



“IN THE CORRIDOR”

May, 2009

A monthly publication of the Northwest Corridor
Development Corporation (NCDC)

Industry Notes

- Northern Transportation Company Ltd. (NTCL) managed a pilot project evaluating the feasibility of regular hovercraft passenger ferry operation on the Athabasca River. The project evaluated operating under a full range of weather and ice conditions for cost effectiveness, safety, environmental performance, trip duration, on-time service, stakeholder acceptance and passenger satisfaction. Hovercraft testing occurred before and during freeze-up in October-November, 2008, followed by a few weeks in mid-winter. The pilot project was completed in April-May when testing resumed during and after break-up. A second-generation AP.1-88 hovercraft leased from Alaska-based Bering Marine Corporation was used by NTCL. The hovercraft is designed to serve as a fast passenger ferry. The AP.1-88 has a large cabin equipped with aircraft-type style seating for forty two persons and a restroom



Photo source: NTCL

Second-generation AP.1-88 hovercraft

- “Marooned by the receding tide of global trade” says a senior consultant with Lloyd’s Register-Fairplay Research, the consulting division of Lloyd’s Register-Fairplay. The gathering of so many freighters “is extraordinary,” said Christopher Pålsson in reference to one of the largest fleets of ships ever gathered, idling just outside one of the world’s busiest ports. According to AIS Live ship tracking service of Lloyd’s Register- Fairplay in Redhill, Britain, there were as many as 735 ships congregated during May in the straits separating Malaysia and Singapore from Indonesia. So many that shipping lines were concerned of near misses and collisions in one of the world’s most congested waterways
- The conclusion of a shipping finance forum held in Tokyo in May was the current global shipping meltdown will in hindsight be viewed as a worldwide shift to an Asian domination of maritime industries. The gathering of international shipping financiers were told the widely-predicted mass cancellation of “the order book” will happen, while state-owned Chinese ship owners are being offered 17% subsidies to soak up cancellations from foreign owners. Asia is demonstrating determination to protect its shipbuilding industries and to secure its means of supply through nationally owned tonnage. Reportedly, Asian banks, unlike US and European counterparts, have less exposure to structured products and continue benefiting from a massively larger deposit funding base; consequently greater liquidity. Forum speakers pointed to the speed at which Asian governments, primarily in South Korea and China, have initiated larger financial stimulus packages in support of both their domestic shipbuilders and owners. They conclude it is a leading driver in shifting the balance of ship owning to Asia
- Calling it the first release of detailed maps estimating reserves in the region, geologist Donald Gautier and colleagues published results of a study of oil and gas reserves north of the Arctic Circle in the journal, Science, in May. The U.S. Geological Survey researchers estimate a third of the world’s gas reserves and 13% of its oil reserves lie north of the Arctic Circle, with most of the gas in Russian territory, increasing its existing gas reserves, already largest in the world

North West Territories Notes

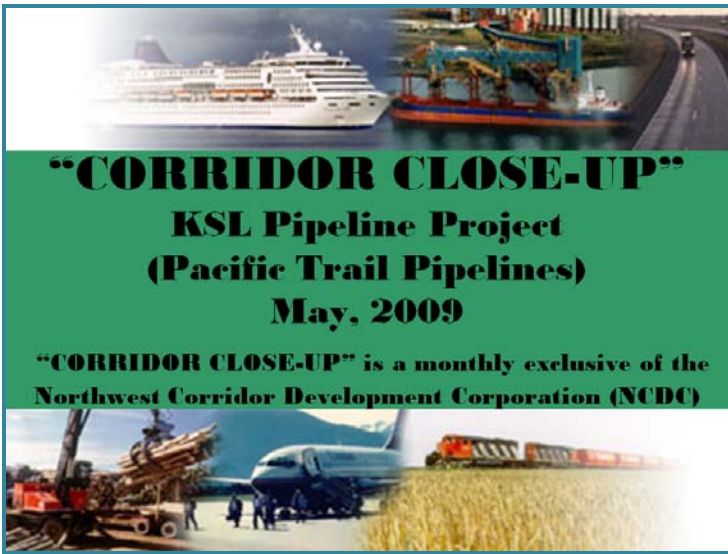
- NWT Association of Communities held a very successful 43rd Annual General Meeting (AGM) in Inuvik in May. For this NCDC member's full press release, visit: <http://tinyurl.com/nsuyga> Also, resolutions from the AGM can be viewed by visiting their website: <http://www.nwtac.com>
- Premier Floyd K. Roland said he is pleased to see an acknowledgment by Canada's Senate that it is Northerners themselves who must be in charge of their future. Copies of the Standing Senate Committee on Energy, the Environment and Natural Resources' May, 2009 Report can be accessed: <http://tinyurl.com/mcsxnn>
- With the last of the Northwest Territories' remaining ice crossings near the community of Tsiigehtchic closing on the Arctic Red River in early May, all ice crossings closed for the season. The 2009-2010 ferry season got underway in mid-May with the launch of service on the Mackenzie River near Fort Providence and Liard River near Fort Simpson
- A new agreement between Canada's three territories and the Canadian Tourism Commission (CTC) will help in promoting Canada's North globally. It's intended to optimize opportunities and cost savings by marketing their respective tourism products under the shared identity as Canada's North

