

The Current



GATEWAY NEWS FROM THE PRINCE RUPERT PORT AUTHORITY

FALL 2009

Welcome

The Prince Rupert Port Authority is sending you this first edition of **The Current** e-newsletter, which replaces the semi-annual **Community Update**, because we feel you are interested in relevant news and information about the Port in your community.

Please feel free to [forward the newsletter](#) to people you think would also be interested. If you are not currently subscribed to this newsletter and wish to be, please [sign up here](#).

We hope you enjoy the newsletter and welcome your comments via the **Feedback** section. If you do not wish to receive future editions of **The Current**, [click here to unsubscribe](#).

FEATURE STORY

51st Annual ACPA Conference in Prince Rupert a Success

The Association of Canadian Port Authorities' (ACPA) 51st Annual General Meeting and Conference held August 23-26 in Prince Rupert, aptly themed **Canada's Ports and Global Supply Chains**, featured 14 high-powered business presentations, panels and keynote addresses involving renowned experts in their fields. The speakers covered many of the critical issues and challenges that Canadian ports face as globalization increases and shipping lines rationalize in the wake of the recent worldwide economic downturn.

The conference has been a great success, judging by the feedback from the 175 participants, including more than 100 delegates as well as speakers and accompanying persons.

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Keynote speaker Peter Hall from Export Development Canada shared his insights with ACPA conference delegates on surviving the recovery.

“The workshop and papers presented have allowed us a better understanding of the magnitude and complexity of the shipping and port issues facing Canadian Port Authorities,” commented Professor **Claude Comtois**, University of Montréal - Transportation Group, who presented on **Sustaining Ports: Moving Freight in a Green World**. “I sincerely believe that the conference will represent a landmark in the history of ACPA meetings.”

A number of the 22 speakers talked about the success of the Fairview Terminal and the performance of the new northwest transportation corridor as an example of what Canadian ports must do to ensure they stay competitive. They included **Peter Hall**, vice president and chief economist for Export Development Canada who, in his keynote address **Surviving the Recovery**, stated that government should be investing heavily in export infrastructure, including in Prince Rupert.

PRINCE RUPERT: A NEW WINDOW TO THE WORLD

“Prince Rupert is interesting in that it’s a real experiment. It is a port that is not encumbered by a major economic hotspot right at its doorstep. It’s a brand new kind of window into the world,” noted Mr. Hall. “If phase two (of Fairview Terminal) were to be added, we would see 30 to 40 per cent increase in our capacity and we would be well ahead of the curve,”



The ACPA conference in Prince Rupert attracted well over 100 delegates from the 19 port authorities across Canada.

In the business session **Cruise: A Growing Concern**, Princess Cruises and Tours director shore operations **Kirby Day** reinforced the importance of “ports of call to have a mix of local artisans, locally-owned and operated businesses and tourist-oriented shops... and safe, attractive and unique shore excursions of exceptional quality and finding the best price point for consumers.”

Other business sessions included:

Free Trade Zones: The Way They Should Work, Trade Gateways & Freight Corridors: Building Capacity, Panama Canal Expansion: Impact on Canadian Ports, and **Canada’s Connection to Global Markets**.

Another highlight of the conference was the awarding of the prestigious Medal of Merit award to **Dr. Bill Hick**, a medical doctor in Prince Rupert for over 30 years and an activist for port development and instrumental in the creation of the Fairview Terminal and Prince Rupert Grain.

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Quickload a Local Link in Shippers’ Logistics Services

Quickload is a huge believer in Prince Rupert’s future as an emerging global gateway between Asia and North America. In fact, the company has bet on it, investing \$8 million in their modern Container Examination Facility on Ridley Island with ample capacity for growth, and acquiring Northern Pacific Transload to expand into the container stuffing and transloading business based at Watson Island.



Quickload is growing with the port and handling an increasing volume of both incoming and outgoing cargo including forest products and aluminum from the region.

CONFERENCE EXCEEDS EXPECTATIONS

Port President & CEO **Don Krusel** says the feedback he received from participants and accompanying persons about their conference and Prince Rupert experience was all positive.

