

HUB09

Thank you Bill – it's a real pleasure for me to be here and to be representing the Windsor Port Authority at this very important event.

I'm going to do a 2 part presentation today – first, because many of you may not be overly familiar with the Windsor Port Authority, I will spend some time reviewing the mandate of the Authority and will provide an overview of what we feel are some excellent opportunities for multi-modal development in the port.

Second, we have a video presentation which will highlight all of the 12 marine terminals in the Port – I hope this should give everyone a clear picture of the wide range of the Port's capabilities, and why we have been so successful over the past 2 decades.

So, a little bit about the Windsor Port Authority. We are a Federal agency created under the provisions of the Canada Marine Act. Currently, there are 17 Port Authorities across the country, ranging from Vancouver on the west coast to Halifax on the east coast. Of those 17 ports, Windsor

traditionally ranks approximately 12th in terms of total tonnage handled – a statistic which I know surprises many people as much of our activity is “hidden away” in the west end of the City, and not readily visible to the average citizen.

The Port Authority’s essential mandate is to regulate all port activity, promote the overall use of the port, and manage and develop the Federal lands within our jurisdiction. Today, the Port Authority administers almost 100 acres of Federal lands and over 1500 acres of waterlots. Five of the twelve terminals within the port are either wholly or partially located on Port Authority lands.

Like many Port Authorities we are a developer of facilities, not an operator – our normal practice is to enter into long-term leases or management agreements for our properties with the private sector. This has 2 advantages – first, it allows the private sector to operate competitively without any form of subsidy from us, as our agreements are at fair market value; and second, this type of arrangement “frees up” capital which would be required if we were operators, and allows us to dedicate as much of our reserves as possible to future port development.

Port Authorities are required under the enabling legislation to be financially self-sufficient, and do this by collecting port fees from users of the Port and developing and leasing Port lands. We are very proud that our port fees are by far the lowest in the Great Lakes – in fact, our fees are in almost every case less than one third of those at the other Great Lakes Port Authorities – Toronto, Hamilton and Thunder Bay. We feel that this assists our terminals in being exceptionally competitive and is one of the reasons we have seen such steady growth over the past 2 decades.

In fact, while many ports in the Great Lakes/St. Lawrence Seaway System have had either declines or minimal growth in recent years, total cargo handled at the port has increased by over 50% since the early 1990's.

The third advantage we have to offer in Windsor is exceptionally reasonable property values. In fact, in a recent survey it was determined that the port's lease rates are at least 5 to 10 times higher in Hamilton and Toronto than they are here in Windsor.

So, in our view those are the 3 pillars of our success and the reason that the Port of Windsor ranks very highly in site selection criteria for new business – very efficient and competitive terminals, by far the lowest port charges in the Great Lakes, and land costs significantly below those of our competitors.

With that background, I want to talk a bit about the Port's current multi-modal capability and the excellent opportunities for future development. As you all know, Windsor has the geographic advantage of being in the centre of North America's population and industrial heartland, but the marine mode has 2 additional advantages – we are at the approximate mid-point of the Great Lakes/St. Lawrence Seaway System, providing maximum efficiency for both eastbound and westbound cargoes; and we are the most southerly major port in Canada – the resulting minimal ice cover we experience in an average year gives us the potential for year round navigation north to Sarnia and south into Lake Erie to such major U.S. ports as Toledo and Cleveland.

Of the other modes, the Port is exceptionally well serviced by both road and rail – the local road system connects efficiently to the major

highway networks of both the United States and Canada, with access to the U.S. via the Ambassador Bridge, the busiest border crossing in North America. International capacity will be significantly increased with the proposed new Detroit River International Crossing with construction scheduled to start later this year – very importantly that bridge is to be located at the approximate mid-port of the western section of the port.

Rail connections are also efficient and competitive, with the port being served by a local short-line rail operator, the Essex Terminal Railway, or ETR. The ETR provides connections to all the major carriers in both the United States and Canada. And finally, the Port is literally only minutes away from the Windsor Airport via the E.C. Rowe Expressway.

I want to return for just a moment to the new Detroit River International Crossing – of particular significance to the Port is the fact that the truck plaza which will serve the Bridge is to be located immediately north of a 30 acre parcel owned by the Port Authority.

To the south, our property abuts Morterm Limited which is the port's only full service general cargo terminal and has significant warehouse

capacity. In addition, there are available City and private lands abutting the site which could potentially expand its total footprint to over 100 acres. With premier road, rail and water connections and the potential to partner with Morterm Limited, we believe this site is the ideal location for an expanded multi-modal facility which can serve not only Southwestern Ontario but also reach into Michigan and the U.S. Midwest.

Multi-modal transportation is not a new concept for the port – in fact, almost all our facilities meet the definition of multi-modal – from the Windsor Grain Terminal which receives inbound grain by truck, rail, and marine and then exports that grain on vessels to points around the world – to our 5 aggregates terminals which receive stone by vessel and load it onto trucks for use in the local construction industry – to Morterm Ltd. which receives such cargoes as steel, bulk products and project cargo for transshipped by truck and rail. We are looking not only to expand this throughput, but also to develop new cargoes and facilities to meet the changing needs of the marketplace.

One of the areas we are concentrating on is not a new concept, but it has a new catch phrase – “short sea shipping”. By definition, this involves

the movement of cargo by the marine mode which does not cross an ocean. Obviously, this would include all existing inter-lakes movements on the Great Lakes, which currently exceed 200 million tonnes of cargo annually. However, the new initiative is more directed towards finding non-traditional goods or servicing new niche markets. The idea has taken hold with both the Provincial and Federal governments, both of whom see opportunities for moving goods off our highly congested roads and border crossings and onto the St. Lawrence Seaway. Because the Seaway is currently operating at only approximately 50% of capacity, this shift can be accomplished with very minimal investment in infrastructure. One of the best examples of “short sea shipping” is right here in Windsor, where the Windsor Detroit Truck Ferry carries trucks which are oversized or carrying dangerous goods between Windsor and Detroit. This service literally saved hundreds of thousands of highway miles and untold delays at our border crossings without a single environmental incident in its 17 year history.

We see potential to expand on this philosophy, much as has been done on the European river systems – whether it be cross lake truck ferries, container shuttle services or tug-barge operations carrying everything from bulk commodities to break bulk cargoes – not so much to

compete with other modes but to compliment them and create a more efficient transportation system. We have the terminals, the labour force, a very competitive cost structure and the room to expand. All of these we think make Windsor your natural selection.

With that, I'd like to run the video which will take you through our individual terminal and development opportunities in greater detail.