Yukon Notes

- May saw a call for Proposals for a Third Round of Northern Strategy Trust Funding. The Yukon Forum is seeking project proposals from Yukon First Nation governments and Yukon government departments for the final round of Northern Strategy Trust funding. Further information on this can be found at: <http://tinyurl.com/m6z3qb>
- A successful 2009 Meet the North Conference held in May, was attended by representatives from Yukon government's Department of Economic Development, the Yukon Chamber of Commerce, Yukon businesses, as well as businesses and industry associations from across northern and western Canada

Federal Notes

- The Honourable Rob Merrifield, Minister of State (Transport), announced in late May the selection of NRG Research Group as consultants to conduct the stakeholder survey project, as part of the Federal review of rail freight service. The review will examine Canada's rail-based logistics chain (including shippers, terminal operators, ports and vessels), focusing on service provided to Canadian shippers and customers. Being conducted in two phases, Phase 1 of the rail freight service review is currently underway. It consists of analytical work to achieve a better understanding of the state of the rail service. As part of this analysis, NRG Research Group will survey shippers, terminal operators (including transloaders), port authorities, and shipping lines on their views of railway service and on performance of the rail-based logistics chain. The survey will allow stakeholders to provide their views on key service concerns and potential solutions. All Phase 1 projects should be completed by late October 2009. Phase 2 will commence with appointment of a panel to develop recommendations in consultation with stakeholders. Projections are for a final panel report to be submitted to the Minister in Spring, 2010
- The Government of Canada announced signing of the International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009. Along with 58 other members of the International Maritime Organization (IMO), Canada adopted the Convention at a diplomatic conference held in Hong Kong from May 11 to 15, 2009. The ship recycling Convention will protect workers and the environment by setting international rules to manage hazardous materials in ships over their operating lives and a clear legal means to manage ships at the end of their lives. The Convention applies to ships over 500 gross tonnage delivered for recycling, including regulations for design, construction, operation and preparation of ships for safe and environmentally sound recycling. It also requires ship recycling facilities to operate safely and in an environmentally responsible way, and establishes an enforcement mechanism for ship recycling, incorporating certification and reporting requirements



KSL Pipeline Project (Pacific Trail Pipeline)

Pacific Trail Pipelines (PTP), a 50/50 partnership between Galveston LNG Inc. and Pacific Northern Gas Ltd. (PNG), is developing the natural gas transmission pipeline system from Summit Lake to Kitimat, in the Province of British Columbia, Canada, to serve Kitimat LNG Inc.'s export terminal near Kitimat, B.C.

Kitimat LNG Terminal is the only proposed LNG export terminal on the west coast of North America. One of the Terminal's competitive advantages is the ability to access world class natural gas supplies in the Western Canadian Sedimentary Basin. Close proximity to large Asian LNG markets gives the Kitimat LNG Terminal a competitive advantage over liquefaction terminals in the Atlantic basin.

Pacific Trail Pipelines, a \$1-billion, 463-kilometre pipeline, will provide the Terminal with a direct connection to the Spectra Energy Transmission pipeline system and excellent access to natural gas supplies in both the Provinces of British Columbia and Alberta.

