

Keeping Up With The Neighbors



■ Trade and Transportation

By Thomas O'Brien

In early March, California State University, Long Beach (CSULB) hosted a conference called "Collaborators and Competitors: Understanding the Connections between Canadian, American and Mexican West Coast Ports and Gateway Regions." The purpose of this gathering of researchers, industry representatives and government officials was to explore the common trends that influence the economic competitiveness and environmental sustainability of Pacific coast ports and their surrounding areas.

Changes in global trade have made ports and port regions more connected than they have been in the past. These changes include the development of land-based corridors and the growth of cross-border mega-regions like those in San Diego-Tijuana and what in the Pacific Northwest has come to be known as Cascadia. They also include the rise of integrated and complex supply chains, consolidation in trade-related sectors with interests that cross international borders and shared environmental regulations.

As a result, there is an increasing awareness that gateway regions that compete for the same business may still benefit from collaboration on issues like infrastructure provision and the development of environmental mitigation measures.

And in fact, some shared concerns emerged at the conference. The environmental directors of the Ports of Los Angeles, Long Beach and Vancouver and the director of the Port of Ensenada all emphasized the impact that environmental issues have had on the ways in which ports do business these days. And the leadership of the San Pedro Bay ports in this regard has been critical.

Vancouver has adopted cold ironing - or shore side power - to minimize the negative impact of diesel emissions from ships in part because this was the approach taken here in Southern California. Ensenada is also looking at adopting the same technology.

Cold ironing was a game changer. For communities near port facilities, it became a "must have" component of new developments or port expansions. It also became part of the environmental portfolio that West Coast ports have used to distinguish themselves with elected officials at home and with policy makers in Washington, Ottawa and Mexico City.

Conference participants also agreed that ports along the West Coast benefit from a level playing field made possible by international standards, like

coastwide emissions control areas. These eliminate the need for state or national standards that put one port at a disadvantage relative to another.

But the discussion of these kinds of standards also revealed the very different contexts in which Canadian, Mexican and U.S. ports operate.

International treaties are negotiated in the halls of national legislative bodies and that makes all the difference. The Mexican port system lacks a dominant port like LA-Long Beach or Vancouver that can drive policy making at the national level. Sometimes, local interests cannot wait for action at the national or international level. This was a point made by a representative of the California Air Resources Board (CARB) who argued that California's acute air quality issues, particularly in the L.A. Basin, meant that the state's options in response to trade-related concerns were unique and more time sensitive than in other places.

Another interesting lesson from the discussion at the Long Beach conference was how the language of international trade differs from region to region, even when the same terminology is used.

There was a lot of talk about hinterlands, a word much more common in European or Canadian parlance. It is used to describe the inland area which serves as the principal market for imports and the principal source of exports moving through the port.

Here we're more likely to refer to a market area. For a place like Southern California, with such a wide diversity of trade related activity serving local markets as well as national and international markets connected via truck and rail, both Carson and Colton can claim to part of our ports' hinterland. And each has a decidedly different relationship to the ports.

Gateway was another term that meant different things to different people in the room. For ports like L.A. and Long Beach that act as global gateways, the term conveys prestige, power and purpose. For Canadians, gateway is also the name

of a national strategy to develop key access points – both land and sea- that connect Canada to the U.S. and the rest of the world. For Mexico, a renewed interest in nearshoring (bringing production and supply chains closer to home) may make border maquiladoras in places like Mexicali a bigger gateway issue than the development of new port facilities in Ensenada or elsewhere along the Mexican coast.

So while we share a West Coast profile, we approach our connections with caution. Proximity makes us natural collaborators, but the West Coast is part of a global supply chain, and we're all positioning ourselves to take advantage of the opportunities that come along with it.

Coming together to talk about common concerns may result in new partnerships, but it's also a good way to keep an eye on what the neighbor's doing.