



BEAR FACTS

ALGOMA CENTRAL CORPORATION NEWSLETTER • WINTER 2010

President's Message



It was one year ago in the 2009 winter edition of the Bear Facts that I first spoke of the October 24, 2009 announcement by the Department of Finance that it was inviting comments on its proposal to eliminate the 25% customs duty on the importation of certain types of vessels.

On October 1, 2010, after almost a year of industry and stakeholder consultations, the Minister of Finance came to St. Catharines to complete this process. With the *AlgoCanada* as a backdrop, Minister Flaherty announced that the 25% import duty was eliminated on cargo vessels and product tankers effective January 1, 2010. In addition, Minister Flaherty announced that certain vessel importations that occurred prior to the January 1, 2010 effective date would be granted retroactive remission of duty. The \$15.3 million of duty we have paid on the *AlgoCanada* and *Algonova* will be part of this retroactive remission.

I had the pleasure of standing with our local Member of Parliament, Rick Dykstra while Minister Flaherty made

this historic announcement and was able, on behalf of Algoma and the industry, to thank both Mr. Dykstra and Minister Flaherty.

Following is an excerpt from my address that day.

"On behalf of Algoma's over 300 employees in the Niagara Region, the hundreds more marine industry workers from the St. Lawrence Seaway and the many ship repair, service and supply companies and other vessel crews that call Niagara their home, I would like to thank our local Member of Parliament, Rick Dykstra for his tireless efforts in making duty removal a reality.

Minister Flaherty, we applaud your vision to see beyond the short term tax effect of this change. We have long said that removing this disincentive to invest in the Canadian maritime fleet would be the best infrastructure investment that Canada can make. Mr. Minister I am here to tell you that we are ready, willing and able to act. Your announcement today will help to ensure that the customers and industries along the Great Lakes/St. Lawrence Waterway will be served by the most efficient and environmentally friendly mode of transportation – that being Water Transportation – well into the future. Thank you."

With the announcement behind us, we are moving closer and closer to being able to make fleet renewal of our domestic dry-bulk fleet a reality.



From left to right: Duncan Jackman - Chairman of the Algoma Board of Directors, Greg Wight - President & CEO, Rick Dykstra - Member of Parliament for St. Catharines and Finance Minister Jim Flaherty.

On November 3, we announced that our 2010 nine month results were reduced by \$4.0 million from the comparable nine month period in 2009. Of this amount, \$3.4 million was due to the decrease in foreign exchange gains in 2010 compared to 2009.

Both our domestic dry-bulk and product tanker segments were ahead of 2009 while our ocean shipping and real estate segments were behind 2009.

...over

President's Message Cont.

We continue to anticipate further improvements in volume from many of our customers for the balance of 2010 and 2011.

As of early November, all three of the Algoma salties had arrived in Canada to join our domestic dry-bulk fleet. These vessels are on charter to Seaway Marine Transport operating in the traditional grain/ore trades. When we purchased these vessels in 2008, it was with the stated intention of making them available to our domestic dry-bulk fleet. These vessels are a welcome addition to the bulker fleet which has been declining due to the retirement of certain vessels.

In late September 2010, Algoma Central Properties Inc. (ACPI) announced that it had completed negotiations with SportChek to be a major new tenant to form the cornerstone of its re-development project for Station Mall in Sault Ste. Marie.

As part of this announcement, Tom Siklos, Vice President, Algoma Central Properties stated; *"We have a strong commitment to this community and confidence in the market. Our re-development will reflect that confidence."*

ACPI is targeting the fall of 2011 for the opening of the SportChek store and we are very excited regarding this re-development project.

I would like to make special mention of our Domestic Tanker fleet's Operational Excellence results. Currently five of the seven vessels in this fleet are flying the Operations Excellence flag.

The Operations Excellence flag is awarded to a vessel once it has achieved a full year without an incident (Don't Hurt Anyone, Don't Spill Anything, Don't Hit Anything) and the vessel has the privilege of flying the flag as long as it continues with zero incidents.

Particular mention should go to the crew of the *Algoeast* who have achieved this criteria for three consecutive years and the crews of the *Algoscotia* and *Algosar* who have achieved this criteria for two consecutive years.

The dedication by the shipboard and shore side staff of the Tanker Group to our Operational Excellence goals is commendable. We look forward to the day when all vessels fly the Operations Excellence flag.

In closing, I would like to take this opportunity to wish all employees, retirees and their families the very best for the Holiday Season and a Happy New Year.

Safe Sailing and please remember Safety First.



Congratulations to this year's winner of the Algoma Children's Christmas Card Contest.

This picture was drawn by Jocelyne Plamondon, daughter of Paul Plamondon, Field Superintendent, FMI. Jocelyne is 9 years old and this drawing will be used as the cover of this year's Company Christmas card.

As you make your way through this issue of BearFacts, you will see other drawings submitted by children and grandchildren of Algoma employees.

Algoma Central Corporation

New Hires



Algoma is pleased to welcome **Peter Winkley** as Vice-President, Finance & CFO effective September 20, 2010. Peter brings to Algoma a strong financial background with many years of experience. Peter holds a Bachelor Degree in Commerce and a Chartered Accountant designation.

