



ASSOCIATION OF CANADIAN PORT AUTHORITIES



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ACPA MANIFEST

INTRODUCTION

With the federal election over in May, a Throne Speech and budget were tabled in June. The Association provided some insight on the budget vis-à-vis a port lens in a Member Update shortly after the budget. There were few surprises and things were relatively predictable and quiet on the federal scene. The federal budget was virtually identical to the one delivered in March and the key word seemed to be austerity. That said, the Association's ongoing advocacy work at the federal level continued with the 10th Port/Government Interface held in Ottawa on May 30 and 31st. It was very well attended again this year with over 100 people in attendance. Four individuals from the federal Cabinet, along with a number of senior departmental officials, attended the Interface's Networking Reception. As usual, it was a worthwhile networking opportunity for members, federal officials and other stakeholders.

One of the highlights of the Port/Government Interface this year was the presentation of certificates to 9 federal officials who attended the Association's first Port Orientation Program for Federal Officials. The Association initiated this first session with the valuable assistance of the Montreal Port Authority who hosted the officials over a day and a half in Montreal, in February. This program will continue to expose

Canadian port operations to federal officials working on important port-related files for the port community.

It should also be noted that the Association completed its Canada Port Authority Infrastructure Study looking at the projects that will require significant infrastructure funding over the next fifteen years to accommodate the growing level of Canadian imports and exports. Details of the study will be made available to members in the coming weeks. It will form the basis of the Association's federal advocacy efforts as it pertains to the need for infrastructure funding programs in Canada.

The Association has been active on a number of important files that are covered in this edition of Manifest as well as in several Member Updates and Member Advisories over the past several months. As always, the newsletter provides a sampling of the relevant issues that members may have missed in the course of their busy lives. It also provides a look at some of the recent announcements by the federal government, at the departmental level as well as some of the relevant legislation in Parliament. Should you have questions on any of these items, please do not hesitate to contact the Association's national office.

TORONTO PORT AUTHORITY CELEBRATES 100th ANNIVERSARY

The Toronto Port Authority (TPA) celebrates its 100th anniversary in 2011. The Port Authority, created in May 1911 as The Toronto Harbour Commissioners, recently announced its renewed participation in *Doors Open Toronto*, and its plan for a summertime "sail-in movie event" to be held in August, all part of the centennial celebrations. With the support of waterfront neighbour Redpath Sugar, the TPA will host Canada's first ever sail-in movie event. The Toronto Port Authority's *Sail In Cinema* is slated to take place on the waterfront at the foot of Jarvis Street this August. The event will feature a huge two-sided screen so that people can enjoy open air movies in the Toronto Harbour from the mainland or the water.

The TPA raised another flag at its corporate offices this spring, now flying next to existing federal,

provincial and TPA flags for the first time is the City of Toronto flag. "We are proud partners with the City of Toronto," TPA President and CEO Geoff Wilson said. "As stewards of the harbour area, neighbours in the waterfront community and supporters of downtown Toronto's renaissance, the Port Authority is committed to help make this city great." Wilson said he felt that raising Toronto's flag was emblematic of where the relationship with the City now stands. "We are working together, finding common solutions, and helping make downtown Toronto the vibrant centre of our great city."

In addition to the flag raising, the TPA is involved in several iconic Toronto activities this year. The TPA is this year's lead summer partner of Harbourfront Centre's Hot Spot Summer, a fixture in the city's summer calendar that attracts people to the city from across the globe.

Congratulations on 100 years in the port business!!!

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The association of Canadian Port Authorities was founded in 1958 and groups together ports and harbours and related marine interests into one national association. Canada Port Authorities handle more than \$162 billion worth of cargo annually. The ACPA is the pre-eminent association for the advocacy and advancement of the Canadian Port Industry. ACPA members contribute greatly to the local, regional and national economy of Canada.

BOARDWALK

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ECA UPDATE VIA TELECON

Carriers engaged in the cruise business, represented by Cruise Lines International Association (CLIA) and the Northwest and Canada Cruise Association (NWCCA), have been most involved in ongoing liaison with Transport Canada on the technical aspects of the new IMO standard that has been accepted by both the U.S. and Canada. Representatives from both CLIA and NWCCA made a presentation to the ACPA Board on May 31 via telecon to update the Board on the ongoing work with Transport Canada in drafting ECA regulations.

CLIA has expressed support for ECA in principle as have the Cruise Committee of the AAPA. Given that there is no room for discussion on the 200-mile limit to be imposed under ECA, the technical discussions have revolved around a new methodology for achieving equivalency with the IMO standard without necessarily having to use low sulphur fuel. This involves such things as fleet averaging, use of various technology and weighted averaging for emissions close to high-density vs. low-density populations. While this model has been widely recognized as being sound, neither the EPA nor Transport Canada has yet to accept it. CLIA and NWCCA continue to meet with both the EPA and Transport Canada on the details of this proposed methodology. The Board of ACPA committed to continue monitoring the progress of regulatory development on ECA as it relates to the technical elements being sought by the cruise lines, as it has done to date, and will provide advocacy support as required.

OIL TANKER BAN ON THE WEST COAST

The Board continues to emphasize the need for the Association to maintain a watching brief on Bill C-606 as it was felt that it would emerge again as a Private Member's Bill (which it did in mid-June as Bill C-211 with the same language and intent). While the current Government is not supportive of the Bill, there will still be a need for all stakeholders who do not support the Bill to let it be known to politicians and officials that this is bad policy and must be stopped. The Association will work with interested stakeholders to ensure the message is communicated to legislators based on facts. It must point to the current, sound risk management approach as the way forward and one that has achieved stellar results in oil tanker movements throughout Canada and beyond.

CANADA-U.S. PERIMETER INITIATIVE ON SECURITY AND COMPETITIVENESS

The Board discussed the importance of the Association making a formal submission related to this new initiative between Canada and the United States, in support of a more fluid and secure border with respect to freight movement. This would ensure that officials on both sides of the border understand the views of the port community and provide assurance to shippers that cargo transshipped via Canadian ports will not experience excessive delays at the border. The submission also supported the creation of a Regulatory Cooperation Council as an important vehicle to help reduce red tape at the border and further expedite freight movement at the land border.

CCG NAVIGATIONAL AIDS

It would appear that the Canadian Coast Guard (CCG) is seeking to have navigational aids on the West Coast become the sole responsibility of Port Authorities, which is a departure from past practices. It is thus important for the port sector, as represented by the Association, to table a formal position or a statement of principles on the business of ports vis-à-vis the role of CCG with respect to Navigational Aids. This was already done in meetings with CCG officials in June as well as with a formal statement from the Association on the role of Port Authorities under Section 4 of the Canada Marine Act with respect to trade, infrastructure, economic development and environment.

PORT/GOVERNMENT INTERFACE

There was strong attendance again this year at the Interface with more than 100 in attendance despite the challenges presented by the federal election. The election prevented such things as the evening reception being held on Parliament Hill; change in date of the event; and new M.P.s and Ministers. There were four Ministers/Ministers of State in attendance including the new Minister of State for Transport, the Hon. Stephen Fletcher. We were also pleased to have the heads of other organizations in attendance such as Westac, Shipping Federation of Canada, Railway Association of Canada, Canadian Shipowners Association and the Canadian Industrial Transportation Association. The issues on the program were all issues that are of relevance for the port community and recognized as such, however, there was some discussion of how we might change



the format and improve it in future. Some of the areas that will be considered for change include: use of powerpoints; reception format; intensive sessions on issues in workshop/roundtable format; interactive panels; seek out issues from members in advance of program development; and Q & A planning. The views of Association members will be sought for next year's Interface.

INFRASTRUCTURE STUDY UPDATE

The final infrastructure study was completed in June and submitted for final review before it was finalized. The Association is working with the consultant to ensure that some of the more sensitive data elements provided are dealt with in a confidential manner before the study is released for those outside the Association.

NATIONAL OPERATIONS & ENVIRONMENT SEMINAR

The Board reviewed a draft program for next National Operations & Environment Seminar. This Seminar is being planned for Montreal and an effort will be made to ensure it does not conflict with the Fall session of CMAC in November.

PACIFIC CAUCUS MEETING

The Board was briefed on the recent Pacific Caucus meeting held in early May, by the two representatives on the Board. The Caucus drew attention to the importance of First Nations issues and the ongoing deliberations with Transport Canada, INAC and Justice on various elements of this matter. There are similar concerns related to this issue in Quebec, especially on the North Shore. The issue primarily revolves around royalties from port-related development and the precedent set with agreements in several jurisdictions. At some point in future the Association may wish to establish a unified position with respect to the parameters on First Nations issues. The oil tanker ban was also of major concern to West Coast ports with a strong recommendation that the Association continue its efforts on this file.

