

## West Coast port businesses face \$50-million maritime security bill

### Coalition says Ottawa, not the private sector, should bankroll the federal government's international commitment

Peter Mitham

**M**aritime security is going to cost local facilities millions but failure to upgrade could mean losing business to other ports.

West Coast businesses are looking at a \$50-million tab for upgrading their security protocols and infrastructure under the International Maritime Organization's International Ship and Port Facility Security Code, said Onkar Athwal, spokesman for the Canadian Coalition for Maritime Security in Vancouver.

The IMO code requires all ships greater than 500 tons operating internationally, and their ports of call, adopt and implement formal security plans by July 1, 2004. Transport Canada has extended the requirement to include ships greater than 100 tons.

Compliance with the code will reduce hassles for the shippers using facilities and ensure ports keep pace with other facilities, Athwal said.

But he added that competitiveness could be compromised anyway, because while the U.S. has committed funds to improving its ports' security, Ottawa expects Canadian facilities to bear the costs themselves.

"Money that's being spent on security upgrades is money that won't be available for other infrastructure," Athwal said. "Those costs are going to be passed either to the importers of the goods, or the exporters."

He said the new security measures will make exported products less competitive internationally, while consumers in North America may see higher prices for products imported through ports.

"If the U.S. wasn't funding our

competitors down south, it's not an issue," Athwal said. "If our terminals become uncompetitive with U.S. terminals, that can affect the trade flowing through Vancouver."

The U.S. allocated US\$700 million to security upgrades in 2003, with 14 ports receiving a total of US\$75 million. Of the US\$800 million the U.S. Department of Homeland Security is requesting in 2004, US\$62 million is earmarked for placing customs officers and new equipment at 20 ports that handle over 65 per cent of U.S. container and cargo traffic.

Nationally, Canadian businesses will spend approximately \$100 million to meet the initial requirements of the code, an amount Athwal's organization believes Ottawa should be covering.

"This is a Canadian government commitment to the international



Security: Teekay Shipping Corp.'s John Reid – costs hard to determine

marine community," he said. "The costs of that are being downloaded onto industry. So what we're saying is, 'It's your commitment. You need to fund our cost.' Because it's a cost to the bottom line."

Athwal added that the long-term costs of the new security measures are unclear.

"There's a considerable ongoing cost just to keep the thing running," he said, citing infrastructure man-

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agement, identification cards and monitoring costs.

"Every ship and every facility has to have security officers who liaise with each other. Someone has to meet every ship, go through the protocols, they have to co-ordinate ... These are ongoing administration and infrastructure costs."

Athwal said he hoped to hear of funding in the federal budget, expected within the month.

For John Reid, vice-president responsible for health, safety, environment and quality with Teekay Shipping Corp., the new security protocols are simply part of business. Teekay's Vancouver office manages 58 to 60 of the company's approximately 100 vessels.

While the entire process might have cost a few thousand dollars a ship, Reid said the cost of enhancing ship security was difficult to determine because much of the work was handled in-house.

"We don't charge that separately," Reid said. "It's something that's just absorbed into normal operational budgets."

Reid believes the new code largely formalizes Teekay's existing security protocols. "It's given more structure to it and there are now defined security levels and you've got to document what the ship does at these different levels of security. In many ways, it is merely proceduralizing what was already in place, but at the higher levels of security there will be some new measures," he said.

For Chris Badger, vice-president responsible for operations with the Vancouver Port Authority – which is investing \$12 million in security enhancements – the IMO requirements are defining a direction the port was moving in anyway.

Draft plans submitted to Transport Canada by members of the Western Marine Community, a working group including the major stakeholders in Canada's west coast ports, include the appointment of security officers, implementation of infrastructure required under the IMO code, monitoring and surveillance measures and a hierarchy of security levels.

Members of the working group co-operated to draft consistent security plans that will support their implementation and associated training requirements. "It cut out a lot of steps that would normally be required in a process like this. And it also meant that everybody was together supporting each other in the completion of the plan," Badger said. ♦

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