

**Speaking Points**  
**Atlantic Provinces Transportation Forum**  
**Wednesday, May 30<sup>th</sup>**

- Pleased to be here this morning to participate in the forum with other transportation providers in the Province:
  - Glenn Etchegary – Vice President of Oceanex
  - Peter Woodward – Vice President of Woodward Group
  
- Thank you: Dave Vardy of the Harris Group for the opportunity to be here.
  
- Take a few moments to update you on Marine Atlantic's 5 year business plan and then make a few comments on how an *Atlantic Gateway* could impact our business.
  
- As a key daily transportation provider to and from the Island, we service many different clients on a daily basis – Islanders travelling for personal reasons, tourists, business traveller and a large part of our business is the commercial trucking industry.
  
- Our goal is to provide the best possible service to each of these customers. This means providing a safe, reliable and cost-effectiveness service.

**Today**

- Looking at Marine Atlantic today as we are heading into our busiest part of the year – more than 60% of our traffic for 12 months will occur over the next few weeks.
  
- From a reservations perspective:
  - 8% increase in reservations booked for peak summer season (mid-June to the end of August) over this time last year – both passengers and passenger vehicles.
  
- Our focus this summer will be to provide: a high level of customer service, on-time performance combined with high vessel utilization.

- We currently have in place a schedule that provides the maximum number of crossings that we can maintain with our current infrastructure.
- Schedule based on a number of items: traffic offering, federal regulations, port and crossing time
- The 2007 schedule is a little different from 2006 with a few less crossings. Last year's schedule was a little too enthusiastic and resulted in delays for our customers.
- We are estimating that demand for our service will continue to increase and our 5 year business plan identifies our plans to meet customer demands.

### **Next 5 years**

- Marine Atlantic currently has four vessels in its fleet – 3 passenger vessels capable of carrying a combination of traffic and 1 commercial ferry freighter.
- We have been working with Transport Canada to develop a plan to revitalize our fleet. A final decision has not yet been made with respect to configuration of the revitalized fleet. (4 new/2 new & 2 life extensions)
- We are currently completing more extensive designs/research. We should have a final decision on the fleet by the end of 2007 and then be in a position to place orders in 2008.
- We are now looking for a charter vessel to increase our capacity until we are able to introduce new and/or refitted ships. Once we find a suitable vessel, we will be selling the *MV Atlantic Freighter*.
- We are reviewing our entire infrastructure at Marine Atlantic. Over the next several years we will be identifying changes and updates needed to service our customers.
- The first improvement you will see will be the construction of a new bi-level dock in Port aux Basques as well as the addition of a second level

on our alternate dock in North Sydney. This new infrastructure will enable us to load and unload 2 vessels at a time.

- We will be proceeding to tender as soon as we receive approval from Transport Canada.

### **Atlantic Gateway – possible impact**

- The Atlantic Gateway is a long term project for us in Newfoundland and Labrador but if the Atlantic Provinces are to take full advantage of its potential then we must seriously begin looking at the potential and begin planning for the future.
- When we look at the possibilities of an Atlantic Gateway and its potential impact on Marine Atlantic we are currently looking at two options:
  - Gateway is in Halifax
  - Gateway somewhere on the Island of Newfoundland – maybe Argentia – possibly multiple ports
- I do not see any impact on Marine Atlantic on the short to medium term so we will be continuing on our current course.
- 1<sup>st</sup> possibility - What if the Atlantic Gateway is Halifax? What will this mean to Marine Atlantic?
  - Since most of the freight transported by Marine Atlantic is just-in-time then if the Atlantic Gateway is located in Halifax then it not likely to have any real impact on our operation.
  - Any product offloaded by the container ships in Halifax will be sent to United States or other points.
  - Supply and Demand: The volume of freight being transported to the Island of Newfoundland will not change.

- However, what if the Atlantic Gateway is focused on the Island of Newfoundland (not necessarily one port) or if there is a second port as part of the Atlantic Gateway then:
  - One option: Argentia. I take Argentia just as an option because it is a deep water port, large area (former US base), and ice free.
  - Other options for secondary ports are St. John's or Corner Brook
  - Then you need to ask: How could such a facility affect our business?
  - Again, there would be no real impact in the short-term.
  - However, if the business developed to a point that there is daily cargo arriving then the short sea shipper that is picking up the cargo may market to our customer. So, there is a potential for an impact on our service.
  - The short sea shippers would be coming to the Island to pick up this cargo. From a business perspective, it would make more sense to travel with a full load to and from the Island.
  - This could mean a decrease in our commercial traffic.

## **Conclusion**

- The Atlantic Gateway is a long-term project.
- From Marine Atlantic's perspective, we would not likely see any benefits from such a business opportunity.
- However, important that the possibility is fully explored because it could have a positive impact on our economy on a whole.