Retirements

Third Engineer, **Pierre Mercier** retired May 9, 2010. Pierre began working with Algoma in 1971 and sailed on many vessels during his career. He was most recently onboard the *Algosea*. We wish Pierre all the best and thank him for his commitment to Algoma.

Head Tunnelman, **Edward Chiasson** retired after 27 years of service with Algoma. Edward spent most of his career sailing on the *Algoport* but also sailed briefly in 2010 on the *Algobay*. We thank Edward for his years of service and dedication to Algoma.

Second Engineer, **Josip Baus** retired May 25, 2010. During his career with Algoma, which began in 1983, Josip sailed on numerous vessels, most recently onboard the *Algolake*. We wish Josip all the best in his retirement and thank him for his many years of service.

Chief Cook, **Mary Fitzgerald** retired June 3, 2010. Mary began her career at Algoma in 1973. Prior to becoming the Chief Cook onboard the *John B. Aird* in 1985, Mary worked on numerous vessels within the fleet as a Relief Second Cook. We wish Mary all the best in her retirement.

Algoma Tankers Chief Engineer, **Melvin Kettle** retired July 1, 2010. Prior to his retirement, Melvin assisted with the construction of the *Algonova* and the *AlgoCanada* in Turkey, as well as the delivery of the *AlgoCanada*. We wish Melvin all the best in his retirement.

Chief Engineer, **George Michailopoulos** began his career with Algoma in 1991 as reserve Chief Engineer. He sailed on many vessels including the *Algomarine*, the *Algorail*, and the *Algocape*. He joined the *Algosteel* in 1999 where he remained until his retirement on July 1, 2010. We wish George a happy retirement.

Captain **Robert Barnstead** joined the Algoma Tanker (ATL) fleet in 1998 (at which time) Captain Barnstead brought more than 21 years of experience with him from Imperial Oil Ltd. After joining the ATL fleet, he sailed on various vessels including the *Algofax*, the *Algosar* and the *Algonova*. Captain Barnstead retired August 1, 2010 and we wish him a happy retirement.

Second Cook, **Richard Hickey** retired on August 4, 2010 after 11 years of service. During Richard's career, he sailed onboard the *Algoport* as both a Porter and a Second Cook. Richard also sailed briefly on the *Agawa Canyon*. We wish Richard all the best in his retirement.

Chief Cook, **David Oliver** retired September 20, 2010, after four years of service with Algoma Tankers. David sailed mainly onboard the *Algosea*. We wish David all the best in his retirement.



Drawing by Charlotte Tremblay, daughter of Chief Engineer François Tremblay from the Dry-Bulk Fleet. Charlotte is 8 years old.

Algoma Central Corporation

Algoma Tankers Captain **Gary Munden** retired October 1, 2010. Captain Munden began his career with Algoma in 1980 and moved up through the ranks to Captain. Captain Munden has sailed onboard the *Algoscotia* since 2007. We thank Captain Munden for his years of service and wish him a happy retirement.

Certificate Upgrades

Congratulations to the following employees who have recently upgraded their certificates.

Martin Bateman to Chief Mate, Near Coastal.

Wade Bragg to Chief Mate, Near Coastal.

Philippe Lalague to Second Class Engineer, Motor Ship.

Samuel Nadeau to Second Class Engineer, Motor Ship.

Promotions

Congratulations to **Ian McPhee** and **Michael Jolliffe**, who were promoted to Training Captain within the dry-bulk fleet this season.

Final Sailings

It is with deepest sympathy that we announce the passing of Algoma Tankers Chief Engineer **Michael Holtorf** on May 28, 2010. Michael was a retired Chief Engineer who sailed primarily onboard the *Algosar* prior to his retirement. He will be missed by many.

It is with much sadness that we announce the passing of **Gerald Smith** on August 28, 2010. Gerald began his Shipkeeping career with Algoma in 1994 onboard the *Tim S. Dool*. He served as Shipkeeper on several vessels throughout the years and his last assignment as Shipkeeper was on the *Sauniere* in 2008. Gerald will be remembered by many.

It is with much sadness that we announce the passing of **Kevin Myrick** on September 26, 2010. Kevin was a retired Able Seaman, who began sailing with Algoma in 1988. He sailed on various vessels as a Relief until he accepted a permanent assignment on the *Captain Henry Jackman* in 2002.

Births



Navigation Officer, **Thomas Collins** is proud to announce the birth of his daughter, Miley on October 24, 2010.



4th Engineer, **Cal Roque** is proud to announce the birth of his son, Callan on November 10, 2010.

Toronto Brigantine Inc.

Toronto Brigantine Inc. ("TBI") is looking for retired navigation and engineering officers who are interested in supporting TBI's efforts at the Board level, as well as at the operational management level, or for specific projects. TBI is a registered charity that owns and operates two Tallships on the Great Lakes and offers youth sailing training opportunities.

For further information, please contact the TBI office at 416-596-7117.

CREWING CORNER

To all crew members, please remember to...

- Check the expiry date on all certifications and legal documentations. This includes your passport and your provisional Marine Medical.
- Follow up with Transport Canada if you have not received your permanent marine medical certificate. Crew members cannot sail with an expired medical (provisional or permanent). The contact number for Transport Canada is 1-866-577-7702 (messages only).
- Advise the Captain or Chief Engineer or the office of any changes in your emergency contact information. This information is critical in the event of an emergency.
- Include detailed receipts when submitting expenses. Expenses will not be paid when only the credit card receipt is received.