“The Business Program was considered to be one of the best ever - not only for an ACPA Conference but for any conference. Comments were received every day from most of the companions on how enjoyable and well planned the APP activities and the evening events were. And all of the logistics of moving people to and from places along with the security was seamless and, believe it or not, enjoyable for the delegates.”

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Canpotex Potash Terminal Project Nears Decision Point

The site feasibility assessment for a new \$400 million Potash Terminal at the Prince Rupert Port Authority's Ridley Island Industrial site is nearly complete with a decision on whether to proceed to the next phase of the project anticipated by the end of the year. Operational since 1972, Canpotex sells Saskatchewan potash to markets outside of Canada and the United States. Since its inception, Canpotex has sold nearly 160 million tonnes of potash into major markets such as China, India, Brazil, Indonesia, and Malaysia. Canpotex is a private corporation owned by Saskatchewan's three potash producers and the world's largest integrated fertilizer companies: Agrium Inc., The Mosaic Company, and Potash Corporation of Saskatchewan Inc.



Artist's rendering of the proposed Canpotex facility on Ridley Island adjacent to Ridley Terminals

Canpotex has been working with the Prince Rupert Port Authority and CN over the past two years on determining the suitability of the Port of Prince Rupert for a new greenfield terminal development to support the expansion of their West coast export capacity.

“We recognize that Canpotex and its shareholders have choices in where to locate their terminal and where to invest their capital,” says Port

Quickload's goal is to build and maintain the premier transload operation in Prince Rupert, handling cargo arriving in Prince Rupert by road, rail and sea. The company operates extensive warehouse facilities equipped with state-of-the-art equipment and system management technology, and full-service transloading facilities that are licensed and bonded.

Quickload President **Matt Holland** says the company is growing with the port and handling an increasing volume of both incoming and outgoing cargo. 'A key distinguishing characteristic for Quickload's inbound transloading service is speed of response, and our outbound freight focus is high service levels and innovative solutions for shippers.'

To date, much of the inbound transloading has been for retail customers requiring national distribution, while outbound cargo has consisted of regional cargo such as aluminum and forest products.

Quickload currently employs 10 people locally and contracts several local trucking companies to move containers between its two facilities and the Fairview Terminal. The company and its employees are very active in the community, including organizing the annual Mt. Hays Quick Climb to raise money for trail building. For more information, visit www.quickloadcef.com.



Andrew Hamilton Helps Steer North Pacific Cannery Restoration

Andrew Hamilton was on the job as the Port's Manager Business Development less than four months in 2006 when he was already rolling up his sleeves as a board director of the Port Edward Historical Society, which oversees the

PROJECT DEVELOPMENT



Fairview Terminal Phase 2 Environmental Assessment Progressing

Progress continues on the environmental assessment (EA) for Phase 2 of the Fairview Terminal, a process that began in March 2008 after two years of preparation work by the Port.

Following a review of the expansion project's Scope of Assessment report, Canada's Environment Minister Jim Prentice announced that a comprehensive study is the most appropriate type of environmental assessment for the proposed expansion project.

The Minister based his decision on the report and recommendation submitted by the responsible authorities' working group, Fisheries and Oceans Canada, Environment Canada, the Canadian Transportation Agency, as well as the Prince Rupert Port Authority, as a regulator for this project. The report contains information on the scope of the project, the factors and scope to be considered in the environmental assessment, public comments in relation to the project, the potential of the project to cause adverse environmental effects and the ability of the comprehensive study to address issues relating to the project.

"We are pleased with the timely decision on Phase 2 of the Fairview Container Terminal by the Environment Minister, which represents a significant milestone for the expansion project," says Port Vice President Project Development **Lorne Keller**. "The environmental assessment is a lengthy and detailed process, and we are committed to undertaking meaningful and transparent environmental assessment program to ensure any and all concerns are properly addressed, and project impacts are mitigated."