With respect to PILT, the West Coast Caucus was most supportive of the Association seeking 'intervener status' per the Supreme Court appeal by the City of Halifax related to the Department of Public Works exercising discretionary powers on PILTs related to the Halifax Citadel wherein the City is seeking over \$13 million more in PILT payments over a 10-year period (see next paragraph).



ACPA POSITION ON PILT

The board discussed the ongoing concern with respect to PILT payments and how Port Authorities were now being viewed in light of recent decisions by the Supreme Court of Canada. The Regional Municipality of Halifax has appealed a federal court decision supporting Public Works. The City of Halifax is appealing to the Supreme Court and if the appeal stands it will greatly limit the scope of all Port Authorities in determining the value of lands they manage for the purpose of paying PILTs. If the City of Halifax is successful, every City across Canada will likely review the arrangement they have in place with Port Authorities vis-à-vis PILT payments. It was therefore agreed that the Association proceed to seek intervener status with the Supreme Court of Canada as it relates to the appeal by the City of Halifax on PILTs.

TAKING CARE OF BUSINESS

PRINCE RUPERT

2010 was a record-breaking year for cargo traffic volumes and revenues. A total of 16.4 million tonnes were processed by the port's terminal operators, representing an increase of almost 35% from the 2009 figure. Total revenues reached \$19.6 million, an increase of 35% over 2009. The figures exceed previous record years for tonnage and revenues. Record revenues in 2010 have enabled a near-quadrupling of the Port Authority's Community Investment Fund for the year. In a ceremony during the Port Authority's Annual Public Meeting, over \$475,000 was distributed to six community projects that meet the criteria of the Community Investment Fund. Last year, the total amount was approximately \$130,000.

The first call of the M/S NORWEGIAN PEARL will be followed by 21 ship calls for the 2011 cruise ship season expected to see 50,000 passengers and 20,000 crew visit the City of Prince Rupert between May and September. The season will also feature the inaugural call of Oceania Cruises' M/S OCEANIA REGATTA in August. Port of Prince Rupert is to double the number of container services calling at its Fairview Terminal. COSCO and Hanjin will each bring another string of ships to the port where COSCO already operates two services for it and some members of the CKYH alliance. COSCO's South China/U.S. Southwest Coast Express (SEA), which recently dropped a call in Oakland, visited in May.

PORT ALBERNI

The recent magnitude 9 earthquake and subsequent tsunami disaster in Japan was a dramatic and stark reminder that the world around us, as we know it, can change in an instant. The Port Alberni Port Authority has extensive emergency procedures and policies familiar to all staff. The Port encourages other organizations, businesses, groups and, certainly, families to create their own emergency preparedness kits and plans.

NANAIMO

Nanaimo's new Cruise Ship Terminal saw its first ship in May, after an opening ceremony for a select group of about 150 people. The Norwegian Pearl's more than 2-thousand passengers were the first wave of what will be a relatively quiet cruise season, but with great expectations for the future.

VICTORIA

The brightly painted Disney Wonder pulled into Pier B at Ogden Point at 10 a.m. on April 29th. The ship was repositioning from San Francisco to Vancouver where it will homeport during the 2011 Alaska cruise season. The Disney vessel will drydock in Esquimalt this September for two weeks and will return to Victoria for weekly visits during the 2012 cruise season. In fall of 2010, GVHA commissioned a survey from market research company R.A. Malatest & Associates to assess their reputation among stakeholders, clients and residents of the Capital region. The survey found that residents and harbour property users are enjoying the activities and amenities provided in the harbour. Approval of the way properties are managed and the quality of marina services was found to be generally high, both among area residents and clients.



VANCOUVER

Neptune Bulk Terminals (Canada) Ltd. (Neptune) is investing \$63.5 million in new equipment to improve the terminal coal handling capacity, optimize energize efficiency, and enhance its environmental performance at the North Vancouver facility. Neptune will purchase and install a new \$45-million stacker reclaimer manufactured in BC. The stacker will replace an older, smaller unit currently in use on the terminal site. The new equipment will increase coal-handling capacity to 12.5 million tonnes per year. It will allow Neptune to simultaneously move the steel-making coal from trains to the stockpiles and directly from stockpiles onto vessels, increasing efficiency and operating flexibility. The stacker reclaimer will further enhance Neptune's environmental measures with a best-in-class dust suppression system. Neptune Terminals is also in the

process of installing a new \$6.5-million rail car positioning system for train off-loading, to be completed in May 2011, along with a \$12-million site power system upgrade to optimize energy efficiency on the site. It is anticipated that all of the projects will be complete by fall 2012.

The Disney Wonder cruise ship made its inaugural call on Port Metro Vancouver in May, as part of Disney's first Alaska cruise season. The ship will sail 18, seven-night round-trip cruises from Vancouver to Tracy Arm Fjord, Skagway, Juneau and Ketchikan.

Port Metro Vancouver anticipates a busy 2011 cruise season with 200 calls and more than 650,000 passengers expected to arrive and depart from the Port's two cruise terminals, Canada Place and Ballantyne. The first cruise ship of the 2011 cruise season, the Crystal Symphony, arrived at Canada Place on April 17. Port Metro Vancouver has been internationally recognized with a number of awards and accolades, including the Berlitz "Most passenger friendly port in North America" award, Dream World Cruise Destinations magazine's "Best Turnaround Port Operations" award, and "Best Turnaround Destination" award.

THUNDER BAY

The Thunder Bay Port Authority is getting a lift from the Ontario government in the shape of a new piece of machinery to become more competitive, is a new, high tonnage crane that will make unloading bulk cargo more efficient. This crane will raise the profile of the port and attract new business with a lift capacity of 80 tonnes and it can unload up to 500 tonnes an hour. The crane also gives the port the advantage of taking cargo from the middle of the ship, without having to move other containers or bulk cargo. The Northern Ontario Heritage Fund Corp. announced \$1 million for the crane. The crane, which is to be brought to Thunder Bay from Europe, should arrive by fall.

The 2011 Navigation Season opened on March 26 with the arrival of four vessels in the Port of Thunder Bay. Lower Lakes Shipping vessel Ojibway was the first vessel to arrive for the season, followed closely by Robert S. Pierson and Cuyahoga, also of Lower Lakes, and Pineglenn which is owned and operated by Canada Steamship Lines. As the first vessel of the season, Ojibway was the recipient of the ceremonial Top Hat.



HAMILTON

An ambitious 2008 strategic plan developed by the Hamilton Port Authority (HPA) targeted \$500 million in infrastructure investments and improvements to the port. At a recent HPA general meeting, directors were thrilled to announce that 2010 saw the port surpass projected development growth. In fact, 47 per cent of investments outlined in the strategic plan are now completed, committed or in negotiation. Road, rail, building and security improvements have now been completed port-wide. The latest major project completed was the renovation of the 450 Sherman Avenue property. New facilities by Parrish and Heimbecker, as well as McAsphalt Industries, are enabling bulk throughput capacity growth, as is the movement of oversized project cargo including the Molson fermentation tanks, windmill blades and pressure vessels. The port projects it will surpass the 4 million tonne mark in non-steel cargo by 2020.

The port terminal operated by Parrish & Heimbecker (P&H) has grown with the addition of the first of two monolithic storage domes set to house more than 28,000 tonnes of grain each. The first dome has its inflated structure in place and the second dome is planned to be erected in late April. Each dome is 90 feet high and 190 feet in diameter. When construction is completed the domes will be encased as solid concrete structures. The terminal is expected to be fully functional by the time the 2011 harvest begins in early August. The terminal will be a primary centre for P&H to move grains and other agricultural commodities. Conveyors in the floor inside the domes allow for grain to be loaded onto vessels.

TORONTO

The Toronto Port Authority (TPA) closed out 2010 with net income of \$7.1 million, a five-fold increase over 2009. This is the third year in a row that the TPA has operated at a profit, and is a record since the TPA was founded in 1999. TPA Board Chairman Mark McQueen described the results as indicative of the popularity of a downtown airport, tight cost control, and improved economic growth across the GTA region. During the past 12 months, the TPA has paid government agencies \$3.1 million in the form of royalties and Payments-in-lieu of Taxes. The Billy Bishop Airport and the Outer Harbour Marina both operated at a profit, with

the airport generating an operating profit of \$12.5 million, more than double the 2009 results. Traditional port maritime activity should begin to recover in 2011, after continued softness in 2010 led to a slight operating loss of \$0.5 million. The TPA is actively marketing the port as a construction products staging hub for downtown development.