ACC Scholarship Recipients



Anna Canduro
Daughter of Susan Canduro
Administrative Assistant -
ACPI, Sault Ste Marie
Attending: University of
Western Ontario



Nicola Conte
Step Daughter of Jodi Legros
Administrative Assistant -
ACPI, St. Catharines
Attending: University of Guelph



Adam D'Angostino
Son of Janet Kubik
Office Assistant - ACPI, Sault
Ste Marie
Attending: Cambrian College



Christina Monahan
Daughter of Michael Monahan
Chief Cook, *Algoscotia*
Attending: Acadia University



Micheal Reid
Son of Kevin Reid
Director, Quality Systems
Attending: Niagara College



Madeline Siklos
Daughter of Tom Siklos
Vice-President, ACPI
Attending: University of Guelph



Stephanie Taylor
Daughter of Captain Dennis
Taylor
Attending: Memorial University

Congratulations to our 2010 scholarship award recipients.

Applications for the 2011 scholarship program are now available and must be received by Judy Ann Savoia, Administrative Assistant - Human Resources no later than May 31, 2011. Please contact Judy Ann at 905-687-7886 or at jsavoia@algonet.com for applications and/or more information.



Fu Yao Yang
Daughter of Xiu Quan Yang
Chief Engineer
Attending: University of
Montreal

Community Involvement

Relay for Life

On Friday, June 18, the Canadian Cancer Society held its annual Relay For Life at Brock University.

The Algoma Care Bears raised just under \$7,000 for the Canadian Cancer Society through employee donations combined with a Company match and fundraising events. The Algoma Care Bears were awarded Top Corporate Fundraiser for the third year in a row. Congratulations on this achievement and thank you to everyone who organized, donated and participated in this event.



CIBC Run for the Cure

On Sunday, October 3, you walked, ran and gave generously! Thank you!

As a result of fundraising events, employee donations and the Company's match of employee donations, the Algoma Care Bears raised over \$11,000 for this year's event and were awarded the CIBC Corporate Spirit Award. Congratulations!

Each person who donated \$50.00 or more was entered into a draw to win one of two Algoma prize packages which included a back pack, sleeping bag and flash light. This year's winners are Edilberto Frejoles, Electrician on the *Algoway* and Terry Temple, 2nd Engineer on the *Captain Henry Jackman*.



United Way

Donation forms have been sent to all shipboard and office employees and within the next couple of weeks we will be able to calculate the total contributions to this year's campaign. As in past years, we have initiated a "friendly challenge" to all vessels to see who can raise the most donations for the United Way. We will have to wait and see if the *Algosar* maintains its position as Top Vessel Fundraiser in 2010 - in 2009, the *Algosar* raised a record breaking \$10,001 for the United Way.



Day of Caring

On Friday, November 26, the office staff of Algoma Central Corporation participated in our 2nd "Day of Caring" through the United Way. A Day of Caring provides an opportunity for an organization such as Algoma to help complete various projects for charitable non-profit organizations in our community.

This year, the volunteers, comprised of ACC employees and family along with Captain Dan McCormick and Training Captain Melvin Ford, prepared and painted the offices at the Niagara Centre for Independent Living in St. Catharines. This was a big undertaking but with all the volunteers helping, we were able to complete the project within the day.



Photo Contest

Congratulations to our two winners below for winning this year's photo contest. The theme of this year's contest was "Algoma Lives in Your Hometown. As some of the pictures submitted for this year's photo contest did not follow the theme we have chosen only two winners.



Photo submitted by: Chief Engineer David Winsor
Photo of: The *Algoma Guardian* in the Halifax Harbour.



Photo submitted by: Giulia Smyth - Report Developer, ACC
Photo of: The *Algobay* Lifeboat at Nickel Beach in Port Colborne.

Details for our 2011 photo contest will be in our Spring 2011 issue of BearFacts.

More from the children



Artwork by Hannah Perlini, granddaughter of Mary Borowicz, Administrative Assistant - ACPI. Hannah is 7 years old.



Drawing by Calvin Martin, nephew of Chief Engineer Cindy Martin from the Tanker Fleet. Calvin is 6 years old.

Onboard the *Algoma Discovery*



Able Seaman Elvin Mallett



Manager, Operations and Technical Services Graham Lindfield (L) and Captain Doug Ireland (R)



Able Seaman Mike Morrissette (L) and 3rd Mate Dave Keeping (R)



FMI Field Superintendent Steve Siba (L) and 2nd Mate Wilbrod Parent (R)



Manager, Operations and Technical Services Graham Lindfield (L) and Chief Engineer David Winsor (R)



4th Engineers Daniel Bartlett (L) and Tony Newman (R)



MUC Christopher King (L), Ordinary Seaman Blandford Keeping and Chief Cook Alex Bell (R)



Loading its' first cargo in Port Cartier.

