

ST. LAWRENCE EXPRESS

THE MARITIME INDUSTRY BI-MONTHLY

APRIL 2015



PRESIDENT'S MESSAGE

A COMPLETE SET OF TOOLS TO PROMOTE THE INDUSTRY

As announced in past issues of St. Lawrence Express, the SODES team is continuing to develop various communications tools to meet our members' needs and better promote the marine industry as a whole.

To begin with, our website overhaul is under way to include new options (e.g. invoice payment by PayPal), make it even more user-friendly and add a section dedicated to the future Maritime Information Bureau (MIB). With the support of TACT Intelligence-conseil, SODES is currently gathering information and drawing up a list of MIB collaborators. The official launch of the new site and the MIB is scheduled for spring 2015. Details will be announced in the very near future.

To continue making young people aware of our industry in their school environment, Phase 2 of the on-line educational game "Brought to you by Ship" will be added to the Game for Science (www.gameforscience.com) website very soon. Available in both French and English, it targets youngsters at the elementary Cycle Two level. Like its predecessor (Phase 1), the teaching guide accompanying this new quest was developed to reflect the Québec government's educational program content.

Finally, to further promote the marine industry, we will be launching a public transit vehicles poster campaign in Trois-Rivières, Québec City and the Saguenay area. The posters will be displayed for one month and use the same visual content developed last fall and set up near the Champlain and Jacques-Cartier bridges in Montréal. This additional offensive, in other port cities, will help draw public attention to the promotion campaign's slogan: "Brought to you by ship – My river, my provider!"

As you've no doubt noticed, things will be "heating up" for SODES this spring...a welcome phenomenon after the winter we've all had!

SODES' INTERVIEWS

RICHARD DESLAURIERS PARTNER, PROJECT/INFRASTRUCTURE FINANCE, PWC

Richard Deslauriers has more than 15 years' experience in infrastructure projects, public-private partnerships and project financing. He has advised public-sector and private-sector clients on issues related to project structuring, including financing, analysis and procurement.

He holds a bachelor's degree in business administration from the École des Hautes Études Commerciales de Montréal. After getting certification as a chartered accountant, he became a member of the Financial Advisory group in 1991. He became a certified chartered business valuator expert in 1994 after having completed a training program in business valuation at the University of Toronto.



Mr. Deslauriers, as a project financing specialist, what, in your opinion, are the priorities the marine industry should tackle to remain competitive?

I am most familiar with the port sector, which is largely concerned with supplying infrastructures to carriers and their clients. Carriers choose ports based on various factors, including location, service and infrastructure quality, the time they can save, prices and available capacity. Ports have little influence on prices since they are competing and must accept market prices. However, they can make themselves more attractive by ensuring that they have modern, efficient facilities and sufficient capacity to meet demand. This necessarily means investing in port terminals and related infrastructures such as access roads, rail links and logistics centres.

According to you, Québec ports aren't profitable enough to cover their investment needs. At the same time, aging port infrastructures make these needs crucial. What are the solutions?

Port authorities have a duty to manage their assets effectively and to try to optimize their activities. At the same time, public ports are not private businesses but economic development tools that directly, or indirectly, serve the population as a whole. We can't ask them to play their economic development role and, at the same time, ask

them to maximize their profitability.

One solution would be to reduce or, better yet, eliminate the payments that ports must make to the different levels of government. Whether it's fees on gross income paid to the federal government or property taxes paid to municipalities, these amounts go to the governments rather than being used to fund port infrastructure requirements.

I believe that some port investments—like in other infrastructure sectors—absolutely require government financial support. This support can take various forms (grants, loans, loan guarantees, etc.), but it must make it possible to carry out promising economic projects that are not financially self-sufficient. The challenge for governments is to choose the right projects and to ensure that these projects are carried out at a reasonable cost.



SODES' INTERVIEWS

RICHARD DESLAURIERS, PwC *(continued)*

Québec's marine infrastructures suffer from old age. Given the cost of repairing or rebuilding them, do you think public-private partnerships might be a solution?