Pacific Northern Gas Ltd. currently owns and operates a gas transmission and distribution system delivering natural gas in a westerly direction from the Spectra Energy Transmission (formerly Duke Energy) gas pipeline system near Summit Lake, to Kitimat and Prince Rupert on the west coast of British Columbia.

The proposed project consists of a looping of the existing PNG pipeline between Kitimat and Summit Lake to increase capacity and operate a bi-directional pipeline system.

The new loop will provide the following benefits:

- **Deliver natural gas from east to west**, transporting natural gas from the Spectra pipeline system to Kitimat LNG liquefaction terminal while providing for pipeline system flow to be bi-directional (westerly or easterly).
- **Increase transmission system capacity** from approximately 115 MMcf/d (million cubic feet per day) to up to 1,000 MMcf/d of natural gas for the Kitimat LNG Terminal and,
- **Increase gas delivery options** for PNG and its customers, improving security of supply and ensuring competitive rates.

Socioeconomic Impacts from the KSL Pipeline Project:

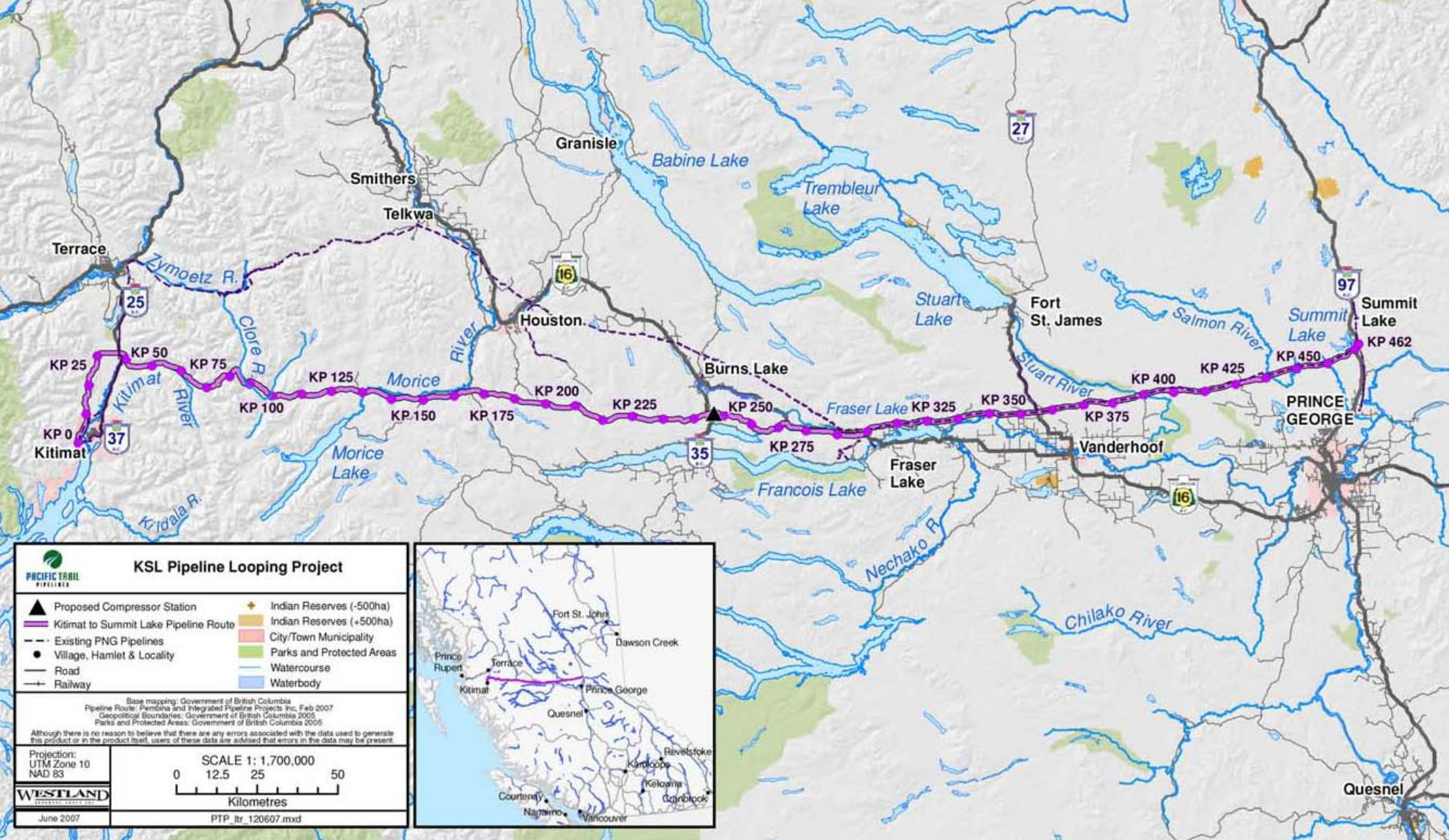
- 4700 person years direct employment during construction/restoration
- \$650 million in goods, services and labour to be spent in BC
- Generate substantial SST and Income Taxes
- Provides access to a significant source of reliable, competitively priced energy to support additional industrial development in the northwest
- Will result in lower tolls for PNG's northwest customers