MONTREAL

Traffic at the Port of Montreal reached 25.9 million tonnes of cargo in 2010 – up 5.7% over 2009. Every sector of cargo handled at the port experienced growth. Last year, the volume of containerized goods handled at the port climbed to 12.3 million tonnes compared to 11.3 million tonnes in 2009 – a 6.8% increase. As for TEU containers, the port handled slightly more than 1.33 million containers in 2010, a 6.7% increase over 1.24 million in 2009. Deliveries of petroleum products were key factors in the 4.9% rise in the liquid bulk sector. The liquid bulk market reached 8.15 million tonnes in 2010. In dry bulk, the recovery in the areas of iron ore, zinc, fertilizers, and the receipt of grain by rail and trucks largely contributed to the increase of 5.1% posted in this sector. The dry bulk market has reached 5.58 million tonnes. Also in 2010, the port invested \$41.2 million, including \$5.2 million from the federal government via its infrastructure stimulus fund. Three major projects were undertaken: the extension of a pier at CAST Terminal; increased capacity of the port's electrical network and the installation of a common entry portal for trucks.

Viterra Inc. and the Montreal Port Authority (MPA) recently announced that they have signed a definitive agreement for Viterra to lease and operate the MPA Grain Terminal. The MPA Grain Terminal is a CGC licensed transfer elevator, which operates year round and has a storage capacity of 262,000 metric tonnes. The agreement was signed following a selection process led by the MPA, and successful due diligence conducted by Viterra. Viterra will assume full operation of the terminal by July 1, 2011.

For the third consecutive year the Port of Montreal was honoured for its cruise operations by the prestigious magazine, *Dream World Cruise Destinations*. This year, the Port of Montreal received the Most Efficient Terminal Operator award. For the second consecutive year, the Port of Montreal also received the Best Turnaround Destination award. In 2010, the Port of Montreal welcomed 27 international cruises and 13 cruises between Montreal and the Magdalen Islands, carrying more than 48,000 passengers and crew members. This year, the cruise season will begin on May 7 with the arrival of the *Maasdam*, which will be the first cruise ship of the 2011 season to dock in Montreal.

TROIS-RIVIÈRES

The official inauguration of Phase 1 of On Course for 2020 the program to modernize the Port of Trois-Rivières' facilities' was held on May 19. Over the past year 26,000 square metres of additional outdoor storage area was created, two new warehouses were built (10A for general cargo and 15 for solid bulk), the rail network was expanded, road access was improved and the port boundaries were properly defined for reasons of safety, security and productivity. Overall, this work has increased the port's capacity by 22%. The planning for the Port's vision document, On Course for 2020, created an opportunity for the TRPA and the city of Trois-Rivières to develop a common vision for the development of the riverside of the St. Lawrence and Saint-Maurice rivers. Putting the main entrance in the industrial part of the port facilities will result in the elimination of heavy traffic going through the downtown area. The demolition of Hangar 9 opened a window on the river from St-Roch Street; the TRPA gave a strip of land to the city of Trois-Rivières to develop the intersection at

Notre-Dame-Centre, St-Roch and de la Fosse; and a park was developed in place of the parking lot near the TRPA offices. A passageway will be built along Hangar 1 in 2011 in conjunction with the City to join the harbour front park and the Trois-Rivières sur Saint-Laurent project. The TRPA has chosen an ornamental fence to define the boundaries of its installations located closest to downtown residential and commercial areas.

The year's highlights for the Port Authority included the completion of Phase I of its modernization program, On Course for 2020. The entire port was affected by the work. But, despite the inconvenience it may have caused for users, port traffic increased by 15% compared with 2009 to reach 2.9 million metric tons, its highest level in the past 25 years. The TRPA's operating revenues increased from \$4.16 million in 2009 to \$5.04 million in 2010. A study regarding the port's economic impact showed that port activities in 2010 generated 848 direct jobs and 887 indirect and induced jobs, an increase of 8% over 2008, that is, before the implementation of On Course for 2020. Also in 2010, the total economic impact of activities reached \$138.1 million and tax revenues for the governments of Quebec and Canada totalled \$20.7 million.

SEPT-ÎLES

Located more than 900 km from Montreal and 672 km from Quebec City in the Cote-Nord region, Sept-Îles is far from industrialized urban centres and has a relatively small population of barely 26,000. But there are big things happening in Sept-Îles, notably a re-energized mining sector that has attracted wide attention in Canada and overseas, including from Chinese, Indian and - in the latest development - Russian steel producers with an escalating appetite for the substantial iron ore deposits in what geologists identified long ago as the Labrador Trough. Assuming most of the projects reach their goals, total investments in the region's iron ore sector could exceed \$15 billion over the next decade, according to preliminary estimates. Just on the basis of existing activity, the Port of Sept-Îles will this year likely vault into second place in volume terms after Vancouver, ahead of Saint John and Montreal. Already, it is North America's leading iron ore gateway and aluminum transshipment center.



BELLE DUNE

Atlantic Business Magazine's Top 50 CEOs for 2011 were announced on May 18th at the World Trade & Convention Centre in Halifax, Nova Scotia. Mr. Rayburn Doucett, President & CEO of the Belledune Port Authority (BPA) has once again, for the third year in a row, received this prestigious award in recognition for excellence in corporate leadership at the award ceremony. Mr. Doucett describes the overall success of the port as "a team effort" to create an increasingly growing and profitable facility. Nominees are judged on their proven managerial ability, reaction to challenging situations, leadership philosophies, organizational growth over a three-year period, and commitment to industry and community development.

As at the end of fiscal 2010, the Port Authority's asset value is twenty million dollars more than twice what it was six years ago while the overall debt level has remained basically the same. With the Port Authority's new Roll On/Roll-Off Terminal and expanded lay-down areas and improved facilities at the Port and with the new Modular Fabrication Complex the Port is now positioned to attract new customers and increase revenues.

The Belledune Port Authority (BPA) recently invited expressions of interest to operate a cargo vessel service between the Port of Belledune, New Brunswick and the Port of Argentia, Newfoundland and Labrador. The proposed transportation connection linking the Port of Belledune with the Port of Argentia would provide for a competitive option to service Newfoundland, and particularly the Avalon Peninsula, with drop trailers from New Brunswick, Quebec and Ontario. The objective of the Ports is to have a regular year round service calling both ports twice weekly using two vessels in the service.

The Canadian government announced it will provide \$1.5 million to the Port of Belledune to help fund the construction of new transportation infrastructure. The port plans to build a new facility for producing and storing pre-assembled steel units. The building will feature 20-ton overhead cranes, welding stations and other equipment. New multi-modal transshipment capacity will enable the port to take advantage of shortsea shipping opportunities along the eastern seaboard.

SAINT JOHN

In 2010, total cargo tonnage through the Port of Saint John increased by 13% over 2009 bringing this annual figure to 30 million metric tonnes for the first time on record. More than 30.4 million metric tonnes of cargo were handled at both private and Saint John Port Authority facilities. The majority of this is attributable to significant increases of close to 3 million metric tonnes in petroleum products and close to 650,000 metric tonnes largely in dry bulk. At Saint John Port Authority facilities, a significant increase of 73% over 2009 was experienced, however, it must be noted that 2009 was an atypical year for shipping worldwide due to the economic downturn, which began in late 2008. In 2010, potash and salt shipments combined returned to just over 1 million metric tonnes, recycled metal more than doubled and container cargo increased by 5%. Breakbulk and project cargoes accounted for 140,100 metric tonnes, with project cargoes providing a bright spot against continued decreases in forest products. In 2010, container traffic increased slightly from 265,000 metric tonnes (2009) to 278,900 metric tonnes (2010).

The \$30 million expansion of American Iron & Metal (AIM) operations on the west side of the Port of Saint John continues to move forward with the recent milestone of a signed 40-year lease agreement with the Saint John Port Authority. AIM first announced the expansion

on October 2, 2010 and since that time has continued through the permitting process for establishment of metal shredding operations at the Port of Saint John.