PPPs can be a solution for some projects—not all—but they must be structured to reflect marine infrastructure realities. PPPs have made significant value added possible for projects such as bridges and hospitals for which asset maintenance represents a major cost and risk. Long-term PPP contracts, including financing that is also long-term, can meet this need effectively. For many marine infrastructures, maintenance is a smaller risk, at least for the typical PPP period of 25 to 35 years. For marine infrastructures, I think it would also be a good idea to also consider design-construction-funding formulas—contracts that are shorter than PPP contracts but better adapted.

The Québec government is actively working to implement the Maritime Strategy and Plan Nord recovery. In your opinion, how should the private sector plan strategically for these government projects?

To begin with, the government must inform the market of its intentions so that businesses can take it into account. New maritime facilities or new land links providing access to maritime facilities can be development opportunities for businesses: by setting up their plants nearby in order to benefit from these infrastructures, or by offering complementary services such as transport services.

If the government wishes to maximize the repercussions of its strategy, it must not only announce its intentions to the market but also present concrete measures and

provide a clear timetable to show that its promises will be kept.

To fully benefit from marine resources' economic potential, what do you recommend to public authorities?

First, give port authorities the financial means to better develop their service offer. For example, reduce the payments they have to make to other governments. And, in some cases, contribute financially to projects.

Governments can also enhance ports' service offer and competitiveness by improving port accesses. Road construction and maintenance are municipal and MTQ responsibilities but the ports depend on them.

Finally, cities can work more closely with ports wishing to develop new infrastructures. Port activity necessarily includes an industrial aspect and can cause noise, dust or traffic. Port activity must also take place on the river bank. We can't keep all of these properties for residential and recreational tourism development. By cooperating with port authorities, cities can help reduce project costs and increase social acceptability, thereby facilitating their development and the economic spinoffs they generate.



UPCOMING EVENTS

LUNCHEON MEETING IN MONTREAL

Speaker: Sean Finn, Executive Vice-President Corporate Services and Chief Legal Officer, Canadian National



Sean Finn was appointed Executive Vice-President Corporate Services and Chief Legal Officer in December 2000. He is responsible for CN's Legal Affairs, Regulatory, Public and Government Affairs, Risk Mitigation and Security Matters and is Corporate Secretary of the CN Board of Directors. Prior to joining CN in 1994, he practiced law with the Montreal firm Lavery De Billy and led the Tax practice group.

Mr. Finn is former Chairman of the Canadian Chamber of Commerce (2006-2007), Quebec Chamber of Commerce (2002-2003) and Railway Association of Canada (2005-2006), and a former city councillor and mayor of the City of St-Lambert (1994-2009). Sean currently sits on the Board of CANAM Group, the Montreal Children's Hospital Foundation, Swimming Canada, Tree Canada, the Canadian Journalism Foundation and the Board of Trade of Metropolitan Montreal.

When: April 16, 2015, from 11:30 a.m. to 2:00 p.m.

Where: Intercontinental Hotel - 360, Saint-Antoine West, Montreal (Quebec) H2Y 3X4

Cost: Members: \$85.00 per person, **Non-members:** \$125.00 per person

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SODES FILES

SODES WELCOMES A NEW MEMBER

SODES is pleased to welcome a new member, Canadian International Bureau of Shipping (CIBS).

Canadian International Bureau of Shipping (CIBS) (cibsmarine.org) and its sister company, AJA Registrars Canada Inc. (ajacanada.com), are global service organizations dedicated to providing a range of services to the maritime community to maintain and improve safety and security at sea and prevent pollution of the marine environment.

