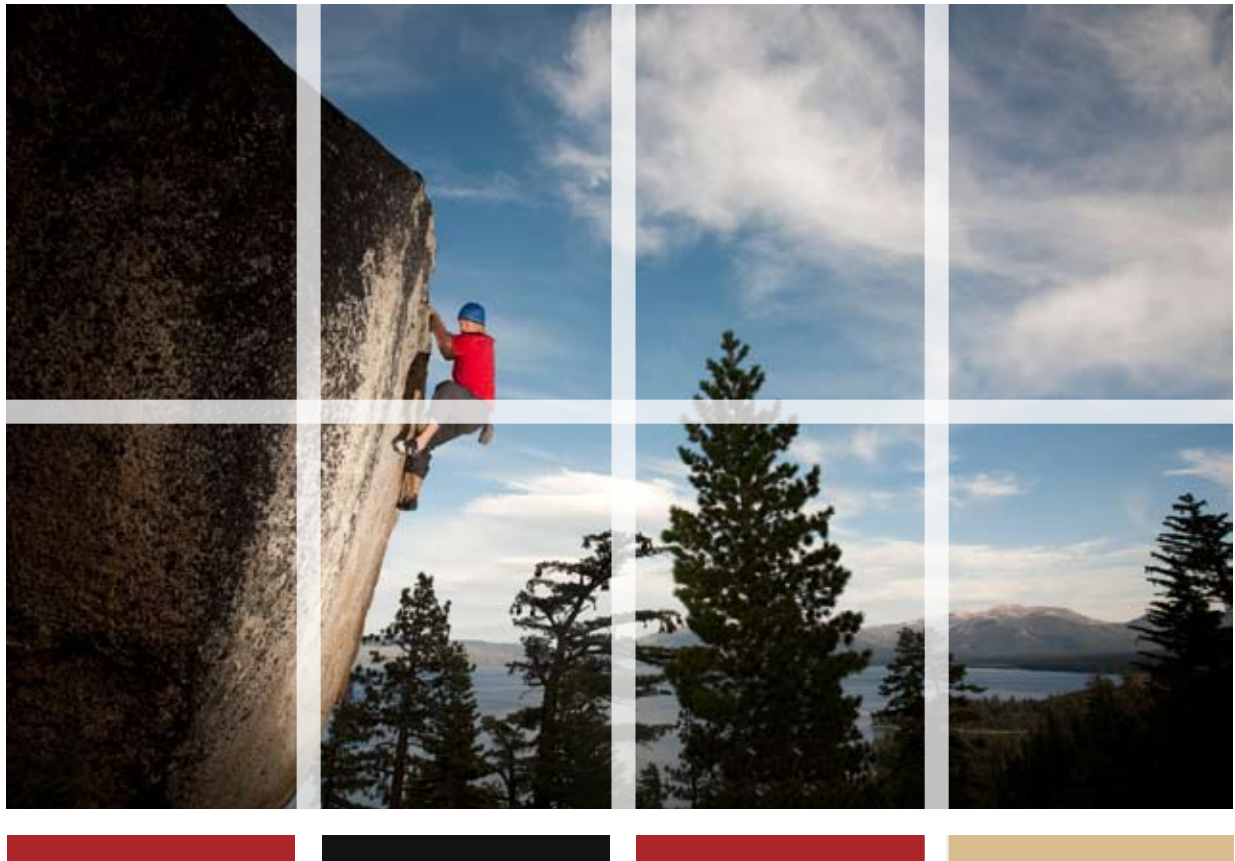


WESTERN TRANSPORTATION ADVISORY COUNCIL

# ANNUAL REPORT

2009



The Prime Catalyst for Supply Chain Excellence

# re•sil•ience

There are two definitions of resilience. Pick either one - this defines our industry in 2009.

n.

1. The ability to recover quickly from illness, change or misfortune; buoyancy.
2. The property of a material that enables it to resume its original shape or position after being bent, stretched, or compressed.

