



Message from Gerry Carter



Calling Colombia



Winter Meetings

## A NEW SPRING COAT

Spring is all about fresh starts — both for people and ships on the Great Lakes.

CSL's fleet, in particular, benefitting from a planned maintenance program during winter layup, started the navigation season in March in tip-top shape. Some of the major investments this year included new replacement steel for the *Pineglen*, a special cargo hold coating for the *Salarium* and no fewer than seven hull re-paintings.

The *Atlantic Huron* was one of the beneficiaries of a spring makeover, having departed shipyard in Halifax sporting a fresh coat of CSL red. The *Huron's* new paint job was very timely as she was the first vessel upbound for the start of the St. Lawrence Seaway's 52<sup>nd</sup> season. Under the command of Captain **Wilson Walters**, the big self-unloader carried nearly 28,000 tonnes of Nova Scotia gypsum for CertainTeed Corporation through the St. Lambert Lock on opening day. She discharged the cargo at Côte Sainte-Catherine, QC.



Sun shines on the freshly painted *Atlantic Huron* at the St. Lambert Lock as she waits to be first through the Montreal-Lake Ontario section of the Seaway in 2010.

PHOTO: JEAN BROSSEAU

## THE WATERWAYS FILE: GREAT LAKES EMISSION CONTROL AREA

*The Waterways File* is a continuing feature in the *CSL World* that looks at challenges facing CSL and the marine industry, and the initiatives and efforts being taken to achieve best results.

It's safe to say that any regulation drafted to protect the air we breathe should be considered essential and therefore applauded. Yet if a similar regulation, applied under a different set of circumstances, actually had an adverse effect on the environment, we would take issue. CSL, and the Canadian marine industry as a whole, are taking issue with the U.S. Environmental Protection Agency's (EPA) new Emission Control Area (ECA) for the Great Lakes.

### Some background:

An ECA is a designated area in which ship emissions, Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Particulate Matter (PM), are controlled for the sake of improving air quality. There are several ECAs worldwide, including the recently established North American ECA, a 200-mile zone surrounding most of the continent. The International Maritime Organization (IMO) will mandate that ocean ships limit their fuel sulphur content to 1% by 2012 and 0.1% by 2015 when entering the North American ECA. This compares to global standards of 3.5% by 2012 and 0.5% by 2020.

Both Canada and the U.S. have signed their intention to adopt the North American ECA, anticipated to come into force August 1, 2012.



PHOTO: JEAN BROSSEAU

A second ECA, this one created by the U.S. EPA, sets similar fuel sulphur level objectives for the Great Lakes, but will have a negative impact on air quality by forcing a shift to less efficient transportation modes, namely truck and rail. The problem is that the EPA used the cost-benefit study for the North America ECA and applied it without exception to the Great Lakes, not having first conducted a needs analysis or a fact-based cost-benefit analysis of the system.

The significant difference between the two ECAs is the type of ship that trades in the zones.

An ocean-going ship entering the North American ECA would incur additional fuel fees for an equivalent of 10 percent of its voyage. Great Lakes vessels, geographically constrained to inland trading, would face a fuel increase for 100 percent of every voyage they make. The cost benefit and implications to freight cannot be compared. Additionally, in its analysis, the EPA

