



Message from Rod Jones



Yesterday's Fleet
Meaford



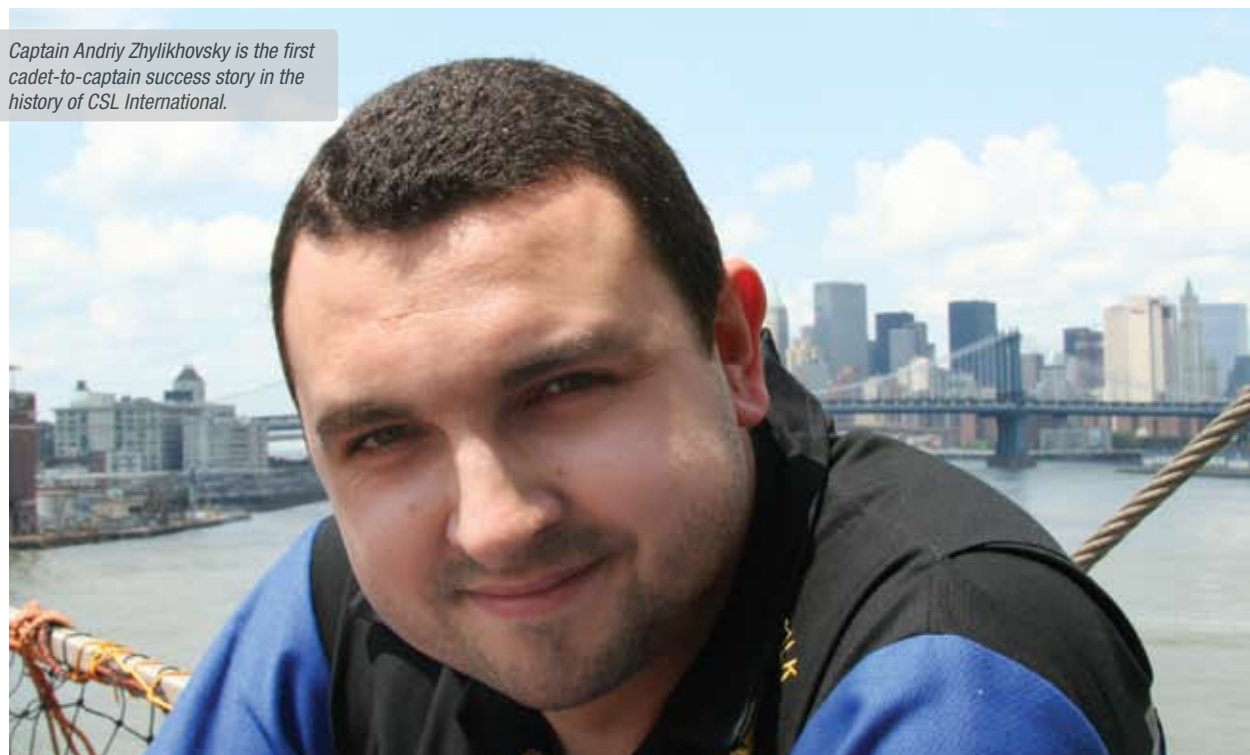
Who's on Board?
Rt.Hon. Paul J. Martin



Green Marine Certification

FROM CADET TO CAPTAIN

Captain Andriy Zhylikhovsky is the first cadet-to-captain success story in the history of CSL International.



Sailing is all about tradition, including having a language unto its own. It's known that ships are called "she" (and endearingly so), and "up above" means above decks (when you're standing below), and "down below" means below decks (when you're up above). Indeed, there are nautical dictionaries thicker than cookbooks for just about anything, and anyone, related to sailing, including the captain. He's oftentimes called "Cap," for short, or "Skipper," in slang, and now and then, "Old Man," a term that actually carries much respect, no doubt hearkening back to a time when the captain was the oldest man on the vessel, having garnered the most skill and wisdom with his many years at sea.

