

NAVIGATION COSTS FOR HISTORIC CANALS IN ONTARIO

Media Release

In light of newspaper articles and the consultation with selected stakeholders, it is time to provide a further breakdown of navigation costs in order to have a more grounded dialogue on the future of Ontario Canals.

Carol Sheedy, VP Eastern Operations stated, on, August 10, 2012 that the costs of “navigation” for historic canals in Canada was \$18 million per year and the revenues were \$2 million per year. This figure represents part of the overall costs for the operation of the Trent Severn Waterway, the Rideau Canal and the Quebec canals.

Using a notional pro rated allocation between the canals, these figures would translate into the following range:

Trent Severn Waterway	\$ 9 million
Rideau Canal	\$ 6 million
Quebec Canals	\$ 3 million

The targeted cuts for the historic canals are approximately:

Trent Severn Waterway	\$ 3 million
Rideau Canal	\$ 2 million
Quebec Canals	\$ 1 million

Carol Sheedy’s cost estimates are not defined and appear to overstate the costs of navigation by including other activities not related to providing service to boaters including water management (required with or without lock operations).

Cost figures shared by Park Canada during consultations with Trent Severn Waterway stakeholders in June 2012 suggest an annual actual cost breakdown as follows:

\$3.8M	Navigation (including lockage, grounds keeping and maintenance, opening/closing locks, services to land based visitors and other costs)
\$1.0M	Water Management
\$0.3M	Visitor Centres, events and programs (Peterborough Lift Lock, Big Chute Marine Railway and Lock 45 Visitor Centres)

Over the last 2 years, revenues on the Trent Seven Waterway for lock and mooring fees averaged \$957,000 per year.

Trent Severn Waterway revenues represent approximately 19 per cent of the actual navigation costs - very close to Parks Canada’s 20 per cent revenue

generation target. It exceeds revenue generation from many other Parks Canada facilities.

Fees for lockage and mooring have been frozen for a number of years further distorting the gap between revenues and operating costs.

Based on this breakdown of costs for the Trent Severn Waterway, Parks Canada is sharing ill defined and partial information.

Although not yet available, scaled down figures for the Rideau and the Quebec Canals would likely be similar to the cost breakdown for the Trent Severn Waterway.

Parks Canada has not fully disclosed its financial and operational analysis; hence it has not been possible to have an open public dialogue or have an informed discussion of other ideas.

The Government has narrowly defined the issue for public consultation to a discussion about the navigation season and has selectively engaged stakeholders. It has yet to clearly demonstrate how it will fulfill all aspects of its mandate, it has not demonstrated that it fully understands the risks of its proposals or that it has clear plans and a capacity to address these risks.

In the Peterborough Examiner on August 14, 2012, Parks Canada has responded to fundamental questions regarding the impact of their proposals on all aspects of their mandate for the Ontario canals with allegations of "misinformation and speculation". These questions have yet to be fully answered:

- Without dedicated staff specialized in natural and cultural resource management, how can Canadians be assured that the government will be able to protect these resources, tell their stories to Canadians and meet its national and international commitments?
- Without adequate capital funding, how can Canadians be assured that critical infrastructure will be maintained so that the canals can continue to operate? What organizational and risk analysis has been done to support the creation of a centralized engineering organization and how can Canadians be assured that this organization will be able to meet the recapitalization and ongoing requirements for the Ontario Canals?
- Does the Government fully understand the risk of these proposals with respect to flood abatement, drinking water quality and quantity and hydro electric generation and can Canadians be assured that appropriate levels of public safety and security will be maintained?

- Does the Government fully understand the economic impact of reduced seasons and hours of lock operations for businesses, communities and property values?

Prepared by: Fred Alyea, former Director of Canal Operations, Trent-Severn Waterway National Historic Site of Canada; Dave Ballinger, former Director of Canal Operations, Rideau Canal National Historic Site of Canada; John Bonser, former Superintendent, Rideau Canal National Historic Site of Canada; Peter Flood, former Superintendent, Trent-Severn Waterway National Historic Site of Canada; Gord Giffin, former Acting Superintendent, Rideau Canal National Historic Site of Canada; John Lewis, former Superintendent, Trent-Severn Waterway National Historic Site of Canada; Dave MacDougall, former Manager of Marketing and External Relations, Trent-Severn Waterway National Historic Site of Canada

August 20, 2012