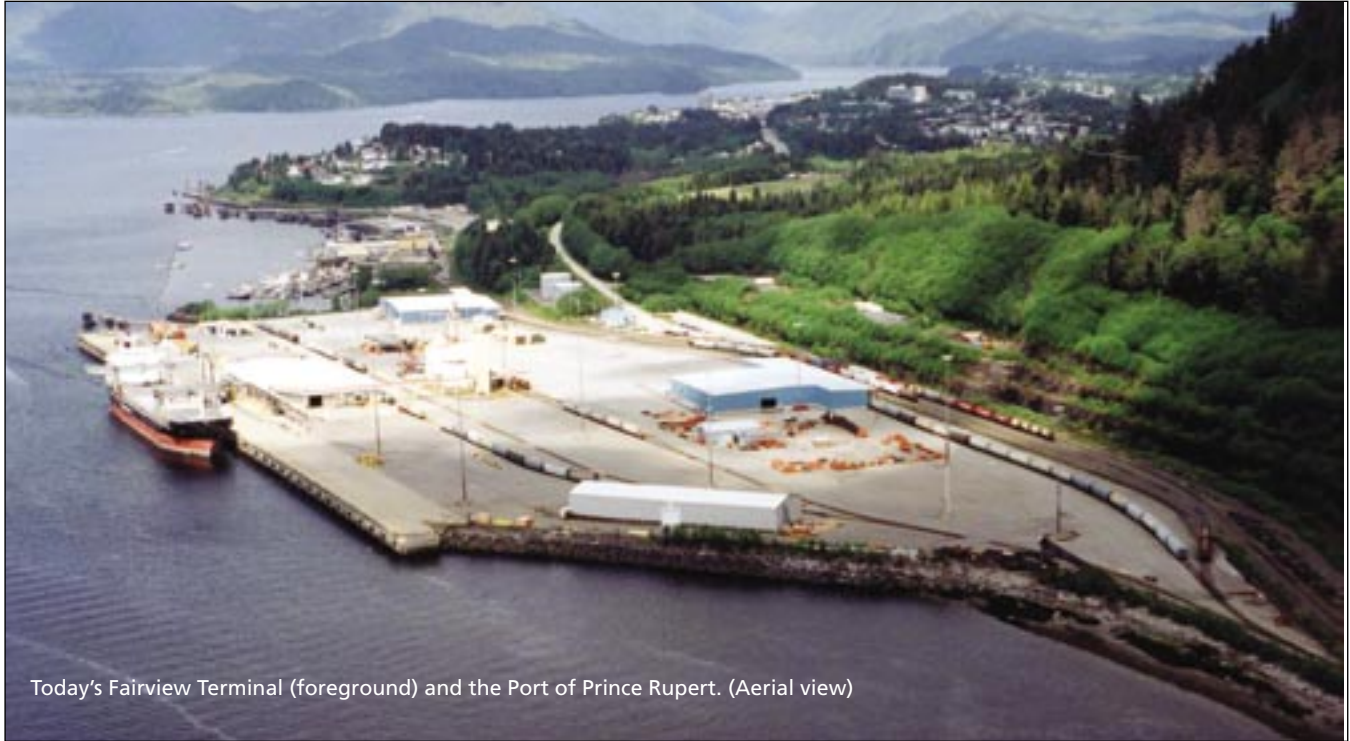


# Canada's Prince Rupert Port: *From Bust to Boom*

By Wes Starratt, PE



Today's Fairview Terminal (foreground) and the Port of Prince Rupert. (Aerial view)

It isn't often that a port or a maritime operation goes from bust to boom; usually, it is the other way around. Prince Rupert, with its traditional export commodities of forestry products, succumbed to the ongoing economic malaise of the Pacific Basin. The only export commodity to maintain its strength, was grain moved by rail from Canada's vast prairies to the port's grain terminal, the largest in Canada. That trade was helpful, but not enough to sustain the port. Something had to be done. A light went on at the Prince Rupert Port Authority, and the decks were cleared for the development of a two-pronged business plan to revitalize the port.

The deep-water (36 meters, 118 feet!), all-weather Prince Rupert Port, at the western terminus of one of Canada's two transcontinental railroads, is on a direct line between Asia's export markets and the United States' and Canada's Middle-West. Sea-borne containers from Asia could reach Prince Rupert Port faster than any other West Coast port and, once at the port, would encounter no problems of truck or rail congestion. The cargo could be off-

loaded, and, without delay, transferred directly to non-stop transcontinental unit trains moving through the vast wilderness of Western Canada directly to consumers in the Middle West. So, one obvious answer to Prince Rupert Port's flagging maritime business was containers.

