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Ottawa can't ignore the cost of better security at our ports



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The Americans are spending megabucks to make their ports safer. And if we Canadians don't do the same, it'll cost us even more money in lost business as shippers inevitably bow to pressure to do business in places where the security's better.

That reality is implicitly recognized in Canada's new International Ship Facility Security code that is to be implemented July 1.

A big question left hanging is, Who will pay?

Ultimately the answer is, of course, you and me — whether it's through the taxes we pay to governments or through the prices we pay for the things we import and profits we get to pocket for the things we export.

But the mechanism for Canadian producers, consumers and taxpayers to ante up — the matter of whether we pay via the federal treasury, or through businesses' tills — turns out to be important. Because in ports to the south of us, the U.S. government is already committed to picking up more than two-thirds of what is expected to be a \$1.1 billion tab for similar security measures.

If Ottawa doesn't soon respond in a similar way, port authorities and shipping companies will have to swallow the whole cost. That will leave them no choice but to charge customers more. And that could price our ports out of the market.

Tim Chapman, the president of

Western Stevedoring in North Vancouver and chair of the B.C. Maritime Employers Association, is wearing a third hat these days as spokesman for the newly formed Canadian Coalition for Maritime Security.

He says the total bill in Canada will be much smaller than in the U.S. — about \$100 million for improved physical security such as fences and access gates, and for beefing up procedures with things such as better security clearances. But there are a lot fewer ports and shipping companies in Canada to share that cost.

And, Chapman says, about half of the cost is expected to be run up in B.C. The Port of Vancouver can expect to be hit with the lion's share.

The whole purpose of the coalition is to pressure Ottawa to accept a large share of the bill.

Chapman makes the point that it was Ottawa that agreed to and is demanding the improved security measures. And he believes ports should be treated no differently than trans-border highways or international airports.

There's merit to what he says, although there's also another side to the story.

Security was one of the areas to suffer badly when the feds turned over the operation of ports to local authorities. In the words of Colin Kenny, the Senator who heads a committee that has looked in depth at port security issues, these authorities reneged on supporting a lot of security-related activity, effectively off-loading it on to municipalities, which were ill-equipped to cope.

The result is a long list of woe-filled security lapses fingered by a Senate committee report released in 2002.

The Senate committee was not just alarmed at the opportunities for terrorism; it also found organized crime comfortably ensconced in ports throughout the land, most notably Vancouver.

"And if the bikers are moving

drugs through the Port of Vancouver," Senator Kenny says, "they're prepared to move just about anything. . . . These people aren't specialists in drugs, they're specialists in smuggling. And they don't care what the product is."

So in his view — and he makes a pretty watertight case — the kinds of security measures being talked about to combat terrorism now are indistinguishable from many of the things that could and should be done a long time ago to combat rampant crime.

In some ways the case for federal funding is weakened by the fact that local management has let security atrophy to the point where crooks work almost with impunity. But it also makes the funding issue all the more urgent.

For safety reasons, overdue security measures can be delayed no longer. The same case can be made for competitive reasons, as ports that are seen to be lax in security measures can expect to be increasingly shunned in a terror-conscious world.

But the competitive concerns laid out by Chapman also hold water. Canadian ports already have some serious cost issues to wrestle with: sky-high property taxes, for example. So they could be seriously hurt if they're further disadvantaged by high security costs that their American competitors don't pay.

There's plenty of blame to go around for the poor state of security at Canadian ports, but there's no time to play the finger-pointing game.

It's in the national interest, as well as in shippers' interests, to see our ports made safer from both the reality of organized crime and the potential threat of terrorism. So Ottawa should pony up a reasonable share to more or less balance what the Bush administration is doing for American ports, and the industry should absorb the rest. And all concerned should get on with it — at long last.

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