# DEVELOPMENT AND PROMOTION OF SHORTSEA SHIPPING ON THE ST. LAWRENCE RIVER, CANADA

Shortsea 13
European Conference
March 14, 2013
Paris - France

# Outline

1. Marine Industry Forum and the Quebec Shortsea Shipping Council
2. The Plan Nord and the Feasibility Study
3. Shortsea Shipping Promotion Project

# 1. Marine Industry Forum and the Quebec Shortsea Shipping Council

## Marine Industry Forum

The Marine Industry Forum was created as an expression of the shared desire of the gouvernement du Québec and the marine industry to have a permanent consultation and development tool for Québec's marine industry.

The Forum's role is to ensure the effective and coordinated implementation of the different initiatives proposed in the June 2001 Québec Marine Transportation Policy. The Forum's role also includes carrying out consultations and making recommendations.

# 1. Marine Industry Forum and the Quebec Shortsea Shipping Council

## Marine Industry Forum

The Forum is composed of:

- two co-chairs
  - the Minister of Transport
  - a representative of the industry

- 15 representatives of the transportation community
  - national shipowners
  - international shipowners
  - shippers
  - representatives form services and related activities, ports, road and rail transport, Shortsea Shipping.

# 1. Marine Industry Forum and the Quebec Shortsea Shipping Council

The main themes guiding the Forum's work are:

- Presence of sufficient numbers of qualified human resources
- Continental gateway and St. Lawrence – Great Lakes trade corridor
- **Development of shortsea shipping**
- Marine industry's environmental performance
- Development of sustainable marine transportation

# 1. Marine Industry Forum and the Quebec Shortsea Shipping Council

<u>The creation of the Quebec Shortsea Shipping Council</u>

In 2003, the Forum recommended the creation of a permanent council to support the development of shortsea shipping services.

The work of the Québec Shortsea Shipping Council thus began in the spring of 2004, managed and coordinated by the St. Lawrence Shipoperators Association.

# 1. Marine Industry Forum and the Quebec Shortsea Shipping Council

Objective

The objective of the Council is to support the development of shortsea shipping services with at least one loading or unloading point in Québec, by acting as a hub of information and expertise and by promoting the integration of marine transportation in the national and continental transportation chains.

Activities

The Council developed an action plan based on five priorities:

- generic and specific monitoring
- research and analysis
- communication
- networking
- promotion.

# 2. The Plan Nord and the Feasibility Study

- The "Plan Nord"
  - May 2011, the Government of Quebec announced an ambitious development plan for Northern Quebec – The Plan Nord
  - The Plan Nord is one of the biggest economic, social and environmental projects in Quebec and Canada
  - Mining, hydroelectric and infrastructures projects leading to more than $80 billion in investments over the next 25 years