Onboard the *Algoma Discovery*



3rd Engineer Andrew Wickhardt



Ordinary Seamen Delbert Clowe (L), Blandford Keeping and Leslie Harvey (R)



Able Seaman Mike Morrissette



Mechanical Assistant Kelly Keeping



4th Engineer Daniel Bartlett (L), 1st Mate Adam Regular and 2nd Mate Wilbrod Parent (R)



3rd Engineer Samuel Nadeau



In the Port of Halifax.



Able Seaman Bob Eckmier (L), Ordinary Seaman Blandford Keeping, 2nd Mate Wilbrod Parent and Ordinary Seaman Les Harvey (R)

2010 ACC Service Awards



Captain Aladino Dini (R) presents Wayne Ferguson (L) with his 35 year service award.



Chief Engineer Jacques Trudel (L) and Captain Emmanuel Sevor (R) present Brian Beresford with his 30 year service award.



Captain Sam Arnold (L) and Chief Engineer Stewart Shellard (R) present Gregory Bolivar with his 30 year service award.



President and CEO Greg Wight (R) presents Captain Gregory Crewe (L) with his 30 year service award.



Captain Sam Arnold (L) and Chief Engineer Stewart Shellard (R) present David Evely with his 30 year service award.



Captain Dennis Keating (R) presents Andre Joly (L) with his 30 year service award.



Peter Van Rooijen (R) presents Captain Douglas Taylor (L) with his 30 year service award.



Captain David Jones (R) presents Dennis Thayer (L) with his 30 year service award.



Chief Engineer Sami Sakaa (R) presents Bruce Ward (L) with his 30 year service award.

2010 ACC Service Awards



Captain Gary Munden (R) presents Bradley Misener (L) with his 30 year service award.



Captain Kenneth Rowe (L) and Gabrielle Ross (R) present Gary Bond with his 25 year service award.



Captain David Jones (L) presents Edward Fitzgearld (R) with his 25 year service award.



Chief Engineer Peter Pennock (L) and Captain Dennis Taylor (R) present John King with his 25 year service award.



Captain Neil Olsen (L) presents Archibald Layne (R) with his 25 year service award.



Captain Anders Rasmussen (R) presents Tony Nystedt (L) with his 25 year service award.



Brooke Cameron (R) presents Captain Neil Olsen (L) with his 25 year service award.



Captain Dennis Keating (R) presents Shawn Thorne (L) with his 25 year service award.



Captain James Wilhem (R) presents Nelson Auger (L) with his 20 year service award.

2010 ACC Service Awards



Chief Engineer Seth Gordon (R) presents John Billard (L) with his 20 year service award.



Captain Leslie Comrie (R) presents David Buckland (L) with his 20 year service award.



Captain Seann O'Donoghue (R) presents Colin Caines (L) with his 20 year service award.



Captain Seann O'Donoghue (R) presents Harold Caines (L) with his 20 year service award.



Chief Engineer Ivan Giles (L) presents Real Carrey (R) with his 20 year service award.



Captain Doug Inglis (R) presents Melvin Chaulk (L) with his 20 year service award.



Chief Engineer Wojciech Kondratowicz (R) presents Garfield Durnford (L) with his 20 year service award.



Chief Engineer David Winsor (L) presents Alexander Ferguson (R) with his 20 year service award.



Chief Engineer Wojciech Kondratowicz (R) presents Wallace Green (L) with his 20 year service award.

2010 ACC Service Awards



Chief Engineer Robert Mahler (L) presents Wayne Hatcher (R) with his 20 year service award.



Captain Peter Schultz (L) presents Theodore Johnston (R) with his 20 year service award.



Captain Aladino Dini (R) presents Blandford Keeping (L) with his 20 year service award.



Captain Anders Rasmussen (R) presents Kenneth Keeping (L) with his 20 year service award.



Chief Engineer Wojciech Kondratowicz (R) presents Robert Keeping (L) with his 20 year service award.



Gabielle Ross (L) presents Andrew Kleiser (R) with his 20 year service award.



Captain Kenneth Rowe (L) and Gabielle Ross (R) present Herbert Marks with his 20 year service award.



Chief Engineer Kazmierz Mankiewicz (R) presents Larry Meade (L) with his 20 year service award.



Captain Joseph Fraser (R) presents Marius Perreault (L) with his 20 year service award.

2010 ACC Service Awards



Chief Engineer Jacques Trudel (L) and Captain Emmanuel Sevor (R) present Linda Qaqish with her 20 year service award.



Captain Emmanuel Sevor (L) and First Mate Richard Miller (R) present Arthur Seymour with his 20 year service award.



Chief Engineer Kevin Shears (L) presents Terry Sharron (R) with his 20 year service award.



Chief Engineer Kevin Shears (L) presents Bryce Swan (R) with his 20 year service award.



Captain Tom Higham (R) presents Clifford Taylor (L) with his 20 year service award.



Chief Engineer Kevin Shears (L) and Captain Kenneth Rowe (R) present David Tigert with his 20 year service award.



Captain Seann O'Donoghue (R) presents Jacques Vezina (L) with his 20 year service award.



Captain Saleem Iqbal (L) presents Wayne Blagdon (R) with his 15 year service award.



Chief Engineer Jacques Trudel (L) and Captain Emmanuel Bond (R) present Carlito Cabrales with his 15 year service award.