It was a bit of a surprise, therefore, upon a recent visit to CSL International Pool vessel **Ambassador**, to go in search of the ship's "Old Man" only to find **Andriy Zhylikhovsky**, who is years away from

CONTINUED ON PAGE 10

CSL THEVENARD SETS RECORD

Seems like CSL Australia is doing some heavy lifting Down Under, with company vessel **CSL Thevenard** taking a record load of gypsum out of her namesake port recently. The big self-unloader managed to get 33,409 tonnes on board, thanks to high water caused by a full-moon high tide, a high in the Great Australian Bight and onshore breeze.

While the ship can actually load more cargo, the record for the Port of Thevenard will likely remain.

"That will probably be the biggest one we'll ever get," **Bevin Mastrosavas** of the Thevenard Shipping Agency told a local newspaper.

THEVENARD
AUSTRALIA



The 40,867-deadweight tonne CSL Thevenard performed a record lift at Thevenard, South Australia.

MESSAGE FROM ROD JONES

We are now well into the 2009/2010 operating season. The heady boom days of 2006-2008 are a distant memory. As **Paul Cozza** and **Gerry Carter** have noted in their recent *CSL World* messages, 2009/10 is a much more challenging economic environment for the company. All of CSL's business units service industrial customers in the Americas, Asia and/or Australia. The global recession is impacting many of these businesses severely. The steel and construction industries have been especially hard hit by the unprecedented drops in car sales and new housing starts. A large proportion of CSL's domestic and international fleet service these industries. Although CSL expected a downturn and is well prepared for the recession, the severity of the impact on some of our customers' businesses has been an unwelcome surprise.

As is well known to readers of *CSL World*, CSL is an industrial operator in the Canadian, Australian and international bulk shipping markets. We do not plan to make money buying and selling ships, or by taking long or short positions in the market. Our business plan is focused on carrying industrial cargoes for industrial customers over the long term. This philosophy has worked well for CSL for many years. We do not make huge profits when times are good, but we also don't suffer big losses in bad times. However, to some extent we do share the fortunes of our customers. If their tonnage is down, our ships are not fully or efficiently employed. This is the case in the global recession of 2008/09. To respond to falling demand, CSL has taken quick and significant steps to reduce our capacity. We have sold one ship, we have redelivered another that we had on charter, we have laid up three ships and we have redeployed two ships into new regions. These steps have worked well to keep the fleets in balance.

It is very difficult to predict how long this global recession will last. The "talking head" experts' predictions range from a recovery by end 2009, to doom and

gloom for the next few years. The type of recovery and the shape of the economy that emerges are also hotly debated. It is likely that some industries will never recover to the state they were in before the crash, and others may recover very slowly. In these uncertain times, we need to exert some patience. This is not easy. CSL is an action-oriented company. We thrive on growth, innovation and an entrepreneurial spirit. Over the past six years, we have added five ships to the domestic fleet, doubled the size of the CSL International pool, and tripled the business in CSL Australia. We have not done this by speculating on market movements or by taking huge risks. We just try to understand our industrial customers' businesses and then figure out ways to meet their transportation needs efficiently. In a healthy economy, this is an excellent recipe for growth.

So what can an action-oriented company do when the brakes are on? In addition to preparing for future growth, we have three initiatives that we are focusing on in 2009: safety, sustainability and employee development. Many companies focus on cost reduction during tough times, but for shipping companies, this often means deferring needed maintenance and repair. CSL is a long-term company and we do not make short-term decisions with our assets. Our assets are in good condition and our costs are under control. In fact, we think the best way to keep costs down is to focus on safety. Accidents cost money. CSL has a strong safety culture and is dedicated to continuous improvement. However, we are putting renewed focus on safety this year in all divisions. The Group Safety and Environment Committee under **Claude Dumais'** chairmanship is working to ensure that best practices are shared across the company. This committee is also responsible for coordinating CSL's efforts to improve our environmental footprint in all divisions. CSL has a rigorous environmental policy and has recently adopted a new policy on responsible ship recycling.



