

event - the release by Transport Canada in July 1990 of its Phase II Discussion Paper on a proposed new Cost Recovery Policy.

The paper sets forth, in considerable detail, proposals that would enable the Government to recover from certain classes of vessels the cost of various services provided by the Ministry, particularly through the Coast Guard. Initially, the costs to be dealt with in this way would be those of maintaining aids to navigation. The costs of the various Coast Guard services are set forth in Table 14 on page 43 of the Report.

We are told by Transport Canada that the amount to be recovered by the introduction of new user fees in the first year would be 25 million dollars, a figure which coincides with the amount mentioned by Mr. Lacombe of The Treasury Board when he appeared as a witness before this Committee on December 13. The Paper contemplates that in due course, cost recovery would extend to all marine navigation systems and possibly to ice-breaking, dredging and sounding. It can be seen from Table 14 that the figures involved are substantial, the 1987/88 attributable costs for short range aids to navigation alone being almost 230 million dollars and the total attributable costs of all marine services being in excess of half a billion dollars. For purposes of comparison, it is worth noting that the entire marine pilotage system in Eastern Canada, i.e. from The Great Lakes through to the East Coast, for which the shipping industry pays under the