



Hamilton Port Authority Presentation to the Great Lakes-St. Lawrence Seaway Navigation study public stakeholder meeting.

Chicago, Illinois -July 14th 2004

Good morning, my name is Bob Matthews, I am Vice-President, Marketing for the Hamilton Port Authority.

Regardless of whether you're considering a new road, a new runway, rail spur or, in our particular business, a new marine facility, I'm sure everyone who's ever attended a public meeting related to transportation infrastructure has heard variations of this scenario-

Experts prepare your material, using pages of data, PowerPoint presentations etc. You think you've made an excellent case but at some point in the meeting someone stands up and says: "We don't need all this development spoiling the environment. I don't transport goods, if I need anything I just head over and get it at Walmart".

This is the dilemma facing our industry, (in particular the marine sector) - how to get people to appreciate our contribution. Everyone wants the goods to show up magically in the marketplace, but they're oblivious as to how it happens. The fact of the matter is; we're all consumers of transportation services, shouldn't we be informed consumers? In the interests of the environment, some people have advocated closing the door to ocean-going vessels at Montreal and shifting the freight to road or rail. Can someone explain to me how this will benefit the environment because I don't get it?

About the Port of Hamilton

Measured by tonnage throughput, the Port of Hamilton is the 8th largest commercial port in Canada and the largest Canadian port on the Great Lakes. Utilizing almost 11,000 metres of docking facilities, an average of 700 ships call at the harbour each year carrying about 12.5 million metric tonnes of cargo, a figure that has been relatively stable over the past 20 years.

Most of the cargo throughput at the Port of Hamilton is bulk goods, particularly those related to the steel industry such as iron ore and coal. Other large volume commodities include salt, petroleum, and agricultural products as well as a significant amount of neo-bulk and general cargo such as steel & machinery. As a diversified operation, the port offers a full suite of facilities to shippers, including terminals with inside and outside warehousing, heavy lift cargo cranes, roll on-roll off capable berths, and container handling. The larger port community provides a complete set of support services including customs, dry-docking, tugboats, and ship chandlery. We spend a considerable amount of money every year on maintenance activities, particularly dredging and dock wall refurbishment. Both of these activities ensure the on-going functionality of all of the port's piers.

More than 100 tenants operate on lands owned by the Port Authority in a diverse set of industries including metals, brewing, food processing, fertilizers and environmental services. Many have a relationship with the Port that goes back decades, however, the port is marketed aggressively in a continuing effort to attract new users and tenants.

When we promote the port to potential customers we make good use of the realtor's maxim: location, location, location.

The confluence of key regional transportation infrastructure along the Detroit-Toronto corridor and the Toronto-Buffalo corridor includes access from the Hamilton Harbour to Detroit, Michigan, along Highways 401, 402 and 403; Buffalo, N.Y., along the QEW; and Greater Toronto, along Highways 401, 403, 407 and again the QEW.

This primary NAFTA corridor is dense with both truck and rail activity moving industrial & commercial goods. It is in high demand as a component of the Golden Horseshoe that area extending from Oshawa to Niagara which is home to approximately 7 million people or about 23% of Canada's population.

The City and its Port

The Port of Hamilton has been central to the development of the City of Hamilton and indeed to communities throughout southwestern Ontario as an industrial hub with a stable workforce and growing economy. A recent study determined that almost 4% of Ontario's GDP is directly or indirectly connected to the operations centred on the Port of Hamilton. For the Greater Hamilton region, that figure is over 30% of the GDP. This translates into an employment equivalent, (considering both indirect and direct impacts), of approximately 220,000 jobs (*Stamm, 2001*).

Given the volume of metal manufacturing in Ontario generally, and in Hamilton in particular, the economic health of the city and the port are closely tied to the health of the steel industry. The largest private sector employers are Stelco and Dofasco, which together employ over 12,000 people.

The Port of Hamilton is embedded in the historical and current heartland of the steel industry in Canada and this is obviously its link to the city. I may be guilty of understatement when I state that if the seaway had never been built, the steel industry in Ontario would not have developed as it has and the vibrant city of Hamilton would not have been able to stake its claim to being the industrial centre of the Ontario economy.

Significant population increases are anticipated in the City of Hamilton and across the Golden Horseshoe over the next few decades, suggesting that road, and potentially rail capacity, will become increasingly constrained across the region. While gridlock is no doubt a disincentive to prospective tenants and industrial development, it does provide us with an opportunity to encourage the increased use of shipping/barge activity for goods that may not necessarily require "just-in-time" delivery.

