

# THE CANADIAN MARITIME LAW ASSOCIATION

L'ASSOCIATION CANADIENNE DE DROIT MARITIME

www.cmla.org



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November 15, 2016

Mr. Naim Nazha  
Executive Director  
Safety and Environmental Programs  
Tower C, Place D'Ville  
330 Sparks Street  
Ottawa, Ontario K1A 0N8

Dear Mr. Nazha:

**RE: Small Vessel Commercial Registry**

We are writing on behalf of the Canadian Maritime Law Association (“CMLA”) to express our concerns about the level of service currently being provided by the Small Vessel Commercial Registry (“SVCR”).

The CMLA, established in 1951 and continued as a federal not-for-profit corporation, aims to represent all Canadian commercial marine interests for the uniform development of Canadian and international maritime laws affecting marine transportation and related aspects. It is composed of 250 individual members throughout Canada, including lawyers and marine industry executives, as well as 12 constituent business and trade associations representing diverse participants in Canadian marine and related service industries. While the CMLA consults constituent members in developing policy recommendations, constituent members are free to make their own policy recommendations to government. The current constituent members are as follows:

Assn. of Average Adjusters of the US and Canada, British Columbia Ferry Services Inc., Canadian Bar Association, Canadian Board of Marine Underwriters, Canadian International Freight Forwarders, Canadian Marine Pilots' Association, Canadian Merchant Service Guild, Canadian Shipowners Association, Chamber of Shipping of British Columbia, Company of Master

Mariners of Canada, the Canadian Fuels Association and the Shipping Federation of Canada.

In this capacity, it has come to our attention that there is a significant degree of dissatisfaction with the current service provided by the SVCR. We have consulted with our executive members along with a major fish processor, a major fish vessel broker and several lawyers who do a significant volume of transactions regarding the transfer of small commercial vessels. Based upon this consultation, we have ascertained that in the Spring of 2016 the time to process a change of ownership for a small commercial vessel in the SVCR was between 5.7 weeks and 7.7 weeks. In the summer of 2016, we have a report of a transfer taking 9.5 weeks.

Although we understand that its performance in the Spring was within your performance target of completing all transactions within 45 working days, it is our strongly held view that this performance standard is not adequate. As one vessel broker on the B.C. coast stated, "There is no excuse for commercial vessels to take more than a day or two to complete transfer. These are work vehicles. It would be unheard of for a car or truck to take more than a day or two to transfer." In fact, in some small commercial vessel sale transactions, the sale includes a trailer that is registered under provincial motor vehicle legislation. In B.C., the transfer of the trailer takes one day, but the transfer of the boat at the federal SVCR can take up to nine weeks. Similarly, the transfer of real estate in most provinces can usually be complete within one week.

Small commercial vessels are used by a number of industries including the fishing industry, fish farming industry, forestry industry and tourism industry. Holding up purchases of boats for over two months can have very costly consequences for these industries. Purchasers are now sometimes forced to enter into complicated leasing arrangements to get access to vessels prior to registration. This significantly increases the transaction costs of the sale and often does not adequately deal with risk of loss during the lease period.

For years now, the provinces have been processing transfers of motor vehicles and real estate in a fraction of the time taken by the SVCR. These are the service standards the public has come to expect, particularly in comparison to the recent improvement in service levels of the large vessel registry system. On behalf of our members and the many industries that rely upon the SVCR, we urge you to make a priority of finding a solution to this problem.

Yours very truly,

**THE CANADIAN MARITIME  
LAW ASSOCIATION**

Per:



David G. Colford, President