## In Memory



Hon. Fred Peacock, one of our founders, passed away February 15, 2010 at the age of 93 years. Fred was the Minister of Industry and Commerce, Government of Alberta, and a driving force for the formation of WESTAC in 1973. In later years he served as Honourary Director and remained actively interested in our council and its activities until very recently. We honour his memory, vision and energy.

*The thing that I remember most of Fred was his vision and his sense that the major players in Western Canadian Transportation needed to know, understand and talk to each other on a regular basis. He helped create WESTAC to be a key catalyst of this dialogue.*

*Fred was right in the early 1970's and he is right today - the nature of our society and the way we accomplish things, dictates that little can be done in isolation - we need to know and understand and dialogue with each other to effectively achieve longer term results within our own niche - transportation.*

*– Kevin Doyle, Honourary WESTAC Director*

# Our Vision

WESTAC is the prime catalyst for supply chain excellence

# Our Mission

WESTAC is the credible, balanced forum of the transportation and logistics sector in Western Canada. As a forum for consensus and change, it promotes supply chain excellence.

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# Chairman's Message



**2009 was a year we will all remember.** There are few precedents for such dramatic shifts in the global economy. For us in transportation the impacts of these changes were felt severely. In Alberta it has been a challenging time for business and for citizens. However, our Government is committed to infrastructure programs as part of the way forward. I am confident investment in transportation and infrastructure will prepare us for prosperity when economic growth returns.

It is in times of turmoil that we must come together to discuss opportunities and put collaboration first. It is in this forum that we in the transportation industry have the opportunity to create a better future through partnership and growth as a region and a system.

Although times were difficult, I am proud of the Council's achievements and the dedication of Members who remain committed and engaged. The Government of Alberta is a strong supporter and believer in the power of a forum such as WESTAC. During my tenure as the Council's Chairman, the need for this organization that spans modes, governments and labour to bring together the best and brightest minds in the field has been reaffirmed.

I am pleased to report that the Council's work has continued and its dedication to excellence has remained unhampered. The Council's five-year Strategic Plan was finalized this year and I am confident it is the right plan to drive the vision of this organization into the future.

The Annual Meeting we hosted at Government House in Edmonton brought together a panel of speakers of the highest quality. I commend the Council's diligence in delivering some of the best opportunities to engage and learn in this industry. The economic realities were clear in April and Members shared their experiences during these rough times. However, there wasn't time to only ruminate on the bad. WESTAC forces us to think about the future and the coming challenges and opportunities. Whether it is looming human resource shortfalls or promising energy developments, we come together to address these things as a collaborative group.

The inherent value of a unique organization such as WESTAC is difficult to quantify. It is my sincerest hope that we all remain committed to the ideals and the vision of this organization. Together, through collaboration and dialogue, Western Canada will have a world class, competitive, efficient, safe and successful transportation system.

It has been rewarding to serve as WESTAC Chairman and I am honored to have held this position for the past year. It has been my pleasure to meet and work with my colleagues in the industry. I wish the Council and its incoming Chairman, Honourable Jim Reiter of Saskatchewan, all the best in the upcoming year.

Regards,

Honourable Luke Ouellette  
Minister of Transportation  
Government of Alberta

# President's Message



A WESTAC publication thirty years ago cited Canadian Transportation Challenges as: exaggerated growth cycles, oil dependence, aging equipment and facilities, slowed productivity gains, government budget restraints, and public pressures over safety and environmental damage. These challenges have been with us for decades, despite incremental progress.

Governments once made the investments to build the infrastructure; today industry shares heavily in investing in capacity and then must ensure optimal use of that capacity. The days of deliberate slack in the system are gone; it's all about fully utilizing assets. And while streamlined border processes have always been needed, who could have imagined the cost and effort that today's international trade requires.

The year 2009 was marked by two game changing developments: a severe global recession and a surge in investment projects by governments across the world, including Canada. In the spring the Council met in Edmonton at Government House to talk about how the recession was impacting members – in a meeting called Managing in Uncertain Times. Despite some serious reversals, the tone was one of resilience.