2010 ACC Service Awards



Chief Engineer Victor Gordynskii (R) and Brooke Cameron (L) present Rene Cardin with his 15 year service award.



Chief Engineer William Halder (L) presents Les Crossan (R) with his 15 year service award.



Captain James Wilhelm (R) presents Andrew Dixon (L) with his 15 year service award.



Captain James Wilhelm (R) presents Herve Dufour (L) with his 15 year service award.



Captain James Wilhelm (L) presents Robert Eckmier (R) with his 15 year service award.



Captain Neil Olsen (L) presents Ronald Hamelin (R) with his 15 year service award.



Brooke Cameron (L) and Chief Engineer Victor Gordynskii (R) present Roger Harvey with his 15 year service award.



Captain Saleem Iqbal (R) presents John Hewetson (L) with his 15 year service award.



Captain Seann O'Donoghue (L) presents Gregory MacRae (R) with his 15 year service award.

2010 ACC Service Awards



1st Mate Andrew Kleiser (R) presents Serge Martineau (L) with his 15 year service award.



Captain Tom Higham (R) presents Monford Organ (L) with his 15 year service award.



Chief Engineer William Halder (L) presents Harold St. Hill (R) with his 15 year service award.



Captain Seann O'Donoghue (L) presents Brent Walters (R) with his 15 year service award.



Gabrielle Ross (L) presents Cornelius Walters (R) with his 15 year service award.



Gabrielle Ross (L) presents Todd Williams (R) with his 15 year service award.



Captain Aladino Dino (R) presents Gilbert Hansford (L) with his 10 year service award.



Captain Joseph Fraser (R) presents Rachel Kawalec (L) with her 10 year service award.



Chief Engineer David Winsor (L) presents Kelly Keeping (R) with his 10 year service award.

2010 ACC Service Awards



Chief Engineer Alexandre Konev (L) presents Alexander MacDougall (R) with his 10 year service award.



Captain Doug Inglis (L) presents Daniel Maxwell (R) with his 10 year service award.



Captain Tom Higham (R) presents Craig Savoury (L) with his 10 year service award.



Captain Tom Higham (L) presents Cindy Simpson (R) with her 10 year service award.



Captain Neil Olsen (L) presents Alan Wooller (R) with his 10 year service award.



Chief Engineer Peter Stanley (R) presents Greg Zufelt (L) with his 10 year service award.



Drawing by Sabrina Martin, niece of Chief Engineer Cindy Martin from the Tanker Fleet. Sabrina is 8 years old.

Algoma would also like to congratulate those that were not available for a photo.

25 Years of Service
Clyde Chant

20 Years of Service
Michael Baker
Ernest Bryant
John Croucher
Guylaine Diamond
William Hardiman
Buddy Wilkin

15 Years of Service
Penelope Kukta
Allen McAlpine

Chief Engineer Kevin Shears

10 Years of Service
Jacqueline Gairy
David LeBlanc
Marvin Hardy
Robert Muzzell

Algoma Central Properties Inc.

New Hires



Algoma would like to welcome **Tom Siklos** to the Algoma Central Properties team effective June 1, 2010 as Vice-President, ACPI.

Births



Jodi Legros, Administrative Assistant, is happy to announce the birth of her daughter Inessa on September 16, 2010.

Weddings



Congratulations to **Adam Carpenter**, Accountant, and Amanda Morrar, who were married on July 24, 2010.

SportChek

With the announcement of SportChek coming to Station Mall, Sault Ste. Marie, ACPI has begun the first step in the revitalization of a major asset in the company's real estate portfolio. Station Mall is also central to the success of the downtown area of the city; it has a long history as the dominant shopping destination in this regional market of over 120,000 people.

SportChek is one of the best known name brands in the Canadian retail industry and the dominant player in the sporting goods niche. "We are excited to be opening a store reflecting our newest design in such a central and strategic location, and in the city's dominant shopping center", says John McLellan, Director of Real Estate for the Forzani Group, owner of the SportChek chain. "Our sales in this market are very strong and we will now be better able to serve our customers in this market with an expanded product line."

Petroff Architects of Toronto has been retained to work on the design of the renovation. "The restructuring will bring considerable excitement to the retail fabric that makes up the city centre," explained Hans Geenen, Property Manager for ACPI. "In addition to changing the look of the mall, we will be working to add exterior-oriented category leaders and major national brands that our consumers have continually asked for."

Shown below is a sketch of the new entrance to the mall – and to the SportChek store. The project will be completed in 2012.



Congratulations are to be extended to Lynn Seniw, Hans Geenen, Bob Leistner, John Marino and Rod Caughill for their vision and tireless effort in what turned out to be a complicated and challenging negotiation.

Algoma Central Properties Inc.

Awards Dinner

Algoma Central Properties Inc. had their annual awards dinner at the Delta Sault Ste. Marie Waterfront Hotel and Conference Centre on July 8, 2010. During the dinner, service awards were given to employees who reached a milestone year in 2009 as well as a farewell to Robert (Bob) Leistner who retired effective June 1, 2010.

After 29 years of service with Algoma, **Bob Leistner** retired from ACPI. Algoma would like to express its appreciation to Bob for his contribution to the Corporation, especially in his role of Vice-President, Algoma Central Properties Inc., which he had held since 1997. Algoma is delighted for him as he enters the next phase of his life and we wish him and his family all the best in his retirement.



