

The Port of Churchill

by Kim Spiers, AMM Property Services Policy Analyst

The Port of Churchill lies on the west coast of Hudson Bay in Manitoba. This strategic location offers the potential to stimulate importing and exporting and increase the flow of cost-effective global trade. Europe, Russia, Africa, Latin America and the Middle East are examples of economies that utilize the Port, and thus contribute to the development and growth of Manitoba's and Canada's economies. This international trade access eliminates time-consuming navigation, additional handling and high-cost transportation which would otherwise result were the Great Lakes and the St. Lawrence Seaway used. OmniTRAX bought the Hudson Bay Railway as well as the Hudson Bay Port Company in 1997. They also own Carlton Trail Railway in Saskatchewan and the Okanagan Railway and the Trans Canada Switching Company, both in BC.

The Port offers four deep-sea berths for the loading and unloading of grain, bulk commodities, general cargo and tanker vessels. The Port makes use of the Hudson Bay Railway, allowing efficient access to all North American points through a connection with the Canadian National Railway system. The Town

of Churchill is also served by an all-weather airport that accommodates heavy aircraft.

The Port includes a 140,000-tonne elevator, with unit train unloading capacity. This elevator has the ability to clean, grade, store and transfer bulk grains from covered hopper railcars to ocean-going vessels. Grain is the primary export from the Port, a result of it being closer to 25% of Canada's western grain production than any other port. This proximity provides for the export of grain, but also manufactured, mining and forest products. The Port imports ores, minerals, steel, building materials, fertilizer and petroleum products for distribution in Central and Western Canada. The Port remains a vital link in the trans-shipment of petroleum products and goods of all kinds to the communities in the Hudson Bay region including the Nunavut Territory.

Changes

Traditionally, the Port is available for shipping and receiving ocean vessels from July until early November. Although earlier or later shipping is available by using ice-class vessels or icebreakers, the effects of global

warming are noticeable as the Port has been open earlier in the summer and remains open until late November. The OmniTRAX website estimates that there may be year-round shipping in the Arctic by 2050.

Improvements continue to be made to the facilities at the Port, and Hudson Bay Port Company will support investment, design and construction of additional facilities to meet new opportunities. The Port of Churchill has access to OmniTRAX's global transportation, logistics and real estate resources. Improvements have been made since the 1997 purchase by OmniTRAX. The port has been dredged so that Panama-class ships, those weighing 40,000 tonnes or more, can be accommodated. As well, the railbed has been reinforced so that heavier loads can be employed.

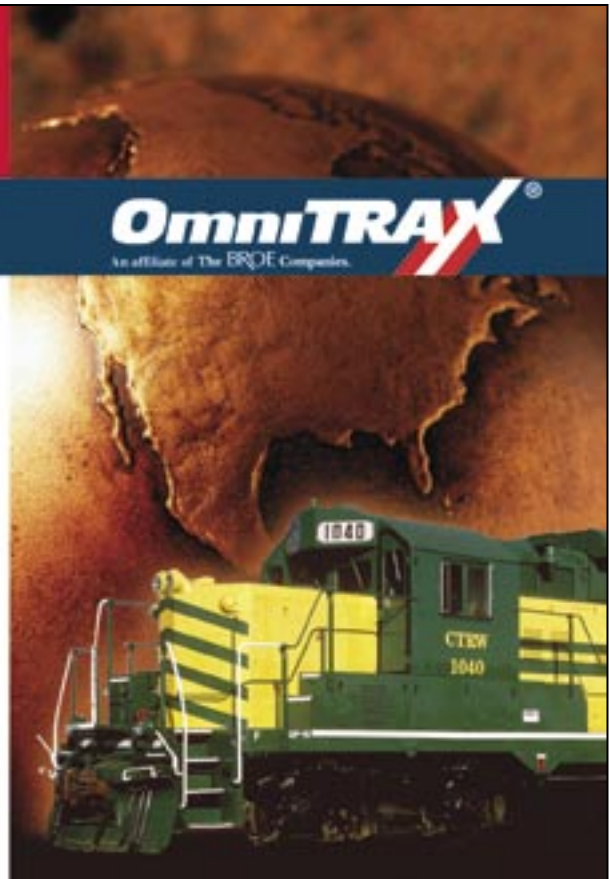
Future developments

Originally championed by former Foreign Affairs Minister Lloyd Axworthy, recent developments will increase Churchill's international profile even further. In 2002, Manitoba signed a letter of intent with the Russian province of Murmansk to develop

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a marine link between the two provinces. In 2003, the CGDC was formed to promote economic diversification and growth. A priority is the creation of an Arctic link from the Town of Churchill to Russia. With the continuing rise in transportation costs, studies have concluded that this Arctic trading link would be the most cost-effective and time-efficient route between central North America and Northern Europe.