These policies are being made available on the revamped CSL Web site (www.csl.ca). On the employee development front, CSL has recently hired **Karen Saunders** as our new Vice-President of Human Resources. Karen's primary mandate is to improve CSL's focus on developing our talent within the company. A number of new employee development initiatives are being rolled out this year.

CSL is not immune to this economic crisis. We have taken the necessary steps to right-size our fleet during the downturn, and we are focusing our efforts on becoming a more sustainable company in the future. However, we are very well positioned to weather this storm and to emerge a stronger and better company when the skies clear. Over the past few years, while other shipping companies were ordering record numbers of new ships at astronomical prices, CSL was conserving cash and paying down debt. We have the balance sheet, the talent and the creativity to capitalize on the next opportunity when the time is right. I would like to thank all of CSL's family, including employees, bankers, suppliers, customers and industry friends for their support during these difficult times, and assure you that this company is strong and ready for the next chapter in the CSL story.



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The Editor, **CSL World**
759 Square Victoria, 6th floor
Montreal, Quebec
Canada H2Y 2K3

T 1-514-982-3862
F 1-514-982-3910
E info@cslmtl.com

CSL OFFICES

CANADA STEAMSHIP LINES

a division of The CSL Group Inc.

E info@cslmtl.com
W cslcan.ca

HEAD OFFICE

MONTRÉAL

759 Square Victoria, 6th floor
Montreal, Quebec
Canada H2Y 2K3
T 1-514-982-3800
F 1-514-982-3910

BURLINGTON

1455 Lakeshore Road
Suite 204N - North Office Block
Burlington, Ontario
Canada L7S 2J1
T 1-905-631-2885
F 1-905-631-6633

HALIFAX

1160 Bedford Highway
Suite 200
Bedford, Nova Scotia
Canada B4A 1C1
T 1-902-835-4088
F 1-902-835-1198

WINNIPEG

878-167 Lombard Avenue
Winnipeg, Manitoba
Canada R3B 0V3
T 1-204-942-5528
F 1-204-947-5160

CSL INTERNATIONAL INC.

E info@cslint.com
W cslint.com

HEAD OFFICE

BOSTON

152 Conant Street
Beverly, MA
U.S.A. 01915
T 1-978-922-1300
F 1-978-922-1772

VANCOUVER

215-6165 Highway 17
Delta, B.C.
Canada V4K 5B8
T 1-604-940-8020
F 1-604-940-8049

CSL AUSTRALIA PTY LTD.

E operations@cslaustralia.com.au
W cslaustralia.com.au

SYDNEY, AUSTRALIA

Suite 402, 486 Pacific Highway
St. Leonards, NSW 2065
Australia
T 61-2-9432-7500
F 61-2-9439-8589

CSL ASIA PTE LTD.

E info@cslasia.com
W cslasiashipping.com

SINGAPORE

112 Robinson Road
11-04 HB Robinson
Singapore 068902
T 65-6324-0311
F 65-6324-0322

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info@griffintown.com

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CAUGHT ON FILM

In the maritime world, "SS" stands for "steamship" (hence the name Canada Steamship Lines, even though just one steamship now remains in the company's motorized fleet). These days, "SS" could very well stand for "Safety and Security". As these images from a recent visit to the **Rt. Hon. Paul J. Martin** can attest, crew safety and vessel security are paramount aboard CSL vessels.



Quick: What is 7324405?

Answer: It stands for CSL self-unloader Rt. Hon. Paul J. Martin. It's the ship identification number issued by the International Maritime Organization for the Martin. The number, unique as per ship, allows for precise identification of vessels — for reasons of security and pollution control — and must be clearly displayed on a ship's hull or superstructure, in this case, the Martin's stacks.



Electronic charts, while not replacing senior officers' knowledge and experience, are throughout the fleet. The charts, known as ECDIS (Electronic Chart Display and Information System), allow navigators to access a wide range of information relative not only to their own vessels, but also other vessels around them. This is an important tool, especially in confined navigation situations on the rivers, channels and approaches within the Great Lakes-Seaway system.

