



PORT SECURITY AND CONTAINERS

Executive Summary

The Royal United Services Institute of Nova Scotia (RUSI) has recently conducted a study of port security in Halifax in keeping with its role as a discussion and education forum on defence and security issues. Ben Jenkins, Bruce MacDonald, and Dan Tanner, all of whom are prepared to discuss this report, conducted the study.

Given the events of and since September 11, 2001, Canada is now certainly a target for terrorist attacks. These may well be directed at our ports, or by using containers to introduce, via our ports, weapons—conventional, radiological, biological or chemical—into North America to be transshipped elsewhere. Such actions could disrupt transportation services both in Canada and throughout North America. Unless our ports are considered to be secure, cargoes ultimately directed to the U.S. might bypass our ports and thus the Canadian economy could be hurt.

Fortunately, as we learned through our research and discussions with different organizations, local security authorities are well aware of the various threats and are doing a good job of ensuring security at the Port of Halifax. Unfortunately, the resources at their disposal are not always sufficient to the task at hand. In this regard, we urge

- That the Federal Government give more vigorous support to the RCMP and other security forces in their fight against terrorism; this includes additional funding and personnel as well as allowing the security forces to take full advantage of recent anti-terrorism and anti-crime legislation
- That an effort be made to intercept ships bearing questionable cargo before they dock. This involves an enhanced support role for both the Navy and Air Force. More effective use should be made of the Canadian Coast Guard.
- Ensure that the costs of additional security are not assessed in a way that will hurt Halifax's competitive position with east coast ports in the USA.

J. Bruce MacDonald
President

Royal United Service Institute of Nova Scotia
January, 2003

PORT SECURITY AND CONTAINERS

Introduction

Our initial aim was to study how terrorists might use containers, but it rapidly expanded to cover the whole area of port security. We have focused on the Port of Halifax because the *Royal United Services Institute of Nova Scotia (RUSI)* is based in Halifax and we did not have a budget to permit us to study other Canadian ports. In the course of this study we interviewed representatives of many organizations and all, with one exception, were willing to speak to us. For obvious reasons, we are preserving the anonymity of most of those whom we interviewed.

Canada is certainly a target for terrorists, as a result of our public support of the United States in its war on terrorism. We have been listed by organizations with direct links to known terrorist groups as one of the countries likely to be attacked. That we have not yet suffered such an event is more a matter of the terrorists' priorities than not being a target. As a mid-sized country, Canada's potential targets might not be as spectacular as those attacked in the USA, but we could also be a base from which terrorists could attack our neighbours, though there is no evidence that we have been used as such a base as yet.

There is no apparent political solution that can eliminate the threat of terrorist attacks upon us short of becoming an Islamic republic, and we doubt if even that would be successful. Terrorists are, in our opinion, no different from criminals in their actions, with the exception that there is little or no public support for criminals, as there appears to be for terrorists in some countries. Terrorists do not have a motive for attacking a specific target, unlike criminals who are highly motivated by monetary gain, revenge, or territorial hegemony.

Eliminating poverty cannot defeat terrorism, as some suggest, any more than it can eliminate crime. The worst poverty on earth exists in

sub-Saharan Africa, and that part of the world is not a source of terrorism. Wealthy Saudi Arabia, on the other hand, has been a prolific exporter of terrorists, including some of those who attacked the USA in September 2001. Eliminating poverty might address a lot of petty crime, but the massive white-collar crimes, such as those allegedly perpetrated by senior executives of Enron and WorldCom, would not be affected. This is significant, because this is the kind of crime that is capable of supporting the type of terrorism that threatens national security. Recent arrests at the Port of Halifax by a joint-forces team clearly demonstrates the extent to which organized crime exists in these facilities.

Current Operations

Most terrorists appear to be reasonably well off, and are supported by wealthy individuals or groups. Further, terrorists do not play by any known set of rules. The advent of the suicide bomber has made the job of the security services much more difficult. It is much easier to plan terrorism prevention when we can assume that the terrorist wishes to survive the attack and escape.

