

CENTRAL CANADA'S SIDE DOOR

THE PORT OF PRINCE RUPERT

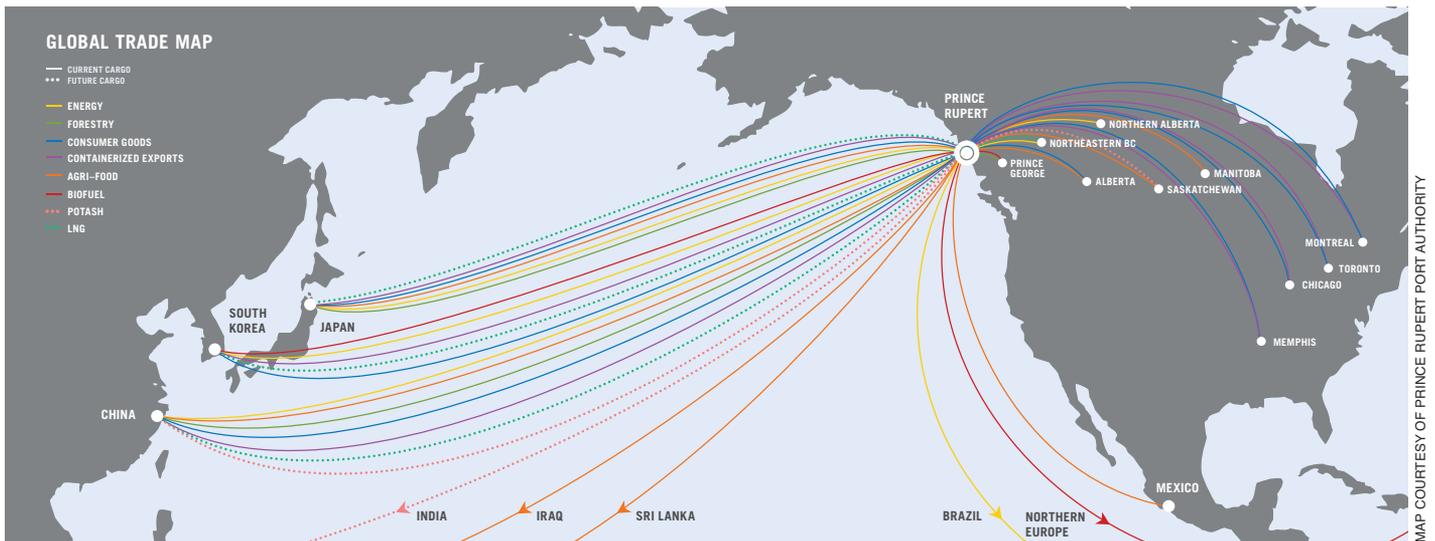
AN INTERCONTINENTAL GATEWAY

by Tim Lynch

Much of the “stuff” Canadians have acquired over the past three decades arrived here from Asia in a shipping container. What is important to both the seller and the purchaser is delivery time, which means the logistics governing the movement of containers around the globe serve one key purpose – time to market.

Every hour from point of origin to point of sale counts, and Canada's Pacific Port of Prince Rupert is North America's closest port to key Asian markets by up to three days – Prince Rupert is 36 hours closer to Shanghai than Vancouver, and 68 hours closer than Los Angeles.

A tour of the Port's Interpretive Centre provides a fascinating history of this treasured region of Canada and demonstrates vividly how the port's coastal region depicts a symphony of nature that is being modified by man. This transformation continues with the port's road rail utility corridor being developed through a private public partnership which involves the federal government (\$15 million), the government of British Columbia (\$15 million), plus the Prince Rupert Port Authority and CN Rail (a combined contribution of \$60 million).



MAP COURTESY OF PRINCE RUPERT PORT AUTHORITY

SUPPLY CHAIN EFFICIENCY

With its advantageous location and year-round ice-free access to a deep water harbour, development of the Port of Prince Rupert was a ‘no-brainer’ decision. It provides a classic example of vision, investment and political commitment that is aimed at creating world class, state-of-the-art, intermodal “supply chain efficiency.”