Services offered are:

- Quality and Environmental Management systems (QMS & EMS) auditor Registrars certification body
- Marine structural surveys and inspections
- Classification societies and flag inspections
- Casualty investigation
- Auditing, training, consulting, development and implementation of ISM, ISPS, 2006, ISO 9001, ISO 14001, OHSAS 18001, C-TPAT
- Marine safety and security risk assessments
- Chemical Distribution Institute port/terminal inspection
- Green Marine verifier
- Plans and manuals development
- Ship registry
- Crewing agents



SODES WELCOMES NEW COMMUNICATIONS COORDINATOR

We are very pleased to welcome Ariane Charette, who joined us a few weeks ago and who will be replacing Laurie Grenier as Communications Coordinator during her maternity leave. Ariane is no newcomer to the marine industry, having worked for St. Lawrence Shipoperators for two years and, from April 2014 to February 2015, as Communications Consultant with Pétrolia. With a bachelor's degree in international studies and a master's degree in public administration, her first love is communications, and she is currently completing a certificate in corporate communications with TÉLUQ. Ariane is also helping to implement the new Maritime Information Board (MIB).



PwC / SODES WORKSHOP: ENRICHING DISCUSSIONS



On March 19, the workshop "Navigating a changing environment", a day-long opportunity for discussions and presentations organized by PwC and reserved for SODES members, took place in Montreal. Some thirty participants were on hand for conferences on a wide range of subjects including the Plan Nord, infrastructure investments, governance, crisis management, etc. The activity closed with a lunch-time conference by Denis Lavoie, Director, Risks, Insurance and Claims with VIA Rail Canada.

SODES thanks PwC for organizing this very interesting day free of charge for our members.

SODES' IMAGE BANK

SODES is currently overhauling its photo bank. If you have attractive copyright-free pictures at sea or on land that you would like to share with us, we would invite you to send them to: ariane.charette@st-laurent.org



SODES FILES

2014-2015 EDITION OF FONDATION MONIQUE-FITZ-BACK'S MON FLEUVE ET MOI DRAWING CONTEST: RECORD NUMBER OF PARTICIPANTS



This year, 111 schools from 13 Quebec regions took part in the 4th edition of the Fondation Monique-Fitz-Back's *Mon fleuve et moi* drawing contest. A total of 6050 entries were received! The winning drawings will be announced on April 22 and exhibited in the form of a mural on several Société des traversiers de Québec ferries, at the Aquarium de Québec and on the Promenade Samuel-De Champlain.

Mon fleuve et moi is an educational project designed to get youngsters interested in the St. Lawrence River, provide information and make them aware of the issues surrounding its protection, development and promotion. The project includes an [edukit](#) and a drawing contest for elementary, secondary and college students throughout Quebec. SODES has been a collaborator since the project's inception.

SODES BOARD OF DIRECTORS ELECTIONS: RETURN NOMINATIONS FORMS BEFORE MAY 1

On March 30, we communicated with our members regarding the elections to the SODES Board of Directors that will take place at our upcoming AGM on June 10, 2015. If you wish your name to be considered for the list of candidates, please return the completed form to the Nominations Committee before May 1, 2015. If you did not receive the form and are interested in adding your name, please contact us.

SODES Nominations Committee

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UNDERSTANDING THE FREE-TRADE AGREEMENT: FACT SHEET



More than a free-trade agreement, the Comprehensive Economic and Trade Agreement (CETA), concluded by Canada and the European Union (EU) in 2013, will promote Canada's economic integration into the world's biggest market. Cargo M, in conjunction with SODES, has produced an information sheet discussing CETA's coming into effect, its impacts, its assets, etc.

[See information pamphlet \(available in French only\)](#)

THE WORLD OVER...

STENA GERMANICA BECOMES FIRST FERRY TO CONVERT TO METHANOL

Stena Line's Stena Germanica, the world's first methanol-powered ferry, has been back in service since March 26 travelling between Kiel (Germany) and Göteborg (Sweden). The ferry's conversion to methanol took approximately 6 weeks in dry dock at the Remontowa shipyard in Gdansk (Poland) and cost about \$22 million Euros, funded in part by the European Union's Motorways of the Seas program.



Stena Line's Stena Germanica

According to Stena Line, the emissions from methanol offer the same environmental advantages as from LNG. Methanol is a biodegradable fuel that can be produced from natural gas, coal, biomass or even CO₂. Its use will reduce sulphur oxide (SO_x), nitrogen oxide (NO_x) and carbon dioxide (CO₂) emissions.

[Watch Youtube video](#)

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