



Final Report Halifax Inland Terminal and Trucking Options Study

-- Views of Port Users --

10.0 Stakeholder Consultations

A number of stakeholders were consulted during the course of this study, including shipping lines, the trucking community, terminal operators, and Canada Customs. Information was also obtained from the Halifax Employers Association. In most cases, the meetings were held face to face although in some instances the telephone was the only option.

During the interviews, the concepts of the rail cut and the NIT were presented, explained as necessary and discussed. Interviewees were solicited for their comments/concerns as well as for information pertinent to the study. Much of the data used for the study was obtained in this fashion and we are grateful to the participants for their insight. What follows is a summary of the main issues and concerns raised during the interviews:

10.1 Shipping Lines

The shipping lines were most concerned about cost and service levels. Most supported the objective of reducing trucks in the city, particularly in the downtown area, but not at any cost.

Five shipping lines interviewed raised the issue of the additional costs and expressed concerns that they would end up paying for these extra costs and yet be unable to recover these costs from either offsetting savings or from the freight. Two of the interviewees suggested their firms may have to book local Halifax cargo on a port to port basis only.

The improved availability of the containers at the NIT with longer hours of operation was viewed as a very minor advantage particularly as container terminals presently have reasonable truck turnaround times and local containers are generally readily available (no chronic congestion).

Concern was expressed over who would operate the shuttle and the NIT and how service levels would be maintained in the long term. **The extra step of moving the containers to and from a NIT was seen as an extra cost burden, a delay and a potential**

for service failure.

Oceanex handles a lot of perishables, higher value and time-sensitive cargoes and presently offers a late gate service to their customers on Friday evenings and Saturday mornings. They compete with trucks to Newfoundland and if they do not accept late arrivals, the freight is lost to them. Even with scheduled shunts to match the requirements of the Oceanex sailings, the service level could not match the present practice. Ocean carriers (as a group) do not generally rely on late gates.

10.2 Terminal Operators

Ceres, Halterm and Logistec were interviewed both to reconcile the number of trucks per day and to share their thoughts on the rail cut and the inland terminal options being studied. Generally **they expressed the opinion that there is still unused capacity to handle containers in Halifax, that the service levels at their respective facilities were better than they have been in the past and that there were other (less expensive) ways to reduce traffic.**

The rail cut was seen as a positive, although limited, solution if only one-way traffic was possible.

10.3 Trucking Community

The trucking community was generally more positive and would be happy to avoid city traffic and achieve better truck turnaround times. Long haul truckers are most interested in the extended hours of operation while local trucking companies are most interested in increasing their number of trips per day.

The rail cut option was also seen in a positive light although not if it became a toll road. Some trucking companies have acquired handling equipment and store some containers at their facilities rather than have to call at port terminals on every trip, while other long haul trucking companies sub-contract port calls so they can hook and haul on arrival and not be tied to the hours of operation of the terminals.

10.4 Customs (protection)

There exist several opportunities for improved security protection with a NIT concept and all but emergency inspections could be postponed until the containers reached the NIT. It is expected that so-called door inspections of containers destined for rail would also continue to be performed at the port terminals.

11.0 Value Added Opportunities

In 2004, the Halifax Port Authority, Greater Halifax Partnership and the Office of Economic Development sponsored a study to examine the potential to attract additional distribution activity to the Halifax region, to attract additional shipping lines to call at the port.

Several retailers and major shippers were identified who were interested in shipping

more cargo through Halifax. The timing of the study coincided with congestion being experienced at ports on both the Canadian and US west coasts. Several ports on the US east coast have been able to lever the location of distribution centres nearby to attract a new breed of all-water shipping services from the Far East...

In Halifax, the opportunity appears to be to attract cargo from the Indian sub-continent, South East Asia and the Pearl River Delta in a westbound direction through the Suez Canal, rather than eastbound via the Panama Canal.

In the short term, it appears that several companies are interested in transloading containers and domestic trailers at either a third party (3PL) warehouse or their own facility. Indeed, during the course of this study, Canadian Retail Shippers' Association announced it would be shipping 4,000 TEUs from the Indian sub-continent and China via Halifax, which will be transloaded to a warehouse operated by Armour Transportation Group. This option will make better use of containers moving westbound with import cargo. This same cargo is transferred into trailers in Toronto for shipment back east, and the containers are often shipped empty back to Halifax.

For the present study the following retailers and 3PLs were contacted:

- HBC Logistics
- Loblaws
- Canadian Tire Corporation
- CRSA
- Wal-Mart
- Home Hardware
- Home Depot
- FastFrate
- HUDD

There seems to be willingness and a new commitment on the part of some major shippers to move additional Far East and Indian sub-continent cargo through the Port of Halifax. The immediate concern is a lack of shipping space either on all-water Panama services or Suez services coming into Halifax. One major shipper indicated there is not enough choice in either carriers or rail service to lock them into the Halifax gateway.

In terms of value-added opportunities afforded by a NIT, there appear to be many synergies that could be developed between the NIT and local shippers and both regional and national distributors. At a minimum, the inland terminal results in better asset utilization in terms of trucking units. **Assuming the Burnside Connector is built along with the terminal, it potentially offers much quicker access to warehouses and distribution facilities. It also opens up the northern portion of Burnside Industrial Park to the development of a new generation of distribution warehouses,** a so-called Distripark concept.

At least two 3PLs that were contacted expressed an interest in operating the terminal once it is built. The shippers contacted all said they are planning to ship additional cargo through the port in 2005 and that this initiative will be watched with considerable interest.