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**FOR IMMEDIATE RELEASE**

## **C.E.T.A. may be able to cause the disappearance of the Canadian Merchant Marine and the loss of 4000 sea-going jobs.**

**MONTREAL, QC, November 30** - I'm a sailor who's sailed on Tankers, Bulk Carriers and Cargo ships on Inland, Coastal and International waters for the past 40 years and have just completed 3 trips on the Annual Canadian Arctic Sealift resupplying Canadas' Northern communities in Hudson Bay, Nunavik and the High Arctic, which included stops in Eureka ( 80 degrees North Latitude.) and Grise Fjord, Nunavut.

I'm concerned that the Maritime Transport chapter of the Canada Europe Comprehensive Economic And Trade Agreement ( C.E.T.A.) will permit the owners of European registered ships( which usually are operated by Flag of Convenience crews, paid on average between 1/10 to 1/3 the wage of Canadian ones) to bid on and transport Canadian originated cargoes to ports in Canada ( called Coastal Cabotage), a trade until now reserved for Canadian registered ships ( which operate with Canadian crews) as soon as the House of Commons votes to accept the agreement or soon afterwards.

Once C.E.T.A. is approved by Parliament, it will come into provisional effect, meaning 95% of it will immediately become law , including the Maritime Transport chapter which seems to permit the operation of European vessels on an equal footing with Canadian ones.

Given the low wage cost advantages, as well as others, enjoyed by European registered vessels, I fear that Canadian ships will not be able to compete and will shortly be replaced by them.

The Canadian government seems intent on passing the Legislation ( Bill C-30) on or before Friday December 16th, 2016, the end of Parliaments' Autumn 2016 Session.

This could provide the opportunity for European vessels to begin replacing Canadian ones before the Saint-Lawrence Seaway opens in 2017, the Official beginning of the Canadian Navigation Season.

Few seem to be aware of this, least of all those who operate Canada's ships.

Not only may Canada's ships be replaced, Canadian shipowners may be forced to register their vessels and retain flag of convenience crews in order to remain competitive.

Canada's Merchant Marine could be devastated within a few years and see the 4000 seafaring jobs associated with Canada's some 180 vessels of over 1000 tons disappear.

Below, I will briefly explain how, without a legal background, I understand the Maritime Transport chapter of C.E.T.A. to permit this.

In the meantime, I have retained legal counsel to provide a Legal Opinion on whether my concerns are justified. Upon receipt, I will pass on their report to you.

Broadly, seafarers have been led to understand that the sole intent of C.E.T.A. with regard to Maritime Transport is to permit the use of foreign registry ships to transport empty containers between Montreal and Halifax on a non-revenue basis.

In Chapter 14 ( Maritime Transport), Article 1 ( Definitions), " Feeder services" are defined as " ... transportation by sea of international cargo including containerized, break bulk and dry or liquid bulk cargo between ports located in the territory of a Party."

- Reference is to "... transportation by sea of... containerized... cargo...", therefore containers are referenced to as containing cargo, therefore this not about empty containers being transported between Montreal and Halifax but ones with cargo, full or not.
- Further, reference is to "... transportation by sea including... break bulk and dry or liquid cargo ..." therefore, this definition is not about the transport of containers, empty or otherwise, between Montreal and Halifax, but also every other type of cargo imaginable transportable by ship.
- Also, reference is to "...transportation by sea of ... cargo ... between ports located in the territory of a Party." Therefore, the ports in Canada where this carriage would occur is not only Halifax and Montreal but any port in Canada.
- In this Article on what type of things will be transported under C.E.T.A., no mention is made of empty containers at all.

In Chapter 14.3 ( Obligations):

- Subparagraph 1 references the transport of empty containers transported on a non-revenue basis "... between the ports of that Party.", so , under C.E.T.A., empty containers will be carried not only between Halifax and Montreal, but between any other port in Canada.
- Subparagraph 2, through the broad definition of " feeder services" in Article 14.1 ( Definitions) seems to permit European registered vessels to carry cargo originating in Canada anywhere in the country. For example, such a vessel could " feed" grain loaded in Thunder Bay, ON to Baie-Comeau, QC, one of the commonest trips with which Canadian registered

ships, under the laws of Coastal Cabotage, are associated.

- Subparagraph 3 seems to assure the European Party that Canada would not give the rights to carry cargo within Canada to another Party in competition with or in preference to it, such as, for example, China.
- Subparagraph 4 seems to assure the European Party that their ships will not be denied Canadian cargoes because they have been reserved for Canadian registered or Canadian owned ships.
- Subparagraph 5 seems to assure the European Party that a convenience in shipping cargoes in Canada will not be denied them.

Article 14.2 ( Scope) seems to assure the European Party that, among other things, in addition to guaranteeing it Coastal Cabotage Rights in Canada, it will not discriminate against it in according Canadian registered or owned ships as well as those of third Parties preference in such things as port facilities, pilotage, customs services or costs.

It seems to me that the greatest privileges accorded the European Party under C.E.T.A. are those under Article 14.3 ( Obligations), Subparagraph 2, which, augmented by the broad definition of “ feeder service” in Article 14.1 ( Definitions) permit European vessels to carry Canadian originated cargoes anywhere in Canada ( Cabotage).

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