In the fall meeting in Vancouver, we discussed the tremendous progress that had been made on the Asia Pacific Gateway and Corridor Initiative and considered how to transform the focused and large investments into profitable outcomes, how to sustain support from communities, and how to optimize our reliability and reputation. The coming year will see work on innovation to drive more value from the investments as they are completed.

WESTAC's success as a strong and focused organization is underpinned by the active involvement of its Chairman and Board. On behalf of all members, I thank the Hon. Luke Ouellette for his unwavering support and able chairing of the Council. I also thank Jean-Jacques Ruest of CN who took on the chairing of the Executive Committee in July. His leadership and active involvement from his home base of Montreal has enabled this important committee to have a very positive impact on the Council's direction.

I thank my colleagues, the small conscientious team of Lisa Baratta, Jennifer Perih and Melerie Ingram for their tireless work on behalf of WESTAC and its members.

The resilience demonstrated by the industry over the past year will serve us well as the recovery progresses. I look forward to WESTAC's contribution to the industry's success.

Regards,

A handwritten signature in black ink that reads "Ruth Sol". The signature is fluid and cursive.

Ruth Sol  
President

# Highlights 2009

## 1. Strategic Plan finalized

WESTAC's 5-year strategic plan was approved by the board and is being implemented by the Secretariat.

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## 2. Political engagement

WESTAC hosted Minister Stockwell Day at a roundtable, welcomed Minister Jim Reiter at a dinner and Chairman Hon. Luke Ouellette hosted the Annual Meeting at Government House.

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## 3. Highest quality speakers at member events

Speakers were researched extensively to ensure optimal engagements. Notable presenters included: Dr. Linda Duxbury, Dr. Roger Gibbins, Dr. Robert Page, Robert Samek and Hon. Ron Stevens.

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## 4. Information products streamlined

WESTAC's extensive database of transportation publications, papers and reports has been catalogued and updated for ease of use. New products were developed for Member use.

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# Member Meetings & Services

## Roundtable with Hon. Stockwell Day

This small roundtable provided members a valuable opportunity to discuss key issues with Canada's Minister of International Trade and the Asia Pacific Gateway. Members used the forum to brief the Minister on some key issues and to open a dialogue for the future.

## Annual Meeting

*"Has Everything Changed? -  
Managing in Uncertain Times"*

The Annual Meeting was a highly successful and educational event for all Member participants. Staff secured qualified and engaging speakers. Highlights included renowned human resources expert Dr. Linda Duxbury and an expert panel that discussed the future of energy policy in Canada. The second day offered members an opportunity to update others on their organization and industry status as the recession progressed. Hon. Luke Ouellette hosted the meeting at Government House in Edmonton. A post-meeting highlights report was sent to all Members.

## Oil Sands Tour for Members

Suncor and the Government of Alberta toured a small WESTAC group around the oil sands in Northern Alberta. It was an opportunity for Members to see the oil sands up close and to learn more about this important resource.

## Dinner with Minister Jim Reiter

A small group of WESTAC Members gathered in Regina to welcome Saskatchewan's new Highways and Infrastructure Minister to WESTAC. These types of small meetings offer Members an opportunity to meet the new Minister, to brief him on WESTAC and their organization and to share their views on transportation issues in Western Canada. In particular, the importance of Saskatchewan within our transportation system is discussed.



*Dr. Linda Duxbury delivers a compelling presentation on Canada's changing workforce at the Annual Meeting in Edmonton.*

## Semi-Annual Meeting

*"What's Next? - Finding the New Balance"*

The Semi-Annual Meeting held in Vancouver in November brought Members together to discuss the future and determine what's next for Western Canada's supply chain. Members heard from TD Bank Financial Group's Derek Burleton about the general economic outlook and Robert Samek of McKinsey & Company provided an analysis of global trends that will impact businesses. Members also discussed international trade opportunities and how to expand business and serve current customers even better. As a result of breakout sessions WESTAC put together some priorities for the Asia Pacific Gateway moving forward. These priorities have been circulated to Members and governments.

