



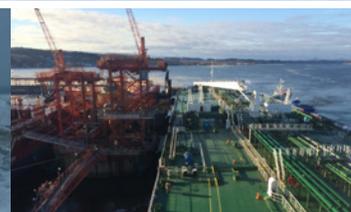
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THE CANADIAN PILOT



MESSAGE FROM THE PRESIDENT



“Everything is changing and change occurs at an ever-increasing pace.”

This statement, or some version of it, is made so often and in so many different contexts that it is surely in danger of becoming the cliché of our generation. And yet, there are so many examples of important change that can be cited to substantiate the statement that it would be foolish to make light of it.

These changes include some that are bound to have an impact on pilotage. A good case in point is the dramatic change in recent months in the price of oil, which has declined from something around \$100 a barrel to less than \$50. Oil is a very significant commodity in terms of Canada's economy and this change in its market value is bound to affect not only employment, investment and public revenue, but also exports and, consequently, marine traffic. There is an interesting discussion of this very subject in this issue of the *Canadian Pilot*.

Another change that is imminent relates to the Canadian Parliament. There will be a general election in October of this year and this will, of course, result in changes to the parliamentary roster. In fact, the turnover of Members of Parliament in this election will be very significant, given the fact that there are 30 new ridings and over 60 incumbent MPs not running for re-election. Because Parliament is the ultimate policy-maker in regard to most matters related to marine transportation, such a change is obviously very important for us.

The fact remains, no matter how much change there is, and no matter how fast that change occurs, some basic things hardly change at all. Pilotage is a case in point. Certainly, shipping volumes can fluctuate dramatically, as can shipping patterns and shipping technology. Similarly, parliamentarians can change in terms of their demographics and orientations, leading to different approaches to marine policy. But, pilotage itself is always all about safety. Pilots' *raison d'être* is to ensure the safe and efficient transit of maritime vessels in designated waters; we have been doing this for hundreds of years and it is something Canadians can count on that we will continue to do, no matter the amount or velocity of change around us.

In a world of change, I think it is a good thing that there are certain values and practices that transcend change and are enduring. No matter what the circumstances, we want to be sure that such things as health, security and safety are upheld to the highest standards. In our own way, and in our own sector, Canada's marine pilots are doing just that.

Simon Pelletier



OUR GUEST: DAVID BOLDUC, EXECUTIVE DIRECTOR, GREEN MARINE

ENHANCING SUSTAINABILITY THROUGH COLLABORATION

Editor's Note: The CMPA is delighted to welcome Mr. David Bolduc, Executive Director of Green Marine as the guest columnist in this issue of *The Canadian Pilot*. Green Marine is a North American environmental certification program that has grown exponentially since its inception – in large part as a result of Mr. Bolduc's leadership and ability to effectively engage stakeholders from across the marine sector.

The program is a voluntary marine industry initiative with the goal of achieving levels of environmental performance that exceed regulatory requirements in areas such as air/land/water emissions. There are currently more than 90 ship owners, port authorities, terminals and shipyards in Canada and the United States participating in the program. The credibility and relevance of the initiative was notably highlighted when it was awarded the international prize for the "Green Shipping Initiative of the Year" in London, U.K., in 2011.

As you may have already read in the previous issue of *Canadian Pilot*, the Canadian Marine Pilots Association recently joined Green Marine as an association member. Maritime associations play a key role in Green Marine as the program's ambassadors encouraging a steadily larger membership. We are so pleased to welcome the CMPA within our ranks! All of the Canadian pilotage authorities are now Green Marine partners.

Founded in 2007, the Green Marine environmental program was originally conceived for the Great Lakes and St. Lawrence corridor, but the interest it has generated throughout the marine industry has led to it quickly evolving across North America. Green Marine has earned a reputation from the outset for credibly and transparently challenging participating companies to continually improve their environmental performance beyond regulatory compliance.