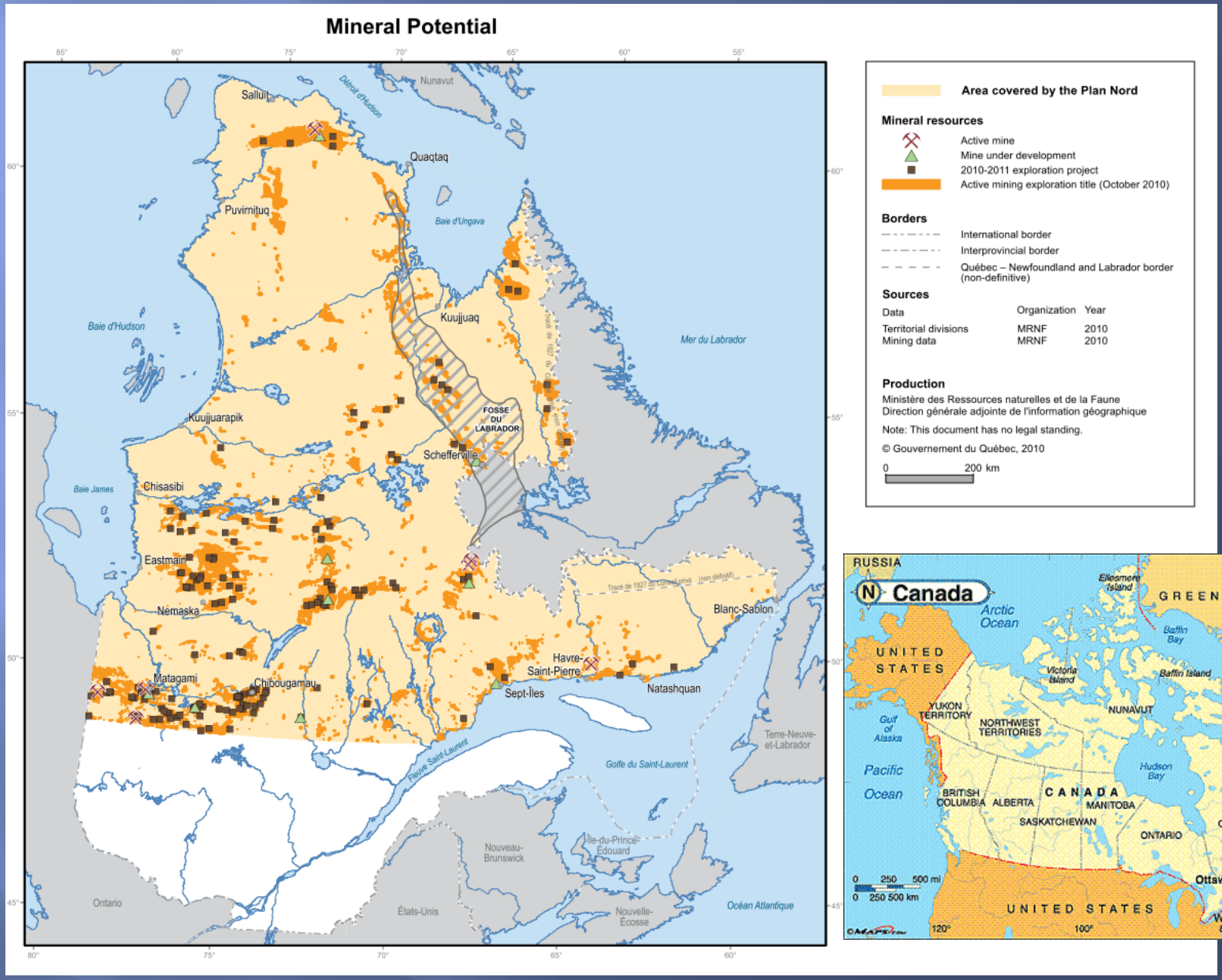

Table du Québec sur le TMCD
Quebec Shortsea Shipping Council

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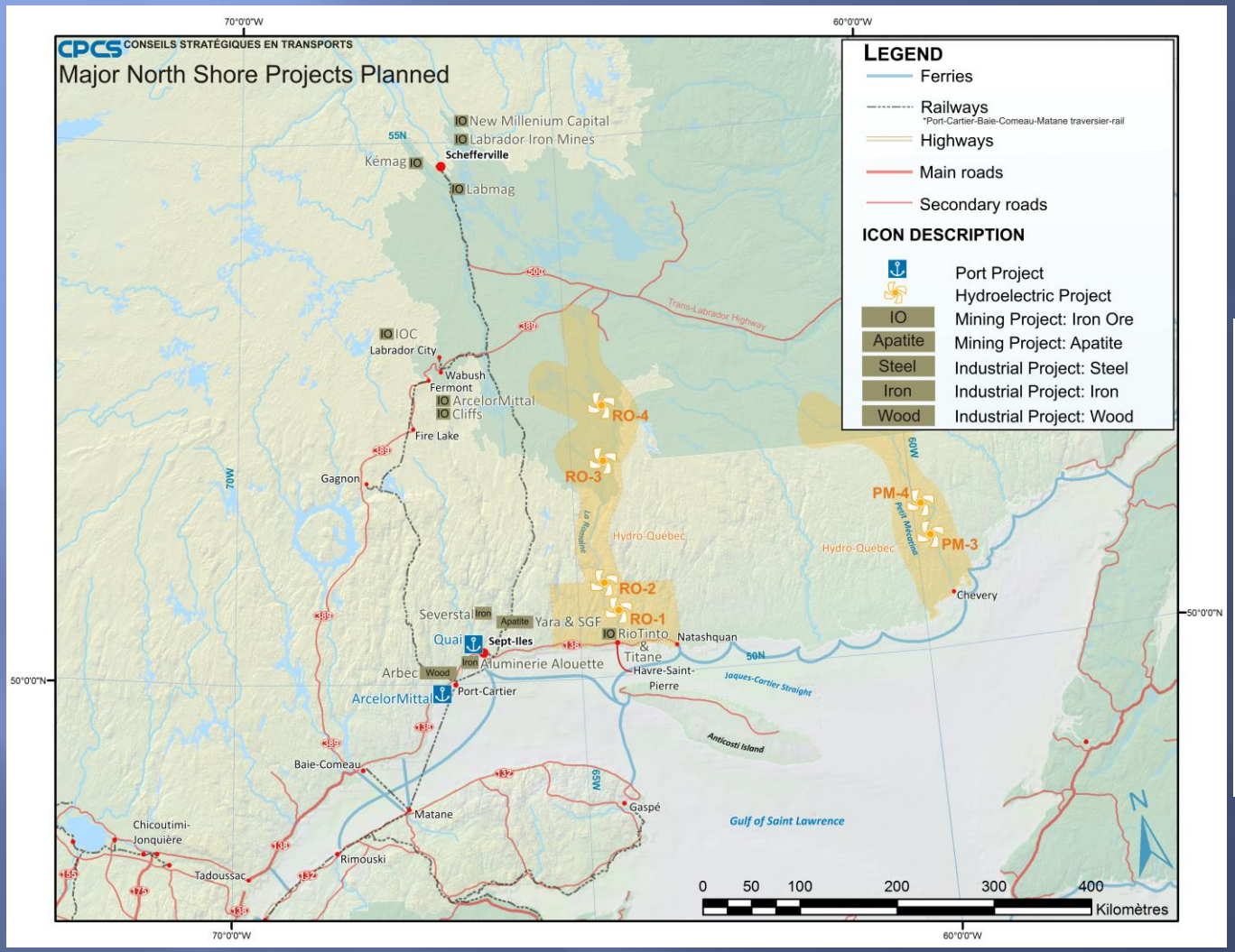
Armateurs du Saint-Laurent