The Port of Saint John will welcome this year cruise ships from two lines that have not previously docked in the city - MSC Cruises and Oceania Cruises. In 1998, about 25,000 passengers disembarked at the Port of Saint John; in 2004 close to 140,000 passengers landed at the port; this number has grown steadily since then. More than 70 ships are expected to dock in Saint John in 2011, bringing to the city and region more than 200,000 passengers and close to 70,000 crew members. Saint John, meanwhile, has been recognized as one of the best organized destination experiences worldwide. For the second year in a row, Aquila Tours Inc. of Saint John has received commendations for companies recognized for outstanding service to passengers, crew and ships. Dreamworld Cruise Destinations, a highly acclaimed publication, offered these accolades as a delegation from New Brunswick attended Cruise Shipping Miami, the world's largest annual cruise trade show.

HALIFAX

American Feeder Lines recently announced the start of their new feeder service between the Port of Halifax, Portland, Maine and Boston, Massachusetts.

The 2011 cruise season kicked off in April with the inaugural call of the Princess Danae. This is the first inaugural of the season. The Port of Halifax will welcome seven new cruise ships to the port over the next seven months. The Port of Halifax was recently awarded the Most Efficient Port Service award from Dream World Cruise Destinations magazine.

The Port of Halifax's Halterm Container Terminal will receive two new super post-Panamax ship-to-shore cranes in 2012, the terminal's owner said Tuesday. The new deliveries will bring the number of such cranes to seven at Halterm, owned by Macquarie Infrastructure Partners. Halifax has the deepest container berths, with a \$35 million project underway to extend and deepen the pier to simultaneously accommodate two of the world's largest vessels.

ST. JOHN'S

The St. John's Port Authority (SJPA) released the results of a new economic impact study, conducted by local research firm Goss Gilroy Incorporated, which has reaffirmed the position of the Port of St. John's, Newfoundland and Labrador, as a vital transportation hub and major contributor to the economic well-being of the city, province, and region. The total impact of the Port of St. John's on the provincial Gross Domestic Product (GDP) has climbed to nearly \$255-million per annum. The study also highlighted the port's role as a significant source of employment, with the generation of more than 3,000 jobs (direct and indirect) at the end of 2008; providing both livelihoods for highly skilled workers and an important tax base for all levels of government. The economic impact study estimated that the overall impact of the Port of St. John's on the provincial GDP will increase by approximately 11 per cent between 2008 and 2011 to an annual total of \$283.1 million; while the number of jobs related to port activity will rise five per cent to 3,182.

SYDNEY

The Sydney Ports Corporation expects 52 cruise ships to visit Sydney this year, starting with the Princess Danae just over a month from now on April 18. The final boat of the season is slated for Oct. 25. There were 54 cruise ships expected to visit in 2010, but eight had to cancel their stop in Sydney due to poor weather. The year before saw 44 of the big boats dock at the Sydney Marine Terminal. The Cape Breton Regional Municipality and Enterprise Cape Breton Corp. recently committed \$750,000 each to buy a parcel of waterfront property with plans to extend the boardwalk and create more docking space for cruise ships.

QUEBEC

The Port of Quebec was awarded two prizes for the quality of the services it provides cruise ships. Dream World Cruise Destinations magazine designated the Port of Quebec for both the "Most efficient port services" and "Most responsive port" prizes during the largest meeting of the international cruise industry. The Port of Quebec is receiving "Most efficient port services" prize for the first time and the "Most Responsive Port" award for the second time.

RO/RO APPOINTMENTS



SAINT JOHN

Philip Brewer of Saint John, New Brunswick, was recently appointed to the board of directors of the Saint John Port Authority for a three-year term, effective June 23, 2011. As the owner and president of Cox Electronics & Communications for over 30 years, Mr. Brewer has a strong background in business leadership and financial management. He has also served on many corporate and community boards, including as director of MEGA-Brand Source, and was past president of the Saint John Executive Association.

PORT ALBERNI

The Port Alberni Port Authority recently re-appointed Darren DeLuca to its Board of Directors effective April 11, 2011 to a three-year term. As a licensed realtor and an avid outdoorsman with his own outfitting and guide company Mr. DeLuca is very aware of the rich natural and commercial assets that contribute to the economic diversification and opportunities available in the region. As well as being an active businessman Darren has contributed to a number of volunteer boards and associations including the Guide Outfitters Association of BC, West Island Treaty Regional Advisory Committee, Regional Aquatic Management Society, Chamber of Commerce and others. As a returning director to the board Mr. DeLuca will work to see the Port continue as an economic engine for the community.

THUNDER BAY

The Thunder Bay Port Authority Board of Directors has a new member. Mr. Greg Arason of Winnipeg, Manitoba. Mr. Arason's experience in agri-business, transportation and international marketing will be an important asset to the Port Authority. Mr. Arason worked in escalating positions at Manitoba Pool Elevators for over 25 years before becoming President and CEO of the Canadian Wheat Board from 1998-2002 and again from 2006-2008. Mr. Arason was educated at the University of Manitoba and Banff School of Advanced Management. He has been a director on the boards of over 20 associations, including the Canada Grains Council, Vancouver Port Authority, and the Western Transportation Advisory Council.

GVHA

The Greater Victoria Harbour Authority welcomes new chief executive officer Curtis Grad. Grad comes to Victoria from a recent post in Jordan where he managed the Queen Alia International Airport. A former manager of the Nanaimo and Abbotsford airports, he brings extensive experience in transportation logistics, project management and infrastructure renewal and expansion. Grad began work with GVHA on June 6.

BELLEDUNE

Tracy E. Eddy, Director of Engineering and Property Management at the Belledune Port Authority (BPA) last evening accepted the position of President of the Greater Bathurst Chamber of Commerce (GBCC). Mr. Eddy first served on the GBCC Board of Directors in the 1990's and began his second mandate in 2009. Tracy has been lending his expertise to the Port of Belledune since 2006. He holds a B.Sc in Engineering from the University of New Brunswick, and for over 20 years worked as a Professional Engineer and in property management, primarily commercial and industrial sectors.

PORT LABOUR



PORTS AGREEMENT A 'GREAT DEAL' FOR CANADA: FEDERAL LABOUR MINISTER

Vancouver Sun – May 11, 2011

Federal Labour Minister Lisa Raitt was in Vancouver to sign the eight-year ports agreement recently reached between the International Longshore and Warehouse Union Canada (ILWU) and the B.C. Maritime Employers Association. At a downtown signing ceremony, Raitt lauded the agreement as a win-win deal for both workers — who get improved wages and benefits and workplace security — and the ports, which need security and reliability to compete against other West Coast ports. The agreement includes an upfront signing bonus, average annual wage hikes of about 3.5 per cent and a new, expanded program for maternity/paternity leave. The deal also has inflation protection for the latter years.

'UNPRECEDENTED' EIGHT-YEAR WATERFRONT LABOUR PACT ON CANADA'S WEST COAST

The News – May 5, 2011

Port officials, maritime employers and waterfront union spokesmen have hailed a new era of waterfront stability for Canada's West Coast ports that has been ushered in by an unprecedented, eight-year collective agreement ratified by the International Longshore Warehouse Union (ILWU) representing 4,500 workers and the BC Maritime Employers Association (BCMEA). The Board of the BCMEA ratified the historic accord on May 4 several days after the union members had done so by a large majority. The previous agreement expired on March 31, 2010. Prolonged uncertainty over the negotiations had diverted an unspecified volume of container and bulk cargo to US Pacific Northwest ports. Over the eight-year period, there's an all-in annual increase of 2.6% in wages and benefits. In British Columbia, the existing wage and benefits package for longshore workers was about CAD150,000 annually.

SEAFARERS LOOKING TO FILL 400 JOBS ON THE GREAT LAKES

The Standard – May 5, 2011

Jim Given the executive vice-president of the Seafarers International Union noted a drastic manpower shortage of marine workers in Niagara, and across the country. There aren't enough bodies to fill new job openings or to replace older mariners who are retiring. So next month, Given said the union will launch a campaign to find 400 new members to work on ships on the Great Lakes and in ports on the east and west coast. Part of the manpower pressure is coming from changes in federal legislation that ended a 25% import duty on cargo vessels built overseas. Algoma Centre Corp. announced in February it is building new ships in a Chinese shipyard to replace its aging lakers. The company and the union say the new ships will protect local jobs.