Bob Leistner and his wife Darlene accept this gift from the employees of ACPI.



President & CEO Greg Wight (L) presents Hans Geenen (R) with his 30 year service award.



President & CEO Greg Wight (L) presents Patti Rennison (R) with her 20 year service award.

Happy Holidays from the Children



Artwork by Jessica Sibenik, granddaughter of Mary Borowicz, Administrative Assistant - ACPI. Jessica is 3 years old.



Artwork by Meagan Perlini, granddaughter of Mary Borowicz, Administrative Assistant - ACPI. Meagan is 9 years old.

Fraser Marine & Industrial

Retirements

Darwin Hoover, Technical Services Estimator/Planner, started with FMI on September 28, 1988 and retired on July 1, 2010. We would like to thank Darwin for his years of service and his valuable contribution to the many projects he has been involved with.

Regent (Reg) Doucet Fabrication Shop Lay-out 1st Class, started with FMI on February 9, 1988 and retired on October 1, 2010. We would like to thank Reg for his years of service and his valuable contribution to the many projects he has been involved with.

Final Sailings

It is with much sadness that we announce the passing of **Alex Pearce** on May 13, 2010. Alex retired from FMI in 1997 after 30 years of service. He will be missed by many friends and family.

45th Anniversary

May 1, 2010 marked the 45th anniversary of FMI. FMI started in 1965 as Herb Fraser and Associates, by Herb Fraser (July 1, 1911 – December 10, 1982).

Born in Durham Pictou County, Nova Scotia, in 1929, Herb moved to Port Colborne. With the assistance of his cousin, H.E. Heighton, Herb began his apprenticeship as a boilermaker with Port Colborne Iron Works. When Heighton launched his own company, H.E. Heighton and Son, Herb accompanied him.

Herb later decided to pursue his interest in ships and ship repair on his own, forming Herb Fraser and Associates in May of 1965. With the support of Lawrence Fraser, Jack

Gillespie, Fielden Smith, Wayne McCaffery and Frank Neff, Herb's new company repaired and replaced boilers, converted vessels from coal fire to oil fire and installed new engines. The quality of service his company provided, coupled with his honest and direct approach to doing business, earned Herb a reputation for "being the man to call to get the job done".

Algoma Central Railway acquired Herb Fraser and Associates in 1973 after health problems prompted Herb and his associates to sell the company. Herb stayed on as Vice-President and General Manager until several weeks prior to his death in 1982, at age 71.

Since Herb's passing, the company name changed to Fraser Ship Repairs and now it is known as Fraser Marine & Industrial. Over the past 45 years, FMI has taken on many major ship repair projects from coal to oil conversions in the 60's and 70's to heavy fuel

conversions in the 80's and 90's. The company completed two major historical ship restorations in the 70's which included the S.S. *Segwun* (1887 - 1925) for Muskoka Steamship & Historical Society and the restoration of the Toronto Island ferry *Trillium*, which celebrated its 100th anniversary on June 18, 2010. In the late 80's and early 90's Fraser's constructed two cruise boats; *The Showboat Royal Grace* and *Island Queen V*.

Some of the company's largest projects over the years have been the self-unloader conversion of the *Algoosea* (*Sauniere*) and the completion of the barge *Norman McCleod*. And, in the last few years, FMI has completed hopper and gate renewals on the *John B. Aird*, the *Algolake* and the *Algowood*.

These are just a few of the many projects completed with the hard work and dedication of the men and women who have made Fraser Marine & Industrial 45 Years Strong.



Drawing by Abbey McCulligh, daughter of Jo-Anne McCulligh, Manager - Algoma Tankers Commercial. Abbey is 8 years old.

Fraser Marine & Industrial

Overview

The Spring and Summer of 2010 have been relatively quiet in the Great Lakes Ship Repair industry, however, the workforce at FMI have been kept fairly busy working on a number of projects including the pre-fabrication of items required for the upcoming winter work and the Canadianization of the *Algoma Guardian*, the *Algoma Discovery* and the *Algoma Spirit*.

With a month remaining before the start of Winter Work 2011, FMI is in the fortunate position of already being awarded a significant number of projects for the winter period from our

customers. As in past years, FMI will be undertaking major projects in Sarnia, Hamilton, Owen Sound and in the Port Colborne/Welland Canal area. The timely awarding of this work will allow FMI to pre-fabricate a lot of the material required including longitudinal bulkhead panels and deck arches.

The advanced planning and preparation will ensure that FMI is able to meet customer requirements on time and on budget.



The new boarding ladders installed on the Algoma Guardian.

**We wish you and your families
a very Merry Christmas!**



Drawing by Rikki Randall, daughter of Sheila Randall, Accounting Clerk, ACC. Rikki is 9 years old.



Drawing by Lauren McNeil, daughter of Joe McNeil, Network Administrator, ACC. Lauren is 7 years old.

