

Calgary Regional Partnership Collaborates to Strengthen Economy with Emerging Trade Corridor to Port of Prince Rupert

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For a second year, [Calgary Regional Partnership](#) (CRP) partnered with [Prince Rupert Port Authority](#) bringing together influential leaders from industry and government to plan for the development of an emerging trade corridor.

The corridor runs from Southern Alberta through Calgary Region, CN Rail's [Calgary Logistics Park](#) to the gateway of Port of Prince Rupert destined for Asia Pacific markets.

The Port of Prince Rupert is a desirable partner for Southern Alberta's supply chain industry due to the potential growth to increase exports along the trade corridor, especially in agricultural products including grains.

The growth of imports into Canada from Asia-Pacific markets has been the catalyst for billions of dollars in investments into Port of Prince Rupert terminals and CN rail intermodal capabilities at Calgary Logistics Park.

How empty containers can boost the economy?

Imports arrive by shipping containers from overseas and travel through the Port of Prince Rupert corridor to Calgary Region filled with commercial goods from Asia Pacific markets. The goods are destined for major centres across North America.

The opportunity is with the return of these shipping containers after they are empty. The majority of containers returning to Port of Prince Rupert via Southern Alberta are empty. From the Port, the empty containers travel back to Asia Pacific markets only to be refilled and returned back to the Port of Prince Rupert Gateway.

The way these empty containers can be used to boost the Southern Alberta economy is to fill them with agricultural products and other commodities and goods in demand in Asia Pacific markets.

Calgary Regional Partnership and Port of Prince Rupert hosted a second workshop in early 2017, planning the development of this emerging trade corridor using empty shipping containers from Southern Alberta and other areas of the Province.

This article provides an overview of key highlights from the workshop and how you can become part of the conversation to build this corridor.

We're stronger together than individually

"We are stronger working together than working individually when competing in the global arena," said Colleen Shepherd, Calgary Regional Partnership's Executive Director.

"At CRP, we take a collaborative approach to planning by bringing together the right leaders from industry and government to tackle complex challenges such as how to strengthen and expand exports through the Southern Alberta/Port of Prince Rupert trade corridor," said Shepherd.

"We are not only looking at how we can strengthen trade corridors in Calgary Region and Southern Alberta, but we are looking at the Province of Alberta as a whole," added Shepherd.

Collaborating to compete

"At CRP, we bring people together who might normally find themselves competing. It's about collaborating to explore common ground and work on solutions to strengthen our economy by creating new export opportunities," said Shepherd.

Karen Wronko, Executive Director, Industry Development, Economic Development and Trade, Government of Alberta said, "the Department appreciates the role the Calgary Regional Partnership plays in facilitating this type of working session to seek efficient trade flows.

Economic Development and Trade does share your goal of improving the utilization of trade corridors in Alberta to reach international markets," said Wronko.

Trade corridor to boost economy



CREDIT Lonnie Wishart

According to Ken Velderman, Director of Public Affairs, Prince Rupert Port Authority, “the last few years have seen a significant and dynamic change in the trade that impacts Southern Alberta.

“While we traditionally haven’t done a large share of our volumes out of Southern Alberta. The workshop from last year and today opens new opportunities for exports from the Southern Region of Alberta as well as other areas in Alberta.”

Connecting influential leaders to get things done

According to Jim Brown, General Manager, JRSA Consulting, after last’s year session, new terminal upgrades and equipment investments in Port of Prince Rupert were made to support the growth of the emerging trade corridor. “We have the right senior leaders in the room again this year from private sector and government to get things done,” said Brown.

The workshop included senior officials from:

- Calgary Regional Partnership
- Port of Prince Rupert
- Van Horne Institute
- Regional Economic Development Alliances (REDAs)
- Local, Regional, Provincial and Federal Government including Economic Development & Trade and Agriculture & Forestry

- The Transportation and Logistics sector including CN Rail, Overland Transportation Services and COSCO Shipping Container Lines
- The Agricultural sector including growers and producers

“When you put this mix of people together in one room, initially they are wondering what they have in common. After a while, they realize they are each part of a bigger puzzle and economic development strategy. It is something bigger than any one of them is normally involved in on a day-to-day basis,” added Miller.

Opportunity to fill empty containers returning to the Port

“There’s incredible opportunity for the Calgary Region and all of Southern Alberta to increase export cargo (using available empty containers) from the [Calgary Region Inland Port](#) through the Port of Prince Rupert,” said Brown.