A December 20, 2004 article in Forbes magazine highlights this trade relationship, speculating that Churchill “may turn out to be

the linchpin of transpolar trade”. As the Arctic continues to melt with global warming, the north is quickly becoming an active commercial link between the Atlantic and the Pacific. Two other developments related to this weather phenomenon are the Arctic mineral deposits inviting miners north and the anticipation that one-third of the Earth’s oil reserves are under the Arctic ice. Michael Ogborn, managing director of OmniTRAX has stated that to be viable, Churchill needs to expand its exporting focus. Ogborn said in Forbes, “[b]eing virtually dependent on one commodity and one

shipper [the Canadian Wheat Board] has been frustrating”. This Arctic Bridge is the first half of that expansion. The second half will continue through North America to Monterrey, Mexico. Ogborn speculates that there may be incoming oil shipments from Murmansk in 2005.

With the 2006 G8 Summit in Russia, the trade connections will be internationally recognized. Russian Ambassador Georgiy Mamedov has visited Churchill as recently as April 6, 2005 and has said that Moscow is already taking steps to prepare the bridge at Murmansk. 

PORT FACILITIES

Berths:

Four deep-sea berths, including one tanker berth

Vessel Size:

Up to 57,000 DWT

Grain Elevator:

Storage Capacity..... 140,000 tonnes (5 million bushels)
Shipping Capacity 1,633 tonnes (60,000 bushels) per hour
Receiving Capacity..... 1,225 tonnes (45,000 bushels) per hour
Cleaning Capacity 850 tonnes (30,000 bushels) per hour

Storage:

82,000 sq. ft. indoor storage facility, plus ample outdoor storage space

Petroleum Terminal:

Storage for 50 million litres, plus rail and dockside distribution systems for various petroleum products, including gasoline, diesel, heating oil, aviation gasoline and jet fuel.

Cranes:

One 90-tonne crawler crane with 160-foot boom and 30-foot jib
One 110-tonne crawler crane with 90 foot boom

Repair Facilities:

Fully equipped machine shop capable of minor ship repairs

Bunkering:

Delivered by rail to shipside

Towing:

One 3,000-horsepower tug and one 600-horsepower tug

Rail Service:

Hudson Bay Railway, connecting with the Canadian National System
Six miles of track available for railcar unloading and equipment storage.

A new way of saving money – improving efficiencies in municipal vehicles

by Tyler MacAfee – AMM Director of Policy and Communications

The costs of operating equipment are steadily on the rise as fuel prices escalate and the purchasing costs of the equipment itself go up. Often this equipment is needed to provide valuable services to citizens and a necessity for municipalities. While there is little municipalities can do about the actual costs of the equipment, there are ways to reduce the operating costs of this equipment.

The federal government, through Natural Resources Canada and the Office of Energy Efficiency, offers **FleetSmart** - a free practical advice tool on how energy-efficient vehicles and business practices can reduce your fleet vehicle operating

costs, improve productivity and increase competitiveness.

Through the FleetSmart website – www.fleetSMART.gc.ca – municipalities can learn important information about how to improve efficiencies in fleet vehicles. Included on the website is driving tips for improving fuel efficiency, newsletters, success stories, and case studies. There are also links to other agencies that provide assistance in this area, as well as with calculators to help track fuel consumption and measure green house gas emissions.

The work the City of Edmonton has done in this area is profiled. Edmonton has undertaken various programs to improve

efficiencies, including a driver-training program designed to encourage employees in several departments to improve driving habits to help reduce fuel consumption and emissions. The City estimates the program saved \$205,000 in the first year alone.

Fuel prices will undoubtedly continue to rise, as will equipment costs. This means it will continue to cost municipalities more and more to deliver services. However, municipalities can help the bottom line by implementing various cost saving measures as described by FleetSmart. For more information, please visit the FleetSmart website: www.fleetSMART.gc.ca. 