Seaway Marine Transport



Matthew Hennessy
Son of Wayne Hennessy
Director, Vessel Traffic &
Customer Service
Attending: University of
Western Ontario



Robert Koller
Son of Rudy Koller
Vice-President, Finance
Attending: University of
Waterloo



Duncan Spaan
Son of Glenn Spaan
Manager Technical, Fleet
Maintenance
Attending: Brock University



Brianna Wheeler
Stepdaughter of Michael Harris
Administrator, LAN Ship
Systems
Attending: Niagara College

Congratulations to the 2010 scholarship award recipients!

Applications for the 2011 scholarship program are now available and must be received by Gina Williams, Executive Assistant, no later than May 31, 2011. Please contact Gina at 905-988-2993 for applications and/or more information.



Nathaniel Wheeler
Stepson of Michael Harris
Administrator, LAN Ship
Systems
Attending: Georgian College

2010 Overview

The 2010 season has seen an increase in customer demand which has resulted in a busier SMT fleet. The gradual improvement of economic conditions has resulted in increased vessel utilization over 2009, but it still remains far below the 2008 levels.

Grain demand is strong due to needs in Europe as a result of the Russian export ban. The steel industry has improved over the previous year. Unfortunately, the aggregate trade still remains slow due to the overall economic conditions and weak demand in the US Great Lakes states.

Overall, all Algoma vessels operating for SMT have been fully utilized this year and SMT has welcomed the addition of the *Algoma Discovery*, *Algoma Guardian* and *Algoma Spirit* in 2010.

Two groundings resulted in the Algobay being out of service in May and July to undergo dry docking repairs. Also, the Algocape completed a dry docking survey during the year

Shore staff remain busy preparing budgets and planning for winter work, maintenance and repairs. SMT anticipates some winter trading in early 2011.

Seaway Marine Transport

Safety

Safety remains everyone's number one priority both onboard and ashore. The summer months saw an increase in lost time accidents. However, as we entered the Fall season, our accident frequency is declining. With everyone's commitment to zero accidents, our 2010 results are tracking better than last year with a continuing improvement in lost time accidents. **Well Done!**

Please remember to keep focused on working safely as winter weather conditions add increased risks with slips, falls and strains.

The Marine Occupational Health and Safety Regulations have seen recent amendments published with further requirements for compliance and working safely. New training for awareness of Workplace Violence is being developed for delivery in 2011. The onboard training program continues with Georgian College riding the vessels to deliver focused safety training programs for all crew members.

The benefits of your onboard Safety Meetings to raise any safety concerns, address any required repairs or modifications to ensure safe working conditions, and training and awareness to work towards our goal of "zero accidents" remains an important tool for safe vessel operations. We encourage your continued participation, support and input to make these meetings beneficial.

As of November 2010, the *Algoway*, the *Algorail*, the *Algosteel*, the *Algowood*, the *John B. Aird*, the *Captain Henry Jackman*, the *Algomarine* and the *Tim S. Dool* have operated with zero lost time accidents.

Safety Correction

In the Spring 2010 edition of BearFacts, we congratulated the crew of the *Captain Henry Jackman* on achieving five consecutive years with No Lost Time Accidents in 2009.

In fact, we were incorrect. The *Captain Henry Jackman* has actually sailed for **six** seasons with No Lost Time Accidents in 2009. Please accept our apologies for the oversight.

This is a tremendous achievement and we hope that you continue the excellent work.

Environment

SMT and our vessels can proudly announce our certification to the ISO 14001 – 2004 Environmental Management Standard. In September, an extensive audit of the SMT office and selected vessels was successfully completed by Lloyds Register. SMT was certified to the ISO 14001 environmental standard in addition to the existing ISM Code and ISO 9001 Standard.

SMT is actively involved in various industry and government forums for input into developing regulations in air emissions, invasive species and ballast water, and cargo residue. Standards, regulations, and environmental stewardship are changing and SMT, our managed crews and vessels will ensure these responsibilities are achieved within our operating parameters.



Algoma Tankers Ltd.

Over the past few months several Algoma Tankers ships have reached significant safety milestones. Five ships now proudly fly the Safety Flag to signify their achievement of Operations Excellence.

The *Algoeast* continues to lead the fleet in achieving their third consecutive year with no injuries above a first aid, no spills and no damage to third party facilities. The *Algosar* surpassed the two year barrier in June of 2010 and continues to proudly fly the Safety Flag. The *Algoscotia* follows in hot pursuit by also achieving their second consecutive year of Operations Excellence in August 2010. The *Algoma Dartmouth* and the *Algosea* have just recently been awarded a Safety Flag for reaching the one year mark.

in dry-bulk shipments although we were pleased to commence some new shipping movements this year. Reduced demand has created extra challenges both ashore and among our fleet. Crewing is one such challenge that we have faced this year. Finding the right balance of personnel for each ship is always our goal and it is our stated preference to have regular crew assignments but with temporary lay-ups of some ships this year we have been faced with more crew transfers than has traditionally occurred. Strong onboard leadership together with our established safety management systems and highly skilled personnel have all contributed to meet these challenges in 2010 and we feel are a tribute to our strong safety culture.



Crew Members of the Algoeast

Achieving these important safety milestones can only be made through the dedicated efforts of shipboard management and crews to maintain a constant focus on safety. The Safety Flag program is a recognition and tribute to the considerable efforts of our crews to achieve Operations Excellence. We applaud these efforts.