The Royal Canadian Mounted Police (RCMP) is responsible for security affairs on a national basis, and is primarily responsible for the detection of terrorists and bringing them to justice. They regard terrorism as the highest order of criminality. Partners with them in this endeavour are the Canadian Security and Intelligence Service (CSIS), the Canada Customs and Revenue Agency (CCRA), Canada Citizenship and Immigration (CIC), the Department of National Defence (DND), and various provincial and municipal police forces. In Halifax the RCMP's largest municipal partner is the Halifax Regional Police Service (HRPS.) It is worth noting that Halifax is the only port where the municipal police are responsible for port security; in other ports this function is primarily the responsibility of private security firms. Marine port security was formerly the responsibility of the special ports police who were recently disbanded by the federal authorities. All interviewed in Halifax commented that the HRPS is doing an excellent job at the marine port

facility and that Halifax is a leader in policing port property, both in methods and results.

Canada is a trading country and it is necessary that our ports be regarded as secure. Our ports are, in a sense, our main windows on the world. Approximately the equivalent of half a million twenty-foot containers pass through Halifax each year. Many of these are transshipped by truck or rail to the United States. It is essential that the US regard such containers as coming from a secure port. Otherwise there might well be the risk of long delays at the US border, with shippers eventually choosing to bypass Canadian ports and trade directly into the USA rather than through Halifax, Montréal, or Vancouver—our three major ports. Terrorists may well aim to disrupt our economy, and that of the USA, by disrupting our transportation and transshipment services.

It is generally agreed that our marine ports are not as secure as our airports. This is not surprising as the ports are much larger in area and access to them can be in many more ways than at airports.

We can report that everyone we interviewed is well aware of the threats just outlined and are doing all they can with the resources available. The problem is that the resources currently available are not adequate, and in fact it may not be feasible to inspect every container coming into the port.

At present the aim of the CCRA is to inspect 3% of the containers coming into Halifax, and while we have been advised that this is a realistic goal, some have cast doubts on the achievability of this objective. Our information is that this is comparable to the inspection rate in ports in the USA. The CCRA uses a profiling system relating to the origin of a container that helps them decide which containers to actually inspect, and it works quite well if measured by what they find. They have had a number of well-publicized successes with respect to drugs and arms being illegally imported, though we have no evidence that the arms were destined for terrorists. Of course, we do not know how much is missed and never discovered.

The advent of a gamma ray machine in early 2003 will be a help, though the International Longshoremen's Association (ILA) have suggested to us that to be effective there ought to be two in use—one for each of the container ports in Halifax. We were advised that rumours that the gamma ray machines in Vancouver had problems with salt air are untrue. Our source added that the technical problems in Vancouver resulted from the machines not being designed for a Canadian winter, and this has been corrected. (We hope that the modifications will permit the equipment to cope with something more than the mild Vancouver winter weather.) Gamma ray machines operate by being able to tell if there is a variation in density from one part of a container to another.

It has also been announced that Halifax will be the first Canadian port to get radiation detection equipment; this should arrive in January 2003. In addition, CCRA expect to receive a mobile x-ray machine known as a "vehicle and cargo inspection system" (VACIS), which should arrive in December 2002. Despite all of this, CCRA just does not have sufficient personnel to inspect all containers, and still keep cargo moving through the port on a timely basis.

Recent changes have made the port of Halifax more secure from the landside; it is very difficult for unauthorized people to get into the port area from the city. We also have no particular concerns about those parts of the port that are under the control of DND. Containers do not come into this area and unauthorized landings are prevented. The threat to port security is definitely from containers that could contain weapons, either conventional ones, or more importantly nuclear, radiological, biological, or chemical ones that could be used in a terrorist attack, either here in Halifax or elsewhere. Containers have also been used to transport individuals who could be connected to terrorist organizations.

Some of our sources have said there is no such thing as a container seal that cannot be broken and replaced with a new one; thus material could be inserted into the container en route, and the seal replaced in

apparently pristine condition. Another source said that such seals do exist, but the problem is to get all shippers to use them. Thus even a container from a secure source may have contraband inserted into it. This apparently happened recently in a container of Chilean wines where drugs were inserted into it in Panama. The routing of the shipment gave rise to suspicions in CCRA.