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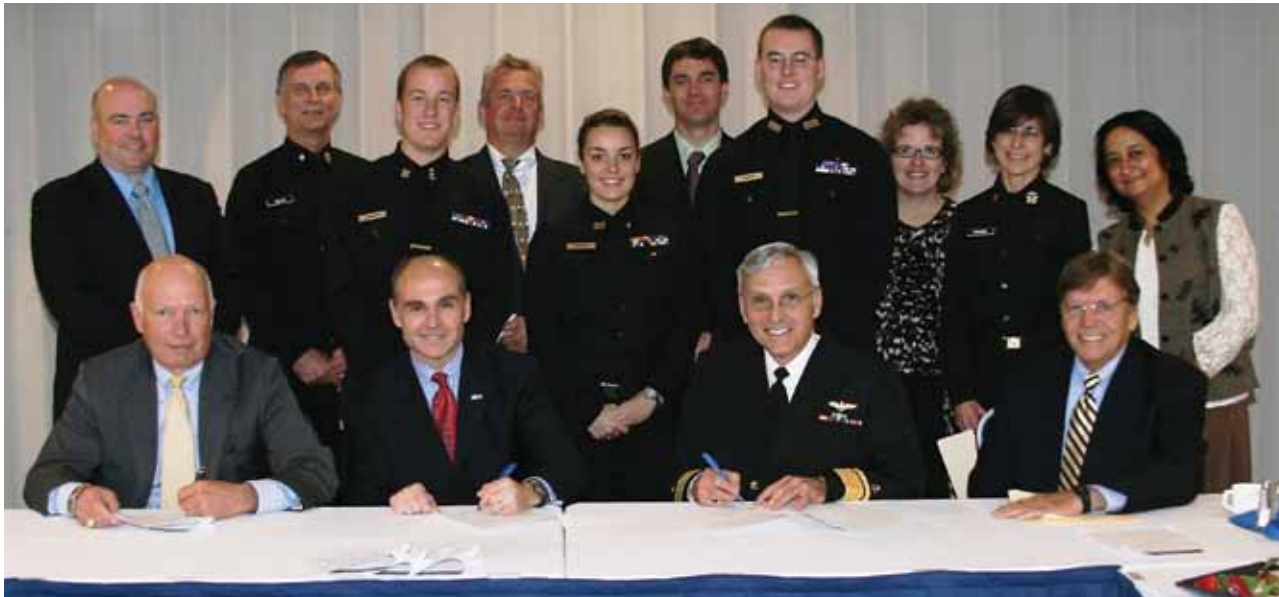
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Seated: Captain Peter Lawrence, Paul J. Cozza, Admiral Richard Gurnon and Gary Lowe  
Standing: David S. Smith, Esq. '89, MMA Foundation Trustee; Captain Craig Dalton, Chair, Marine Transportation; 1/C Brian Flannery, International Maritime Business; Captain Scott Clegg, CSLI; 1/C Sara Korejwa, Marine Transportation; Louis Martel, CSLI; 1/C Timothy Griffin, Regimental Commander and Exxon Mobil Emery Rice Scholar; Trudy Avery, Director of Corporate Relations; Maryanne Richards, Associate Director, Career Services; and Dr. Bani Ghosh, Chair, International Maritime Business

In late March, a special ceremony was held at the Massachusetts Maritime Academy (MMA), Buzzard Bay, where **Paul J. Cozza**, President of CSL International, joined Captain **Peter Lawrence** '63, MMA Foundation Board Chairman, Admiral **Richard Gurnon**, President and **Gary Lowe**, Dean of Advancement, for the signing of the CSL International Emery Rice Scholarship and the CSL International Tuition & Sea Term Scholarships.

Subsequent to the signing ceremony, Cozza, Captain **Scott Clegg**, Director of Operations and **Louis Martel**, Vice-President, Technical Operations were invited to tour the MMA campus to meet the cadets and other staff members. Following a wonderful luncheon, CSL gave a short presentation to the cadets about CSLI's business position and plans, and encouraged internships and career opportunities in marine transportation.

The CSL International Donation Committee (DC) worked closely with Gary Lowe to find the perfect match for the donation funds. Since the MMA Emery Rice Foundation will match any donation, it seemed to be the best opportunity to get the most exposure for our contribution. As the DC continued to explore other chances to give smaller scholarships, we found that there was a need for both in-state and sea term tuitions. As a result, the CSLI Tuition and Sea Term Scholarships were developed. CSL's total contributions to MMA will provide scholarships for four cadets at the academy.

CSLI will continue a joint mission with MMA for yet more intersections of mutual benefits as time goes on. We are very excited about the growing potential of the CSLI-MMA relationship.

**Carol Guy**  
CSL International

## THE WORLD'S WIDE WEB

### A Flight Over Eastern Power

The CSLI Hybrid self-unloader **Eastern Power** is quite a vessel. She can load herself, unload herself and, perhaps most impressively, unload other ships. While sitting at anchor and rafted to the loaded ship, she uses her deck-mounted cranes and discharge boom, expertly controlled by her crew, to transfer cargo to a waiting barge rafted to her port side. Once fully loaded, the barge departs for the customer's facility and an empty barge takes its place. The operation is called transshipping, and it's what the **Eastern Power** does best — at a rate of up to 35,000 tonnes per day! To see her in action, from a helicopter view on a perfect spring morning, please visit: [csl.ca/action](http://csl.ca/action)



## MESSAGE FROM GERRY CARTER



**W**e have just finished one of the strangest years in our history.

The year started on an extremely pessimistic note with multiple cargo cancellations and an extremely weak economy that saw CSL fit out 12 of its fleet of 15 ships. It was the lowest number of ships since I became president. As the year progressed, opportunities were created through marketing creativity and operational efficiencies and, by October, we were sailing 17 ships — the most since 1991 — albeit in some very untraditional trades for a domestic Lakes company.

When the smoke cleared and the year ended, we had done extremely well considering the circumstances. The big question is what is in store for 2010 and the future? This season has started on a more positive note, especially with the commencement of two new contracts: the QIT trade, from Havre St. Pierre, QC to Sorel, QC, and the Consolidated Thompson transshipment opportunity at Sept-Îles, QC. Also, the steel industry seems to be recovering earlier than expected and, as we know, serving customers such as U.S. Steel, AK Steel and Arcelor Mittal is an important part of our business.