THE LONGSHOREMEN'S UNION OF THE PORTS OF TROIS-RIVIÈRES AND BÉCANCOUR AND THE MARITIME EMPLOYERS ASSOCIATION HAVE SIGNED A NEW FIVE-YEAR COLLECTIVE AGREEMENT

MEA – April 26, 2011

The Longshoremen's Union of the Ports of Trois-Rivières and Bécancour (CUPE Local 1375) and the Maritime Employers Association have signed a new five-year collective agreement. In addition to salary adjustments, provision has been made to hire 28 new workers and improve training programs. Stéphane Morency, Director of Labour Relations and Manpower for the Maritime Employers Association (MEA), made a point of highlighting the importance of this contract that ensures industrial peace which is favourable to business development.

LONGSHOREMEN, PORT EMPLOYERS SIGN FOUR-YEAR PACT

Saint John – February 21, 2011

International Longshoremen's Association Local 273 (I.L.A. Local 273) and the Port of Saint John Employers Association (PSJEA) have agreed to a new Collective Labour Agreement, which became effective on February 13, 2011. The term of the agreement is four years expiring on December 31, 2014. The new agreement counts as its main achievement longer term stability which will enable all parties the opportunity to work toward an expanded customer base. The agreement allows for cost savings for employers and wage increase of 6.1 % for employees over the term of the agreement as well as an 8 % increase toward pension and welfare contributions, again over the term. An improvement has been achieved for the cruise industry with baggage handling being restricted to passengers only with provisions for medical and compassionate leave circumstances.

INTERNATIONAL

A selection of international news reporting of interest to Canada's port community is provided in this section for members who may have missed it over the past few months.

IFW FREIGHT AND LOGISTICS NEWS

June 28, 2011

India has revealed plans to set up a global port operating business, in a similar mould to Dubai's DP World. The new company, Indian Ports Global (IPG), will operate terminals all over the world to help boost trade and secure capacity for Indian shipping lines.

IPG will act as the investment arm of India's Ministry of Shipping and will be formed next month with access to a war chest of Rs25 billion (US\$555 million), funded by India's 13 state-owned ports. If more funds for further acquisitions is required, it could raise another Rs50 billion through a bond issue. Reports suggest the money will be used to purchase ports in East Asia, Africa, Australia and other regions that have trade links with India. Reports suggest one reason for establishing the new ports business is to counter China's growing use of ports to help secure foreign trade by developing port projects in Sri Lanka, Pakistan, Burma and Bangladesh – a move that has irritated India.

India has previously announced plans to heavily invest in ports and shipping as it prepares for traffic to double over the next nine years. According to the ministry, around 90% of India's foreign trade is carried by sea and the country's economy is growing by more than 9% each year. The ministry also predicted that traffic at major ports would increase from the current 560 million tonnes to 1.2 million tonnes by 2019-20.

In order to meet the increase in demand, and avoid congestion at its ports, which already have a utilisation rate of around 90%, it will upgrade capacity from the current 963 million tonnes to 3.23 billion tonnes by 2020. The state-owned shipping company, Shipping Corporation of India, also plans to purchase more than 100 ships over the next 10 years to handle increases in trade.

MAERSK IMPLEMENTS PIRACY SURCHARGE

American Shipper – June 2, 2011

Maersk Line said it has implemented a \$70 per 40-foot container "emergency risk surcharge" on containers carried on its ships that move between the Indian subcontinent and various Middle East countries and pass through waters frequented by Somalia pirates. The surcharge is to mitigate expenses such as sailing a longer distance, sailing at a faster speed, increasing the number of vessels on our services, equipping vessels with extra safety measures and devices.

KENYA: PORT MODERNISATION UNLIKELY BEFORE 2013

Ratio Magazine – May 10, 2011

Mombasa handles 80% of the cargo arriving by sea into the region. The port processes 19m tons of throughput traffic annually. Growth is projected at 10-12% a year, driven by economic growth, strong regional trade, beginning oil production in Uganda and the rise of new markets in post-conflict areas Southern Sudan and eastern DR Congo (DRC). Three public-private partnership (PPP) projects have been proposed by Kenya's privatisation commission, and assessed by Canadian transport consultants CPCS Transcom. The government-owned Kenya Ports Authority (KPA) would retain ownership of the port itself, but key services would be built and operated by private companies. In a report submitted to the government earlier this year, CPCS Transcom concluded that these partnerships are Kenya's best option to meet demand.

LATOURETTE TACKLES GREAT LAKES FERRY TAX

The News-Herald – April 18, 2011

U.S. Rep. Steven C. LaTourette said he hopes legislation he co-introduced to eliminate the tax on the value of cargo in the Great Lakes could remove a major barrier to establishing ferry service across Lake Erie to Canada from a Northeast Ohio port. The tax is called the Harbor Maintenance Tax, and because of it, ferry proposals are in limbo in Grand River, Cleveland, Ashtabula and Conneaut, said LaTourette, R-Bainbridge Township. The Short Sea Shipping Act introduced last week

by LaTourette and U.S. Rep. Brian Higgins, D-N.Y., would carve out a narrow exemption for the Harbor Maintenance Tax for the Great Lakes/St. Lawrence Seaway System. The biggest reason is because Canadian ports have no incentive to finalize ferry service across Lake Erie if the tax remains in place.

NATIONAL EXPORT INITIATIVE TO PARTNER WITH PORTS

The Journal of Commerce Online – March 22, 2011

The Commerce Department and the American Association of Port Authorities (AAPA) will combine forces to encourage small and medium-sized businesses to increase exports. Under the program, ports will work with NEI to improve and expand their export promotion activities and be included in overseas trade missions in the future. The ports' assistance is critical in helping prospective exporters find markets, financing and risk mitigation for foreign sales. The program will be modeled after the Trade Connect program that Commerce has been running with the port of Los Angeles for five years.

CHINA TO SPEND USD 2.8 BILLION ON INNER WATER PORTS BY 2015

Dredging Today – May 16, 2011

On 3rd May 2011, China announced an ambitious 18 billion yuan investment (US \$2.8 Billion) from 2011-2015 to deepen part of the lower Yangtze river's navigation channel to allow vessels of up to 50,000 dwt to sail from the estuary of the river all the way up to Nanjing. Construction is expected to start at the end of the year and will be funded by the transport ministry and Jiangsu's government. Similar projects are expected to be announced throughout this year.



MIAMI IN BID TO BECOME 'SHANGHAI OF SOUTHEAST'

American Shipper – May 19, 2011

The Port of Miami expects to greatly expand cargo volumes and the hinterland it serves as a result of a new channel that will deepen the main shipping channel to 50 feet from 42 feet. With investments in a deeper channel, a new road tunnel to the port, and a restored rail link, Olafson said Miami believes it will become “a logistical hub, the Shanghai of the Southeast. We will be transforming from a port that served primarily Florida and the peninsula to one that serves the nation.” The port, which handled 847,249 TEUs in 2010, expects its volumes to double in the next five years, he said. Olafson said the port plans to solicit bids in January to deepen the channel, which is about 2.5 miles long from sea buoy to berth. It expects to begin work next summer, completing it in time for the expected opening of the expanded Panama Canal in 2014.

EUROPEAN PORTS EMBRACE 'COMMUNITY MANAGER'

American Shipper – May 16, 2011

European ports governance has changed substantially in recent years as authorities become facilitators rather than operations, according to a report released by the European Seaports Organization. Among the report's findings: traditional functions of port authorities have gone through substantial change, with the operator function making way for landlord and regulatory functions; most port authorities proactively pursue a “community manager” policy and adopt a strong “facilitator” role; the vast majority of port authorities in Europe are publicly owned, with the exception of some of the larger ports in the United Kingdom and smaller, industrial ports on the continent; and, most port authorities bear heavy financial responsibilities regarding investment and personnel, but many do not seem to be full master over their income and lack financial autonomy in varying degrees.

COLOMBIA, CANADA NEAR FTA

American Shipper – March 31, 2011

The Colombian Constitutional Court late last week completed its review of the Colombia-Canada Free Trade Agreement (FTA) and affirmed its constitutionality. This ruling marked the last procedural step the country needed to take to clear the way for implementation of the FTA. The agreement should enter into force by July 1. With the implementation of the FTA, Colombia will eliminate tariffs on 98 percent of Canadian goods, in some cases immediately and in others over a five- to 10-year period. Canadian products that will enjoy immediate duty-free access to the Colombian market include wheat, barley, lentils, peas, beef, paper products and machinery and equipment. Colombian manufacturers, exporters and producers will have opportunities to increase their exports to the Canadian market.