CSL crews are trained to avoid accidents and handle emergencies onboard vessel. In this series of photos, Navigation Cadet Mike Mayer and Chief Engineer Mohan Menezes demonstrate a few tools of the safety trade:



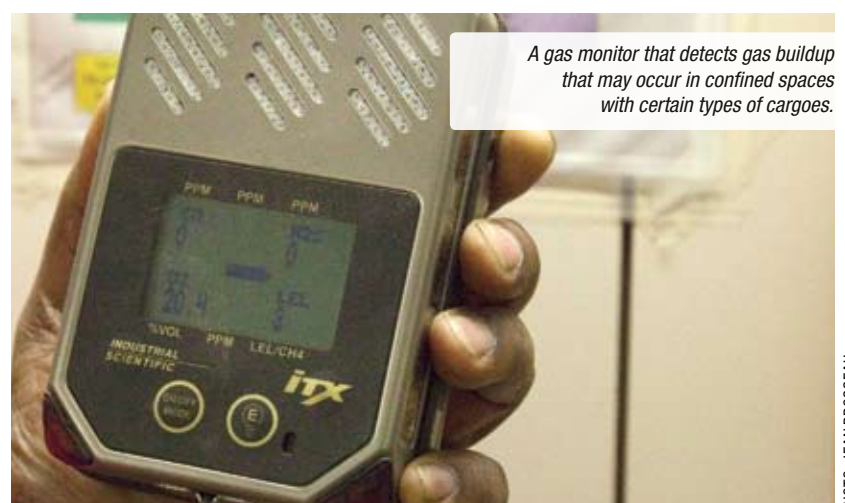
A fire fighting suit and air mask;



An Emergency Escape Breathing Device that provides 10 minutes of oxygen for evacuation of a smoke-filled space;



A fall arrestor and harness used to prevent accidental falls while accessing cargo holds via manhole and ladder;



A gas monitor that detects gas buildup that may occur in confined spaces with certain types of cargoes.

PHOTO: JEAN BROUSSEAU

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MEAFORD

This year not only marks the 50th Anniversary of the opening of the St. Lawrence Seaway, it is also the 180th anniversary of the first transit through the original Welland Canal, and the 80th anniversary of the opening of Lock 8 of the Fourth Welland Canal at Port Colborne.

The ship that led the way through Lock 8 on opening day, September 16, 1929, was the small Canada Steamship Lines bulk carrier **Meaford**. This was one of four canal-sized freighters in the initial lockage, and one of two CSL ships in the quartet of travelers. The **Hastings** was also part of the festivities.

The **Meaford** was built at Collingwood and launched as **Robert J. Buck** on May 9, 1926. This was the first of three sisterships built for the George Hall Coal and Shipping Co, and all would eventually sail for CSL.

After lake trials on May 20, the **Robert J. Buck** began service. The 79.12-metre (260-foot) long by 13.11-metre (43-foot) wide bulk carrier was a snug fit in the locks of that era. It was registered at 1,824 gross tons and able to carry

2,650 tons deadweight of cargo or 99,000 bushels of grain. A 700-horsepower triple-expansion engine and two coal-fired scotch boilers powered the small ship.

On May 16, 1926, the vessel came by the burning **Charles Horn** on Lake Ontario and rescued the crew from the sinking wooden steamer. Later that year, the **Robert J. Buck** was sold to CSL and became the **Meaford** by the start of the 1927 navigation season.

The **Meaford** usually carried grain, with some coal, pulpwood or other available cargoes, through the existing canal network between Lake Erie and the St. Lawrence River. The ship did have a minor problem and ran aground opposite Cap-de-la-Madelaine, QC on July 8, 1928 due to pilot error.

The opening of the Fourth Welland Canal was a much anticipated event and having Lock 8 ready before the rest of the system allowed lakers to go as far as Welland and Thorold without having to transit the new, and yet unfinished locks that descended the Niagara Escarpment.