This is one of the many opportunities that the HPA is looking at to grow and develop its business portfolio.

The City of Hamilton recognizes the importance of the Port to the local economy and the prosperity of its citizens, and the Port has now been designated as a crucial industry cluster in the City's 20-year economic development strategy. More than ever the Success of the Port is tied to that of the City of Hamilton, and Vice Versa.

Profile of Current & Future Businesses in the Port Cluster

- Raw materials bulk handling and storage with direct access to cost effective marine transportation
- State of the art industrial and commercial warehousing and distribution
- Marine centred intermodal freight handling operations including container operations and ferry terminals
- Liquid storage for fuel, petrochemicals & industrial chemicals
- Transportation intermediary office space
- Marine based passenger/commuter transit terminals
- Heavy industrial production & pre-shipment assembly facilities
- Mineral storage and processing plants

And these are real world projects not dreams. In the past year alone, the Port, along with our partners, have invested significantly in state of the art facilities for handling liquid bulk cargo. We have just completed North America's most modern and environmentally efficient steel-handling warehouse and we are presently contemplating a second such facility as we renew our infrastructure in order to remain competitive and to meet customer requirements.

We recently completed a modal shift study, looking at the potential for a freight ferry service between our port and the port of Oswego that would integrate road-based transport with marine, alleviating gridlock and facilitating border crossing. We are working with a leading Canadian vessel operator to make this service a reality.

Why is a viable, reliable and competitive waterway important to The Port of Hamilton?

As one of the busiest ports on the St. Lawrence Seaway, we receive approximately 21% of the inbound tonnage that travels the system, so perhaps this question can be best answered by quoting our vision statement which requires the Hamilton Port Authority:

- To retain the Ports leading role in the movement of bulk raw materials feeding a resurgent Canadian steel industry.
- Facilitate the two-way movement of various commodities helping to maintain the viability of Southern Ontario's important agricultural sector.
- Working with key tenants and stakeholders, we will continue to modernize Port facilities to accommodate growth in trade and commerce.
- Taking advantage of its natural strategic location and prominent marine focus the Port will be the catalyst for innovative intermodal applications that enhance the efficiency of the local transportation network.

Why does the HPA support the Great Lakes-St Lawrence Seaway Navigation system study?

The system currently faces a number of challenges to its competitiveness and this naturally has implications for the health of the Port of Hamilton. Prospects for business development in the Port continue to be shaped by investments in Seaway infrastructure, operational parameters, (including seasonality), and of course, the efficiency and cost effectiveness of the system. Without determining the current state of affairs and future needs it will be difficult for Ports such as Hamilton to identify the types and volumes of marine traffic and to plan their own infrastructure requirements.

With continuing population growth and the potential for increasing gridlock, it is incumbent on all of us to maximize the efficiency of our transportation network, including re-examining our distribution channels.

A move to embrace full cost accounting when considering transportation alternatives will reconfirm that marine remains the cleanest, most energy efficient and safest mode of transport. It seems logical therefore, that increased use of the Seaway would facilitate handling of the anticipated increases in world trade destined to, and emanating from, the industrial and consumer powerhouse that is the Great Lakes Region.

You will hear presentations from many ports today. Some of us are in competition with each other, others operate in different but complementary cargo sectors, depending on whether we're import or export driven. But the one thing that binds us together is our total dependence on the existence of a viable, adaptable and commercially sustainable St. Lawrence Seaway system.

At the Hamilton Port Authority, we're pleased to support and contribute to the Seaway's 'Highway H2O' branding initiative, that strives to bring awareness of the inherent strength and capability of the marine mode to those who stand to benefit the most - the citizens of our two great countries.

The paramount message you must take away from today's meeting is this: the Seaway, 45 years after it's opening, remains a key transportation route into the heart of North America. For the ports and the communities we serve, it is our link to the world of seaborne maritime commerce and we simply cannot afford to let it fail.

In closing, let me say that while the Hamilton Port Authority supports the study and it's intentions, we would not encourage any expansion of the system if it was determined that the environment would be adversely affected. As a port, we pursue tenants and industry that are socially and environmentally responsible, and we expect the same high standards from all stakeholders and partners in this process.

Thank you for this opportunity to contribute to the debate and for your attention.

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