

Presentation to DCLC – June 26, 2008



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BCRC Port Subdivision - Background

- BCRC's Port Subdivision provides the sole rail connection to Roberts Bank
- Currently serves Westshore Coal Terminal and TSI's Deltaport Container Terminal
- BC Harbours Board originally built the line in 1968-1969 to provide rail link for BC's Elk Valley Coal fields to the new coal terminal built at Roberts Bank
- Line opened in 1970 with BC Harbours Board granting joint section running rights to CP, CN and BNSF
- Province dissolved the BC Harbours Board in 1983 and transferred ownership of the Port Subdivision to BC Rail Ltd.
- Deltaport Container Terminal opened in 1997
- Province divested BC Rail Ltd. operations to CN in 2004, but retained ownership of Port Subdivision under BCRC

Lower Mainland Rail Network



Port Subdivision – Unique Rail Line

- Built by the Province and specifically structured to ensure fair and open rail access to Roberts Bank terminal facilities
- Provides a joint access rail link, currently to CP, CN and BNSF
- BCRC owns Port Subdivision but does not operate any of its own trains on the line:
 - Own and maintain the grade and rail infrastructure
 - Dispatch all trains over the mainline
 - Direct and supervise train movements within yard limits on the causeway and in/out of Westshore and Deltaport
- BCRC has no commercial arrangements with the VFPA, the Roberts Bank terminal operators or shipping lines – only funding via Joint Section Agreements with user railways
- Train staging capacity only to maintain fluidity through Westshore's coal dumpers and Deltaport's IY tracks
- No local customers and no car switching

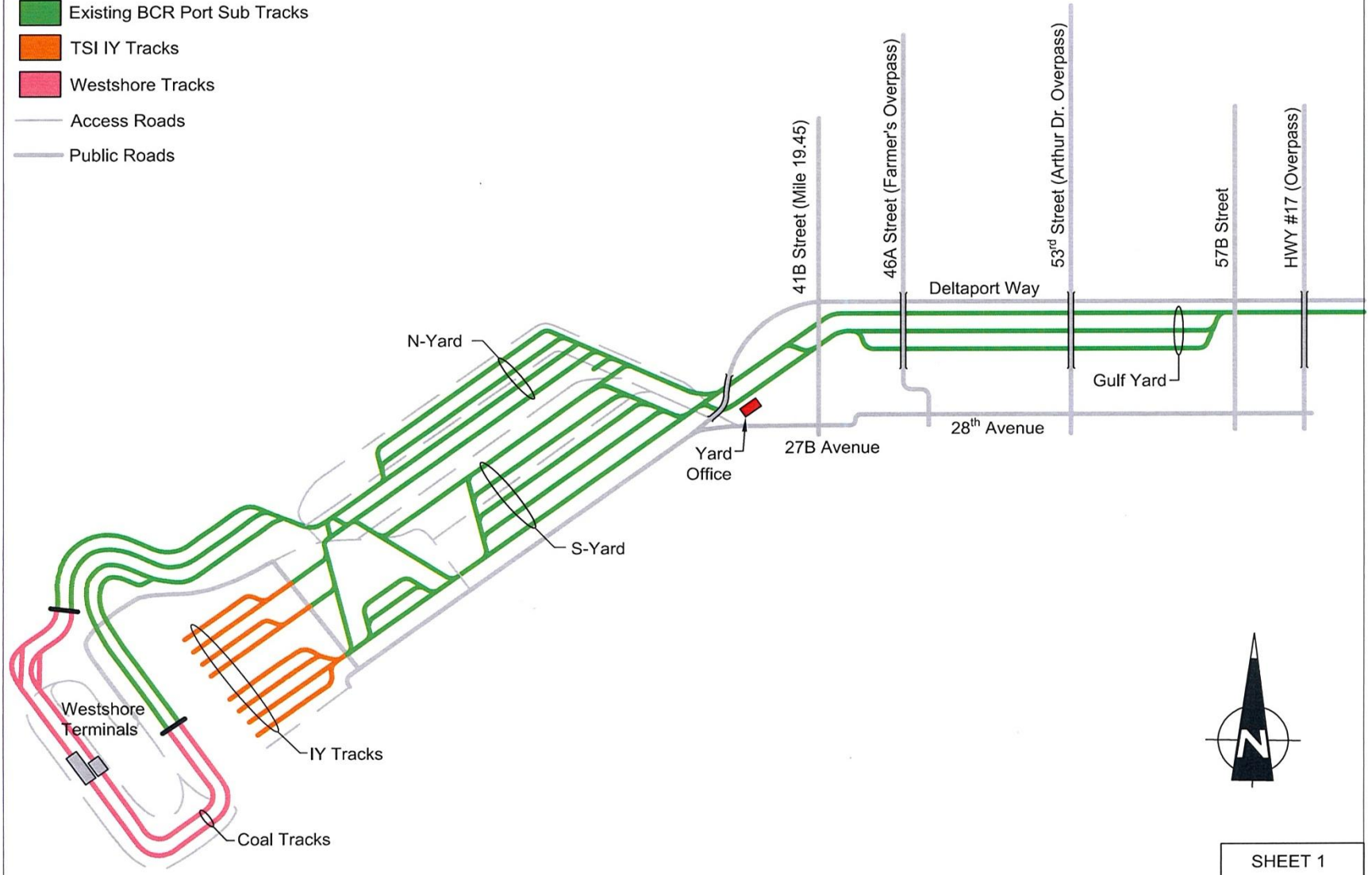
Port Subdivision – Current Infrastructure