The **Meaford** is shown on opening day at Lock 8 at Port Colborne in September 1929. (Photo courtesy of Gerry Ascroft)

The ship spent the winter of 1935-36 at Muskegon, MI after unloading a late season cargo of pulpwood. On October 11, 1956, the **Meaford** arrived at Huron, OH with the first load of Labrador ore for that port. The cargo of 2,314 tons is certainly small by today's standards.

In 1958, the **Meaford** carried several loads of steel pipe to Toronto for shipment west for pipeline construction, but saw only limited service in 1959. After unloading a cargo of fluorspar at Hamilton

on September 18, 1959, the ship — suddenly small in the new era of big Seaway vessels — sailed to the scrap berth at Stelco to await being broken up.

V.SHIPS UPDATE

Hello everyone! I have been in training at the Crewing Services department since the beginning of this year, preparing to replace Mr. **Ernest Beupertuis** who retired on June 30.

My name is **Yves Boudreau** and I'm from the Acadian Peninsula, located in north-eastern New Brunswick. I would like to start out by giving you some information on my academic background and work experience, then conclude with a description of what I have done since January to learn the role and responsibilities I have taken on as Crewing Services Manager at V.Ships Canada Inc.

After finishing high school in Tracadie, New Brunswick, I attended Royal Military College, Saint-Jean, graduating in 1980 with a DEC diploma in Science and Engineering. I obtained a BA in Industrial Relations over 20 years ago and completed a Certificate in Group and Organizational Intervention, for which I received the Dean's Award, in March. I have also been a member of Québec's Ordre des Conseillers en Ressources Humaines agréés since 1988.

For the first five years of my career, I worked in Operations Management. I then switched to Human Resources Management, a field I have worked in ever since. For the past 16 years, I have worked as head of human resources for a number of international companies in both the manufacturing and services sectors.

The main areas of specialization in which I have acquired expertise over the years are: human resources management coaching, organizational development, labour relations in both unionized and non-unionized environments, and recruiting.

I was involved in managing major changes in organizational culture at Mitel Inc. and General Electric Bromont Inc. when those companies switched from traditional management to participatory management styles. After that, I moved to the Ottawa Valley region, where I acted as bargaining committee spokesperson on a collective bargaining agreement renewal for the forestry sector.

I returned to Montreal in 2007 to work as a human resources consultant in the

foundry (Norcast Castings Company Ltd.) and food (Kraft Canada) industries.

I then dove into completely new waters with my arrival at V.Ships Canada Inc. and the world of maritime shipping. Under Mr. Beupertuis' guidance, I became familiar with labour relations in this sector by studying the collective bargaining agreements for the self-unloader, lake bulker and deep sea bulker fleets, the Canada Shipping Act, 2001 – Marine Personnel Regulations, Ship Management Policies and Procedures (VMS), the Canadian Labour Code and the Great Lakes Pilotage Regulations. I also attended meetings of the Comité Sectoriel de Main-d'œuvre de l'Industrie Maritime du Québec and the Canadian Marine Advisory Council. Lastly, I visited three of four Canadian marine training institutions to recruit marine navigation and engineering cadets.

