Moving the Future: Essex Terminal Railway and Morterm Limited

Morterm discharges international cargo from an ocean-going vessel at its dock in the Port of Windsor.
Unpredictable weather, millions of dollars in cargo, and the possibility of the smallest delay throwing the whole delivery system out of whack: welcome to logistics. For The Essex Terminal Railway Company (ETR), these are only a handful of issues the company deals with on a daily basis. But for the past 113 years, ETR has proven itself time and time again as a reliable, quality short-line railway in Ontario for metal, industrial, chemical, agricultural, renewable energy, and lumber industry sectors to connect freight to the Canadian Pacific Railway (CP), Canadian National Railway (CN), and CSX Corporation (CSX).

ETR’s sister company, Morterm Limited (Morterm), is the only full-service general marine cargo terminal in the Port of Windsor providing a range of material handling services including stevedoring, warehousing, and outbound shipping by rail, road, or river. Morterm routinely handles steel, bulk products such as raw sugar, and project cargoes like wind turbine components—which are big and heavy but still require precision handling.

With the combination of services between the two companies allowing customers to reliably and efficiently ship freight by rail to every corner of Canada, the United States and Mexico, the companies are positioned well to capitalize on opportunities and ensure not only stability, but continued growth.

“Freight patterns are changing a bit. We are starting to see cargo offloaded at different ports, sometimes smaller or further into the seaway instead of the large ocean ports such as Vancouver, New York, and Los Angeles as shippers look for ways to avoid congestion and keep their freight moving,” said Tracy Pringle, director of business development. “Because larger and larger vessels are being used to transport international goods, the traditional ports are congested. Large vessels take longer to unload, and ships can wait days to be unloaded and cargo is at a standstill. We are seeing our customers find new ways and means to move their cargo; sometimes using smaller vessels that can navigate the St. Lawrence Seaway and deliver to ports in the Great Lakes Region, like Morterm.”

100+ Years of Success

“To stay successful in logistics, you have to be responsive, flexible, and adaptable to new environments, new cargo types, and new methods of transportation,” said Pringle when asked about the company’s 113-year history. “Regarding our success? We pay great

Windsor-Detroit Bridge Project

Since 2004, plans for a bridge that would create efficient traffic flow across the Canadian/US border and connect the industrial areas of Delray and Brighton Beach have been in the works. Pringle shared that the bridge will be built, it’s just a matter of time. ETR/Morterm anticipates several benefits from the new international crossing, such as the ability to handle the construction materials that will undoubtedly be required for such a large project. It also would provide a better traffic flow at the busiest border crossing in North America, which positions Morterm well as a central distribution point for manufacturing, construction, and agricultural processing firms.
attention to our customers. Without customers, you don’t have a business.”

While ETR and Mortem’s attention to detail regarding their customers is a big part of their continued success, there are several other factors. Mortem understands that truck freight literally drives the industry—most cargo companies in the industry, like ETR/Mortem handle go-to destinations not directly located on a rail line or accessible by ship. Focusing on the needs and tight time constraints of truck drivers, both delivering and receiving freight from Mortem, has provided the company with great results.

“By respecting the truckers need to be in and out as quickly as possible, we are able to keep them happy, their dispatchers happy and our customers happy. It also means that truckers don’t mind coming here; in fact some even look forward to it!”

Long-term success like ETR/Mortem doesn’t come without challenges. What proves these companies’ standings however, is how they handle these challenges and move forward with the solutions.

For example, finding and retaining skilled staff can be incredibly difficult due to the nature and environment of the industry. Marine terminals in the Great Lakes can’t accept vessels for about three months of the year because the St. Lawrence Seaway closes from the end of December until generally the beginning of April due to ice conditions in the Lakes. Mortem is a 12-month operation with the ability to receive cargo by truck and by rail as well as by vessel, but typically the winter months see industry-wide layoffs. The ETR runs seven days a week, 12 months a year but employment levels at both companies are largely driven by the amount of freight at any given time. To overcome staffing challenges, ETR/Mortem work hard to provide opportunities for growth and advancement for its employees.

Other challenges come in the form of the regulatory environment in which ETR/Mortem operate—specifically in terms of safety and security. Rapid changes to legislation and strict rules for compliance, while necessary for the prevention of injury, incident, and cargo theft, create a regulatory burden and increased costs to the companies. Companies like ETR/Mortem are forced to invest heavily in terms of manpower to stay on top of legislative and regulatory changes and need a dedicated team member (or members) to manage. However, it means companies involved in logistics have to invest heavily in staying on top of the legislation. The most recent overhaul has been the Safety Management System, which will enable the railway to demonstrate, in a concrete and visible manner, its commitment to safety to its employees, customers and the public and will help railways ensure compliance to regulatory environments.

Construction on North America’s Busiest Rail Crossing

Most companies wouldn’t relish the idea of repairing a broken rail in the highest traffic-volume rail crossing, located at the foot of the busiest international crossing for trade in North America (the Ambassador Bridge in Windsor, Ontario, which
Technological innovations

Morterm has developed a proprietary terminal inventory management software—fondly referred to as TIMS—to manage its customers’ incoming and outgoing inventory. Users of the Terminal are able to log in 24/7 with unique usernames and passwords and view customer reports such as inventory on hand, orders placed or pending, and loads of material inbound and outbound. The specially built software program is unique to Morterm and acts as a differentiator from their competition.

The company’s most recent purchase, a $500,000 investment into a Kone 70,000lb forklift, will help Morterm improve efficiencies and time required for maintenance. The machine is extremely user-friendly, intuitive, and flexible, allowing a single operator to change the attachments from forks to a ram in under five minutes. Typically, a change like this would need three men for an hour. The size of the machine is also deceiving—it carries the payload of a machine twice its size.

“As a smaller, privately-owned company, we are able to be agile and also benefit from watching the larger Class 1 Railways invest in research and development, and then follow the technological trends and deploy quickly,” shared Pringle. “In terms of shipping everything is moving at a rapid pace in technology—we continue to monitor and evaluate where we should upgrade and invest.”

What’s Next?

While the ever-growing logistics and shipping industry evolves towards a tighter regulatory environment, ETR and Morterm aim to be key players in moving North-American destined freight from the EU, especially into the Greater Toronto Area and Midwest U.S. manufacturing regions.

“It will take focus and time to establish ourselves as a player in that market,” Pringle mentioned. “Our companies will have to approach each segment separately—the freight can be booked directly by the customer, by the manufacturer, or producer, by a shipping company or by a third-party logistics provider. Each market segment requires a strategy, market development, and business development as well as developing the niche position for the company.”