



The Canadian Coast Guard: A case for change

An update to the UCTE January 2012 report

The Canadian Coast Guard (CCG): A Case for Change (updated from the UCTE January 12, 2012 document)

1. Executive Summary

The Union of Canadian Transportation Employees (UCTE) is the national union for the non-management employees of the Canadian Coast Guard (CCG). For over 6 years now, the UCTE has been calling for significant changes in the way the CCG is governed and managed. We believe these changes are essential in order to realize the expectations and responsibilities that have been given to the CCG by the government and the public it serves. Today, the Coast Guard has multiple responsibilities for items including icebreaking, security and interdiction, aids to navigation, environmental protection in sensitive marine environments, and Arctic Sovereignty.

While the CCG is an organization providing essential services to the private sector, multiple agencies and governments, it is managed as a division of the Department of Fisheries and Oceans. As a division of Fisheries and Oceans, its unique status as a Special Operating Agency is not recognized. With more control and autonomy, the CCG can be a more efficient provider of security and other services to multiple agencies and jurisdictions. With more autonomy and control, the CCG can more easily meet the expectations created for it, and grow and prosper through innovative programs and partnerships.

UCTE is advocating that the CCG be made into a Separate Statutory Agency that can provide multiple services to many stakeholders and where appropriate cost recovery fees can be charged. If the CCG is given the ability to arm its vessels we believe that multiple redundancies will be removed from the system and significant savings will be realized. We are also recommending that the CCG have an advisory board of external stakeholders, that it be run as a separate agency and that the CCG Commissioner report as a Deputy Minister to the Minister of Fisheries, Oceans and the Canadian Coast Guard.

2. The CCG Today

More and more is expected of the Coast Guard and its people while no additional operational resources are committed to it. . With increasing commercial shipping and resource extraction in Canada's fragile Arctic, the CCG is faced with ever demanding responsibilities for safety, security and environmental protection in the North. The current and previous governments identified environmental protection, research and Arctic Sovereignty as cornerstones of the government agenda thereby placing more demands on scarce CCG resources.

Over three years ago, the Prime Minister and the President of the United States signed the *U.S.-Canada Security Perimeter Agreement* which committed our government to a higher standard of security in the interests of facilitating cross border trade. When one considers what U.S.-Canada harmonization might mean, one only has to consider the US Coast Guard resources and presence on our joint waters versus the Canadian Coast Guard resources and presence. In the Great Lakes alone, the US has 9 Coast Guard cutters and many smaller vessels with over 1000 personnel responsible. By contrast, Canada has 3 vessels and 18 people and a multitude of jurisdictional confusion and bureaucratic ambiguity. Even if the three Coast Guard vessels stumbled upon a serious security breach, the CCG has no authority, nor does it have the mandate to carry armaments to effectively deal with a security problem. The RCMP or a Provincial Police Force has to be present. Often the police forces have their own small vessel fleets thereby creating more overlap, uncertainty and redundancy.

The responsibilities of the CCG are many and varied, they include: Canada's presence and sovereignty in the Arctic, search and rescue, interdiction, marine safety and security, icebreaking, navigational aids, environmental response, coordination and leadership, and marine science and surveys. As a result, the CCG is a service agency for police and security agencies, the private sector, other federal government departments and provincial and municipal governments. It provides services to the Department of Fisheries and Oceans under whose control it rests. It provides services to the RCMP, CBSA, DND, Environment Canada, Provincial Police Forces, Northern Agencies and departments, Universities and researchers and to the private sector.

As a service agency, much more could be done to recover the cost of these services. Currently, the DFO (on behalf of CCG) collects approximately \$40 million annually from the private sector for Marine Services Fees (primarily aids to navigation). To our knowledge, DFO does not return these fees to the CCG; DFO uses them for its operations.

The CCG depends on ships and aircraft to do its job. The current marine fleet is approximately 118 vessels, with many well past their economic life.

In the past five years, the previous government made significant new capital commitments to the Coast Guard and they are much appreciated by the Coast Guard

workers. After two decades of non-investment, these new investments are essential. But are they sufficient?

Canada's two heavy icebreakers are getting to the end of their useful life. One replacement icebreaker, the John G. Diefenbaker, was funded a number of years ago; however, the chosen shipbuilder under the National Shipbuilding Procurement Strategy (NSPS) has yet to cut steel for this essential vessel. There is a desperate need to provide funding for at least one heavier icebreaker.

Under NSPS, the previous government committed to Arctic Offshore Patrol Vessels (AOPS) for the navy. The vessels will be "ice-capable" to 1 metre thick only and therefore will not have the ability to break ice in the Arctic. The additional weight for this modest ice-breaking capacity also make these vessels inadequate patrol vessels as they cannot reach sufficient speeds for some offshore interdiction duties. A more appropriate course of action would be to give the Navy truly capable offshore patrol vessels while building more icebreakers for the Coast Guard. In this way, both organizations could focus on their core competencies.

