

December 18, 2008

Re: CBSA Policy a Hindrance to Asia-Pacific Gateway (CIFFA News, Dec. 16, 2008)

The Prince Rupert Port Authority was concerned to learn of the experience of your CIFFA member using the new Prince Rupert container gateway this past fall. The delays encountered at all of Canada's gateways during this period were attributed to Health Canada and CBSA policies pertaining to national air quality standards for containers targeted for inspection and the venting associated with air quality testing procedures. We regret the delay and have worked diligently with our partners to remedy the situation. We are pleased to advise the membership that these issues were resolved promptly and there are no longer significant delays encountered at the Prince Rupert gateway attributed to this process. The Port of Prince Rupert remains the highest velocity and most dependable container gateway in North America.

When these issues were encountered, we established a team comprised of Maher Terminals, CBSA, Quickload Terminals and the Prince Rupert Port Authority, and formulated a collaborative action plan to minimize the impact to shippers and the dwell time of containers targeted for inspection. We developed a made-in-Prince Rupert solution to expedite the ventilation process while CBSA implemented new testing equipment, which has significantly reduced testing time from 1-3 hours to five minutes. As a result, the average dwell time of CBSA-targeted containers is now 2-3 days, compared to 1-2 days for unexamined containers, an unparalleled performance in North America.

This security process has been further improved with the opening of Quickload's \$10 million purpose-built and state-of-the-art Container Examination Facility in late November 2008. The new facilities will feature 24/7 operations and expedited ventilation of containers, and be 'best in class' in the country.

While we share the concerns expressed regarding the targeting of containers for inspection by CBSA ultimately destined for the United States, and the costs associated with container inspection, we also recognize that this operation is integral to maintaining secure and safe international trade corridors. We believe this service is being coordinated in Prince Rupert with minimal-to-no impact to system velocity and dependability. In fact, only a very small percentage of containers handled through Prince Rupert, as with all other Canadian gateways, are targeted for secondary screening and would be subject to this potential cost. Those small numbers of containers that are targeted for examination are transported to the Container Examination Facility and are completely unloaded of their contents for examination by CBSA, and then reloaded. This process occurs seamlessly and expeditiously. Further, Prince Rupert is the first gateway in North America to fully integrate security systems in the terminal design and operations, and is the safest gateway in North America. This will provide additional dependability for shippers in the future.

We continue to work together with our partners to improve the service and deliver on the Prince Rupert advantage for shippers. A measure of this success is reflected in the consistent shipper feedback that the service through Prince Rupert is 'beyond expectations'...and expectations have been high. In addition, traffic through the Fairview Terminal continues to increase, an indication that more shippers are seeing the Prince Rupert advantage and another validation of the satisfaction of customers shipping through Prince Rupert.

Since opening in the Fall of 2007, the Prince Rupert container terminal has provided shippers unparalleled speed and reliability into the Heartland of North America. The Prince Rupert Port Authority will continue to work with our partners to improve the service and look forward to further feedback from your membership to assist us in better meeting their needs.

Yours truly,

PRINCE RUPERT PORT AUTHORITY

Shaun Stevenson
Vice-President, Marketing & Business Development
(250) 627-2506
sstevenson@rupertport.com