The next step in the process is for the EA working group to review the Port's Environmental Impact Statement, expected early in 2010, and to start drafting the Environmental Assessment Report. The Port initiated the Phase 2 EA process in August 2006. According to the current work plan, the EA is anticipated to be finalized and permits issued in late 2010. More information on the environmental assessment for Phase 2 is available at www.ceaa-acee.gc.ca under reference number 08-03-37956.

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The District of Port Edward, which is responsible for the North Pacific Cannery, has expressed great appreciation for Andrew's contributions.

"Andrew has been instrumental in the long-term planning for the cannery and furthering along the projects by getting significant grants to enhance the viability of the cannery," says District of Port Edward Mayor **Dave MacDonald**. "Thanks to Andrew's much-appreciated hard work, we'll be able to save the cannery as an asset rather than watch it float away piece by piece."

Andrew has juggled his volunteering with the challenging job of helping grow business for the Port's container port, cruise industry and Ridley Island industrial property – with extensive travel - and renovating two houses. He also got married, with his wife Sue relocating from Vancouver and now teaching in Prince Rupert. They are expecting their first child in the spring.

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OPERATIONS UPDATE



Prince Rupert Cargo Volumes up

The Port of Prince Rupert experienced a 53.7 per cent surge in traffic in the third quarter of 2009, posting a 15.9 per cent increase in cargo tonnage for the nine months compared to the same period in 2008. Throughput at all terminals totaled 9,001,286 tonnes to date compared to 7,766,575 in 2008.

Prince Rupert's increased traffic is occurring during a global economic downturn when other North American West Coast ports are experiencing significant declines in cargo volumes. All Prince Rupert terminals contributed to the impressive third quarter performance.

The Port of Prince Rupert is on track to surpass the 10,596,863 tonnes handled in 2008. To view the complete Port of Prince Rupert cargo statistics, [visit Port of Prince Rupert Performance Statistics](#).

Fairview Container Terminal Traffic Continues to Grow

Fairview Terminal moved 180,617 TEUs (20-foot equivalent units) for the nine months ending September 30, a 70.81 per cent increase over the same period in 2008. This is close to surpassing the 181,887 TEUs handled in all of 2008, with three months remaining in 2009. The third quarter 2009 saw a 33.5 per cent increase in year-over-year container volumes.



Fairview Terminal handled 1.61 million tonnes in the first nine months of 2009, contributing to the overall tonnage of nine million tonnes; up 15.9 per cent over the same period in 2008.

“Our third quarter container volumes are a true test of our performance and the competitive advantages that an increasing number of shippers are realizing in moving their products through Prince Rupert,” says Port President & CEO **Don Krusel**. “The performance is a real testament to the dedicated and committed workforce at the terminal, and the collaboration between all partners, in making the Prince Rupert Gateway a success.”

Prince Rupert Grain Reaps Good Crop Year

Prince Rupert Grain is also having a good year. Throughput at the grain terminal to September 30 is up 46.8 percent to 3,966,627 tonnes, surpassing the 3,759,517 tonnes handled for the entire 2008 year. The high volumes were driven by wheat exports, up 77.1% to 3,648,906 tonnes.

“2009 was a very good crop year for farmers and there has been a strong global demand for wheat,” explains PRG President **Jeff Burghardt**, noting that year end for the industry is July 31.

RTI Coal Volumes Recovering

The recovery in world metallurgical coal markets to meet increasing steel demand has boosted throughput at Ridley Terminals with 1,619,386 loaded during the third quarter, accounting for more than half of the 3,028,110 tonnes handled by the terminal to September 30.

While overall tonnage is down 21.9 per cent compared to last year, the current strong global demand is expected to continue. In addition, RTI’s biggest customer Western Coal has announced plans to increase coal production at its northeastern BC mines from 2.2 million tonnes to 10 million tonnes annually by 2013. All of the company’s 2010 production from its mines in Canada is already committed to international steel producers.

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Prince Rupert Aboriginal Skills and Employment Partnership Created

The Prince Rupert Aboriginal Skills and Employment Partnership (PRASEP) program, intended to provide training and long-term employment opportunities for Aboriginal people in the region, continues to move forward with the career information fair held on Friday, October 16.