PORTS WANT BIGGER INFRASTRUCTURE FUNDING SHARE

American Shipper – March 31, 2011

Congress should place emphasis on alleviating freight congestion in surface transportation funding, Kurt Nagle, president and chief executive officer of the American Association of Port Authorities told Congress Tuesday. The group wants a bigger share of funds for ports than was awarded under the so-called TIGER and TIGER II grant programs. (TIGER is an acronym for Transportation Investment Generating Economic Recovery.) Testifying before the House Subcommittee on Highways and Transit, Nagle urged “implementation of a national freight policy which coordinates with state freight transportation agencies to ensure that implementation and national freight connectivity and capacity goals are met.” Nagle said a minimum of 25 percent of the available funding should be dedicated to port-related infrastructure needs. Ports received a much smaller share of funding under the TIGER programs – about 8 percent of the \$1.5 billion awarded under TIGER I and about 17 percent of the \$600 million awarded under TIGER II, said an AAPA spokesman.

MAERSK LINE CHIEF URGES RADICAL INDUSTRY CHANGES

The Journal of Commerce Online – June 7, 2011

Maersk Line CEO Eivind Kolding urged broad changes in the industry's practices, saying the business must embrace radical changes to “assure itself of a license to operate in the future.” Kolding called for a broader dialogue on fundamental shifts in services and business practices. Kolding warned container shipping it risked being “only a few years from being completely overtaken” by new technology. The market and customer behavior is forcing companies to “never lose sight of what customers really want – including needs they are not even aware of.” The industry “is on the brink of another era-defining moment: whether we continue with entrenched habits or rediscover the desire and capacity for innovation and change,” he said. Maersk has identified three areas it believes will meet future customer demands – unmatched reliability, ease of business and best environmental performance. “What if we could guarantee that cargo would be on time, every time? What if placing a shipping order was as easy as buying an airline ticket? What if the shipping industry was known for beating environmental expectations – not struggling to meet them?” Kolding said. “No more battles on rates. Instead shipping lines should be giving customers what they really want.” Maersk has set up a campaign site to host debate on the future of the industry.

changingthewaywethinkaboutshipping.com

CRUISE/ BULK & CONTAINERS

DISNEY REDUCING COSTS BY SHIFTING TO U.S. PORTS

Leader Post - April 15, 2011

The Disney Wonder's inaugural cruise to Alaska hasn't even left the dock, and it's been announced the ship is leaving Vancouver as a home port and moving to Seattle next year. There is a financial advantage of cruising out of Seattle but, according to my sources, it's not huge. If you want the real reason, look up. It's all about the cost of flying. Analysis shows that about 80 per cent of passengers sailing on major cruise lines, including Disney, are Americans. Flying costs, especially with Disney's high proportion of children, are important. It appears Disney is following Carnival's model of more U.S. ports for 2012 - less flying and more driving - with ships based in Los Angeles, Houston (Galveston) and New York, three of America's biggest markets.

BULK

ANALYSIS: U.S. TO BE A TOP COAL EXPORTER AGAIN, THANKS TO ASIA

Reuters - May 12, 2011

The United States could vault back into the top rank of coal exporters for good this year thanks to Asia's fuel demands. Leading U.S. producers are jostling to boost their Asian presence. Their only problem is squeezing enough coal through over-stretched ports and railroads, but efforts are underway to open new outlets thanks to surging confidence in the sector. Analysts say total U.S. coal exports could amount to around 100 million tons (91 million tons) this year, leaving only Australia and Indonesia above it in the world export rankings.

QUEBEC SEEKS INVESTORS FOR ENERGY, MINING PROJECTS

The Wall Street Journal - May 10, 2011

Quebec, Canada's French-speaking eastern province, on Monday unveiled an ambitious economic-development plan that seeks to attract 80 billion Canadian dollars (US\$82.7 billion) in new investment for energy, mining and other economic projects in its far north over the next quarter-century. In announcing its development plan, Quebec said it had identified

11 new mining-development projects that it expected to attract C\$8.24 billion in investment. It said the projects would create 11,000 jobs during the initial construction phases, then 4,000 new jobs once the new mines were in operation.

CN'S SCHEDULED POTASH SERVICE DRIVES NEW SUPPLY CHAIN EFFICIENCIES FOR KEY CUSTOMERS

PRNewswire - May 3, 2011

CN said its Scheduled Potash Service has increased supply chain efficiencies for producers in Western Canada and provided them quicker access to markets. CN's Scheduled Potash Service is focused on an end-to-end management of the supply chain in collaboration with customers. To drive new efficiencies, CN innovated with a tool giving sales and operations personnel clear visibility to customer orders for planning rail assets and scheduling shipments. With this approach, CN is working closely with its customers to minimize delays, expedite shipments, and provide supply chain balance between placing empties and picking up loads. CN also instituted a new potash fleet management team to work with customers to improve distribution of empty private hopper cars to mines for reloading. This initiative, with locomotives cycling between CN's potash hub in Winnipeg and mines in Saskatchewan, has reduced switching requirements and car dwell times at terminals. As a result, CN has significantly reduced car cycles from mine to destination and return.

CANADIAN PACIFIC RAIL PREDICTING STRONG DEMAND GROWTH THIS YEAR

Vancouver Observer - April 26, 2011

Hope seems to be on the horizon, with a surge in commodities prices, a theme being echoed by business leaders today across several industries and one that's likely to become a boon to CP. Vancouver-based Teck Mining, one of CP's key customers, has provided guidance of increased production of one to six per cent over last year, with up to 24.5M metric tonnes of metallurgical coal passing through B.C. ports this year on its way to steel mills in Asia. Because commodities represent the front end of the production supply chain, looking at elements of that supply chain, such as railroads, can be an excellent forecaster of macro business activity. CP expects potash

and fertilizer shipments to return to levels seen prior to the economic downturn, with strong grain prices spurring renewed demand. With so many of Canada's exports coming through Vancouver, the forecasted pickup in CP's business should have a moderate benefit locally, with additional positive economic benefits at other key B.C. terminals in Prince Rupert and Kelowna.

WESTSHORE ANNOUNCES NEW HANDLING AGREEMENT WITH GRANDE CACHE COAL CORPORATION

March 31, 2011

Westshore Terminals Investment Corporation (TSX: WTE.UN) (the "Corporation") is pleased to announce today that Westshore Terminals Limited Partnership has reached an agreement with Grande Cache Coal Corporation to exclusively handle its annual coal tonnages that it ships through West Coast ports from April 1, 2012 to March 31, 2022. The commercial terms of the agreement are confidential. The prior contract that covered shipments of coal from the Grande Cache operation was set to expire on March 31, 2013 and this new contract amends and replaces this former agreement. In 2010, Grande Cache shipped 1.3 million tonnes of coal through Westshore.

JAPAN CATASTROPHE COULD IMPACT BULK SHIPPING

American Shipper - March 16, 2011

London-based broker Freight Investor Services said Tuesday the unfolding catastrophe in Japan could have a significant effect on the dry bulk shipping market. In the short term, shipping has been disrupted with 13 ports reported by Reuters to have closed, with some of these unlikely to be operational for several months or even years," FIS said. "Initial assessments by Macquarie and the Steel Index (a provider of information about the industry) put production at five large steel mills in the worst-affected region at risk, accounting for 15 million to 18 million tons of annualized steel production capacity." That could remove around 20 million to 25 million tons of iron ore and 9 million to 10 million tons of coking coal demand. But over the longer term "reconstruction should boost demand for steel with potential for significant increases in raw material imports.



CANADIAN WHEAT BOARD EXPECTS MAJOR PORTS' CONGESTION IN JAPAN

Mb.com.ph - March 15, 2011

Canada's western-based wheat farmers are bracing for potential delays in grain shipments reaching their Japanese customers, though none have materialized so far. One of the biggest issues facing Japan-bound shipments is the accessibility of the country's ports to unload cargo. "There is certainly going to be some significant short-term congestion" as port closures in Japan force ships to wait to offload and take on cargo, particularly because Japan is a major importer of many commodities, Fitzhenry said. The 10-year average for annual exports of wheat to Japan, including durum, by the Canadian Wheat Board is 1.2 million metric tons. Exports in 2009-10 including durum wheat were 1 million tons, plus 212,000 tons of bulk barley.

CONTAINERS

PORT OF SEATTLE CHARTS TRADE OBSTACLES: TAX ON CONTAINERS PUSHES TRADERS TO PATRONIZE CANADIAN, MEXICAN PORTS

Capital Press - May 12, 2011

More imported goods from China and other Asian countries are going to the Midwest through the British Columbia ports of Vancouver and Prince Rupert. That's because Canada has invested in those ports and transportation and because it doesn't have the harbor maintenance tax according to Seattle port officials. "If we want to remain competitive, we need strategic investments to keep Interstate 90 open (year-round), finish Highways 509 and 167 (near Sea-Tac Airport) and have robust rail," said Bill Bryant, president of the Seattle Port Commission. The port, marking its 100th year, is involved in numerous projects to achieve those ends and is working with the ports of Los Angeles, Long Beach, San Francisco and Oakland to compete with Canadian and Mexican ports.