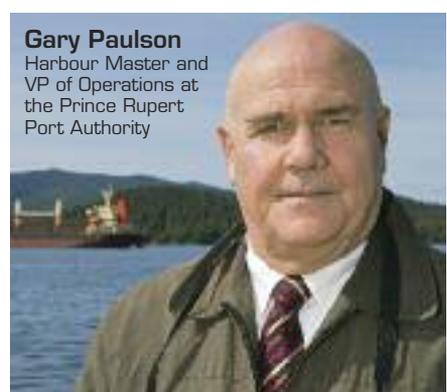
Noting the challenges Canada faces in this era of globalization, Wendy Zatylyny, president of the Association of Canadian Port Authorities (ACPA) says “With 90 per cent of everything we buy travelling by ship, maritime trade underpins the global economy.” In a *Globe and Mail* op ed, entitled *Canada’s ports must prepare for 21st-century trade deal* (18 August 2014), she cautioned that “a 2012 report by the World Bank on logistics ranked Canada 14th out of 155 countries when it comes to the efficiency of our clearance process, the quality of trade – and transport related infrastructure, the ease of arranging competitively-priced shipments and other key factors.” The report notes, “Countries with better logistics can grow faster, become more competitive, and increase their investment.” Zatylyny stresses that “In our view, 14th is not good enough for a leading trade nation. Our goal should be to break into the World Bank’s *Top 10* in terms of supply chain efficiency.”

Manufactured products originating from North American locations such as Ontario, California, Illinois, Quebec, New York, Michigan, Pennsylvania, New Jersey, and Mississippi, are exported from the Port of Prince Rupert to markets in China, Japan, Korea, Taiwan, and Vietnam. Canadian resources such as wheat, grain and coal are

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exported to Asia, as well as wood pellets as biomass fuel to Europe, via Panama Canal.

Gary Paulson, who retired from the Royal Canadian Navy after achieving the rank of Navy Captain, is now Vice President and Harbour Master at Prince Rupert Port Authority. He proudly describes his port as a “strategic gem,” and goes on to explain: “We have the deepest natural harbour in North America and we are the shortest distance from Asia on the global circle trade route. We were moving 10 million tonnes of cargo in 2007, and our 2013 numbers exceeded 23 million tonnes – we hope to be moving 90 million tonnes by 2025. The deep water of our harbour allows us to make plans for taking the large ships that sail the Pacific today and the mega-ships we expect in the future. We are ready for that now.”



Gary Paulson
Harbour Master and
VP of Operations at
the Prince Rupert
Port Authority

PORT SECURITY & SCREENING

Reporting on a 2008 Canada Border Service Agency (CBSA) exercise involving a shipping container with a dirty bomb exploding in the Port of Vancouver has made me extra sensitive to seeing unopened shipping containers in Canadian ports. If we accept any degree of possibility for such a risk, then,



from a maritime security perspective, it seemed appropriate to inquire about security arrangements.

In response, Paulson explains the basic protocol: "Transport Canada gives us reports for vessel coming our way 96 hours before the ship enters Canadian waters. This process ensures that arriving ships are in compliance with Canadian regulatory filings. This information is shared with the Department of National Defence (DND) ensuring the ship is not a "vessel of interest" from its perspective. The Canadian Coast Guard (CCG) monitors vessels as they approach Canada, ensuring they stay on course. When the ship is 'handed over' to us, we give clearance to the Pilot to guide the ship into our port where we assign it docking arrangements."

In compliance with U.S. maritime cargo import requirements, under International Shipping and Port Security (ISPS) code, in addition to detailed records of all materials taken off or loaded onto a ship, the movement of people (visitors and crews) leaving and returning to a ship, is also recorded.

I was interested in assurances from Paulson that containers from his port that may now be parked in my home town of Toronto are of little security threat. "Consider a container ship leaving Shanghai with 500 containers bound for Prince Rupert. The details of every container are transmitted to the Canada Border Service Agency in Ottawa, along with a list of the crew, before the ship leaves Shanghai. When they arrive here, CBSA may ask us to set aside a container for further inspection if they don't fit established CBSA profiles."

"We can have a container in Chicago before they have unloaded it off the ship in Long Beach." – Gary Paulson

I learn that even established shippers, such as high-profile retailers, are subjected to random screening to ensure continuous compliance with accredited security procedures. A container for a new client with a manifest that shows unusual cargos will also be targeted for further inspection by CBSA after it is unloaded at Prince Rupert.

Traditionally, U.S. Customs has maintained its own inspection priorities and protocols for containers crossing the Canadian border into the United States. Container trains leaving the Port of Prince Rupert into the United States are stopped for inspection by U.S. border officers, whereas trains destined for Central Canada can head off directly to Toronto or Montreal without further delay. Noting that in Prince Rupert's case, this situation is changing, Paulson says "Our port has been selected as the port of entry to test out the Beyond the Border trial where U.S. Centres for Disease Control, U.S. Customs and Border Control, and Department of Homeland Security got together with CBSA and agreed [that] cargo entering Prince Rupert would be inspected once and allowed to go forward, within reason. These arrangements are a joint operation between Canada and the U.S., from a security and an intelligence perspective."