I was delighted to see Green Marine's efforts officially recognized on Feb. 18 when the environmental certification program received the Lloyd's List North America Maritime Award for Environmental Excellence. Obtaining peer recognition is truly rewarding. It acknowledges the numerous hours that our participants, partners, supporters and staff have dedicated to making our environmental program a leading example of genuine industry-driven sustainability in partnership with key stakeholders.

It's with this spirit of tangible results that Green Marine will hold its yearly conference on the U.S. West Coast for the first time. GreenTech 2015 will take place May 27-29 in Seattle. The theme of our eighth conference is: Sustainability at work in marine transportation.

GreenTech is a key annual event in terms of the opportunities it presents for improving marine sustainability through information-



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sharing, networking and learning directly about new cutting-edge technologies. The presentations will cover various topics of strong current interest to the marine transportation sector, including the emerging issue of underwater noise, practical solutions to improve air quality at ports, greater energy efficiency for ships, case studies involving new sustainability-related technologies, as well as inspiring conservation initiatives. Our participants' results for the 2014 reporting year will also be released during the Certification Ceremony at the renowned Seattle Aquarium.

GreenTech 2015 is shaping up to be a fantastic conference. I look forward to seeing many of you in Seattle!

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Please do not hesitate to contact us with your comments and suggestions.



The westbound Federal Elbe, a Fednav vessel, is approaching the Eisenhower locks in Massena, New York, in the Upper St. Lawrence Pilotage District where the international border between Canada and the United States lies in the middle of the River. The photograph is a courtesy of one of the District's Canadian pilots, Capt. Martin Mangan.

BILATERAL COOPERATION AT ITS BEST

PILOTAGE ALONG THE CANADA / US BORDER



Editor's Note: *The Canadian Pilot thanks Mr. Robert Lemire, CEO of the Great Lakes Pilotage Authority and Capt. Kevin Obermeyer, President and CEO of the Pacific Pilotage Authority for their contribution to this article.*

The international boundary between Canada and the United States is the longest in the world, stretching 8,891 km across land and water. It is also the busiest border, with some 300,000 people and almost \$1 billion worth of goods crossing every day.

Despite the fact that Canada/US relations are among the friendliest anywhere on the globe, and despite the strong social and cultural affinity between the two nations, the crossing of the border is serious business. Economic reasons, as well as those related to sovereignty, politics and security, all contribute to a border crossing that is highly regulated and tightly controlled for both people and merchandise.

Governments of both countries continually examine measures to prevent the border from further "thickening," an expression that refers to the tendency for Canada/US crossings to be ever-more cumbersome.

Pilotage practices for vessels moving between Canadian and American waters on the Great Lakes and along the West Coast offer a rare example of refreshingly pragmatic and flexible border crossing. Despite very different circumstances, pilotage administrations have been able to reach agreement and establish practices that make crossing the border very user-friendly. In fact, they are virtually invisible to ships' crews and in no way disrupt the operation of vessels.

On the West Coast, there has never been a specific treaty or agreement between the two countries as to how pilotage should be managed in cases where ships transit from one jurisdiction to the other. Instead, the practices in place are based on the principle of "the right of free passage."

This principle was included in the 1846 Oregon Treaty between the United States and Britain, which set the border between the United States and what would soon become Canada. The “right of free passage” was a necessary feature of the 1846 treaty, given that the international boundary was established in such a way that, in some cases, travelling from one Canadian destination to another required transit through American waters, and vice versa. Given the treaty’s explicit recognition of the right of free passage, no other formal agreement has ever been needed to provide the basis for bilateral arrangements to ensure the unimpeded flow of marine traffic.