Significant progress achieved in the KSL Pipeline Project development process thus far includes:

- Completion of both Federal and Provincial Environmental Reviews
- The Province, First Nations and PTP are in the process of developing an innovative partnership that creates the opportunity for First Nations to invest in the PTP Limited Partnership and thereby become a partner in the project.

Quick Facts:

- Estimated Cost of Project: \$1.2 billion
- Pipeline Location: Summit Lake to Kitimat, B.C.
- Pipeline Length: Approximately 463 km
- Pipeline Capacity: Up to 1,000 MMcf/d
- Compressor Stations: One
- Date of operation: 2013



Map of Proposed KSL Pipeline Loop



Contact Information:

Tom Leach
 Pacific Northern Gas Ltd.
 Suite 950 – 1185 West Georgia Street
 Vancouver, British Columbia
 Canada, V6E 4E6
 Telephone: (250) 638-5325
 Fax: (250) 635-9758
 Email: tleach@png.ca

Manitoba Notes

- With “Efficiency”, “Environment” and the “Economy” in mind, the province launched a new GrEEEn Trucking Program in May. Geared to help put Manitoba transportation companies on the path to reducing greenhouse gas emissions, the new program is being supported with \$500,000 in provincial funding. More program information can be found at: www.gov.mb.ca/mit
- Infrastructure and Transportation Minister, Ron Lemieux, announced in May that \$122 million has been added to Manitoba’s highway renewal plan for year three of their ten-year plan. The funding will continue to improve safety, accelerate infrastructure renewal and help stimulate the economy. “This year, our budget for highway renewal has increased to \$545 million from \$423 million, an increase of over 30 per cent from 2008 and more than triple the level of investments made in 1999,” said Lemieux, adding, “This significant addition to our highways program will improve roadways and bridges in Manitoba while at the same time create jobs and help to stimulate local economies during uncertain economic times”

Saskatchewan Notes

- Premier Brad Wall announced cabinet changes in late May. They included replacing Highways and Infrastructure Minister, Wayne Elhard, with a new minister, Jim Reiter. Reiter was one of four new ministers appointed to cabinet with overall size of cabinet remaining at 18, including the Premier. A number of others saw their cabinet roles change in the shuffle
- The Province released their new forest industry policy framework in May. The new policy framework is intended to move the forestry industry from being commodity driven to one of value-added over time. The Province will prepare a northern resource development plan complementary to the rural highway strategy developed by the Ministry of Highways and Infrastructure as well as the northern transportation policy currently under development. View the entire framework at: <http://tinyurl.com/mw76qf>