All containers give off a unique radiation profile which relates to their content,

Paulson explains, "We have state-of-the-art radiation screening equipment in place, and conducts 100% radiation survey of all containers before they leave the port. If a radiation reading does not match the profile expected, the container is X-rayed. If anything suspicious appears, the container is set aside for further examination by CBSA."

The knowledge and insight (intelligence) gathered from these activities is consolidated at the Esquimalt Maritime Security Operation Centre (MSOC). A recent *FrontLine Security* article on the Niagara-on-the-Lake MSOC (*Watching Over Inland Waters: Vol. 6 No 3*), describes how it and the MSOCs in Esquimalt and Halifax provide a national picture of activities in Canada's maritime domain. Domestic intelligence about criminals and possibly homegrown terrorists who are set on exploiting Canada's maritime domain to achieve their goals would also be processed through these Centres.

TRANSPORT CORRIDOR SECURITY

Efficiently moving cargo from Prince Rupert to the U.S. and Central Canada necessitates the creation and maintenance of a secure transportation corridor. The logistics from ship to train can be quite complex but must be in perfect harmony to expedite the transport of the container to its destination.

Maher Terminals of Canada, an independent private company, is the terminal operator at Prince Rupert. They have an agreement with the Port Authority for managing the logistics of placing the right container on the right rail car and ensuring it gets to its destination on time. The Canadian



National (CN) intercontinental railway network transports the containers directly to transportation hubs such as Toronto, Montreal, Chicago, and Memphis (CN's North American headquarters), within hours of them arriving at the port. From these locations they are taken to local markets by train or road. The Port Authority, Maher Terminals and CN, along with Transport Canada have formed a partnership that is dedicated to ensuring that the movement of containers through some of the most pristine regions of Canada is safe, secure and environmentally friendly.

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The CN railway is built along an efficient path through the Canadian Rockies, making the journey to the mid-Northeast U.S. as economical as trains traveling east from the Long Beach port in California and weaving through urban areas. Speaking to this efficiency, Paulson boasts: "We can have a container in Chicago before they have unloaded it off the ship in Long Beach."

The Honourable Lisa Raitt, Minister of Transport, in her speech to members of the Association of Canadian Port Authorities (18 August 2014) provided an update on how her Department supports the marine industry in global trade and securing the movement of cargos around Canada. The Minister said that two months earlier she initiated a review, headed by David Emerson, of the *Canada Transport Act*, providing all industry stakeholders with an opportu-

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nity to examine the legislation and policy framework to ensure they are relevant and up to date. Maritime security is a work in progress, as illustrated by recent amendments to the Marine Transportation Security Regulations. The Minister acknowledged that these changes aim to meet mandatory requirements set by the International Maritime Organization and reflect changes made to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.

A VISION OF CANADA AS A MARITIME NATION

When I mentioned to people in Toronto and Kelowna that I was going to Prince Rupert to research an article on maritime security there was a look of bewilderment. The perception was that Prince Rupert is one of the most "laid-back," faraway places in Canada and of no national security concern. However, while the threat may appear low to the average citizen, complacency is not an option for governments entrusted with our safety and security. The protocols in place serve as a deterrent to persons with ambitions to disrupt Canadian society or possibly attack the U.S. using Canada as an

access route. Early in the summer, when I equated people who make improvised explosive devices and weapons of mass destruction to those likely to try and transport similar devices into Canada, I encountered a certain degree of complacency among regular Canadian folk. Perhaps with the rise of ISIS in the headlines these past few months, and the Canadian-soil attacks on soldiers and Parliament itself, there is greater understanding that Canada may be a target for a terrorist attack. The lack of appreciation among Canadians of the need for a national maritime security infrastructure may be symptomatic of the lack of appreciation for recognizing Canada as a maritime nation.

In addition to Canada's achievements in global maritime trade with Asia on the West Coast, plans are also coming to fruition on the East Coast for the creation of a similar container terminal at Nova Scotia's Strait of Canso. Cargo ships travelling west from Asia to North America through the Suez Canal must pass the Strait of Gibraltar, and this Canadian landmark is the shortest distance between North America and the Strait of Gibraltar.

Between the Port of Prince Rupert on the West Coast, and the Strait of Canso on the East, Canada not only bridges the Pacific and Atlantic Oceans but has the potential to serve as a funnel, feeding the North American consumer market. Organizations like the ACPA could help Canadians (who are outside the "maritime echo chamber") become more aware of Canada as a maritime nation. Such a vision needs to be seen more through a national lens and demonstrate how activity in Prince Rupert influences the lifestyle preferences of those living in central Canada. A national maritime vision of Canada would portray how the East and West Coasts are positioned to facilitate global trade in a changing geopolitical world for Canadian products, resources and energy, in all its manifestations. **S**

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