# Workforce & Community Development

## Centralization of career resources

WESTAC's workforce initiatives were scaled back through 2009. The Council continues to partner with other organizations working on career development for the transportation and logistics industry. The Council's three career websites are being maintained, but not updated and enhanced at this time.

- WESTAC has streamlined its career awareness products. By creating a new jobboard that is part of the renowned career education sites Transpocity.ca and Transpoville.ca, the new [www.jobboard.transpocity.ca](http://www.jobboard.transpocity.ca) centralizes transportation career resources into one user-friendly location.
- The opportunity arose when WESTAC sold the rights to the domain name [transportationcareers.ca](http://transportationcareers.ca). The BC Transportation Career Development Agency, created by BC's Industry Training Authority, will develop the domain.

## Observer and resource for Asia Pacific Gateway Skills Table

Ruth Sol serves as a Board observer as this organization continues to build its mandate and serve the Gateway. WESTAC is used as a development resource and industry expert to this key organization. Ruth Sol also participated in the organization's strategic planning session.

## Support of member Human Resource Initiatives

### *Alberta Logistics Workforce Strategy*

WESTAC was a member of the steering committee as this strategy was developed and launched. WESTAC will continue its work with the strategy as a member of the Industry Contributors group and an advisor to the strategy.

### *Port Metro Vancouver Career Fair*

WESTAC shared information and resources with staff at Port Metro Vancouver as they prepared for career fairs and information sessions. WESTAC's TranspoCity materials continue to play a role in promoting the industry.

## Transport Canada's Pacific Gateway Engagement Strategy

In response to a request from Transport Canada, WESTAC submitted a proposal for the Asia Pacific Gateway and Corridor Initiative Public Engagement Strategy. The proposal was a collaboration between WESTAC and a local creative firm, building on the ideas presented in WESTAC's "Transportation 101" project.

WESTAC's proposal was very thorough and detailed a plan over a multi-year time frame to engage Gateway communities. Many members and other Gateway stakeholders supported the proposal with in-kind sponsorships and endorsement letters. The future of the project is unclear at this time.



# Executive Functions

## Finalized Strategic Plan

The Executive Committee and Secretariat worked to finalize and secure Member approval of the five-year Strategic Plan. The Plan will guide the Council's activities and streamlines our focus into five key areas:

1. Promote understanding and dialogue among sector leaders and stimulate action to improve Western Canada's transportation system
2. Strengthen our membership base
3. Be a leading source of supply chain information for Members
4. Enhance strategic communications
5. Demonstrate exemplary behaviour as an association

## Fiscal Responsibility

2009 was a challenging year for all businesses including those in the non-profit and association sphere. WESTAC was not unharmed by the global downturn and as such had to make prudent financial decisions to ensure the long-term viability of the organization. Some changes included reducing the staff by one person, freezing remaining staff salaries and renegotiating contracts to take advantage of promotions and opportunities that would reduce overall operating costs.

## Member Strategy

The Secretariat has established a BC Government Task Force to address this clear membership gap. The Task Force convened in early June and set out a series of recommendations. WESTAC staff worked with a government relations consultant and secured an appointment with Peter Milburn, Deputy Minister, BC Ministry of Transportation and Infrastructure. Ruth Sol and several Members met with the Deputy and discussed the advantages of WESTAC membership. The Council has reached out to the new Minister, Hon. Shirley Bond and is working on engaging her. A meeting with the Minister is scheduled for 2010.

Ruth Sol has made concerted efforts to meet with the majority of Members for one-on-one consultations. These meetings and, in some cases, conference calls help the Secretariat understand individual Member priorities. In 2009 Ruth met with 65% of Members. The output from these meetings is used to assist the Secretariat in planning events, ensure Members are hooked into relevant opportunities and are engaged with the organization and its direction.

