

# **Infrastructure Opportunities of Port Rail Authorities**

**ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE  
ROUNDTABLE**

**WINNIPEG, MANITOBA, FEBRUARY 27TH 2007**

**Monica Blaney**

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- Currently the world's seventh largest economy, China is predicted to be the second largest by 2020 and the largest by 2041
- **By 2020, container cargo alone is projected to increase by up to 300% from 1.8 million containers to over 5 million containers**

# Railways in Port Of Vancouver

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Currently three Canadian owned railroads and one US owned railroad operate within the greater Vancouver area:

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- Canadian Pacific Railways (CPR)
- Southern Railway of British Columbia Ltd. (SRY)
  
- Burlington Northern and Santa Fe Railway Co (BNSF).

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While all four railroads have operations on the south shore of the port, one railroad has sole access to the facilities on the north shore, (CN bought out BC Rail Ltd operations in mid 2005).

# Railway Bridges in Port Of Vancouver

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All CN, BNSF and SRY traffic entering the Vancouver area from the east must also cross the Fraser River Bridge. Owned by CN, this swing bridge also opens numerous times a day for marine traffic. The current demand on that bridge is about 46 trains a day.

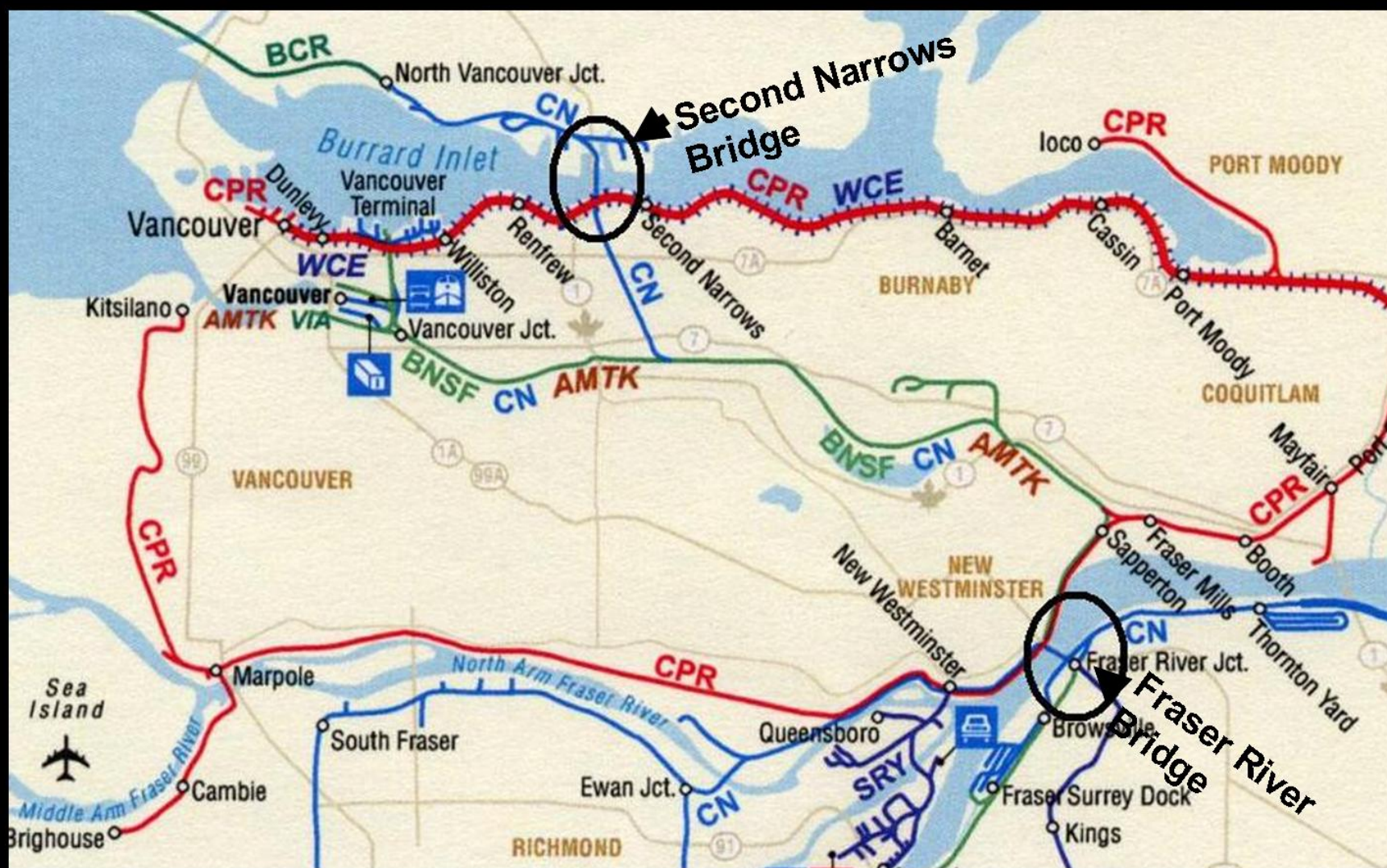
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**These bridge bottlenecks can result in operational delays for traffic accessing the terminal facilities on all four railways.**

