

April 15, 2010

Via Email rfsr-esmf@tc.gc.ca

Rail Freight Service Review
Suite 808 – 180 Elgin Street
Ottawa, Ontario
K1A 0N5

Attn: Review Panel

Re: Submission to Rail Freight Service Review

We appreciate the opportunity presented through Rail Freight Service Review to share the experience of the Prince Rupert Port Authority in working with CN Rail as part of the Panel's review of Canada's rail-based freight logistics chain.

As a port with only one railway servicing the terminals that compose the Port of Prince Rupert, we are particularly vulnerable to the actions and services of our railway partner CN Rail. However, our experience has been extremely positive and truly reflective of CN Rail's recognition that the North American transportation industry is incredibly competitive and there are numerous alternative trade corridors and gateways to Prince Rupert within the North American network to accommodate shipper's needs. As such, CN Rail has been an active and engaged partner in the growth and expansion of the Port of Prince Rupert and their commitment and performance integral to the growth in cargo volumes realized over the past 3 years.

Here are a number of areas of success realized through our partnership with CN Rail:

Operations Programming - On-going dialogue and collaboration with terminal operators to ensure rail service quality balances terminals operations needs with network operations and system velocity drivers to maintain efficient and cost-effective rail service.

Business Development - Effective joint efforts to promote the advantages of Canada's Pacific Gateway, and specifically, Prince Rupert to shippers and third-party logistics service providers across North America and in Asia resulting in broad awareness of the Prince Rupert advantage.

Project Development - Collaboration in the identification, analysis and development of new terminal capacities and port services to strengthen the gateway capabilities to the benefit of Canadian shippers including working with the Prince Rupert Port Authority and prospective terminal developers to demonstrate the potential of Prince Rupert as a location for their projects.

Development Planning – Cooperation in the planning for transportation systems and terminal infrastructure necessary to accommodate the effective expansion of existing terminals and the development of new terminal and port service capacities while maximizing the development utility of the limited marine properties at the Port of Prince Rupert and mitigating future conflicts between stakeholders.

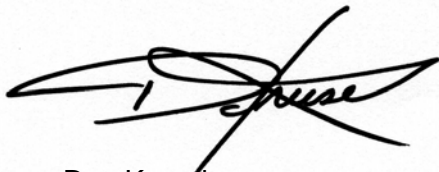
The partnership between CN Rail and the Prince Rupert Port Authority continues to be our strongest advantage in achieving the growth and expansion of container cargo activity at the Fairview Container Terminal, and the attraction of new projects and investment to the Port of Prince Rupert. The 46% growth in container traffic achieved in 2009, despite a global economic environment that resulted in a 15% decline in transpacific container volumes, is a direct reflection of the success of the partnership and the responsiveness of all partners in the system to the needs of shippers.

The Federal Government's investment in the Fairview Container Terminal has arguably been the most successful project within the Asia Pacific Gateway and Corridor Initiative. The resulting collaborative relationship between the Port, railway, and terminal operators further enabled through this partnership initiative should be considered an equally successful outcome.

Thank you for the opportunity to participate in the Rail Freight Service Review. Please feel free to contact us should you require any further information or if we can provide any additional commentary.

Sincerely,

PRINCE RUPERT PORT AUTHORITY

A handwritten signature in black ink, appearing to read "Don Krusel", written over a light grey rectangular background.

Don Krusel
President & CEO