The Coast Guard is responsible for offshore environmental protection services in multiple jurisdictions, including the lead role in the North. Unfortunately, UCTE members with responsibility for environmental protection at CCG tell us that the state of capital equipment readiness, training and organization is very poor. We understand that new efforts and testing have been ramped up in the past few years; however, we still believe our environmental response capability is lacking, with overlapping jurisdictions and roles and budgets are not adequate. .

Search and Rescue (SAR) is another area that requires improvement. The March 2013 Auditor General's report section 7.103 reports:

While roles and responsibilities are clear at the operational level for the Canadian Forces and Canadian Coast Guard, the departments do not have a common set of principles for coordination with other levels of government on national matters. In addition, the National Search and Rescue Secretariat has not implemented its 1986 mandate to put in place a national policy framework, nor does it have the ability to measure overall federal program performance. Therefore, these entities do not have the framework in place to adequately oversee search and rescue activities.

We understand that in the past few years, only incremental progress has been made to address the Auditor General concerns.

Despite incredible challenges and demands on the CCG, the 2010 Strategic Review process identified 36 positions in the CCG search and rescue function as unnecessary and proposed to close 2 Search and Rescue Sub-Centres in St. John's and in Quebec City. The 2011/2012 Strategic and Operating Review process resulted in a reduction from 5 regional operations to 3. Additionally, a number of Marine Rescue Stations and SAR stations were closed.

We are pleased that the new government has committed to re-opening of the Kitsilano SAR station and the St. John's Marine Sub-Centre.

The Canadian Coast Guard is the eyes and ears on Canadian waters. However there needs to be a review of all applicable policies, legislations and regulatory powers to address the gaps that exist and to determine where the Canadian Coast Guard stands in relation to these legislative authorities. Likewise, without delegation of the appropriate authorities to take action when infractions occur, the CCG often finds itself helpless. An example of this is the removal of an abandoned vessel on the water. There needs to be an integration of the appropriate sections of Transport Canada's Marine Safety and Security in order to allow for Coast Guard to have proper enforcement capabilities.

There is also a disturbing trend for the CCG and DFO to rely on "volunteers" with the Coast Guard Auxiliary to provide essential Search and Rescue and Security coverage. All that the Auxiliary "volunteers" require is a pleasure craft license and an ability to move 60 pounds of weight. In light of the expectations and requirements under the US-Canada Security Perimeter Agreement, among other things, one has to question how CCG responsibilities and obligations can be discharged effectively when there is increasing reliance on the Auxiliary.

The Coast Guard remains a Canadian institution that is greatly appreciated by the Canadian public and by the government itself. Whether it was the critical role in the success of the Franklin expedition or the new Canadian banknote featuring the CCG Amundsen in the Arctic, the CCG is an important Canadian success story and symbol of the national role of Canada's government in all maritime regions of Canada. As the union representing the majority of non-management Coast Guard Workers we are completely baffled about the disconnect between the importance of the Coast Guard and the ability of the Coast Guard itself to actually deliver on these expectations. Clearly, the time for change is now.

Despite the importance of the CCG to government and to the public, the CCG is treated by DFO as another division within it- as they would treat their research branch, Fisheries Habitat, etc. Under such a paternalistic relationship and structure, the CCG can never realize its potential or the expectations set for it.

In summary the CCG today is:

- **Not appropriately recognized or logically managed as a division of the Department of Fisheries and Oceans;**
- **Managing with very old icebreakers and at least two new heavy icebreaking vessels are required: Being downsized and cut-back despite the ever increasing responsibilities given to it by the government;**
- **A service Agency to multiple departments, agencies and governments and has the ability to collect many more fees than it does today. We remain concerned that the fees it does collect today are being used by DFO to supplement its budget in other areas;**

- **Given the lack of clear mandate and authority, the CCG is often unable to provide the security services that are expected of it; the lack of mandate and authority for the CCG also results in inter-agency and intergovernmental overlap and duplication. Societal resources could be saved with a re-invigorated CCG mandate, particularly a mandate to allow controlled arming and to provide security services.**
- **With Arctic Sovereignty and US Canada Security Perimeter priorities, with increasing development and responsibilities in the North, among other things, more and more is expected of the CCG while fewer resources and authorities are allocated to it.**

3. UCTE has been calling for CCG reform for some time now.

For more than 6 years, in pre-budget submissions and other venues, UCTE has been asking the federal government to convert CCG five year capital plans to 20 year capital plans, as is the case today with the Royal Canadian Navy. In February 2010, UCTE published its policy on arming the Coast Guard- a policy which supports arming in order to remove redundancies between multiple jurisdictions and agencies, but also, to ensure that government priorities over Arctic Sovereignty and Maritime Coastal Security are effective and efficient. Prior to the May 2011 Speech from the Throne, UCTE submitted a detailed letter to the Prime Minister asking that the Throne Speech contain a reference to the need for a restructured Coast Guard. In our Pre-Budget Submission in August 2011, UCTE called for a more autonomous CCG, with its own mandate, and the ability to collect fees as a service agency of the Government of Canada. On October 24, 2011, UCTE President Christine Collins further outlined her robust and forward looking vision for the Coast Guard to DFO and CCG Senior Management at the annual DFO Labour Relations Symposium. These views are as valid today as they were in late 2011.