# Railways in Port Of Vancouver



# Fraser River Railway Bridge



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# Second Narrows Railway Bridge





# Second Narrows Railway Bridge



<http://www.cherrybouton.com/2ndnarrows.html>

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- Directional running zone between the two carriers from west of Ashcroft, BC to Mission, BC in the Fraser Canyon
- In March 2006, CPR started to handle all trains of both railroads destined for the south shore and CN handles all trains of both railroads destined for the north shore

# Port Railway Authorities

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Various models of terminal/port railways exist today in the US and Canada. These fall under three major categories:

- State Owned,
- Class 1 owned,
- Privately owned – shortline railways.

# State Owned Port/Terminal Railway Authorities

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- bought a railroad company and continue to hold it as a revenue generating company which pays dividends to a public entity,
- **are strictly a holding company with no assets but provide open access to the port/region.**

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- provide a dividend to the state/city
- facilitate trade and economic development
- provide a level playing field
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A few were created in recent decades to develop local economy – SM certified in 1994.

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- Some wanted to attract industry
- Others wanted to provide open access, keep costs down and improve service to industry

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- Allows shipping lines to migrate from one port facility to another without disruption in rail service
  
- Provides access to railways that do not have their own capital infrastructure in that location

( Philadelphia Belt Line Railway – PBL - in Philadelphia allows CPR access to Philadelphia industry)

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- It would be cost prohibitive to build similar infrastructure in places that already have private rail assets.
- A risk for current public operations is if the operation started to become inefficient and not be able to fulfil its mandate to the public entity.
- **The PBL was established in the late 1800's – it would be virtually impossible to create an entity that was more like a virtual railway based on a belt line principle that guarantees railway access – even though it was upheld by the Surface Transportation Board when Conrail folded.**

# Class 1 Owned Port/Terminal Railways

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- **One is the largest in the US – the IHB**

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- Can operate neutral to traffic originating or terminating thus providing a level field for participating Class 1 carriers

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- Limited access to public funding – potential of entire port system may not be realized

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- They are not large entities however they serve the local industry and provide access to the North American rail network

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- Many rely on public funding/tax relief

# Canadian Port/Terminal Railways

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There are a number of port/terminal railways in Canada

# Canadian Terminal Railway

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- switches with NS, CSXT, CN and CPR

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- **Does own track maintenance and has locomotive shop**

# Canadian Port Railway Authorities

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- **this gives the port a competitive advantage when Montreal is considered for new line service**



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- Maintains the track but does not operate the trains
- **Charges users for all capital and operating costs based on pro-rated rail line usage formula**

# Canadian Port Railway

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BCR Port Subdivision Ltd

- Its mandate is to provide neutral rail access to the port terminals at Roberts Bank



# Canadian Port Railway Authorities

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The Port Authority of Sept Iles is looking to set up a terminal railway to provide service to tenants

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Even though many were established over a hundred years ago the fact that they still exist today shows that they are successful in providing efficient use of capital assets and fulfil a need for the local economy

Some continue to provide low cost services to port/terminal users.

**They provide flexibility to all stakeholders including shipping lines and can provide a competitive advantage for ports**

# Disclaimer

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**The views expressed here are the sole opinion of the author and do not reflect, in any manner, the opinions of the Government of Alberta**

# List of Railroads Reviewed

## STATE OWNED

- Terminal Railway Alabama State Docks (TASD)
- Port Terminal Railroad of South Carolina (PTR)
- Canton Railroad Company (CTN)
- Ohio Central Railroad System (OHCR)

## COUNTY OWNED

- SEMO Port Railroad (SM)

## CITY/PORT OWNED

- New Orleans Public Railway (NOPB)
- Tacoma Municipal Belt Line Railway (TMBL)
- City of Rochelle Railway (CIR)
- Philadelphia Belt Line Railway (PBL).

## CLASS 1 OWNED

- Norfolk Portsmouth Belt Line RR (NPB),
- Indiana Harbour Belt Line Railway (IHB),
- Port Terminal Railroads Association (PTRA)
- Texas City Terminal Railway Company (TCT)

## PRIVATELY OWNED

- Golden Isle Terminal Railroad (GITM) - GA
- Wilmington Terminal Railway (WTRY - NC
- Ballard Terminal Railroad (BDTL) - WA
- Essex Terminal Railway (ETL) - ON
- Clinton Terminal Railroad (CTR) - IL
- Stockton Terminal and Eastern Railroad (STE) – CA

## CANADIAN

- Essex Terminal Railway
- Montreal Port Authority
- BCR Port Subdivision Ltd
- Sept Iles Port Authority