Our toughest challenge this year and in the years to come will not be cargo movements and the economy; fleet renewal and impending environmental regulations that are unsustainable and spiraling out of control will be our biggest tests. These regulations, if not modified, risk making marine transportation so cost-prohibitive that modal shift to other transport modes (rail and truck) will become inevitable.

On fleet renewal, this past October the Canadian Government tabled changes to the import duty regulations with the intention of eliminating duties on new ships built overseas for Canadian operations. Fleet renewal leads to job creation for Canadian sailors, environmental efficiencies as well as providing more efficient vessels for our customers, and would seem like a perfect scenario for all concerned. However, despite consultations in November and December, which demonstrated that the majority of stakeholders supported the change, the federal Government has yet to take any action. This archaic and punitive duty must be eliminated immediately.

On the environmental front, CSL management is assuming its environmental responsibilities and is working diligently to reduce its footprint. We have named **Kirk Jones** Director of Government and Industry affairs; we have established a Board of Directors committee on sustainability; and we have entered into a partnership agreement with World Wildlife Fund Canada for environmental sustainability. We have also been very active in evaluating technological solutions around the world for both retrofit in our existing fleet and incorporation in newbuilds. Our recently published Environmental Report outlines the tremendous progress we have already made; however, our goal is continuous improvement.

The marine industry has the best safety, environmental and unit cost efficiency record of any transportation mode operating in the Great Lakes region. At a time when the world has recognized the benefits of marine and is moving towards short

sea shipping, well-intentioned regulation is instead harming industrial efficiency and jobs, and threatens to detrimentally influence the overall environmental condition of the region. Further, the U.S. Environmental Protection Agency (EPA) and various Great Lakes states seem to be in a competition to produce the most unsustainable legislation. For example, the current New York State ballast water legislation stipulates that ships cannot transit state waters without ballast water treatment systems that exceed the world International Maritime Organization (IMO) standard by 1,000 times. In order to sail from the St. Lawrence River to Lake Ontario, vessels must pass through the St. Lawrence Seaway, parts of which are within New York boundaries. During the transit, there is no discharge of ballast in New York waters; the vessels simply transit. This punishing legislation is scheduled to take effect January 1, 2012.

As concerns ballast water systems, there are currently no systems available that work in fresh water that meet the IMO standard, and there will likely never be a system available for 100, let alone 1,000, times standard. The shipping industry has undertaken legal proceedings in New York to challenge the regulation but no success has been achieved to date. Where is our federal government on this issue and why has it not yet intervened as New York State is effectively legislating on trade between Quebec and Ontario? It must be noted that in 2006, CSL, along with other domestic and foreign carriers, voluntarily implemented ballast water tank flushing with salt water prior to entering the Great Lakes region, as well as

numerous other best practices. We also subject ourselves to comprehensive ballast water testing at the Great Lakes entry point (St. Lambert Lock). Scientific tests conducted by the St. Lawrence Seaway Management Corporation (Canada) and the Saint Lawrence Seaway Development Corporation (U.S.) have proven that salt water ballast tank flushing reduces the possibility of invasive species by 98.6 percent. As a result, no new aquatic invasive species have been introduced to the Great Lakes since 2006.

Reducing air emissions such as sulphur dioxide (SO<sub>x</sub>), nitrogen oxide (NO<sub>x</sub>) and carbon dioxide (CO<sub>2</sub>) is rapidly becoming the next environmental challenge, one that CSL is diligently working to meet. (*For more detail, please see the Waterways File starting on the cover page*). However, the U.S. EPA has pushed through legislation that, in many ways, will negatively impact the environment, including allowing exemptions to U.S. carriers running inefficient vessels. Any attempts by the Canadian industry to discuss alternate proposals that, in the long run, would be better than the current EPA rules have been dismissed by the EPA without consideration. Again, the lack of action on the part of our federal government is most troubling, especially in the face of legislation that is extremely punitive to Canadian carriers, and, by extension, our economy.

Rest assured, however, we will continue to fight the good fight on all fronts for our employees, for our customers and for the very future of the marine industry.



PHOTO: JEAN BROUSSEAU

## YESTERDAY'S FLEET BY SKIP GILLHAM

### MURRAY BAY

The third *Murray Bay*, and the second Seaway-sized bulk carrier of that name to sail for Canada Steamship Lines, was built at Collingwood as Hull 177. The keel was laid in August 1962 and the ship was launched on May 3, 1963. She sailed July 18 and loaded 23,976 tons of iron ore at Taconite Harbor, MN for delivery to the Steel Company of Canada at Hamilton.

This 222.50-metre (730-foot) long bulk carrier was registered at 17,912 gross tons and was able to carry close to 25,000 tons per trip. Steam powered, the *Murray Bay* was equipped with a John Inglis steam turbine engine and two oil-fired, water tube boilers.