Terrorists could also make use of cyber attacks by disrupting entire container tracking systems. A computer virus inserted into the tracking software of a major freight forwarder or shipping company could effectively close down the economies of ports and possibly countries. Such an act would involve little or no direct injury or loss of life, and almost no property damage, but does have the capacity to achieve catastrophic results. Preventing this is a different challenge from the main ones that we considered.

We did not consider in any depth the problem of passengers arriving on cruise or other vessels. We understand that these ships do a thorough screening of their passengers, just as airlines do. We did learn that it is not possible for disembarking passengers to gain access to the port sheds or the containers. It was pointed out that cruise ships dock at other ports in the Atlantic Provinces, such as Sydney and Yarmouth, so there could be problems there as well as in Halifax.

Until September 11, the focus had been on organized crime in the ports and illegal imports, usually drugs and cigarettes, but sometimes arms as well. Organized crime is still a major concern and it should not be assumed that Canadian criminals would not collaborate with terrorists, possibly unknowingly, for monetary reasons. Known terrorist organizations have ample resources, and criminals are motivated by monetary gain. Again up to September 11, the focus of CCRA had been primarily on illegal imports into Canada rather than exports while the HRPS had always been concerned with the export of stolen goods, frequently cars. The emphasis of the CCRA has now changed to include exports as well, and CCRA is now equally concerned with the contents of

containers being either routed or trans-shipped to the USA. The USA is working to ensure that shipments from foreign ports have been properly cleared, and Canadian ports must take adequate security measures if we are to maintain our US-based business.

Conclusions and Recommendations

An enhanced role should be considered for both the Navy and Maritime Patrol aircraft in identifying and intercepting ships that may contain questionable cargo before they dock. (At least fifteen ships are said to be controlled by terrorist organizations.) This would involve mounting radiological detection equipment on patrol ships, airplanes, and helicopters. It would be far better to intercept a ship bearing radiological weapons at sea and preventing it from docking in a Canadian port, than quarantining its cargo in the port. What would actually be done with such a cargo in the port is an unknown quantity.

The CCRA expressed concern to us that it is possible for a ship to sail before its manifest is provided to the authorities. Regulations require the manifest to be given within five days of sailing, though CCRA can require it to be provided sooner, or even before sailing. The people we spoke to at CCRA were in favour of changes that would require pre-sailing declarations. We would endorse this.

The Canadian Coast Guard (CCG) plays a very limited role. Like all of the security services, it is under funded: it cannot even fulfill its current limited mandate. They do only what the military or the security services request of them. Their ships are unarmed, and CCG personnel have no sidearms, except to protect themselves from polar bears in the Arctic. They bear little similarity to the US Coast Guard, which is essentially a military organization, though under the control of the civil authority. This enables them to make arrests that the military cannot unless martial law has been declared.

Certainly greater use could be made of the CCG ships and personnel in security matters, though this will certainly require more

funds and may require changes in legislation. An example would be using their ships with radiological detection equipment to inspect ships at sea. Another would be providing them with arms so they could fulfill any additional responsibilities with which they may be tasked.

Our basic conclusion is that our domestic security services generally are doing as good a job as they possibly can with the resources available. However more resources both in manpower and equipment should be made available to them if our ports are to be secure and remain a vital part of the Canadian economy. Further, we should ensure to the maximum extent possible, that containers have come from a secure source and have not been tampered with en route. Regulations should ensure that shipping manifests arrive with the ship, and, in the case of export, are given to CCRA before a ship sailed from Halifax. Certainly greater use could be made of the CCG ships and personnel.

The government should give more vigorous support to the RCMP and the Canadian Forces in their fight against terrorism. Anti-terrorism and anti-crime legislation is already in place that will allow the authorities to react more effectively, but we must make sure that we permit enforcement and intelligence agencies to take full advantage of these tools.

All this leads us to ask who will be expected to bear the cost of additional port security. Some favour a general revenue solution, while others feel a user-pay scheme is best. The latter might result in a decline in our competitive position with respect to US east coast ports, and the Shipping Federation of Canada has just issued a statement warning about this. Either way, care must be taken to maintain adequate port security without unduly hampering the economic vitality of these entities.