

Adaptation and Resilience: Ports as Essential Services-05.11.2020 Daniel Dagenais, Port of Montreal, Canada

In the fight against Covid-19, States have taken widespread containment measures which have particularly disrupted transport. Among the latter, seaports are indispensable links. We wished to give the floor to our member **Daniel Dagenais, Vice-President of Operations at the Port of Montreal**.

The Port of Montreal is one of the most important ports in the North Atlantic. The St. Lawrence River that borders it connects the Atlantic Ocean to the Great Lakes region, one of North America's economic lungs and one of the world's major reserves of fresh surface water: nearly 20% of the world's fresh surface water. Over the last few weeks, the Port of Montreal has reaffirmed its role as an inescapable link in river and maritime logistics.

It quickly reorganized its activities to respond to the emergency and prepare for the future with continuous innovation and extensive local and international collaboration.



While the world is living at the pace of the pandemic, evolving day by day in the midst of a situation whose next steps we do not know, certain ramparts of our society remain unshakeable and essential. Ports, as drivers of logistics chains and as vectors for the supply of critical goods such as medical equipment, are among them.

Prioritized by governments and recognized as an essential service by global authorities, activities related to the land and sea transport of goods continue to contribute significantly to the maintenance of local and regional economies.

In ports around the world, despite major changes dictated by the health crisis, life goes on and operations are sometimes at full speed and sometimes with some slowdowns. The men and women who supply essential goods and products to citizens and businesses on a daily basis are mobilized and have had to adapt. "It is not the strongest of the species that survives, nor the most intelligent; it is the one most adaptable to change." — Charles Darwin, British naturalist

Adapting and reorganizing...quickly!

At the Port of Montreal, our trademark has always been to reinvent ourselves and be innovative, and this, since the founding of our organization in 1830. The current pandemic period is no exception and this strength we have is, in the context, being used to its fullest capacity.



Photo credit @ Port of Montreal



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Our teams and those of our many partners are mobilized to maintain the supply chain. The Port of Montreal continues to welcome ships in its 19 different terminals and to facilitate the movement of goods with the usual support of Montreal's logistics chain to ensure that goods arrive at their final destination as quickly as possible.



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To do so, we promptly activated our business continuity plan and adopted measures to protect the health and safety of our employees and collaborators.

The management team was involved at the very beginning of the crisis and daily conference calls are held to closely monitor the situation at the port. Emanating from this decisional kernel, directives and alignments were launched in accordance with public health decrees and recommendations. A steady hand on the rudder ensures a good race. Managers are regularly informed of the latest operational directives and available resources, enabling them to properly mobilize their teams and ensure their health and well-being. All administrative services employees who can now work from home have been able to do so since mid-March. They have received the technological tools necessary for effective remote communication and we have deployed a telemedicine service to make it easier to balance work and personal life in these difficult times.

On the side of field operations that must be maintained (railway employees, land employees, maintenance, security, etc.), all of our protocols have been reviewed. With the support of union representatives, we have developed new work schedules that allow us to manage risks, respect the required social distancing and integrate all necessary health measures.

Recently, still in this vision where innovation is part of our DNA, we have partnered with IVADO Labs which creates **AI tools for its customers to develop a solution to identify and target essential goods during the health crisis**¹. By analyzing the customs declarations of all containers bound for the Port of Montreal, we will be able to issue pre-emptive notices that will inform all partners in Montreal's supply chain in order to quickly process containers with critical material in the fight against COVID-19.

"For us, reinventing ourselves also means pushing forward the essential role we can play in society when the situation demands it."

For us, reinventing ourselves also means pushing further the essential role we can play in society when the situation demands it.

¹ <u>https://www.port-montreal.com/en/the-port-of-</u> montreal/news/news/artificial-intelligence



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Developing a business continuity plan



Photo credit @ Port of Montreal

It is one thing for ports like Montreal to have reorganized.... But it is also necessary that the entire international maritime and logistics chain be aligned and oriented toward the same objectives so that we can continue to play our role, which is more essential than ever.

While 80% of the world's goods are transported by ship, there are approximately 1.2 million seafarers on the seas around the world. In Canada, the marine industry involves 300,000 jobs, including 30,000 in Quebec. The marine industry as a whole is currently pulling together to ensure the safety and health of these men and women of the sea or "waterfront" who keep regional and local economies going. I would like to take this opportunity to salute their commitment and courage.

And beyond maritime routes and port operations, it is all the partners and stakeholders in logistics chains that have to adapt and keep goods moving. In Montreal, the logistics chain, brought together under the aegis of CargoM, a specialized industrial cluster unique in North America, mobilized rapidly from the very beginning of the crisis and, like the Port, it reinvented some of its ways of doing things².



Photo credit @ Port of Montreal

It should also be noted that the majority of Canadian trade (75%) is with the United States: maintaining cross-border traffic both on land and via the Great Lakes is therefore essential. States' response to the pandemic caused uncertainty at the beginning, but this situation has been resolved.

What about the river's health?

While the pandemic brings its share of challenges to the organization of port operations, the rivers used to enable trade between Canada and the rest of the world are in good health.

Once again this year, the Canadian winter has left behind a good reserve of snow, which fortunately did not result in a destructive spring freshet. Water levels in the Great Lakes and the St. Lawrence River reached three-year record highs.

As a consequence of climate change, large amounts of moisture are found over the area providing precipitation in both summer and winter. The large flows of water released at control dams along the Great Lakes system are causing some problems for ships that have been

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² <u>https://www.port-montreal.com/en/the-port-of-montreal/news/news/supply-chain</u>



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specially designed to navigate this inland sea. Indeed, the speed of water in the navigation channel causes the hulls of ships to sink and therefore requires ship owners to lighten their loads. Less freight, less incomes.

Meanwhile, our regulatory discussions on ballast water management³ and our fight against aquatic invasive species continue.

The ports, players in the economic recovery

The global economic situation will not be without consequences for the organisations at the heart of the transit of goods. Ports in Asia, Europe and the West Coast of North America, for example, have already seen declining volumes. The cruise sector is being hit even harder.

"Because of their major and essential role at the heart of logistics chains, the ports will undoubtedly be important players in the economic recovery."

At the Port of Montreal, we will be no exception. A dashboard has been developed, allowing us to know at a glance the daily situation in the port and to quickly know if there is a slowdown in operations. This is not the case at the moment: all of the Port of Montreal's intermodal elements are running smoothly (ships, trains and trucks) and the first quarter has produced good results. However, a decrease in volumes is anticipated for the second quarter. While it is too early to assess it on the cargo side, we already know that the 2020 cruise season in Montreal will be highly affected.

Beyond the relatively negative economic prospects in the short term, the ports will have a key role to play in the coming revival. It is turned towards a better future, but with the realism necessary in this period of crisis that the Port of Montreal has committed itself in a declaration⁴ signed by 19 international ports in favour of an effective fight against COVID-19 and **a global collaboration of the players in the maritime industry.** By signing this declaration, the ports have pledged to do everything possible to ensure that trade by sea continues to serve people and businesses around the world efficiently and safely.

Due to their major and essential role at the heart of logistics chains, ports will undoubtedly be important players in the economic recovery by contributing, as they have always done, to the creation and maintenance of quality jobs as well as to the fluidity of international trade exchanges between companies throughout the world, both for imports and exports.

Daniel Dagenais

Vice-President of Operations



⁴ <u>https://www.port-montreal.com/en/the-port-of-montreal/news/news/declaration-covid-en</u>

³ The tank on some ships that can hold a large capacity of water. It is used to manage a ship's stability