Another answer was found in Alaska's booming cruise ship business, and the shifting of the southern starting point for some of that cruise ship business from Vancouver to Seattle. Departing from Seattle, the largely foreign-flagged cruise ships would have to make at least one call at a Canadian port before reaching Alaska in order to comply with the Jones Act. Adjacent Vancouver is too close to be much of a draw for passengers, but mountain-ringed, forested and remote Prince Rupert, offering land-based tours, would be an attraction. Several cruise lines sailing from Seattle jumped at the opportunity.

So, Prince Rupert Port will soon be in the eye of a two-pronged economic boom comprising inbound container cargo from Asia, and Alaska bound cruise ships from Seattle.

## Cruise Ships

We talked at length with Don Krusel, President and CEO of the Prince Rupert Port Authority, about the bust-boom at his port. He explained, "We have been going through a very severe downturn at Prince Rupert Port, and have gone from a 14-million-ton-per-year port to 4 million tons in a matter of only six years. So, we instituted a plan that would fundamentally change the port's orientation from commodity exports to more growth-oriented sectors."

The first step was cruise ships, and, early this year, the port completed a 900-ft cruise ship dock, which will have 36 vessel calls, with 46,000 passengers, in its first year. "We are now a port-of-call on the Alaska feeder for vessels coming out of Seattle," says Krusel. "The port also took control of the shore-based side by developing a wide range of excursions, including a rail trip and a grizzly-bear viewing adventure."

According to the port, this year, Norwegian Cruise Lines has committed to 19 port calls with its 2,000-passenger *Norwegian Spirit*, and Celebrity Cruises has committed to 12 port calls from

the *Mercury*, while Silversea Cruises, a new player in Alaska, has committed to five port calls with its smaller ships. Termed, the “Northland Cruise Ship Dock,” the facility was completed by the Prince Rupert Port Authority and the City of Prince Rupert, in cooperation with the Government of Canada and the Province of British Columbia.

### Container Ships

Prince Rupert has a break-bulk export terminal, called Fairview Terminal, located on a 55-acre site that is directly connected to the Canadian National Railway. It was built in the 1970s and expanded in the 1980s with a concrete caisson dock. The terminal served a now-bankrupt local firm that had a pulp mill and three saw mills. But, according to Krusel, “We haven’t seen a stick of timber nor a bale of pulp go through that facility in nearly 18 months.” This was clearly the site for the second phase of Prince Rupert’s port expansion and economic revitalization program, a \$100-million (Canadian dollars) container terminal. The 645-meter-long, two-berth terminal will initially have three container cranes and a capacity of 400,000 TEUs, but there is sufficient land to almost triple the through-put in future years.

Krusel brought us up to date, “We have provincial government commitments and sea and rail commitments. We expect to finish the detailed engineering by the end of this year and start construction in March of 2005 in order to be up and running by mid-2006. Late last year, we issued RFPs to international terminal operators and are now in detailed negotiations with one of the short listed operators. We expect to be making an announcement before the end of July on the operator and the full extent of the container project.”

The engineer for the project is Westmar Consultants, of Vancouver, British Columbia, which provides consulting engineering services for maritime projects worldwide. The design consultant on the project is the JWD Group of Oakland, California, which is currently planning what will be the world’s largest container port, the proposed terminal at Dubai, UAE.

According to Krusel, “This will be the first pure intermodal terminal on the West Coast, because we don’t have any local market to speak of. So, we



The future two-berth, 400,000-TEU container terminal at Prince Rupert Port, directly on the transcontinental mainline of the Canadian National Railway.

will be focusing our attention on the Mid-West and calling ourselves, ‘The Mid-West Express’. When we open, it will be 100 percent vessel-to-rail without truck traffic, which will increase the efficiency on the dock. The dwell time will be cut to almost nothing, since the containers will move directly from the ships onto the trains.”

So, with the cruise ships already arriving, and the container ships due

in 2006, the future looks bright for Prince Rupert Port. But, that isn’t all that may be coming. There may also be a pipeline from the tar-sands refineries, in Alberta, for the export of crude oil. And, recently, the port has started discussions for an imported LNG facility. It doesn’t sound like Prince Rupert Port will be a sleepy port hidden away on the West Coast of British Columbia for much longer!

**PMM**