The *Murray Bay* was active throughout the Great Lakes and St. Lawrence Seaway. In her 31 years of trading for CSL, the ship carried an estimated 741 cargoes. These



The *Murray Bay* is shown in the Welland Canal in a photo by Captain Ken Lowes.

included 459 loads of iron ore (62 percent), 271 of grain (36.6 percent), 10 of coal (1.3 percent) and a single cargo of bulk cement from Clarkson to Duluth, MN in 1991.

The busiest year was 1964 when the ship spent much of the season delivering iron ore from Havre St. Pierre, QC to Sorel, QC. The vessel began the year loading iron ore at Sept-Îles, QC for Detroit, and then took grain from the Canadian Lakehead (Thunder Bay, ON) to Montreal before settling in on the St. Lawrence route for the next 35 trips. The quietest year was 1992

when the *Murray Bay* handled only three late-season grain cargoes from Toledo to storage elevators on the St. Lawrence.

From 1967 to 1993, the *Murray Bay* loaded most often at the Canadian Lakehead, followed by Pointe Noire, QC and Sept-Îles. The most popular destinations for unloading were Hamilton, Montreal and Quebec City. During this period, the ship made single stops at Chicago, South Chicago and the Ohio ports of Lorain, Conneaut and Ashtabula to unload ore. Cleveland and Buffalo followed Hamilton

as the most frequent destinations to unload iron ore.

Nine of the 10 cargoes of coal were taken to Sault Ste. Marie, ON, with the exception being a single load to Hamilton early in the ship's career.

The *Murray Bay* was tied up at Montreal on December 21, 1993, and was sold to ULS Corp. in 1994. Renamed *Canadian Provider*, she returned to service in October 1994 and remains an active part of the ULS fleet, save for spending 2005 at the wall.

## V.SHIPS UPDATE

### From Sea to Land

Coming from a family of sailors, it was obvious to me that the ocean would become home. My father, having sailed as chief engineer, was reluctant to see his only daughter pursuing a sea career, but it is not without his approval that I graduated in navigation from Institut Maritime du Québec à Rimouski in 2003.

My sea terms as deck cadet gave me experience on tankers and container ships trading on the eastern seaboard and in the Caribbean. Upon graduating, I joined Algoma Central Marine as a deck officer, working the busy life aboard self-unloaders. I sailed the St-Lawrence River and the Great Lakes for a few years, but attracted to challenges and seeking experience on various types of vessels, I exchanged Canadian waters for the Mediterranean Sea on board luxury yachts and experiencing a very different side of the profession.

I then moved on to the bigger passenger vessels of the Royal Caribbean Cruise Line, sailing around Western Europe, Scandinavia and Russia. Although a valuable experience, my life on board wasn't fulfilling. I was missing my coveralls, my safety boots, the Canadian trade and my colleagues. I returned to cargo ships with CSL in 2008 and had the pleasure to work on the *Cedarglen* and the *Birchglen*. I even had the chance to be part of the international voyages before I decided to make the "big jump" and join the V.Ships office as Marine, Safety and Quality (MS&Q) Assistant.

Those who sail will understand that leaving the broad life of sailing to come to work in an office can be fearful, but discovering what's happening behind the scene, has been fascinating and all fears have dissipated. We don't always realize, as seafarers, all the work and organization that is required to have ships safely carry cargo

between ports, and I'm now thrilled to be a part of it.

I've already had the chance to visit some of you on board, and I'm looking forward to meeting all of you throughout the shipping season. It's been more than four months since I've moved to Montreal to "learn the ropes", and I'm really enjoying this new challenge; I will soon become Superintendent in the MS&Q department. After nearly seven years at sea, I hold my Master Intermediate Voyage certificate and I'm currently completing my Master Mariner's license, validating the experience I gained during my sailing career. I have to admit, although I sometimes miss the sea, I really enjoy my new "landlocked" life!

**Catherine Lapointe**  
MS&Q Assistant Superintendent





CONTINUED FROM COVER

overstated sulphur amounts attributable to Lakes vessels; inland shipping contributes about only one half to one percent of the total sulphur deposition in the Great Lakes area.

The EPA unilaterally created this ECA under the umbrella of the U.S. *Clean Air Act* without consulting in a meaningful way with Canada with respect to the shared jurisdiction of the Great Lakes. In fact, the EPA has stated on public record that it is not in their mandate to take into account the effect of their initiative on either the Canadian economy or Canadian vessels.

The EPA's ECA will force Great Lakes vessels to virtually double their fuel costs by forcing them to switch to more expensive, and less readily available, low sulphur fuel when transiting American waters. Due to the interconnected nature of the Great Lakes-St. Lawrence Seaway system, any U.S. rule by default applies to Canadian vessels which cross the border many times in a typical voyage.