“Many times, we are out in rural Alberta and the containers come back empty almost every time. I am asking what we can do as a transportation company to make filling these empty containers with agricultural products affordable and realistic,” said Gordan Mackan, Western Sales Manager, [Overland Container Transportation Services](#) (OCTS).

According to Dave Bedwell, Executive Vice President, COSCO Shipping Container Lines, “international intermodal imports come through the Prince Rupert gateway to final destinations such as Toronto, Chicago and Montreal.”

“Because of our contracts with CN Rail, COSCO must balance the trains by shipping containers back to Port of Prince Rupert to be ready to meet the next ship,” he said.

“Trains coming from Chicago, Toronto and Montreal are passing through Southern Alberta and Calgary. Most containers returning to Asia Pacific travel through Alberta empty. There is an opportunity for us to be able to stop and drop those empty containers so they can be filled and returned to the Port,” said Bedwell.

Seizing new opportunities with agricultural exports



Veldman agreed that the empty containers could be filled with agricultural product from Southern Alberta. “Agriculture is undergoing a significant transformation in global demand, especially in Asian markets and the Port is well suited as a gateway to be the facilitator of that export trade,” he said.

“A big part of our conversation is about what are the gaps in exporting agricultural products, how do we fill the gaps and are there collective solutions for shippers right here in Alberta.”

Veldman said the workshop conversation brought much understanding of the opportunities to export agricultural products from Southern Alberta and what needs to be done to make this happen.

“There is an increase in the production of pulse crops that appeal to the Asian Pacific market.”

“We are getting a vision of how we can make this happen economically such as stuffing at the Port. Port of Prince Rupert is looking for people to use this service and we have big producers who are willing to do that,” said Jay Slemph, Chair, Palliser Economic Development.

CN Rail invests heavily in intermodal facility: Calgary Logistics Park

“CN’s single largest investment over the past few years is the investment of over \$200 million in Calgary Logistics Park,” said Lonny Kubas, Director of International Overseas Marketing, CN.

He said the CN Intermodal facility can take containers filled with agricultural product from Calgary Logistics Park to Port of Prince Rupert.

“CN is hiring new people and buying new equipment to maintain the highest level of service to and from Port of Prince Rupert.”

“Intermodal is the largest growing sector for CN,” added Kubas.

CN Rail and Port of Prince Rupert: an efficient operation



Photo Credit: CN

“We monitor every single export. We are in the 99 percent-plus on a performance level. In fact, we measure our performance many times a day, and we measure every single export box going through Port of Prince Rupert,” said Kubas.

“Port of Prince Rupert is a high-velocity gateway for transpacific container trade. The Port of Prince Rupert intermodal terminal anchors the fastest and most reliable trade corridor on the west coast, providing shippers a significant advantage over alternative gateways,” said Kubas.

“Integrated scheduling and real-time communications between the shipping line, [DP World](#) and CN Rail results in unparalleled terminal velocity and seamless transfer of containers between vessel and train.”

Served by CN Rail’s North American network, the Port of Prince Rupert has fast and efficient connections to central Canada and the US Midwest, saving shippers time and money.

“The integration between us (CN) and the terminal as well as our coordination with our customers that are calling there, is second to none in the industry,” said Kubas.

“We are at more volume than we were last year, even with one of the major shipping lines going bankrupt. This says a lot about Port of Prince Rupert,” he said.

Port of Prince Rupert as a gateway to Asia: What you need to know

Veldman said the Port of Prince Rupert is now the third largest port in Canada and still growing due to its speed, reliability and market reach.

“We are looking at how new cargo from regions in Alberta and beyond can benefit Canadian export business to Asia and elsewhere around the globe,” said Michael Inman, Manager, Business Development, Prince Rupert Port Authority.

The following summarizes reasons why the seaport has been so successful:

Superior and uncrowded rail and road connection to North American markets

Closest North American port to Asia: The Port of Prince Rupert is North America’s closest port to Asia by up to three days sailing – it’s 36 hours closer to Shanghai than Vancouver and over 68 hours closer than Los Angeles

Deepest natural harbour in North America: The harbour depth is significant because vessels are getting bigger. Many of the ports and terminals throughout North America are too shallow to accommodate these bigger vessels.

Safe, sheltered and efficient access from international shipping lanes: This is especially important with liquid exports coming from Alberta such as propane, methane and glycol.