4. The UCTE Vision for the CCG

“The Canadian Coast Guard is the cornerstone of Canada’s maritime safety and security. We are a nation with the largest and most difficult coastline in the world. We are a nation that is in the middle of a major strategic overhaul of our maritime responsibilities and obligations as Canada’s North is rapidly opening up to commercial maritime enterprise. We have a fragile Northern territory with sensitive environmental ecosystems and where the negative consequences of resource activities are largely unknown. And yet, the Coast Guard is the primary Canadian institution responsible and obligated to meet these significant present and future challenges. Do we have the ability to do so?”

My view is that the CCG does not have the ability to meet its obligations. We have an aged and aging fleet that desperately requires new capital. We find the Coast Guard shutting down its Search and Rescue Centres as it scrambles to meet DFO’s requirements under the Strategic and now the Strategic and Operating Review process. As the Coast Guard celebrates its 50 year anniversary, we find this great institution in a

state of financial stress at the same time as more and more responsibilities are being put on the broad shoulders of our women and men in the service. There is a disconnect between the wishes and desires of our political leadership and the ability for the Coast Guard to deliver on those priorities. The UCTE believes that the CCG is saddled with a governance model and structure that keeps the Coast Guard from achieving its potential and meeting the needs of Canadians.

It is against this backdrop that I thought I would share with you my vision for the Coast Guard and how this vision will help to bring about the structural changes that are needed.

First of all, we have to stop thinking of ourselves as a department of government. We are not. We are a service agency. We serve law enforcement agencies, provincial governments, environmental protection agencies, fisheries protection, commercial shipping and navigation and others. We are an essential service to all maritime safety and security- a vital component in Canada's transportation system- and a service agency to countless industries, including the fisheries sector. By adopting this vision of ourselves and finding the ways and means to link this vision with government priorities and public needs, we can easily meet the test of priority status, the test of essential service and the test which should result in CCG receiving more government support and not less.

Why isn't the CCG in a position to demonstrate to the central agencies that we a key part of their Arctic Sovereignty and Security agenda? Why isn't the CCG in a position to offer fee for services to the RCMP, to the CBSA, to all provincial police forces, to communities and others. (Instead, these agencies often have their own fleets or communities and provinces financially support the Auxiliary in providing services that could easily be provided by the CCG and its expertly trained personnel.)

The problem is one of vision and structure. If we had a common vision for ourselves that was shared equally by management and by our members, think about the bright future of the Coast Guard, even in a downsizing environment. We could be talking about building new ships and about growing the service rather than thinking small and laying off essential workers.

We should have a common policy on arming the Coast Guard. The time has come when the Coast Guard should be in a position to offer security and interdiction services rather than sit idly by with no powers to deal with the issues as they arise. Think of the redundancy that could be taken out of the system if the Coast Guard had this new arming power and ability. Surely removing redundancies should be a theme that would speak to the government's heart and soul!

The problem is also structural. We cannot achieve this vision of the future and the ability to meet the public needs and service government priorities, unless we are given more independence, as a truly separate agency, with the ability to manage our own affairs. We probably need our own Statute and a management structure with more permanent stakeholder involvement. There are many models out there including the CRA, the CBSA and others. If we are to provide services to other agencies, departments and

governments, why not give these stakeholders some say in the governance of the organization. Again, we can look to the CRA for a model.

By working together with a common vision, we could be approaching Central Agencies saying:

- *The job we do at the Coast Guard is essential.*
- *The job we do at the Coast Guard is part of the government's priorities.*
- *The job we do at the Coast Guard can actually remove redundancies from the system and save government money.*
- *The job we do at the Coast Guard supports your Arctic Sovereignty and NSPS priorities.*
- *The job we do at the Coast Guard can raise revenues while reducing overall costs of government in Canada.*
- *The job we do at the Coast Guard is governed by an open and consultative institution that involves its stakeholders in decision making.*

This is my vision of the Coast Guard. It is not a downsizing vision. It is vision of growth and innovation. It is vision where our members are a key part of the vision and where our members and management share a common vocabulary and excitement for the future of this great institution. “

5. Conclusion

UCTE leadership believes that the CCG will grow, prosper, improve efficiencies, increase revenues and realize expectations and its potential with the following changes, mandates and powers:

- Controlled arming of the CCG;
- An examination of the respective roles of the CCG and other departments and agencies, particularly Transport Canada Marine Safety, with a view to reducing redundancies and overlap and ensuring that the CCG has the appropriate statutory authorities to realize its large and expanded mandate.
- An increased focus on providing services to other agencies and governments for fees;
- A management structure that permits more stakeholder involvement and influence, including more autonomous decision making;
- A Commissioner at the Deputy Minister level accountable to external stakeholders and to the Minister of Fisheries and Oceans and the Canadian Coast Guard on an equal level to the Deputy Minister of Fisheries and Oceans. There are many governance models to provide guidance, notably the Canada

Revenue Agency and others within the Public Safety envelope. In all likelihood, the CCG would require its own Statute to realize these changes.

UCTE is committed to helping government to place the Canadian Coast Guard as a strong Separate Statutory Agency dedicated to the protection of Canadians and their resources.

