



Supply Chain Management Association
1 Dundas Street West, Suite 2704, P.O. Box 64
Toronto, Ontario, M5G 1Z3
T 416.977.7111 | 1.888.799.0877
F 416.977.8886 | info@scma.com | scma.com

December 13, 2018

Sylvie Robitaille

Manager, Ports and Seaway Policy - Gestionnaire, Politiques portuaires et Voie maritime

Marine Policy - Politiques Maritimes

Transport Canada - Transports Canada

Place de Ville, Ottawa, Ontario K1A 0N5

Government of Canada - Gouvernement du Canada

sylvie.robaille@tc.gc.ca

Subject: Ports Modernization — Request for stakeholder comments

The Supply Chain Management Association (SCMA™) welcomes the Government of Canada's review of Canadian Port Authorities to optimize their current and future role in the transportation system as innovative assets that support economic growth and trade.

Founded in 1919, the SCMA represents the voice of more than 6,000 supply chain professionals across end-to-end supply chain management in Canada, including demand planning, sourcing, procurement, inventory, logistics and transportation. Our members cut across all industries including small and medium enterprises (SMEs), large multinationals and public sector agencies, with deeply integrated links across North America, Europe and to the global marketplace.

Supply chain management (SCM) is a key strategic and competitive advantage that can position organizations to new levels of success. Almost 1 million people work in the supply chain sector in Canada with an estimated value of \$162.1 billion. The role of ports has evolved from the traditional functions of cargo handling and storage to becoming an integral part of today's global supply chains. With the growing demand for integrated logistics services and intensifying port competition, the Government of Canada's ports modernization initiative comes at a critical juncture.

As Canadian ports and the terminals operating at the ports play a significant role in ensuring the competitiveness of the Canadian supply chain, it is the SCMA's opinion that Transport Canada needs to consider the role of ports within the broader supply chain system, otherwise known as port supply chain integration (PSCI). A port that is well integrated in the supply chain is characterized by such things as seamless communication, interconnectivity and interoperability of modal infrastructure, operations and provision of value-added services (VAS), and customer satisfaction. Ultimately, a port's performance should be measured in the context of a

‘multimodal process’, or how able are ports to facilitate efficient multimodal transport? From this starting point, performance indicators can be identified that signal a port’s ability to meet its goals with respect to reliability, flexibility, costs, responsiveness, etc. *As you can see, shipping is one part of the chain and by bringing together leaders from ports, railways, trucking companies, and receiver warehouses, a multimodal discussion that emphasizes a reliable clockwork operation now and into the future will lead to better solutions.* It is imperative that a port should collaborate and cooperate with its supply chain partners to provide value-added services to port users.

The modernization of the port system needs to ensure that there is no point along the supply chain that is overly burdened or restricted. As the port system has been seeing a steady increase in traffic in recent years (2.3% annually since 2010) it is imperative that the ability of the system to react in a timely manner to address the growing needs of Canadian shippers is not compromised. *The SCMA recommends that Transport Canada consider SCMA’s guiding principles that are foundational to having strong and effective supply chains and therefore, a robust Canadian port system: reliability, security, transparency, safety, sustainability, world class talent, world class infrastructure, and innovation in trade facilitation.*

It is imperative that efforts to modernize port authorities support the reliability of supply chains; the security of supply chains; the transparency of supply chains; the safety of supply chains; and that investments in both talent and infrastructure play a central role in addressing current and future challenges. As the Government of Canada pursues an aggressive trade diversification agenda in ensuring Canada’s economic future, it is critical that ports modernization specifically aims to improve each of these principles and the balance necessary between these principals in order to facilitate economic growth in Canada and between its trading partners.

Supply chains are ripe for disruption as blockchain, the internet of things, autonomous vehicles, and other technologies are increasingly applied to drive better business outcomes. *Successfully building out digital infrastructure across all types of infrastructure, including ports, will unlock economic opportunities, create jobs, and improve the quality of life for Canadians.* Canada is lagging behind other nations in creating a digital infrastructure to support intelligent supply chains. For example, to cope with increasing truck traffic volumes, Canada can consider leveraging a logistics platform that consolidates data from a number of sources (such as vehicles) to communicate with a port’s various users and stakeholders, resulting in reduced driving times and better planning.

Around the world, ports and harbors are working with governments to minimize the amount of pollution in waterways by using technology to collect and analyze real-time data about pollution. *Greater collaboration between government, the private sector and industry associations in*

developing best practices, sharing information on cybersecurity, and creating “digital-friendly” regulatory policies is critical to building smart and secure ports infrastructure.

The SCMA is excited to support Transport Canada in its ports modernization initiative so that businesses across the country can leverage their supply chains in pursuing new opportunities.

We believe strongly that effectively moving goods, people, and information within both our domestic and international markets depends on world class infrastructure, including our ports and inland ports. Without leading edge infrastructure, the integrity of Canada’s supply chains is compromised and Canada’s positioning in global trade is at risk. In order to sustain economic growth, governments at all levels, in collaboration with corporate partners, need to invest in well-planned infrastructure projects that include critical digital infrastructure. Investments into growing and modernizing our ports are critical.

We look forward to continuing an open dialogue with Transport Canada as it proceeds with its work plans and we look forward to invitations to serve on all relevant policy bodies. Should you have any questions about our initial comments, please do not hesitate to contact me directly.

Regards,

A handwritten signature in black ink, appearing to read 'C. Buhagiar', with a long horizontal stroke extending to the right.

Christian Buhagiar
President & CEO