Port of Prince Rupert aligns with [Canadian National Railway](#) (CN) intermodal. The railway operates the only rail line at the northern port. CN provides some of the best access from coast to coast of any railway in North America.

Exceptional community and labor support for expansion: Unlike many sea ports, Prince Rupert is a small town with a population of approximately 13,000. With such a small population, local residents are invested in the success of the port.

The Port can handle the largest vessels used in Asia and Europe.

Plans are underway to build a private truck road alongside the CN main rail line. Currently, to get to the northern truck gate, it is necessary to go through the town. The new private road will cut driving time down from 40 minutes to five.

The Port of Prince Rupert has some of the highest throughput in North America. Ninety nine percent of imports are direct to rail and 70 percent of exports are direct to rail.

There are plans to build a logistics park by 2019. There will be a focus on making sure exports out of the Port from BC, Alberta and Saskatchewan will increase.

Dedicated terminals at Port of Prince Rupert for Agri-exports



Photo credit: Prince Rupert Port Authority

During the workshop, Michael Inman provided an update on the multi-billion-dollar terminal expansions in Port of Prince Rupert. The following highlights the expansion of two key terminals that will provide opportunity for the agricultural export markets in Alberta:

1. Fairview Container Terminal is a state-of-the-art intermodal facility servicing CN Rail. It is 24 hectares (59 acres). The Terminal is the first dedicated intermodal (ship to rail) container terminal in North America.

It is also one of the largest terminals on the west coast of North America. It has grown to become a major trans-Pacific trade gateway reputable for its speed and reliability.

[DP World Canada](#) purchased the right to operate the terminal in 2015. The original design capacity of the terminal was 500,000 TEUs. Effective management and an efficient workforce increased capacity to 776,412 TEUs in 2015.

During Phase I development, a 360-metre section of the existing wharf was widened by 20 metres and the 24-hectare terminal was rebuilt and reconfigured.

Inman said a big story for phase II of the expansion includes both a northern and southern expansion of the terminal now nearing completion.

The project will expand the wharf to 800m in length and enable an increase in throughout capacity to 1.3 million TEUs a year.

The expansion includes upgrades of rail capacity and installation of additional rails lines by CN and cranes on the new wharf extension. There is also the potential to add refrigerated container plugs in the future. This could lend itself to the export of frozen pork and beef from Southern Alberta.

This expansion makes Port of Prince Rupert and CN Rail (CN Logistics Park) an excellent partner for the supply chain in Alberta and beyond looking to export to Asian Pacific Markets.

2. Prince Rupert Grain terminal offers the best route for Canadian grain bound for Asian and mid-east markets. The terminal opened it 1985 and is designed to improve Canada's ability to export grain and oilseeds. The facility has an annual export capacity of more than 6.5 million tonnes, offering the highest throughput of any grain-cleaning elevator in Canada.

Prince Rupert Grain handles wheat, barley, and canola shipped by rail directly from grain elevators on the prairies to the terminal. The terminal also processes and exports byproducts such as grain screening pellets, feed screenings, mixed feed oats and associated commodities.

This state-of-the-art terminal cleans grain as fast as it unloads from rail cars – more than 13 cars/hour. The eight shipping bins and three tower-mounted loading spouts can load up to 4,000 tones per hour into vessels.

Inman said, "Port of Prince Rupert is excited about not only building terminal capacity, but with expanding the reach across Asia." The new multi-billion-dollar port and expansion of Port of Prince Rupert's terminal capacity will help meet Asia's demand for Western Canada's natural resources.

Continuing the conversation on the emerging Trade Corridor

The workshop concluded with the intent to move forward by creating ongoing dialogue with all stakeholders to further develop export possibilities for Southern Alberta and beyond into Port of Prince Rupert.

Next steps

"Collaboration works," said Jim Brown. "You cannot Google the answer on how to build a trade corridor."

"You have to build it. That's what we are doing collaboratively. We are building an emerging trade corridor to positively impact our future economy."

Colleen Shepard said she was encouraged to see the right senior people coming to the table again this year to plan for the new corridor and she wants to see the conversation and planning continue in the year ahead.

“Private sector industry and government officials are now working together to determine how they can strengthen the new corridor from Calgary Region and Southern Alberta to Port of Prince Rupert and beyond to the Asian Pacific markets,” said Shepherd.