### *New Members:*



*Scott Rudderham, Vice President  
of Operations, Canpotex*



*Tim McEwan, President & CEO  
Initiatives Prince George*

# Information Products

The following products were developed by WESTAC's summer co-op students, Jordan Robinson and Edmund Szutu. These students from Simon Fraser University were an excellent addition to the team. The Council is committed to providing relevant learning opportunities and expanding the capacity of the organization while contributing to the community and the future success of these students.

## WESTAC Briefings

WESTAC prepared two briefings for the industry. The first looked at the impacts of implementing the HST in BC and the second summarized the three main strategies for carbon reduction in Canada. These briefings were mailed to Members and are available as part of WESTAC's Information Services program.

## Member Directory

WESTAC created its first internal Member Directory. The Directory provides biographies, photos and organizational information on Official and Alternate Member representatives at WESTAC. Contact information is also included to supplement networking and partnership opportunities. The directory will be updated and distributed to Members on an annual basis.

## E-Library Updates

The WESTAC E-Library has been fully refurbished. WESTAC has a wealth of documents, research papers and useful articles on varied industry issues. Resources have been properly indexed and summaries prepared to improve functionality. This service is available to employees of all Member organizations.



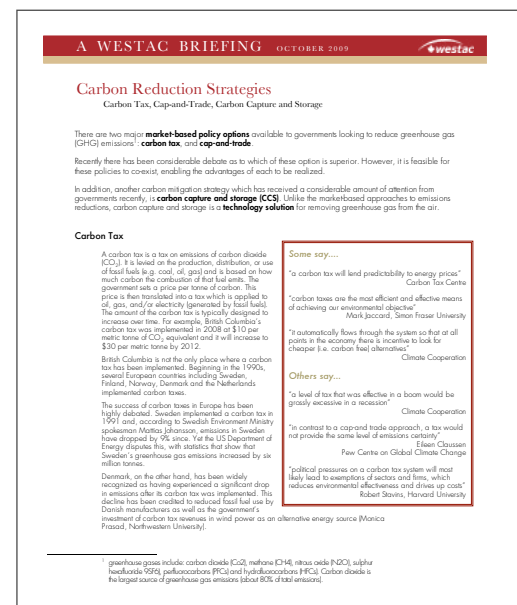
## Other Activities

Participated in:

- CAN/AM Border Trade Alliance Annual Conference
- Canada Maritime Conference
- Canada West Foundation's 'Going for Gold' project
- Fields on Wheels Conference
- Open Skies Forum
- Roundtable to promote regional cross-border economic integration and cooperation mechanism
- TransLink's Transportation Forum
- "Western Canada: Productivity, Competitiveness and Potential" Roundtable

Presented at:

- Board of Trade Pacific Gateway session
- Pacific Federal Council



A WESTAC BRIEFING OCTOBER 2009 westac

### Carbon Reduction Strategies

Carbon Tax, Cap-and-Trade, Carbon Capture and Storage

There are two major **market-based policy options** available to governments looking to reduce greenhouse gas (GHG) emissions: **carbon tax** and **cap-and-trade**.

Recently there has been considerable debate as to which of these options is superior. However, it is feasible for these policies to coexist, enabling the advantages of each to be realized.

In addition, another carbon mitigation strategy which has received a considerable amount of attention from governments recently, is **carbon capture and storage (CCS)**. Unlike the market-based approaches to emissions reductions, carbon capture and storage is a **technology solution** for removing greenhouse gas from the air.

#### Carbon Tax

A carbon tax is a tax on emissions of carbon dioxide (CO<sub>2</sub>). It is levied on the production, distribution, or use of fossil fuels (e.g. coal, oil, gas) and is based on how much carbon the consumer of that fuel emits. The government sets a price per tonne of carbon. This price is then translated into a tax which is applied to oil, gas, and/or electricity (generated by fossil fuels). The amount of the carbon tax is typically designed to increase over time. For example, British Columbia's carbon tax was implemented in 2008 at \$10 per metric tonne of CO<sub>2</sub> equivalent and it will increase to \$30 per metric tonne by 2012.