### A Regulation "Blockade"

The EPA has effectively set up a regulatory "blockade" for vessels in innocent transit from one point in Canada to another. Ironically, these same Canadian ships carry 60 percent of their tonnage to or from the U.S., including necessary raw materials for American industry. The anticipated repercussions are obvious.

"We're looking at a 20 percent modal shift," explains **Kirk Jones**, CSL's Director, Government and Industry Affairs. "This represents a potential loss of nearly 15 million tonnes of cargo to rail and truck for the 67 ships in the Canadian Shipowners Association (CSA) fleet alone. In fact, certain cargoes may cease to ship altogether due to the anticipated freight rate increases. And with marine being the greenest mode of commercial transportation, the impact on air quality will be more devastating to the environment — not to mention increasing the stress on public infrastructure due to greater congestion on our roads and highways."

The Canadian government has not yet accepted the EPA's Great Lakes ECA, and it's important for this country's marine industry, and the customers it serves, that they don't, at least not in its current form.

Jones added:

"CSL, through the CSA, is promoting a Fleet Averaging Approach whereby the sulphur content in fuel is taken as a percentage across an entire Great Lakes fleet and not on a vessel-by-vessel basis. It would be set at 1.6% beginning in 2011 (a year ahead of EPA), and steadily improve to 0.1% by 2020. The purpose of fleet averaging is to gain necessary additional time to achieve sustainability. The current EPA approach, which actually contains exemptions for older U.S.-flag vessels, discourages reinvestment in newer, more fuel-efficient ships, and sets the stage for shipper and ship owner uncertainty."

### A Fleet Averaging Solution

In a proposal advocating the Fleet Averaging Approach submitted to the EPA (along with Transport Canada and Environment Canada), vessel owners would have time to fully implement key initiatives, including retiring older vessels that consume heavier fuel, improving energy efficiency through fleet renewal and investing in emissions-reducing technology as it comes online. Paradoxically, under the EPA's scheme, the U.S. fleet itself, if taken as a whole, will fail to meet the EPA standard year on year, even while the Canadian fleet continues to improve its performance.

"The EPA will likely defend its decision to exempt steamships in order to maintain its domestic shipping ability — and this is entirely fine — but we require fair play and take the position that the EPA has to take a reciprocal look at the same requirements of the Canadian fleet that it is de facto regulating," said Jones. "The U.S. and Canada can come to an Agreement of Reciprocity on this issue, and this would be sustainable to the ship owners and the shippers we serve."

*"The fleet averaging approach can achieve better environmental performance in the Great Lakes and St. Lawrence Seaway than the actual rules proposed by the U.S. EPA."*

*-Canadian Shipowners Response to EPA's Notice of Proposed Rulemaking*

"Some might think it inappropriate for us to comment on decisions taken by another government, but we feel it's entirely necessary if we are to achieve a level playing field," said Jones. "The cost of not

speaking out will be enormous, and our customers will pay for it in the form of fuel surcharges, or worse, having to choose a less efficient means of transportation. Our fear is that some customers may not survive this regulation, and for this reason we are duty-bound to stand up for them. CSL and the CSA have been equally vocal with our own government, asking them to defend the St. Lawrence Seaway and the Canadian economy against regulation that neither solves the problem nor facilitates reinvestment in the Canadian fleet."

Jones remains optimistic that the EPA will eventually see the value of the Fleet Averaging Approach, in the same way the IMO in London recently accepted the position of CSL and the CSA regarding geographically bound short sea shipping vessels. The IMO, and all participating governments, immediately acknowledged that short sea shipping offers environmental benefits that cannot be compared to ocean shipping and, therefore, the same regulations cannot be applied to these two different groups of vessels when drafting an Energy Efficiency Design Index in the fight against global warming.

### Engaging Our Customers

"CSL has taken the position that we are stakeholders who must do our part in the creation and crafting of smart laws by way of advising regulating bodies," explains Jones. "We have the expertise within CSL, from engineering to the environment to strategic planning, to achieve the best results we can on these important files. It's not enough. We need to engage our customers in a way that they can understand and react. We are seeking their assistance in maintaining our marine system, because failure is not an option — for us or for them."