Demand for petroleum product movements in 2010 has been lower than 2009 levels. We have not seen the re-bounce that has been experienced



Crew Members of the Algosar

With the noted improvements in our safety performance over the past few years, we have been able to direct more attention to another critical component of Operations Excellence. In the tanker industry, you are only as good as your last inspection report. The inspection report or vetting forms a large part of the customer's decision making process when it comes to chartering vessels. In 2010, our vetting performance remained strong but we must always be vigilant about the need to not only be the best that we can be at all times but also to be the best in our class.

Algoma Tankers Ltd.



Crew Members of the Algoscotia



Crew Members of the Algosea



Crew Members of the Algoma Dartmouth



Operations Excellence is a way of life. We must strive to achieve the highest standards in our industry in order to ensure safety and continued business success. As we continually improve, the yardstick used to measure our performance also continues to move upwards. This cycle of continuous improvement requires the commitment of all employees. Operations Excellence means flawless execution. The rewards that come with Flawless Execution are significant.

Algoma Shipping Inc.

Service Award



Dave Geiger (R) presents Sue Bateman (L) with her 20 year service award.

Congratulations to the crew of the *Weser Stahl*



The *Weser Stahl* has been recognized for Best Managed Ship out of Bernhard Schulte Shipmanagement in India. Congratulations on a job well done!

Algoma Shipping Inc.

During 2010, Algoma Shipping Inc. (ASI) transitioned its three “salty bulkers” into long term time charters with Seaway Marine Transport. The ships, *Algoma Sprit*, *Algoma Guardian* and *Algoma Discovery* were built in 1986 (*Sprit*) and 1987 and operated to SOLAS and MARPOL (International) standards. They are capable of world-wide operations. Algoma is providing ship management and crew services for ASI while these ships are in Canadian flag service.



Crew Members of the Algoma Sprit

The vessels completed mandated regulatory dry-dockings in China this year. During the dry-docks, the cargo handling gear onboard each ship was removed. Cargoes were secured from China to Mexico and New Orleans to assist in the repositioning of the vessels to Canada. Algoma senior officers joined each vessel in the Panama Canal and New Orleans to help familiarize them with the ships and to learn from the previous crews before taking over vessel operations in Halifax.



Crew members of the Algoma Guardian

Algoma’s ship management team attended the vessels in Halifax to manage the Canadianization and crew familiarization and training processes. Included in these activities were inspections by Transport Canada and Lloyds Register. Prior to

entering Canadian flag service each ship was issued Canadian certificates. The entire Canadian officer and crew complement of each vessel were given safety and operations management training in areas such as Canada Labour Code and MOSH, Job Observation, Risk Assessment, Injury Prevention, Management of Change, familiarization of the Integrated Management System, Security, WHMIS and Asbestos Management.



Crew Members of the Algoma Discovery

Many thanks to the Captains, Chief Engineers, the navigation and engineering officers, the crews and Algoma shore management personnel for their efforts during the rigorous Canadianization process and for their efforts to successfully integrate these vessels into domestic trading activities with SMT.



Drawing by Olivia Bateman, daughter of Sue Bateman, Senior Accountant, ASI. Olivia is 6 years old.

Quality Corner

Managing Change

There is an old adage that states “The only thing constant in life is change” and this is indeed true both in everyday life and within the work environment.

Management systems are developed to manage change, whether it be changes on loading orders, changes in the heading of the vessel during navigation, or changes to drawings that we are working with. Imagine if a worker holding a ladder steady for another worker leaves their position to take a break – a change. Imagine if the commercial department receives a change to a customer schedule or loading volumes but does not tell the Captain of the ship – also a change. Imagine if the Engineer of the Watch changes the fuel valve arrangement during the taking on of fuel and doesn't tell anyone – another change. In these examples one can clearly see that personnel could be injured, the customer could be impacted and the environment affected. We need to manage change effectively all the time.

We need to consider the impact (positive or negative) of a change and manage it accordingly. Some can be effectively communicated and implemented verbally, course alterations for example, some require a revised document, a

revised set of loading instructions signed by the Captain, and some require a formal documented assessment of the risks involved in order to fully understand the change or, in other words – understand the risk.

Effective change management of this nature involves a formal document to identify what the change is, to whom it applies, who it was initiated by, whether it is temporary or permanent, who needs to approve it, and when it's expected to be implemented. Changes to critical systems, equipment, procedures, documents, must be managed carefully to ensure they are successful. Effective management systems manage change effectively.

All changes need to be effectively communicated to ensure they are understood and implemented with redundant versions of a procedure removed, redundant equipment decommissioned, etc. Change can only be effective if managed properly. Identify when a change is required, communicate it effectively and confirm the results.

Using these tools will greatly help to ensure the goals of Operations Excellence (*Don't Hurt Anyone, Don't Hit Anything, Don't Spill Anything*) will be achieved.



Drawing by Kailee Randall, daughter of Sheila Randall, Accounting Clerk, ACC. Kailee is 5 years old.



Drawing by Nolan McNeil, son of Joe McNeil, Network Administrator, ACC. Nolan is 6 years old.

Happy Holidays from Algoma

Algoma would like to wish everyone
a very safe and happy holiday season!