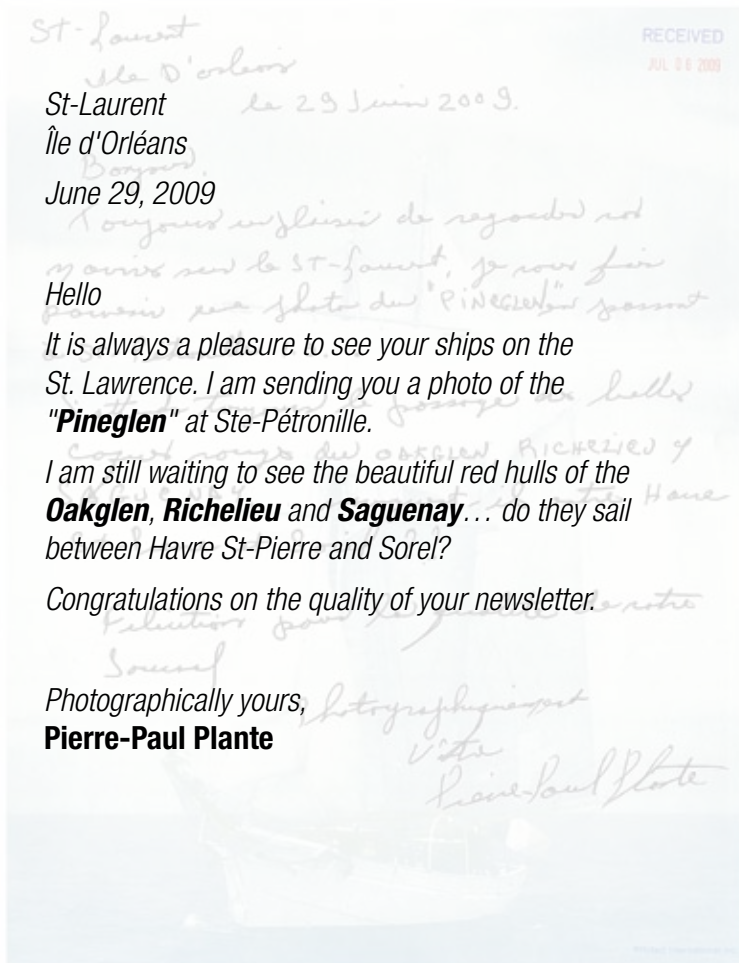
Together with **Maureen Harris** and **Mariya Vlaeva** (department coordinators), and as part of my Crewing Services management duties, I will chart a course to meet the needs of our clients in terms of staffing, training, labour relations,

manpower planning and crew budget management efficiencies.

As part of V.Ships Canada Inc., I hope to be able to continue my development, have fun, use my skills and contribute to the company's growth by reaching objectives. I look forward to meeting and working with you!

Yves Boudreau
Crewing Services

INCOMING MAIL



It's always nice to hear from our readers, especially when they send in wonderful messages and images like these. Thanks go out to **Pierre-Paul Plante**, for his kind words, and for his shot of the **Pineglen** near Île d'Orléans at Ste-Pétronille.

SAVE AS FAVORITES

A major Web initiative designed to overhaul CSL's online presence has culminated in the recent launch of six new sites, one for CSL Group and each of its divisions.

You're invited to set your Web "favorites" accordingly:

RE-DESIGN OF EXISTING SITES

(please note the address changes for Group and CSL)

CSL Group
csl.ca

Canada Steamship Lines
csllcan.ca

CSL International
cslint.com

DESIGN OF NEW SITES

CSL Australia
cslaustralia.com.au

CSL Asia
cslasiashipping.com

CSL Transshipment
csltranship.com

The initiative is part of a communication effort to expand the Group's Web presence, as per international operations, as well as advance its corporate image via consistency in design and messaging. The new sites enjoy a fresh, modern look and feel, and feature a dynamic mix of visuals (photos, videos and motion design) and up-to-date information on activities throughout the Group.

The sites were designed and developed by Montreal's Griffintown Media under the guidance of the Group's Communication Committee with representatives from each division.

French versions of the Group and CSL sites will be available shortly.



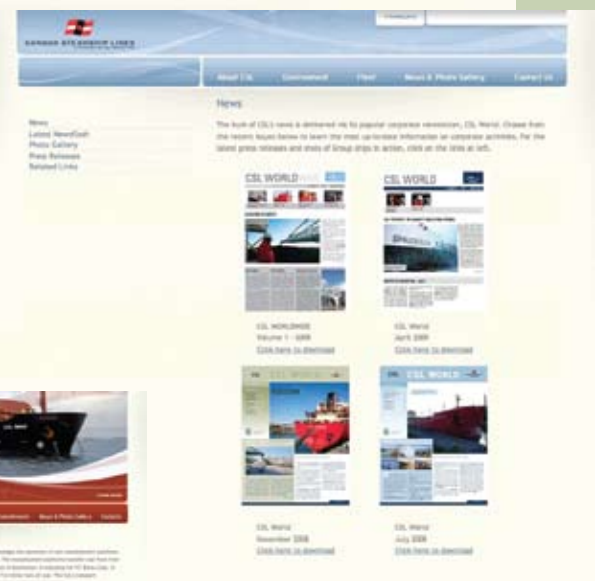
759 Square Victoria, 6th Floor
Montreal, Quebec
Canada H2T 2K3
Tel.: 514.982.3800
Fax: 514.982.3900

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The CSL Group Inc.