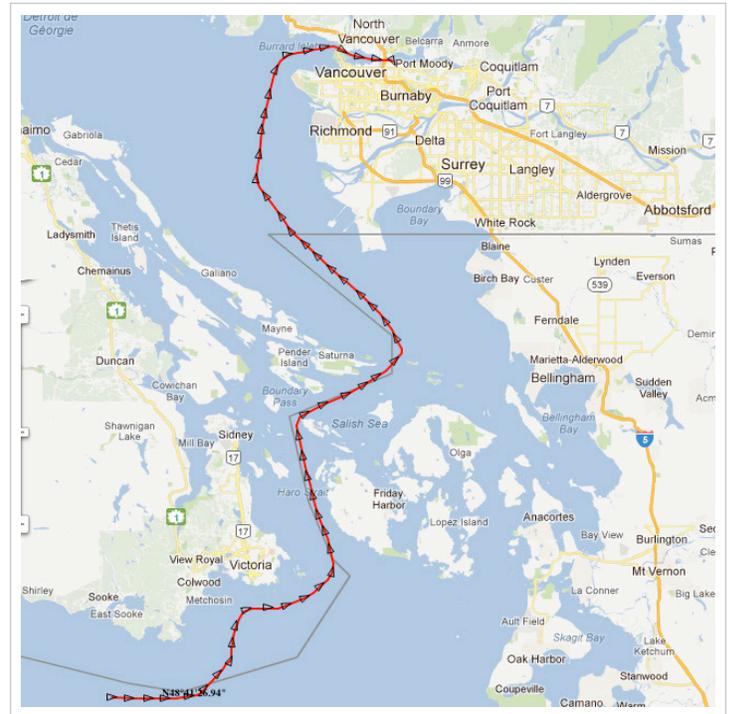
The Pacific Pilotage Authority, on behalf of Canada, has agreements with its American counterparts, creating a pragmatic approach to pilotage for vessels that transit between the waters of the two countries.



Instead, the Pacific Pilotage Authority, on behalf of Canada, has agreements with its American counterparts, creating a pragmatic approach to pilotage for vessels that transit between the waters of the two countries. The responsible American entity being the Washington State Pilotage Commission or the US Coast Guard, depending on the particular circumstance.

There is no better example of the practicality of this approach than the management of pilotage for ship transits through Haro Strait and Boundary Pass, which connect the Strait of Juan de Fuca and the Strait of Georgia along the international boundary. 70% of Canada’s Pacific shipping travels through these waters, which represent the largest single compulsory pilotage area in the world. Inbound vessels from sea to a Canadian port are piloted by a BC Coast pilot, even though the transit through Haro Strait and Boundary Pass is in US waters until Roberts Bank/Delta Port, where it enters Canadian waters. Likewise, for an outbound vessel from US ports such as Cherry Point or Bellingham which transit through Boundary Pass and Haro Strait, the pilot would be a US Puget Sound pilot, even though the transit will be through Canadian waters.

A different arrangement exists for vessels moving from Seattle to Vancouver, where the governing practice is for the ship to be piloted by pilots of the country in which the vessel is transiting at any given time, so that a US pilot is piloting in US waters, and vice versa. To make this work effectively, the change-over from Canadian to US pilot, and vice versa, does not actually have to happen at the exact place where jurisdiction changes from one country to the other. Rather, a sensible flexibility pertains, and the transfer is made where it makes sense for safety and efficiency reasons.



As illustrated by the red line on this map, a typical pilotage assignment through Haro Strait and Boundary Pass zigzags on numerous occasions between Canadian and American waters.

A meeting in the American Narrows at Boldt Castle in the Upper St. Lawrence Pilotage District (i.e., in the Thousand Islands) of the Great Lakes Region. The photograph is a courtesy of Capt. Martin Mangan, who pilots vessels in the Upper St. Lawrence District.





The Great Lakes form the largest body of freshwater in the world, spanning 2,200 km. In Canada, pilotage is managed by a single entity, the Great Lakes Pilotage Authority (GLPA), while in the United States, there are three separate pilotage groups that supply pilots as required within their districts, with the US Coast Guard having regulatory oversight.

The Boundary Waters Treaty of 1909 formed the basis for the first coordinated pilotage system on the Great Lakes. This was succeeded by the Great Lakes Memorandum of Agreement (MOA) of 1978 between Canada and the United States, which was itself subsequently succeeded by a Memorandum of Understanding (MOU) in 2013 between the GLPA and the US Coast Guard.