The Prince Rupert Port Authority is one of the supporting partners of the initiative.

“The Prince Rupert ASEP program is a win-win for local First Nations communities and the business community,” notes Port Manager Public Affairs **Maynard Angus**. “It will provide the job training required to take advantage of the skilled and well-paying jobs that business will need to fill through planned port-related developments, business growth and natural attrition.”

The PRASEP has received two million dollars in funding from Human Resources & Skills Development Canada, which is being matched through funding and in-kind support from a number of local business partners. Some of the funding is already being utilized to begin training and education, as well as an inventory of skills within the Aboriginal communities.

A Board of Directors, made up of industry representatives and members from Kitkatla, Metlakatla and Lax Kwa'Alaams, is overseeing the program.

Partners in this initiative also include Maher Terminals, British Columbia Ferry Services, Prince Rupert Grain, Ridley Coal Terminals, Canada Border Services Agency, CN, Naikun Wind Energy Group, International Longshore and Warehouse Union Local 505, Metlakatla Development Corporation, Quickload and SMIT Marine.

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Prince Rupert Performing Better than other North American Ports

Prince Rupert has been more fortunate than many other North American ports caught in the global economic storm. Our total cargo volumes through the Port of Prince Rupert for the first nine months of the year are up nearly 16 per cent over 2008. Personally, I'm very thankful that we are faring so well, and that our workers and their families in the Prince Rupert area have been less affected than we could be. But the recognition for our current success is really attributed to the workers, as well as the management of the Port of Prince Rupert facilities and support services, and the teamwork among our partners from the shipping lines to the rail line.

Our strategic advantages would be meaningless, if we did not have the foresight, planning and committed partnerships to capitalize upon them.

Perhaps our time has finally come when our future will be different than our past, when we can now focus more on the opportunities for our future than the challenges of the past.

Our new Asia-North America trade corridor, anchored by the Prince Rupert Container Terminal, continues to

meet or exceed shippers' expectations. This has not gone unnoticed by our competitors who have been frantically trying to recapture the business they have lost. We must continue to work harder – and work together – to keep what we have gained while growing our businesses.

This growth, which must be economically and environmentally sustainable, will mean more permanent well-paying employment and business opportunities for our communities. As reported in this first edition of The Current, Phase 2 of the Fairview Terminal expansion project continues to move forward (albeit, at a slower pace than we had anticipated a year ago) and we expect to have our environmental permits in late 2010.

The Aboriginal Skills and Employment Partnership (ASEP) program will play a key role in building the work force capacity, not only for container expansion, but all port operations and services from terminals to tugboats.

Finally, I hope you enjoy our new community e- newsletter. Please feel free to forward the newsletter to anyone you think would be interested reading or receiving it. We are always interested in your questions, comments and suggestions, and encourage you to communicate with us through the Feedback section below.

Don Krusel

President & CEO

Prince Rupert Port Authority

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FEEDBACK: WE'D LIKE TO HEAR FROM YOU

Q: What is the Prince Rupert Port Authority? Is it a government agency or private corporation?

A: The Prince Rupert Port Authority was established under the 1998 Canada Marine Act as an independent, commercially-viable and self-sufficient business enterprise separate from Government. We have a mandate to engage in specific activities to facilitate and expand the movement of cargo and passengers through the Port of Prince Rupert, thereby serving as a catalyst for the local, regional and national economies.

We are governed by an independent Board of Directors and have full control over all Port decisions. We undertake the planning, development, marketing and management of the commercial port facilities within the Prince Rupert Harbour. We are also responsible for ensuring competitive, efficient and timely responses to customer needs and business opportunities in support of expanding international trade.

The Port Authority pays the Federal Government a stipend on gross revenues on an annual basis and also pays the City of Prince Rupert annual grants in lieu of taxes on properties within municipal boundaries. Any profits earned are retained by the Authority and may be reinvested in the building of new infrastructure, terminals and capacities within the Port of Prince Rupert, where commercially prudent to support the growth and expansion of the Port.

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