The CSL Group of Montreal, Canada is the world-leading provider of marine dry bulk cargo handling and delivery services. Through its major operating companies, Canada Steamship Lines, CSL International and CSL Australia, The Group owns and operates a highly diversified fleet of specialized self-unloading vessels, off-shore transshippers and Handysize bulk carriers, and delivers more than 70 million tonnes of cargo to industrial customers annually. The Group's history can be traced to 1845.

Canada Steamship Lines
CSL International
CSL Asia
CSL Australia
CSL Transshipment



FROM CADET TO CAPTAIN

CONTINUED FROM PAGE 1

any definition of old, but who is in fact Captain of the vessel, having been appointed to his first command this past April. Not only is he the youngest captain in the CSLI fleet at age 31, he is also the first crew member in the history of CSLI to have ascended to the highest rank from cadet, which he was when he joined the company out of school in 1999, having spent his entire career with CSL. It's a significant milestone for both the company and Captain Zhylikhovskiy.

"I had been sailing with my captain's certificate for a year and a half so I was waiting for the opportunity. You have to be ready when you're called, and for me, it was April 30th, on my birthday," said the captain with a smile. "It was something I wanted to be (captain) since I went to the (Odessa National) Maritime Academy when I was 16 years old."

Captain Zhylikhovskiy (pronounced gee-lee-hove-ski), began his sailing career as a cadet coming out of the academy on board the CSLI's **Sheila Ann** in 1999, and earned his first appointment as officer (Third Mate) on board the **CSL Atlas** in 2000. The native of Ukraine's Vinnitsa region would sail on all the vessel classes within the company fleet, and he was back on the **Atlas** as Chief Officer when he was appointed captain.

"When I was a cadet, V.Ships (Acomarit at the time), started a recruiting program at the academy, and it just so happened that I ended up with CSL. What I liked about the company was that you did things by the rules, always, and there was a high level of professionalism. As a cadet, you could learn a lot from the senior officers, just as I take the time now with our cadet on board to explain certain things and ask him about his knowledge in different situations."

What the captain learned over the years were the CSLI trades and all the subtle intricacies involved, both onboard ship and ashore, from getting to know the ports, the agents, the customers and sometimes the little details that make the job easier and things run smoother. He also learned that he liked the self-unloader environment, where ships are loading and unloading every two to three days.

"It's not an easy job. It's a tough schedule with intense work, specific equipment and it takes certain qualities to work here," said the captain. "I'm used to the busy style of work and I like it. In fact, on a recent crossing from China, we were 44 days at sea. It didn't feel normal."

Captain Zhylikhovskiy admits that self-unloader trades aren't for everyone, and there are certainly young cadets who will opt for straight bulkers or tankers, for example, but for those who do, the work is challenging and rewarding.

"CSL has become known in Odessa, and the company is seen as providing a good career with a stable future."

According to CSLI's Louis Martel, Vice-President, Technical Operations, pivotal to that stability is a system that attracts talented young cadets and molds them into senior officers for the self-unloader trade.

"The key is that when we can have young cadets who grow with us over the years, they acquire experience and self-unloader expertise as they rise through the ranks and then become invaluable to us as senior officers," said Martel. "For the sailors themselves, it's a great chance for career development as there's room in our fleet for growth. The circle is complete when the junior officers reach the top, like Captain Zhylikhovskiy, and then mentor younger officers coming up."

