



Government
of Canada

Gouvernement
du Canada

March 25, 2004

Right Hon. Paul Martin
Prime Minister
309-S Centre Block
House of Commons
K1A 0A6

Dear Prime Minister,

I am writing to you in support of a request, from the Canadian Coalition for Maritime Security, for federal assistance toward implementation of the new marine security regulations.

The Canadian Coalition for Maritime Security (CCMS), which includes maritime operators from B.C., fully support the 600 new security regulations, outlined in the 2003 International Ship and Port Security Code (ISPS Code). However, compliance with these regulations by July 1, 2004 will cost maritime operators an estimated \$100 million in up-front capital costs across Canada.

Many of these ports, such as Halifax, Montreal and the port of Vancouver, which is in my riding, already face the double burden of having no access to basic federal infrastructure funds. They also have no means of raising those funds themselves. Whereas the U.S. ports, by contrast, are able to raise municipal bonds for their maintenance and infrastructure. With regard to port security, the US government has committed US\$500 million out of the US\$9 billion border protection fund. And, as recently as December 2003, announced an additional US\$179 million in further port security grants.

Canada's major ports are in direct competition with many of the ports in the United States. The CCMS is concerned, rightly in my opinion, that Canadian maritime operators will see their competitive edge eroded in favour of their heavily funded U.S. counterparts.

In short, the loss of Canadian maritime traffic to US ports would significantly impact the bottom line of many operators, putting their businesses and employees' jobs at risk. Port trade has an economic impact of over \$20 billion and generates over 200,000 direct and indirect jobs in Canada.

The recent budget provides \$605 million over five years to the security contingency reserve. It is estimated that the upfront capital costs for implementation of marine security measures would be a little over \$100 million across Canada. I hope that some of this new money will be allocated to assist Canadian ports in implementing the ISPS Code. This would represent a wise, long-term investment not only in port security, but also in enhancing Canada's competitiveness in international trade.

Sincerely,

Hon. Hedy Fry, P.C., M.P.
Vancouver Centre