- 24.1 mile right-of-way – nominally 100'
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- Mainline (CTC) – MB 0 – MB 17.4
 - Mud Bay MB 7.0 – MB 7.8 owned by BNSF
 - Pratt Siding – 7,850'
 - Mud Bay Siding – 8,100'
 - Yard (Rule 105) – MB 17.4 – MB 24.1
 - Gulf South Track & Gulf Storage Track – 10,100' each
 - Causeway
 - 4 Coal Storage Tracks – Nominal 7,000' each
 - 5 Container Storage Tracks – Nominal 6,000' each

Existing Roberts Bank Yard Layout

(Not To Scale)

- Existing BCR Port Sub Tracks
- TSI IY Tracks
- Westshore Tracks
- Access Roads
- Public Roads



Port Subdivision – 2007 Traffic vs. 3rd Berth (Trains Turned per day)

	2007	3 rd Berth
# Coal Trains	4.6	4.6
(Avg. Coal Train Length)	(6,578')	(6,578')
# Container Trains	2.6	3.0
(Avg. Container Train Length)	(7,413')	(10,000')
Total # Trains per day	7.2	7.6
Feet of Coal Trains	30,000'	30,000'
Feet of Container Trains	20,000'	30,000'
Total Train Feet per day	50,000'	60,000'

Deltaport 3rd Berth Project

➤ Rail Traffic Impacts

- Nominal 50% increase in container traffic
- Nominal 20% increase in total rail traffic
- Will add the equivalent of one additional 10,000' train per day (in & out)