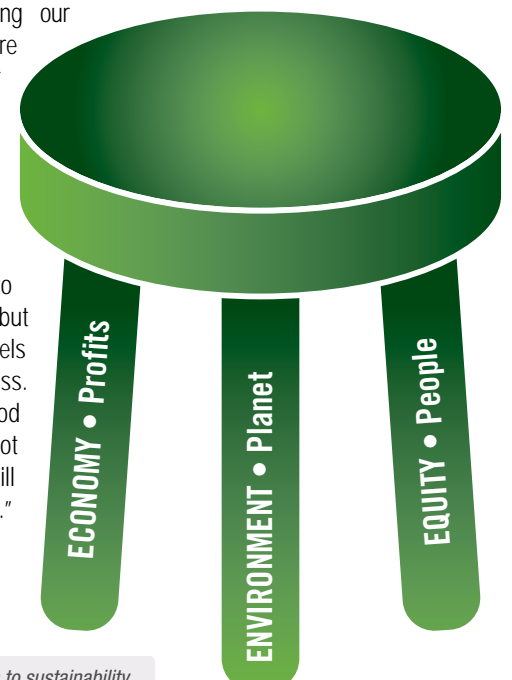
"Our proposals are well-crafted, and the environmental benefit projected is verified by reputable third parties. We are proposing a different model to achieve the desired outcome, but it is designed to keep our vessels and our customers in business. Our industry has a very good story to tell, and we are not a 'just say no,' organization. We will deal with these issues head on."

Jones went on to say that it will fall to government to realize the value of the industry, especially in the context on the environment, and make the best decisions for society, including the economy.

### A Transportation Lens

"Government and regulators are used to creating policy by looking through a modal lens, be it rail, truck or marine. They will have to start looking at it through a transportation lens and decide that sustainability means choosing the right mode for the right commodity in the right sequence. That's why we're working with groups like World Wildlife Fund Canada to identify which commodities match up best with the most efficient mode of transportation.

"It's a bit ironic that while countries everywhere are looking for short sea shipping solutions to increase productivity and improve environmental performance, especially in recognition of greenhouse gases and global warming, we have a short sea model right here called the Great Lakes-Seaway that's been pretty successful for decades, yet we continue to find ways to legislate inefficiency into the system by looking at each issue individually rather than holistically," said Jones. "We have acknowledged that there's a social and environmental license with which we operate, and we need to invest in the right sustainable approach that's good for both the environment and our business. The two are not mutually exclusive."



The three legs of CSL's approach to sustainability.



Captain Scott Clegg

## DEFUSING A DANGEROUS SITUATION



Photo of YMS-441, same design as YMS-14.  
Courtesy: [www.wreckhunter.net](http://www.wreckhunter.net)

Location of wreck: Outer Boston Harbor,  
North Channel 42-22-06N / 70-54-53W  
[www.wreckhunter.net](http://www.wreckhunter.net)

It's a character trait consistent of people who do exceptional deeds, to downplay one's actions when, in fact, they should be celebrated. CSL International's Captain **Scott Clegg** has this trait, and this is how it was dramatically revealed recently.

Captain Clegg, CSL's Director of Operations, is an accomplished scuba diver who pursues his hobby in the waters off the Massachusetts coast. On a dive this past spring with friends, including colleague Brian DeRoche, he came upon the wreck of **YMS-14**, a United States Navy minesweeper that had sunk in Boston Harbor in 1945. While the goal of the dive was to retrieve keepsakes, Captain Clegg soon located something more significant that caught his attention. That's when he took action.

"Normally, I do technical dives on deep wrecks up to 300 feet deep using mixed gas, but on this day we were on a recreational dive with some dive friends looking for brass port holes on this shallow wreck near the navigation channel in Boston Harbor. It didn't take long to find depth charges, a deck cannon and live shells.

I reported the situation to the Boston Pilots due to the fact there is a lot of traffic, such as tankers, Liquefied Natural Gas carriers and passenger ships transiting very close by. Once it was reported, I worked with the U.S. Coast Guard and U.S. Navy demolition team to help them locate the ordnance as the wreck was low lying and very difficult to find on a depth sounder."

The demolition team would eventually dispose of the explosives in a controlled operation (*please see the video clip at [csl.ca/action](http://csl.ca/action)*), to eliminate the danger. For his actions, Captain Clegg received a Public Service Commendation from the Department of Homeland Security and the United States Coast Guard. Commenting on the citation, and keeping true to character, he said:

"I didn't think it was a such big deal, but I guess the coast guard, pilots and port authority did."

### DEPARTMENT OF HOMELAND SECURITY UNITED STATES COAST GUARD



#### Public Service Commendation

IN RECOGNITION of notable services that have assisted greatly in furthering the aims and functions of the Coast Guard

This certificate is awarded to

**Captain Scott Clegg**

Executed this 18<sup>th</sup> day of March, 2010

at First Coast Guard District, Boston, Massachusetts

*[Signature]*  
For the Commandant  
J.L. Nimnich  
Rear Admiral, U.S. Coast Guard  
Commander, First Coast Guard District

Well-deserved recognition.

## SHIP SPOTTING IN THE OFFICE



The real time 3-D navigation display means that movements and actions of CSL ships can be viewed in the office as they happen on the water.

In the category of "what will they think of next?", CSL has introduced a real time navigation display in the office to view ship movements as they happen.