British Columbia is not the only place where a carbon tax has been implemented. Beginning in the 1990s, several European countries including Sweden, Finland, Norway, Denmark and the Netherlands implemented carbon taxes.

The success of carbon taxes in Europe has been highly debated. Sweden implemented a carbon tax in 1991 and, according to Swedish Environment Ministry spokesman Mats Johansson, emissions in Sweden have dropped by 9% since. Yet the US Department of Energy disputes this, with statistics that show that Sweden's greenhouse gas emissions increased by six million tonnes.

Denmark, on the other hand, has been widely recognized as having experienced a significant drop in emissions after its carbon tax was implemented. This decline has been credited to reduced fossil fuel use by Danish households as well as the government's treatment of carbon tax revenues in wind power as an alternative energy source (Mansoor Prasad, Northwestern University).

Some say....

"a carbon tax will lend predictability to energy prices" Carbon Tax Centre

"carbon taxes are the most efficient and effective means of achieving our environmental objective." Mark Jaccard, Simon Fraser University

"It substantially flows through the system so that at all points in the economy, there is incentive to look for cheaper [i.e. carbon less] alternatives." Climate Cooperation

Others say....

"a level of tax that was effective in a boom would be grossly excessive in a recession" Climate Cooperation

"In contrast to a cap-and-trade approach, a tax would not provide the same level of emissions certainty." Elaine Clausen

"Political pressures on a carbon tax system will most likely lead to a cap-and-trade approach, a tax would not provide the same level of emissions certainty." Robert Stavins, Harvard University

<sup>1</sup> greenhouse gases include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulphur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFCs) and hydrofluorocarbons (HFCs). Carbon dioxide is the largest source of greenhouse gas emissions (about 80% of total emissions).

