



“Envisioning the Border of the Future”

Eastern Border Transportation Coalition
Toronto, September 16, 2014

Agenda

1. The Federation (members, mandate)
2. Ocean shipping – worldwide & Canada
3. Ocean shipping' view on the border
4. Our border issues
5. Our vision of the *Border of the future*....

The Federation

- ▶ Since 1903
- ▶ Ocean carriers, in Canada, from Coast to Coast
- ▶ 75 core members (200 + international shipping lines)
- ▶ accross all segments (53% bulk/project cargo/break bulk
26% tanker, 20% container, 1% cruise)
- ▶ “carriers of Canada’s world trade”
- ▶ Counterparts in the US: ASBA + World Shipping Council
+ US Great Lakes Shipping Association



Ocean Shipping – World

- ▶ Carrier of world trade (“90% of everything”)
- ▶ Cost effective link between producers, manufacturers, markets
(about 1% of shelf price)
- ▶ 50,000 + ships, 150 + nations
- ▶ 1,000,000 + seafarers
- ▶ IMO, ILO - dozens of conventions
- ▶ Port State Control, Paris MOU, Tokyo MOU (global enforcement network)
- ▶ Much new tonnage (overcapacity), bigger, greener
- ▶ Strong competition, “perfect” market
- ▶ Liner market + tramp market

Ocean Shipping - Canada

- ▶ Foreign ships, foreign crews, foreign owners, international cargo
- ▶ Any ship serving Canada will spend (much) less than 5% of its time in Canadian waters in any given year
- ▶ Branch companies and agents, very few headquarters
- ▶ Links Canada to the global economy, global supply/value chains
- ▶ Federally regulated (TC, CCG, DFO, CBSA, CFIA, DFAIT, CIC)
- ▶ Interfaces with provincial government (trucks, gateways, environmental issues)
- ▶ Interfaces with the US + states governments (GL trade route + North American service/routes)

Ocean shipping's view on borders

- ▶ The border is a fortress protecting domestic shipowners from international competition in the service of domestic transportation needs
- ▶ For international shipping services, the ocean border is the entry gate to a market, and
 - This border starts abroad, before loading
 - This border starts before fixing the ship (ship's standards + documentary processes)
 - The border extends beyond the dock (crew, cargo, intermodal)



Ocean Shipping views on the Canadian borders

- ▶ “North America” (90% US + 10% Cdn):
 - ▶ 2 oceans connected by the Panama Canal
 - ▶ 2 main waterways: St. Lawrence/GL & Mississippi
 - ▶ North American ECA (low sulfur fuel requirement)

- ▶ The Canada-US border is key:
 - ▶ To serve Ontario ports
 - ▶ for logistics optimisation (land/intermodal and ocean/diversions)



Our Border Issues – Marine Border

- ▶ Ratification of conventions (global standards)
- ▶ Facilitation issues (paper work, reporting processes, ...)
- ▶ Canada-wide inconsistencies
- ▶ Coastal State obligations (incl. reception facilities)
- ▶ Access to CBSA services (Arctic, cruise)
- ▶ CFIA inspections (diversions, delays)
- ▶ Container examination centers (responsibilities, logistics, costs, delays)
- ▶ Ship agent's responsibilities (deserters/stowaways; GST/QST)
- ▶ Ship's diversion (strike, storm, disruption) & border clearance



Our Border Issues – Land Border (container trade)

- ▶ Checked twice (land and marine borders)
- ▶ “Border tax” threats



Our Vision of *The Border of the Future...*

- ▶ A Coastal State border management that **fits with the supply chain** and is consistent with/relies on **international conventions and practices**
 - ▶ **Paperless, technology based, largely automated**
 - ▶ E-manifest ☺
 - ▶ Bonded Carrier Code ☹
 - ▶ **Surpriseless: clear and consistent**
 - ▶ Border management early in the chain (24 hour before loading)☺
 - ▶ Nationwide consistency ☹
 - ▶ Early notice of any change ☹
 - ▶ **Delayless and fluid**
 - ▶ Container scanners, on dock portals ☺
 - ▶ Officers availability issues, ship deviations, bonded carrier code process ☹
 - ▶ **Smart, i.e. low cost+ integrated in the supply chain**
 - ▶ Avoid multiple reporting, use information and processes already existing in the supply chain ☹
 - ▶ “Checked once, accepted twice” ☺
 - ▶ **Agile**
 - ▶ Adjust quickly to changes, as agile as the transportation chain must be

More?

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