# 2. The Plan Nord and the Feasibility Study

According to the Quebec's governement, the Plan Nord territory…

- encompasses all of Quebec's territory north of the 49th parallel and north of the St. Lawrence River and the Gulf of St. Lawrence;
- covers nearly 1.2 million $km^2$ (72%) of Quebec's geographic area;
- accounts over three-quarters of Quebec's installed hydroelectric power generation capacity;
- produces all of Quebec's nickel, cobalt, platinum group metals, zinc, iron ore and ilmenite, and accounts for a significant portion of gold production. Lithium, vanadium and rare-earth metals, are also found there.

# 2. The Plan Nord and the Feasibility Study



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# 2. The Plan Nord and the Feasibility Study

- Given that hydroelectric and mining proposed projects will generate thousands of truck movements every year on a single and dangerous road

- Given that marine transportation is more efficient regarding air emissions
- Given the St. Lawrence proximity and the availability of deep-water port facilities

➢ **Marine transportation can significantly contribute to the Plan Nord by reducing GHG emission, risk of accident and deterioration of road infrastructure**

# 2. The Plan Nord and the Feasibility Study

- In 2011, the Quebec Shortsea Shipping Council proposed to launch a feasability study, coordinated by the St. Lawrence Shipoperators Association.

Study's objective:

- Evaluate the feasibility level, feasibility criteria, logistics and economic viability of a marine transport service that would take on part of the cargo traffic generated by the North's major development projects.

# 2. The Plan Nord and the Feasibility Study

## Study's Conclusions

- The cargo volumes to the North Shore are sufficient to technically justify implementing a regular marine service.
- The concept proposed is based on creating a 3PL co-enterprise (third-party logistics), on using Ro-Ro ships and on a partnership involving truckers already serving the North Shore.
- To minimize risks in the start-up period, initial transportation capacities would be limited to capacities already available on a various Canadian ships serving the sector.

# 2. The Plan Nord and the Feasibility Study

## Study's Conclusions

- Even with our strengths…
  - Limited infrastructure costs
  - Existing equipment
  - Existing vessels and sufficient capacities for a demo service
  - Expansion of the volume capacities without major investments
  - Worthwhile fee for oversized or heavy cargo
  - Limited environmental impacts
  - Lower social costs (road pressure, noise, greenhouse gas emissions)

# 2. The Plan Nord and the Feasibility Study

- …Shippers argued some of the weaknesses of SSS for not planning using shortsea shipping service
  - Complicated relations for the clients
    - Shippers must handle relations with many stakeholders (shipowners, truckers, stevedores, dockers, etc.)
    - Unpredictable billing (overtime, minimum guaranteed time, etc.)
  - Needs for consolidation, storing fee to be considered
  - Higher handling
  - Transit time longer (about 2 days)
  - Higher fixed costs

# 3. Shortsea Shipping Promotion Project

- The final conclusion of the study and the business that followed, leaded St. Lawrence Shipoperators Association and Quebec Shortsea Shipping Council to plan a SSS information and promotion campaign

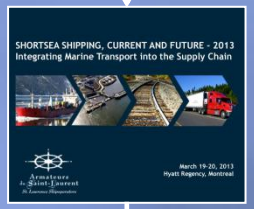
- The campaign
  - Financially supported by 7 shipoperators and Transports Quebec
  - Creation of website
  - Meeting with more than 30 organizations working in economic and regional development (Chamber of commerce, industrial association, …)
  - Meeting with shippers and industries
  - Information and training session with special permit analysts
  - Media campaign

# 3. Shortsea Shipping Promotion Project

- The campaign begins with our conference on shortsea shipping

# 3. Shortsea Shipping Promotion Project

## 2013 Action Plan




Collaboration with SSS Promotion Centre

Promotion Campaign

Meetings with economic and regional development actors

Meetings with shippers

Networking / Sharing information

Findings of the conference

Table du Québec sur le TMCD
Quebec Shortsea Shipping Council

Identification of potential developement

Identification of constraints to SSS development

Transports Québec

Transport Canada

Recommandations

**QSSC's 2014 Action Plan**

Armateurs du Saint-Laurent

# Thank you!

# Question ?

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