The significance of the 2013 MOU, signed by the actual entities that have responsibility for pilotage on the Great Lakes, is that it offers considerable flexibility for adjustments as may be required for operational and other reasons. Changes are possible by agreement of the GLPA and the US Coast Guard, without having to amend an international treaty or secure executive or legislative approval from the two national governments.

Pilotage assignments are “shared” on the Great Lakes between Canadian and U.S. pilots on a proportional basis. Based on historical use and traffic, the proportion of assignments given to pilots from the two countries varies from district to district. In District One, from Cornwall to the mouth of Lake Ontario, 59% of the trips are assigned to Canadian pilots, with American pilots undertaking 41%. In District Two, all Welland Canal assignments are Canadian, and beyond the Canal through to Windsor and Sarnia, 55% are Canadian and 45% are American. In District Three, covering Lakes Superior, Huron and

Michigan, the balance of assignments shifts sharply, with U.S. pilots responsible for 82% and Canadian pilots for the remaining 18%. This sharing of work happens smoothly and without any discernible impact on the operations of the vessels concerned.



An important reason why it has been possible to sustain a common-sense and coordinated approach to pilotage in waters shared with the US is the fact that pilots in both countries have comparable high levels of training, skills and experience.



An important reason why it has been possible to sustain a common-sense and coordinated approach to pilotage in waters shared with the US is the fact that pilots in both countries have comparable high levels of training, skills and experience. “Because we are dealing with pilot organizations that we respect and that we can rely on, coming to agreement on how we should collaborate is an easy matter”, said Robert Lemire, President & CEO of the Great Lakes Pilotage Authority.” His views were supported by Kevin Obermeyer, President & CEO of the Pacific Pilotage Authority, who said that “Canada and the US are very close in their outlook and approach to pilotage and in the standards and training for pilots.”

AFTER THE COLLAPSE OF OIL PRICES, WILL NATURAL GAS BE NEXT?

In recent months, the entire world, including Western Canada, where virtually all of the country's export-bound oil is produced, has closely watched the steady decline of the global oil market.

Since June 2014, the price of a barrel of oil has dropped by almost 50%, according to the International Energy Agency (IEA). Many of the largest Alberta oil sands players including Shell, Cenovus and Suncor have significantly slashed capital budgets, announced lay-offs, and put major development plans on hold.

All these things taken together lead to questions about the short-term and long-term impact of this downturn on marine traffic and infrastructure investment and, in particular, on how it might affect the burgeoning liquefied natural gas (LNG) industry in Western Canada.

While concern has been expressed about the future of certain BC port infrastructure projects, given oil price declines and the negative consequences for the sector, certain indicators suggest the reality is not as dreary as some feared. For one, global demand for oil is far from waning and, in fact, is projected to grow in the next quarter, according to the IEA. To some extent, this growth may well be the result of lower prices. While the global oil price decline is bad news for many, it is good news for others, including key Asian economies. According to estimates by Bank of America Merrill Lynch

Global Research, many large oil importers including India, South Korea, Thailand, and the Philippines, will see increases in their gross domestic product, thanks to lower oil prices. Increased economic activity in these countries will spur demand for more energy imports, giving Canadian suppliers the possibility of exporting even more product.

Specifically, looking at LNG, there is no discernible correlation between oil prices and LNG prices. As a global commodity, oil is priced according to world markets, whereas natural gas tends to be priced locally, since it is more difficult to transport overseas. Accordingly, it does not follow that a dramatic decline in oil prices should be mirrored by LNG prices. In fact, LNG prices have not experienced anything near the same level of decline seen in oil prices over the last year. Given this, international energy players and investors continue to look favourably on LNG port infrastructure projects on Canada's West Coast.