ALPHALINER: RECORD CONTAINERSHIP ORDERS FOR '13

American Shipper - May 24, 2011

Information service Alphaliner said deliveries of new containership capacity is likely to hit a new record in 2013. "Lured by attractive new-building prices and the strength of last year's market recovery, containership owners have flocked to order 1.6 million TEUs of new capacity since June 2010," the company said in the latest edition of its newsletter. It said scheduled deliveries for 2013 "have surged from 380,000 TEUs a year ago to 1.59 million TEUs today and there is still some available shipyard capacity for 2013 deliveries." It said if all options, letters of intent and intended orders were exercised, 2013 vessel deliveries could exceed 2 million TEUs, which would be the "highest-ever annual level of containership newbuilding."

CONTAINER CARRIERS EARNED RECORD PROFITS IN 2010

Journal of Commerce - April 20, 2011

Ocean container carriers earned an estimated \$14 billion in 2010, the most profitable year in the industry's history, almost cancelling the aggregate operating loss of \$15 billion in 2009. The total operating profits of 19 of the top 25 carriers surveyed by container market analyst Alphaliner reached \$11.4 billion last year compared to a \$13.2 billion loss in 2009. Alphaliner estimates that the six remaining carriers in the top 25 which do not publish their financial performance — MSC, Hamburg-Sud, PIL, UASC, HDS Lines and TS Lines — as well as other smaller lines made more than \$2.5 billion. OOCL and Wan Hai had the biggest operating margins in container shipping over the past two years, according to Alphaliner.

SOCIAL LICENSE / GREEN PORT



APL BEGINS COLD-IRONING SHIPS IN OAKLAND

American Shipper – May 31, 2011

Singapore-based container shipping company APL became the first to shut down or “cold-iron” its ship’s engines in the Port of Oakland. APL is converting five ships operating between Asia and the United States to use shore-generated power this year. With engines switched off, about 1,000 pounds of nitrogen oxides emissions (a leading component of smog), 165 pounds of sulfur oxides, and 30 pounds of particulate matter are eliminated in a 24-hour port call. APL is spending \$11 million to retrofit the five container vessels and rewire its terminal for cold ironing. It was awarded \$4.8 million in California Air Resources Board grants by the Bay Area Air Quality Management District to complete the project.

UNITED ON THE GREEN

PortStrategy – May 16, 2011

Sharing the same air and waters, it is impractical to keep environmental policies separate at Long Beach and Los Angeles. Could growing ecological concerns lead ports and terminals to adopt a ‘cluster’ approach, whereby ports in the same region will present a unified front to the environmental agenda? It’s certainly a possibility if ports want to be part of the new environmental order. Pragmatically, even if they are two “environmentally friendly” offers, it could lead to all sorts of problems with lines cherry picking and playing off the two against each other. Additionally, the port of Argentia in Newfoundland as well as others on the Canadian east coast region is looking to gain hub status for US traffic from the Far East, avoiding both the huge financial and environmental burden of the trucks that presently carry goods from the deepwater ports in the west. If the smaller ports can co-operate in a feeder chain into Canada and all the way down the US east coast, the benefits of providing regular traffic from a deepwater hub should make this an attractive proposition for all concerned.

B.C. TUGBOAT OPERATOR JOINS GREEN MARINE PROGRAM

Canadian Transportation & Logistics – May 9, 2011

SMIT Marine Canada, which provides harbour towage services for six ports in British Columbia, has joined the Green Marine environmental improvement program. SMIT’s group of companies in Canada owns and operates 21 tugboats in its harbour towage operations. SMIT officials say the company has been actively working on finding solutions to decrease the environmental impact of its operations on a global scale - including the development of hydro-hybrid tug boats that use hydrogen and fuel cells - and sees the Green Marine program as a good benchmark for its Canadian operations.

FUNDERS EMERGING FOR SHORE POWER STUDY

Harbour Currents – May 4, 2011

The City of Victoria and the Vancouver Island Health Authority have committed to contributing to the cost of a shore power feasibility study for Ogden Point. The study will cost approximately \$20,000 and will determine the technical requirements for shore power, including hydro and infrastructure needs.

VANCOUVER AWARDS SHIPPING LINES FOR ECO-FRIENDLY VESSELS

Portworld – May 9, 2011

Port Metro Vancouver has awarded 11 recipients with its Blue Circle Award for 2010. The Blue Circle Award was launched last year and recognises the most eco-friendly vessels that call at the Port of Vancouver. The award acknowledges the shipping industry’s commitment to port sustainability by recognizing extraordinary environmental achievements of ships that participate in the port’s EcoAction Program for Shipping. The programme encourages shipping lines to reduce emissions from its ocean-going vessels through financial incentives. Port Metro Vancouver’s emissions reduction programmes have attracted international acclaim, having been awarded the Globe 2010 ecoFreight Award for Sustainable Transportation and nominated for the International Sustainable Shipping Award. Shore power at Canada Place represents a key initiative that has contributed to the success of the Port’s Air Action Program. The port expects a 40% increase in shore power-enabled ships during the 2011 cruise season.



MULTI-MODAL



CN INCREASES BRAMPTON INTERMODAL TERMINAL CAPACITY

PRNewswire – May 17, 2011

CN announced today a series of capacity improvements to accommodate growing container volumes at its Brampton Intermodal Terminal (BIT) and to ensure a high level of service for intermodal customers across its system. BIT, located in the prime logistics area of Greater Toronto, is Canada's largest rail intermodal terminal and a key component in CN's distribution network — almost 60 per cent of the railway's system-wide intermodal business touches the terminal. CN's rail intermodal traffic consists primarily of containerized cargoes moving in cooperation with other transportation modes.

GAO GIVES TWIC PROGRAM FAILING GRADE

Today's Trucking.com – May 12, 2011

The U.S. Government Accountability Office (GAO) has called into question the effectiveness of the Transportation Worker Identification Card program (TWIC) with some members of Congress are having second thoughts about system after the GAO's findings were released. The TWIC is a biometric security credential required by the Maritime Transportation Security Act of 2002. The Transportation Security Administration issues the card to truck drivers who have access to U.S. shipping ports. (Canadian drivers with FAST cards do not have to undergo another security-background check, but must still obtain a TWIC card at a cost of \$105). GAO investigators were reportedly able to go onto port property with TWICs acquired fraudulently. Investigators concluded that the TSA lacks the internal controls to assure the eligibility of TWIC applicants to acquire the biometric card.



EYE ON OTTAWA

MINISTERS OF TRANSPORT

Hon. Denis Lebel

Denis Lebel was elected to the House of Commons for the first time in 2007 for the riding of Roberval–Lac-Saint-Jean (Québec), he re-elected to his seat in the 2008 general election, at which time he was appointed Minister of State for the Economic Development Agency of Canada for the Regions of Quebec.

Re-elected to a third term in 2011, Mr. Lebel is now Minister of Transportation, Infrastructure and Communities as well as Minister of the Economic Development Agency of Canada for the Regions of Quebec.

Minister Lebel has extensive experience in regional economic development. In addition to serving as Mayor of Roberval from 2000 to 2007, he was a member of the board of directors, executive board and forest committee of the Union des municipalités du Québec, chaired the Caucus des municipalités voisines des Premières Nations and sat on the board of directors of Infrastructure Québec.

Denis Lebel was also a member of the executive committee of the Conférence régionale des élus du Saguenay–Lac-Saint-Jean and chairman of Comité de transport de la région du Saguenay–Lac-Saint-Jean, as well as serving as a member of the natural resources and transportation committees.

He has also held positions as president of the CLD du Domaine du Roy, vice-president of the Société d'aide au développement des collectivités Lac-Saint-Jean Ouest and chairman of the Association touristique régionale du Saguenay–Lac-Saint-Jean's international marketing program. In addition, he served as vice-president of the Agence régionale de santé du Saguenay–Lac-Saint-Jean and a member of the air transport committee for the regions of Quebec.