# Structure

## Board & Committees

### BOARD OF DIRECTORS

*Hon. Luke Ouellette, Chairman*

*Hon. Steve Ashton*

*Hon. John Baird*

*Tim Chapman*

*Richard Corfe*

*Paul Devries*

*George Dorsey*

*Kevin Doyle*

*Stan Hennessy*

*Mayor Lois Jackson*

*Ian Jarvis*

*Mayor Jack Mussallem*

*Capt. Kevin Obermeyer*

*Hon. Fred Peacock*

*Hon. Jim Reiter*

*Tracy Robinson*

*Steve Roth*

*Jean-Jacques Ruest*

*Robin Silvester*

*Patrick Sinnott*

*Ruth Sol*

*Doug Stewart*

*Hugh Wagner*

*Ward Weisensel*

### OFFICERS

*Chairman of the Board*

*Hon. Luke Ouellette*

*Vice-Chairman of the Board*

*Hon. Jim Reiter*

*President and Treasurer*

*Ruth Sol*

*Corporate Secretary*

*Lisa Baratta*

### EXECUTIVE COMMITTEE

*Jean-Jacques Ruest, Chairman*

*Hon. Steve Ashton*

*Kristine Burr*

*Tim Chapman*

*Stan Hennessy*

*Hon. Luke Ouellette*

*Robin Silvester*

*Patrick Sinnott*

*Doug Stewart*

*Ward Weisensel*

### FINANCE & GOVERNANCE SUBCOMMITTEE

*Doug Stewart, Chairman*

*Capt. Kevin Obermeyer*

*Jean-Jacques Ruest*

### HUMAN RESOURCES SUBCOMMITTEE

*Ward Weisensel*

### NOMINATION OVERSIGHT COMMITTEE

*Kevin Doyle*

*Capt. Kevin Obermeyer*

*Patrick Sinnott*

*as at December 31, 2009*

# Members

Industry, labour, government  
A unique forum

- Armstrong Group  
*Randy Powell, President & CEO*
- BNSF Railway  
*Pete Rickershauser, VP, Network Development*
- British Columbia Coast Pilots Ltd.  
*Paul Devries, General Manager*
- British Columbia Maritime Employers Association  
*Andy Smith, President & CEO*
- Canadian Pacific Railway  
*Tracy Robinson, Vice President, Marketing*
- Canadian Tire Corporation, Limited  
*Patrick Sinnott, Executive VP, Technology & Supply Chain*
- Canadian Wheat Board  
*Ian White, President & CEO*
- Canpotex Limited  
*Scott Rudderham, Vice President, Operations*
- CAW - Canada  
*Bob Fitzgerald, National Representative*
- Chamber of Maritime Commerce  
*Ray Johnston, President*
- Chamber of Shipping of British Columbia  
*Capt. Stephen Brown, President*
- City of Prince Rupert  
*Mayor Jack Mussallem*
- CN  
*Jean-Jacques Ruest, Senior Vice-President, Marketing*
- Consolidated Fastfrate Inc.  
*Peter Marshall, President & CEO*
- COPE Local 378  
*Andy Ross, President*
- CRSA Logistics  
*Doug Stewart, President*
- Government of Alberta  
*Hon. Luke Ouellette, Minister of Transportation*
- Government of Manitoba  
*Hon. Steve Ashton, Minister of Infrastructure & Transportation*
- Government of Saskatchewan  
*Hon. James Reiter, Minister of Hwys & Infrastructure*
- Government of the Northwest Territories  
*Hon. Michael McLeod, Minister of Transportation*
- Government of Yukon  
*Hon. Archie Lang, Minister of Hwys & Public Works*
- Grain Services Union  
*Hugh Wagner, General Secretary*
- Greater Vancouver Gateway Council  
*Bob Wilds, Managing Director*
- HRSDC (Labour Program)  
*Guy Baron, Director General, Federal Mediation & Conciliation Service*
- ILWU Canada  
*Tom Dufresne, President*
- Initiatives Prince George  
*Tim McEwan, President & CEO*
- Metro Vancouver  
*Mayor Lois Jackson, Chair*
- Northwest Corridor Development Corporation  
*Gerard Aldridge, Executive Director*
- Pacific Pilotage Authority Canada  
*Capt. Kevin Obermeyer, President & CEO*
- Port Metro Vancouver  
*Robin Silvester, President & CEO*
- Prince Rupert Grain Ltd.  
*Nick Fox, Interim President & CEO*
- Prince Rupert Port Authority  
*Don Krusel, President & CEO*
- Ridley Terminals Inc.  
*George Dorsey, President & COO*

Seaspan International Ltd.

**Steve Roth**, VP Business Development & Fleet Logistics

Shell Canada Limited

**Nick Perchthaler**, Manager Supply & Operations, North America

SRY Rail Link

**Frank Butzelaar**, President

Sultran Ltd.

**Lorne Friberg**, President & CEO

Sylvan Distribution Ltd.

**Gino Crisanti**, President

Teamsters Canada

**Stan Hennessy**, Executive

Teamsters Canada Rail Conference

**Dan Shewchuk**, President

The CSL Group Inc.

**Tom Brodeur**, VP Marketing & Customer Service

The St. Lawrence Seaway Management Corp

**Richard Corfe**, President & CEO

The Van Horne Institute

**Peter Wallis**, President & CEO

Thunder Bay Port Authority

**Tim Heney**, CEO

TransLink

**Ian Jarvis**, CEO

Transport Canada

**Hon. John Baird**, Minister of Transport, Infrastructure and Communities

Viterra

**Nick Fox**, VP Terminals

Western Stevedoring Terminal Operations

**Tim Chapman**, President & CEO

YRC Reimer

**Clayton Gording**, President



Members at Semi-Annual Meeting, Left to Right: Jean-Jacques Ruest, Peter Marshall, Michael Fine (DFAIT Director General - Economic Policy Analysis), and Ruth Sol.

#### HONORARY DIRECTORS

Kevin Doyle

Hon. Fred Peacock

#### WESTAC STAFF

Ruth Sol, President

Lisa Baratta, Director, Strategy

Jennifer Perih, Communications Coordinator

Melerie Ingram, Executive Assistant

members as at December 31, 2009

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