Demonstrating the impressive system, CSL's Director of Systems, **Kevin Johnston** pointed to the test vessel, the bulker **Pineglen**, as she made her way through the Seaway recently. Displayed as a graphic depiction of herself, the **Pineglen** could be seen altering course according to the channel markers, while the physical characteristics in the area, such as the shoreline, continuously advanced and then fell astern of her position as she steamed ahead.

"The idea for the office display is an offshoot of the 3-D Navigator software we have installed aboard our vessels," explained Johnston. "While the 3-D program is designed primarily to give our crews additional information for safe navigation, we saw an opportunity to bring the ship view ashore so office staff

could appreciate and understand vessel navigation and shiphandling," said Johnston. "There are other practical applications we're considering, including training. Imagine being able to capture vessel voyages, seeing our ships making docks, for example, and having the ability to replay the actions in a training program."

The real time view is created with 3-D Navigator, using data fed into its graphic rendering engine and viewed via ECDIS (Electronic Chart Display and Information System) on a ship's bridge. An officer sees everything in real time, from above or behind the vessel and even underneath. Data is constantly updated using Automatic Identification System (AIS) vessel tracking.

"CSL has used the 3-D technology in implementation, situational modelling and simulation when proposing projects to customers," said **Kirk Jones**, Director, Government and Industry Affairs. "When developing the Deception Bay project (remote delivery in an environmentally

sensitive area), for example, we found that "showing" the customer the concept versus just telling them about it went a long way to proving our expertise and our willingness to use cutting edge technology to achieve results."

Jones went on to say that the technology transfer to the office is also a great tool when undergoing a contingency response to any incident in the fleet. Having first-hand knowledge of the vessel, its geographical situation and the other vessels around it in real time generates situational awareness ashore for the team assembled to aid the ship's master in managing the response.

"Once we perfect our ability to capture and manage the data with these tests, who knows what other useful purposes the system will offer CSL? Our wheels are all spinning with the possibilities, from remote dispatch and reporting to real time assessment of port operations," said Jones. "This technology will be very useful when assisting our vessels in any operation, should our help be needed."

To see a video clip of the system in action, please visit [csl.ca/action](http://csl.ca/action)

# CSL AUSTRALIA HEADS WEST

A new trade, a new cargo and a new direction has recently been added to the rapidly expanding CSL business "Down Under."

Iluka Resources Ltd., a global mineral sands business with major operations throughout Australia, has opened its newest mine in Eucla Basin, South Australia and will produce up to 550,000 metric tonnes per annum of Jacinth-Ambrosia Heavy Mineral Concentrate (JA-HMC), a type of zircon. In 2010, this quantity will be shipped by CSLA from the port of Thevenard, South Australia to Geraldton, Western Australia.

The CSLA fleet is very familiar with the loading operation in Thevenard, as it is the home of our major gypsum supplier, Gypsum Resources Australia (GRA). The sleepy twin town of Thevenard-Ceduna will see more of the black, white and red funnels of the CSLA fleet as we load an additional two shipments of mineral sands per month. Challenges of an increasingly busy port will be seen in the scheduling, operations and marketing sides of the business as the team tries to keep GRA and Iluka as happy as possible

with speedy and efficient turnarounds through the port.

Up until now, the **CSL Atlantic** has been the vessel of choice for shipping the JA-HMC product across the Great Australian Bight. However, due to the rapid growth of the Australian business and the increased demands of our existing customers, CSLA has had to source additional capacity from the CSL Group fleet. The grand old **CSL Cabo** began its voyage from Singapore to Thevenard in mid-April to join the fleet as an Australian-licensed vessel dedicated to the Iluka trade. The addition of the **CSL Cabo** will offer greater flexibility to the existing fleet of handysize self-unloaders operating on the Australia coast.

**Michael Beck**, Commercial Director of CSLA, worked tirelessly to bring the Iluka business on board. "Our commitment to using an Australian-licensed vessel on this trade was a distinct advantage during negotiations. We now have a chance to prove to another Australian raw materials supplier that there are distinct benefits to be gained from using both CSL self-unloaders and Australian-licensed vessels."

By early May, CSL Australia will have 11 ships operating on the Australian coast. We now trade between Geraldton in the west and Cairns in the far north-east of Queensland, covering some 4,800 miles of coastline. Opportunities for further growth in the Australia-Pacific region are numerous and CSLA will continue to expand into 2011 and beyond.

**Emily Gross**  
Chartering and Programming,  
CSL Australia

The **CSL Cabo** is now part of the busy CSL Australia fleet, serving Iluka Resources on the trade between South and Western Australia.