While Alberta's oil companies are limiting spending to adjust to low oil prices, proponents of LNG projects are expected to invest, particularly in light of the federal government's recently-announced accelerated capital cost allowance rate for the LNG sector. This federal tax break builds on British Columbia's 2014 reduction of its tax on LNG plants. These strategic investments, likely to be made by the likes of Chevron, Royal Dutch Shell and Petronas, will translate into increased marine traffic on Canada's West Coast. The increase in such traffic can only result in even more attention being paid to safe and secure marine transport.



A tanker is docking in the Port of Quebec City. The photograph is a courtesy of Capt. Simon Pelletier, who pilots vessels in the Lower St. Lawrence District.

Oil tankers have been moving safely along Canada's West Coast since the 1930s. At present, close to 500 oil tankers transit along British Columbia each year, the majority bound for the United States and key Asian markets. Despite this significant traffic, the safety and security record for the movement of these vessels has been outstanding. At the Port of Vancouver, as an example, there has not been a tanker safety incident in the last 50 years. Pilotage will continue to play a very crucial role in ensuring that this safety record is maintained. At the same time, pilots are ready to do their part to facilitate the expansion of LNG traffic on the West Coast without jeopardizing marine safety and the environment.

A LOOK BACK...

e-Navigation Underway 2015



Capt. Simon Pelletier, President of the Canadian Marine Pilots' Association and of the International Maritime Pilots' Association delivered the keynote address at the opening of the e-Navigation Underway 2015 Conference in Copenhagen last January. His remarks focused on how pilots make use of recent developments related to e-Navigation and what practical considerations are paramount for e-Nav to be really helpful for pilots and bridge teams.

BC Coast Pilots' Annual Gala



The British Columbia Coast Pilots held their annual gala dinner last November to celebrate the careers of the pilots who have retired during the previous year. This year, this notably included former BCCP President and Pacific Pilotage Authority Director, Capt. Jim MacPherson. Attendees also included (standing) Capt. Stephen Brown, President of the BC Chamber of Shipping, and his wife, Joy; Capt. Kevin Obermeyer, President and CEO of the Pacific Pilotage Authority, and his wife Jenny; (sitting) Capt. Fred Denning, President of the BCCP and CMPA Vice-President for the Pacific Region, with his wife Nora, and Capt. Simon Pelletier, President of both the CMPA and IMPA, and his wife, Nadine.

IMPA's Annual Cocktail



The International Maritime Pilots' Association (IMPA) held its annual cocktail last March, at its headquarters on board the HQS Wellington at her Victoria Embankment berth on the Thames. Here, the Senior Vice-President of IMPA, Capt. Frédéric Moncany, and IMPA President, Capt. Simon Pelletier, are with the Secretary-General of the International Maritime Organization, Mr. Koji Sekimizu.

A new state-of-the-art weather buoy in Saint John, NB



The new meteorological/hydrological buoy that was acquired for the waters of the Port of Saint John as part of the SmartATLANTIC initiative (www.smartatlantic.ca) arrived in Saint John in January, from Canada's west coast where it was manufactured. The project is the result of a multi-year effort by the CMPA, in collaboration with the Government of Canada, the Government of New Brunswick, the Atlantic

Pilotage Authority, the Saint John Port Authority, the Canadian Coast Guard, and the Institute for Ocean Research Enterprises. The buoy was deployed in mid-March and will help minimize the potential for incidents and will support the region's ship-based trade in liquefied natural gas and petroleum products by producing high-resolution forecasts of weather and sea conditions.



FROM YOUR VANTAGE POINT

This issue's Vantage Point is courtesy of Capt. Martin Mangan, a pilot in the Upper St. Lawrence pilotage district and was taken in the Brockville Narrows in the 1000 Islands sector of the district. Cover photographs are courtesy of Capt. Simon Pelletier from the Lower St. Lawrence pilotage district.

Marine pilots operate around the clock, coast to coast, at times in fair weather and in spectacular surroundings and, at other times, in conditions that are extremely challenging. We welcome all photographs that convey the experience of pilots and highlight the nature of their work.