Cadet Stanislav Radzyvylov may himself one day be captain, but for now, he'll put in his time learning his trade, including standing watch on the end of the Ambassador's boom to monitor discharge.



The average age of the Ambassador's senior officers, shown here, is 32. From left to right: Chief Officer Oleksiy Babenko, Captain Zhylikhovskiy and Chief Engineer Feliks Krut.



Despite being the first to rise to senior officer from cadet all within CSL, Captain Zhylikhovskiy is part of a long line of skilled Ukrainian seamen having crewed CSL vessels since the company started contracting with V.Ships Ukraine in 1999. CSL counts a roster of officers from within its fleet who are following the Captain's career path (*see sidebar*), including his counterpart on the engineering side on board the **Ambassador**, Chief Engineer **Feliks Krut**. The two met when the Captain was a Second Mate and he a Third Engineer, and their careers have advanced pretty much in sync ever since.

"My father wanted me to be a Captain, but I wanted to be an Engineer," said the 35-year old Chief. "I don't regret my decision. I like the self-unloaders and sometimes I think, 'What would I do without CSL and the experience I've had.' My dream is to build ships. While I was on the **Eastern Power** (CSLI Pool vessel) in shipyard China, the **CSL Metis** was being built beside us. I was very interested in the ship's system, so I asked my crewing manager to send me on her, and he did. I want to build ships like this one day."

On this day, though, the focus was on unloading 35,000 tonnes of New Brunswick's finest stone at the New York Sand Co. at the Navy Pier in Brooklyn, NY. The discharge was going well, but there were myriad other tasks to oversee for

captain and crew, including U.S. customs clearance, ship's stores, fueling, shifting the vessel and dealing with the ebb and flow of the Atlantic's tide, pushing and pulling the **Ambassador's** stern that juts into the East River.

"In port, it's a busy time and no chance to go ashore," said Zhylikhovskiy, who opts for company coveralls over the captain's dress uniform, and who is in constant contact with the ship's crew via a walkie-talkie glued to his right hand. "It's important that I'm here to back up the Chief Officer."

The beehive of activity on board means time goes by quickly for the captain, and once his fourth-month contract (international maritime language for assigned work period aboard a particular vessel) is up, he can go home to see his wife, Julia, and two young sons, Matvey, seven years, and Myron, nine months.

"Of course I miss them, but I will be home in two months to enjoy my family."

And have they made a big deal out of the young captain's quick rise through the ranks?

"I think my family is more excited than I am. My mother tells all the neighbours, and my son tells all his friends in school that 'my father is captain.'"



THE FUTURE IS BRIGHT

There is a growing trend for sailors on board CSL International vessels who have made their way through the ranks with CSL to become senior officers, with the majority being products of the Odessa National Maritime Academy (ONMA), a college-level institution in Ukraine. Established in 1944, the academy was founded to prepare seamen for the former Soviet Union's merchant fleet, and is now a veritable pipeline of officers, navigation and engineering, for international companies like CSL and V.Ships.

NAVIGATION OFFICERS (non-comprehensive list)

NAME	STARTING RANK/YEAR	CURRENT RANK/YEAR APPOINTED
Denys Lozovsky (pictured at left)	Cadet/2000	Chief Officer/2006
Mykhaylo Kitov	Ordinary Seaman/2002	Chief Officer/2009
Vyacheslav Senilov	Cadet/2001	Chief Officer/2008
Maksym Zaritsky	Cadet/1999	Chief Officer/2007
Vitaliy Kamyanyoy	Cadet/1998	Chief Officer/2005
Sergiy Luchakov	Cadet/1999	Chief Officer/2006

ENGINEERING OFFICERS (non-comprehensive list)

NAME	STARTING RANK/YEAR	CURRENT RANK/YEAR APPOINTED
Valeriy Yuschchysyn	Head Tunnelman/1998	Chief Engineer/2008
Ivan Lomeyko	4th Engineer/1998	Chief Engineer/2008
Vladislav Tselik	4th Engineer/1998	Chief Engineer/2008