# PRESIDENTIAL VISIT

This past February, senior management had the opportunity to visit CSL Asia's two transshipment platforms located 20 miles off the eastern coast of Kalimantan, Indonesia. After a three-hour speedboat trip from Tanjung Redeb, the three presidents, **Paul Cozza**, CSL International, **Gerry Carter**, Canada Steamship Lines and **Rod Jones**, CSL Group, first boarded the **SST Berau**, which has been in service for the past 10 years. After a tour of the platform and a lunch with the Master, the team shuttled over to the recently deployed **FOTP Derawan**, located about a kilometre away.

Both platforms were in the middle of a transshipping operation. CSL Asia expects to transship more than seven million tons of coal this year in support of customer Berau Coal. After a great afternoon, the group took the speedboat back to shore. The return trip was a little "bumpier" with a storm passing through the location, but all made it ashore safe and sound.

Special thanks go to **Jakob Hansen**, CSL Asia's Managing Director in Singapore, and **Alain Larocque**, Technical Operations Manager, for keeping everyone on schedule.



From left to right: Paul Cozza, Gerry Carter, Rod Jones, Alain Larocque and Jakob Hansen.



## PUERTO CALL

Colombia! To some, the very name conjures up images of a civil-war ravaged nation plagued by violence and drug smuggling. It was with some trepidation, therefore, that I made my first visit to the South American country in 1994. CSL was moving about 400,000 metric tonnes of coal a year from Colombian ports to the New England area, and I was invited to tour the Cerrejon Mine and associated port, Puerto Bolivar.

The mine turned out to be a huge open pit on the mainly desert La Guajira Peninsula. The mine area was like a small town with shops, a cinema, a hospital and hotel for mine visitors. The indigenous people of La Guajira are the Wayuu, and Cerrejon provided water and schooling for the remote population and, of course, employment. The mining equipment was state of the art, and all the mobile diggers and trucks were equipped with GPS and were tracked and directed for optimal utilization from a central control room.

At Puerto Bolivar, about 150 kilometres (93 miles) from the mine, I discovered a modern facility served by rail. The port boasted a latest-generation ship loader and modern tractor tugs; it was, and still is, one of the most efficient ports in all of North and South America. The people I encountered throughout my visit were warm and friendly; I was extremely impressed.

So began my love affair with Colombia, one that has lasted 16 years — and counting — and has provided me with the good fortune to make more than 30 visits to many parts of this wonderful country.

Today, the CSL Pool carries about 13 million tonnes of steam coal from Colombia, a major part of our cargo portfolio. Pool vessels are frequent visitors to Puerto Bolivar, Santa Marta, Puerto Drummond and Barranquilla (home of Shakira!), delivering cargoes to power generating facilities in Canada, on the eastern seaboard of the U.S. and in Central America.

Each March since 1993, a coal conference has been held in the magnificent city of Cartagena. When I first started attending this conference the attendees were mainly South American, with some Europeans. As the years progressed, more and more North Americans began discovering this jewel of a city, and this year's conference was one of the best attended. I was again asked to speak at the event and delivered a presentation entitled *Self-Unloaders and Coal – A Happy Marriage*. The many humorous analogies between my own marriage and the self-unloader marriage seemed to translate well to Spanish and were apparently well received by the audience.

CSL is well respected in Colombia, and at the end of each conference we host a customer appreciation dinner. The first dinner was in 1994 and we had five customers and one slightly embarrassing incident: when it came time to pay the bill, I presented my credit card only to learn the restaurant was cash only. Everyone at the table emptied their pockets, but between us we couldn't cover the amount. The restaurant owner (in typical Colombian fashion) said, "No problem, just come back and pay me before you leave the country!" (Which I did, of course.) This year, we had 43 guests as the CSL dinner has become the hot-ticket event, with many customers staying beyond the end of the conference to attend.

The dinner, coincidentally, falls about the same time as my birthday each year, and is commonly referred to as "John's Birthday Bash."

The Cartagena conference is an excellent occasion to meet many customers in one place, and the four days are filled with meetings and dinners. Many a contract has been discussed or concluded at this conference. In fact, with such a packed agenda, CSL had four people attend this year (normally we're two), and we split up into pairs to accommodate everyone. Joining me were **Paul Corcoran** (Director of Marketing), **Henrik Friis** (Director of Pool Management) and **Carlos Franzino** (Latin American representative based in Santiago, Chile). Some of you may remember Carlos from his Montreal or Mexico days with CSL. He has been hired as a consultant to CSL to expand our business opportunities in South America.

As you can see in the photos, a good time was once again had by all.

### John Sheather

Vice-President and General Manager,  
CSL International Pool

For the past three years, CSL has hosted its customer appreciation dinner on the rooftop of the San Pedro Restaurant in Cartagena, overlooking the San Pedro Cathedral.



18:55: Waiting for guests.



20:00: Guests begin arriving for cocktails.



21:05: Sitting down to eat.



22:30: Still eating...