Known as well for his many years of active involvement in the Traversée internationale du Lac-Saint-Jean, Minister Lebel intends to draw on his broad experience, attentive nature, open-mindedness and passion for regional economic development to ensure the regions of Quebec are able to carry out their entrepreneurial initiatives and to rise to their own unique challenges. Denis Lebel and his wife, Danielle, have two children.

Hon. Stephen Fletcher

Steven Fletcher is Canada's Minister of State for Transport. Minister Fletcher was first elected to the House of Commons in 2004 in the west Winnipeg federal riding of Charleswood-St. James-Assiniboia. He was re-elected in 2006, 2008 and 2011 with increasing margins.

After being first elected in 2004, he was appointed the Official Opposition Critic for Health and was a member of the Standing Committee on Health. During his time as health critic, Mr. Fletcher championed compensation for the "forgotten victims" of Hepatitis C. He also worked with other parties to dramatically reduce trans-fats from the Canadian Food Supply.

When Prime Minister Stephen Harper became Prime Minister in 2006 he appointed Mr. Fletcher to the position of Parliamentary Secretary to the Minister of Health. In 2008, he was appointed Minister of State (Democratic reform). Mr. Fletcher has brought forth and championed a motion in parliament expressing the need for the full implementation and funding of the National Cancer Control Strategy, and a National Approach for Mental Health and Heart Disease. His efforts culminated in 2006, as the government committed to fully fund and implement the Canadian Strategy for Cancer Control. The Government went on to establish the National Mental Health Commission and the national framework for dealing with Cardiovascular Disease.

For his efforts, Minister Fletcher is a recipient of the National Cancer Leadership Forum's (NCLF) inaugural Award for Outstanding Individual Leadership (2006) and the Canadian Cancer Society's Courage and Leadership Award (2006). He is also a recipient of the Champions of Mental Health award (2006) for his work in raising awareness for Mental Health. Minister Fletcher has been inducted into the Terry Fox Hall of Fame (2005), received the King Clancy Award (2004), is the recipient of her Majesty's Golden Jubilee Medal (2003) for his contributions to Canada and received the Christopher Reeve Award from the Canadian Paraplegic Association (2010).

Prior to his election, Mr. Fletcher worked as an engineer in the Mining Industry until an automobile collision with a moose, left him a quadriplegic, paralyzed from the neck down. He returned to University where he obtained a Master's in Business Administration (MBA).

Mr. Fletcher has a Bachelor in Science degree in Engineering (B.Sc.GE) from the University of Manitoba. He is also the first permanently disabled Canadian to be elected to the House of Commons. He was born in Rio de Janeiro, Brazil, in 1972, and he lives in Winnipeg. A biography of Mr. Fletcher, "What do you do if you don't die?" The Steven Fletcher Story, was released in the fall of 2008.

INVEST IN INFRASTRUCTURE, SAYS CONFERENCE BOARD

Toronto Sun – May 9, 2011

In a new report, the Conference Board of Canada encourages the Conservative government to think long-term now that it has a majority. It says rebuilding Canada's old and crumbling infrastructure should be a priority. The report says there's a \$125-billion infrastructure deficit in terms of adequate roads, bridges, passenger rail service and ports, which drains the economy by making transportation more expensive.

THE GOVERNMENT OF CANADA ANNOUNCES THE ATLANTIC GATEWAY AND TRADE CORRIDOR STRATEGY

March 23, 2011

The Honourable Keith Ashfield, Minister of State for the Atlantic Gateway and the Honourable Chuck Strahl, Minister of Transport, Infrastructure and Communities, announced the Atlantic Gateway and Trade Corridor Strategy. The strategy, along with investments in specific projects in Atlantic Canada, will help the region unlock its potential. Following recent transportation funding announcements in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador, the Government of Canada is today announcing an additional \$2.5 million specifically for marketing the Atlantic Gateway, a key priority for increasing international trade through the region. With the new investment announced today, more than \$200 million from the Gateways and Border Crossings Fund has been committed to support the region's strategic trade-related transportation system.



CANADIAN GOVERNMENT MAPS OUT NEXT REGULATORY MOVES AFTER REVIEWING FREIGHT-RAIL SERVICE

Progressive Railroading – March 21, 2011

The Canadian government released a final report on the Rail Freight Service Review, which was launched in 2008 to address supply chain concerns about freight-rail service. The review's first phase involved an analysis to better understand the nature and extent of freight-rail service problems and supply chain best practices, including those affecting shippers, terminal operators, ports and vessel operators. The now completed second phase, led by an independent panel, focused on "extensive consultations" with supply chain stakeholders, government officials said in a prepared statement. Government officials opted to accept the panel's "commercial approach" and plan to implement the following steps to improve the entire supply chain's performance:

- initiate a six-month facilitation process with shippers, railroads and other stakeholders to negotiate a "template" service agreement and streamlined commercial dispute resolution process;
- table a proposed bill to provide shippers the right to a service agreement to support commercial measures;
- establish a "Commodity Supply Chain Table," involving supply chain partners that ship commodities by rail, to address logistical concerns and develop performance metrics to improve competitiveness; and
- perform an in-depth analysis of grain supply chain performance issues, led by Agriculture and Agri-Food Canada and Transport Canada.

However, CN officials expressed "serious concerns" about the final report and disappointment with the government's response. The panel's recommendations are "drifting backward toward more regulation instead of encouraging the current momentum for positive change," said CN President and CEO Claude

Mongeau, adding that the panel failed to recognize the "significant positive change" that has been taking place over the past two years to address key service issues, including improved customer engagement, initiatives to improve the first/last mile of rail movements, and enhanced supply chain efficiency and transparency.

BCIT LAUNCHES WORLD-CLASS MARINE TRAINING SIMULATION CENTRE

Mareketwire - May 17, 2011

The British Columbia Institute of Technology (BCIT), in conjunction with the Government of Canada and Transport Canada, and with marine industry partners from coast to coast including BC Ferries, Kongsberg Maritime Simulation, Kinder Morgan Canada, Pacific Pilotage Authority, Port Metro Vancouver, Seaspan, and the Council of Marine Carriers have launched a multi-million dollar leading-edge marine simulation centre at the BCIT Marine Campus in North Vancouver. The completion of the simulator project gives BCIT the highest degree of simulation response in the world and the capacity to serve the training and research needs of the marine industry in British Columbia and across North America.

IN THE HOUSE

BILL C-211

An Act to amend the Canada Shipping Act, 2001 (prohibition against oil tankers in Dixon Entrance, Hecate Strait and Queen Charlotte Sound). Sponsored by Fin Donnelly (NDP - New Westminster-Coquitlam) and received First Reading in the House of Commons. It is similar to Bill C-606 which was the Private Members Bill introduced before the last election. It states that, "No person shall transport oil in an oil tanker in the areas of the sea adjacent to the coast of Canada known as Dixon Entrance, Hecate Strait and Queen Charlotte Sound."

BILL C-231

An Act to amend the Canada Shipping Act, 2001 (derelict vessels and wreck). It is sponsored by Jean Crowder (NDP - Nanaimo - Cowichan). This enactment amends the Canada Shipping Act, 2001 to strengthen the requirements relating to derelict vessels and wreck by ensuring that regulations are made to establish measures to be taken for their removal, disposition or destruction. It provides that the Canadian Coast Guard shall be designated as a receiver of wreck for the purposes of Part 7 of the Act, and requires receivers of wreck to take reasonable steps to determine and locate the owners of the wreck.

BILL C-205

An Act to amend the Canada Labour Code (replacement workers). The purpose of this enactment is to prohibit employers under the Canada Labour Code from hiring replacement workers to perform the duties of employees who are on strike or locked out. The enactment also provides for the imposition of a fine for an offence.

UPCOMING EVENTS



HALIFAX PORT DAYS

Cunard Centre
September 14-15, 2011

NATIONAL OPERATIONS AND ENVIRONMENT SEMINAR

November 2011
Montreal, Quebec

FUTURE ACPA BOARD MEETINGS

AUGUST 6, 2011

Sept-Îles, Quebec

AUGUST 10, 2011

Sept-Îles, Quebec

FUTURE ANNUAL MEETINGS/ CONFERENCES

ACPA 2011

53RD AGM/CONFERENCE

hosted by the Sept-Îles Port Authority
August 6 – August, 10

2012

54TH AGM/CONFERENCE

hosted by the Hamilton Port Authority

2013

55TH AGM/CONFERENCE

hosted by the Nanaimo Port Authority

AAPA 2011

hosted by the Port of Seattle, Washington

2012

hosted by the Detroit/Wayne County
Port Authority

2013

hosted by the Canaveral Port Authority

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