pilots and I also expressed a hope that the problems – both real and perceived – could be resolved by pilots acting together and in a manner that was responsive to industry's needs.

It turns out that both my fear and my hope were realized!

PROPOSED AMENDMENTS TO THE *PILOTAGE ACT*

By early 2007, it had become apparent that the difficulties with pilotage on the St. Lawrence River – needed to be addressed. Failure to do so through discussion and negotiation between pilots, shipowners, the Pilotage Authority and the government itself led to the introduction of legislation in the Canadian Parliament in June 2007 to resolve the situation.

The legislation would have radically changed the country's pilotage regime and, of particular concern to marine pilots, would have paved the way for competitive pilotage.

By the time the compromises necessary to resolve the situation on the St. Lawrence were made, it was, unfortunately, too late. The enemies of pilotage had convinced government that without changes to the legislation, problems would only reoccur.

By then, the matter certainly had the attention and the concentrated focus of all pilots across the country. Because, of course, the legislative remedy being proposed would affect all pilots in all regions.

We had to play a furious game of defense! I am happy to report, however, that pilots were successful and the legislation is no longer being considered by Parliament.

But it was a close call. And probably could have been avoided if we had paid more attention to the lessons we have been taught many times over the years.

The first lesson is the important connection between the level and quality of service we provide, and the nature of the pilotage regime itself. If we are to maintain our status as independent professionals, discharging our duties without fear of interference or undue pressure, we must make sure that we provide the very best service possible, at reasonable cost, and with due regard for the shipping industry's needs.

As I have often told the members of the CMPA, if we want to maintain our monopoly on pilotage services, we must be sure not to acquire any of the bad habits normally associated with a monopoly.

The second lesson is that even when – or perhaps I should say especially when – pilots are doing an exceptional job, and the system is working extremely well, we must not become complacent. We can never let up on our efforts to tell our story to government decision-makers and to those who influence them. It seems the critics of pilotage never rest, and neither can we!

I cannot emphasize too much how essential such activities are to maintaining our interests.

The third lesson we have all been taught, and which we must never forget, is the amazing strength that comes from unity of purpose and unity of action.

When pilots plan and act together, they can be formidable. Whatever else can be said about the recent crisis we have experienced in Canada, what was especially striking to me was how effective pilots were once they decided the threat they were facing could only be met with a tightly coordinated campaign with pilots across the country acting together.

I have two observations to make about what happened in Canada.

The first is that when a situation develops affecting pilots in one place, it is very likely to directly impact pilots elsewhere.

In Canada's case, a situation that began in one region soon developed into something that could have a negative consequence on pilots across the country. This interdependence crosses national boundaries as well. What happens in Denmark can surely affect North America.

And thus my second observation: all the more reason for solidarity. Pilots anywhere in Canada have no greater supporters than pilots everywhere else in Canada. And so it is at the international level. We must be each other's best allies.

This cohesion is not always easy to maintain, especially once a crisis passes. But it is essential for our success and should never be underestimated. It can be tempting for pilot groups to "go their own way" on certain issues, to not take into account the impact of their actions on pilots elsewhere in the system. But when they do so, they weaken pilots everywhere, including themselves.

All of this underscores the importance of meetings such as the one we are participating in today. Pilots from all over the West Coast have come together once more to learn from one another, to explore new avenues for cooperation and to reaffirm their solidarity. This is a wonderful thing and as it should be!