British Columbia Notes

- “This donation from EnCana exemplifies the company’s commitment to our community. We are very grateful for its continued support and participation in the region,” said Dawson Creek Mayor Mike Bernier. This on May’s announcement of EnCana Corporation generously donating \$250,000 towards the Calvin Kruk Centre for the Arts in the City of Dawson Creek. The funding, in combination with a previously announced \$6.4 million in federal and provincial and grants, moves the centre’s development, in honour of the late Mayor of Dawson Creek, a step closer to reality. Anyone wishing to donate funds to the Calvin Kruk Centre for the Arts Trust Fund is invited to do so by visiting, NCDC member, City of Dawson Creek’s website for details: www.dawsoncreek.ca
- A one-day Northern Bioenergy Forum occurred in Prince George in May, hosted by the newly formed, Northern Bioenergy Partnership. Held at UNBC, it was attended by over 80 participants from across Canada. The Northern Bioenergy Forum combined information exchange with strategic discussion between forum participants. The event wrapped up with a call to action for further development of a bioenergy cluster in Northern BC
- The Honourable Lynne Yelich, Minister of State for Western Economic Diversification, announced \$10 million in funding for the Northern Development Initiative Trust in May. This to help communities across northern BC take advantage of the Community Adjustment Fund (CAF) aimed at helping create jobs and maintain employment in communities hard hit by the current economic slowdown
- The Province’s Liberals, under Gordon Campbell, won their third consecutive term as a result of a May 12th election win
- The Province announced a new fencing program, to be developed through BC’s Ministry of Transportation and Infrastructure, at the May Annual General Meeting of the BC Cattlemen’s Association. The last program for fencing along highway and rail corridors expired in 2007. 700 kilometers of outstanding fencing is still needed along highway corridors

Alberta Notes

- Quality of life and economic development got a boost in May from Rural Alberta's Development Fund (RADF) with announced fund contributions of \$1.89 million to the Pipestone Creek Dinosaur Initiative and \$450,150 to the High Level Community Outreach Project. For further details on these and RADF, visit: www.ruralalbertasfund.com
- "Investment in the province's highways is critical. A safe and efficient highway network supports Alberta's economic recovery and keeps people working," said Luke Ouellette, Minister of Transportation as the Province's highway construction season got set to ramp up in northern Alberta in the month of May. For details on northern Alberta projects (new construction, ongoing bridge/highway construction and repaving), visit: <http://tinyurl.com/nwofv>



Photo: G. Aldridge

One-lane traffic - Dunvegan Bridge deck replacement

- The Government of Alberta outlined a number of actions it will take to help the province's forest industry, forest communities and workforce benefit from greater flexibility, more complete use of wood fiber and opportunities in the emerging bio-economy. The actions are outlined in the government's response to recommendations from the Forest Industry Sustainability Committee (FISC) report, Recommendations for Enhancing Alberta's Business Model. Government is accepting and acting upon nearly 90% of FISC report recommendations. For the complete Alberta Government response: <http://tinyurl.com/nws34z>. For the full FISC report: <http://tinyurl.com/m7lfbx>

NCDC Organizational Notes

- Request information on NCDC conference sponsorship today: aldridge@nwcorridor.com

Editor's Notes

- Congratulations to 71 new Northwest Corridor (Canadian) citizens from 33 countries. They took part in Canadian Citizenship Ceremonies in May held in the City of Grande Prairie, Alberta
- Reminding all to register and participate in upcoming Pipeline Community Advisory Board (CABs) meetings being held by Enbridge's Northern Gateway at various locations along the 1,200 km pipeline route in June/July: Terrace, BC, June 23rd; Prince George, BC, June 25th; Grande Prairie, AB, July 7th; and, Edmonton, AB, July 9th. Email: cab@northerngateway.ca for more information and also visit: www.northerngateway.ca
- Join the NW Corridor community on twitter. Let us know of your twitter presence. NCDC members on twitter include the City of Edmonton: <http://twitter.com/CityofEdmonton> and the City of Grande Prairie, Alberta: <http://twitter.com/CityofGP>
- Next month look for a "Corridor Close-up" on NCDC member, Initiatives Prince George. <http://www.initiativespg.com>. As an NCDC member, ensure your organization cues up for their exclusive, "Corridor Close-up" in a future newsletter issue. Email your proposed two-page submission to: aldridge@nwcorridor.com

Northwest Corridor



Development Corporation

"One Mind, One Heart, One Corridor" – The 2009 Conference and Annual General Meeting
October 5 – 7, 2009, Prince George, BC

The Northwest Corridor Development Corporation
P.O. Box 1414, Grande Prairie,
Alberta, Canada T8V 4Z2

Executive Director: Gerard Aldridge Telephone (Primary): 780.567.4991 Tel/Fax (Alternate): 780.494.2529 Email: aldridge@nwcorridor.com	Board Chair: Carolyn Kolebaba Telephone (Primary): 780.567.4991 Tel (Alternate): 780.322.2381 Email: mckolebaba@wispermet.ca
--	--

www.nwcorridor.com
<http://twitter.com/IntheCorridor>