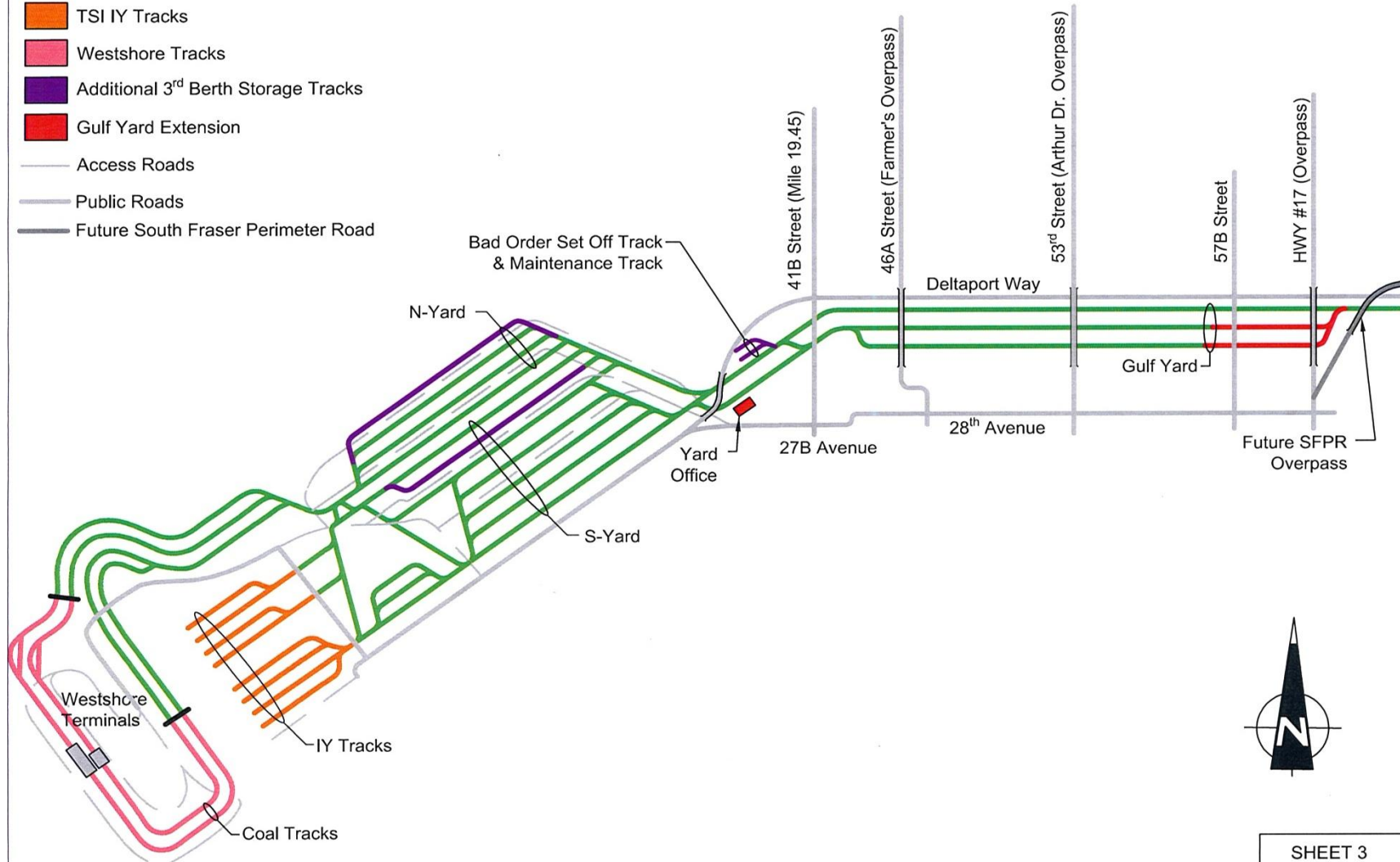
➤ Rail Infrastructure Requirements

- 2 additional container storage tracks on causeway
- Extension of Gulf South and Gulf Storage tracks to handle trains over 10,000'

3rd Berth Trackwork - Two Additional Storage Tracks and Gulf Yard Extension

(Not To Scale)

- Existing BCR Port Sub Tracks
- TSI IY Tracks
- Westshore Tracks
- Additional 3rd Berth Storage Tracks
- Gulf Yard Extension
- Access Roads
- Public Roads
- Future South Fraser Perimeter Road



Deltaport 3rd Berth Project

➤ Gulf Track Extensions

- Required to accommodate container trains over 10,000'
- Extend 2 tracks about 3,000 eastward
- Result in 3 tracks from 41B through 57B under Hwy#17 and half-way to 64th St.
- Extensions included as part of 3rd Berth EA approval
- To be completed by fall 2009
- Tracks will be within existing BCRC R-O-W
- Will be funded by railways under JSA
- Will require closure or overpass at 57B to put tracks in use

Road Infrastructure

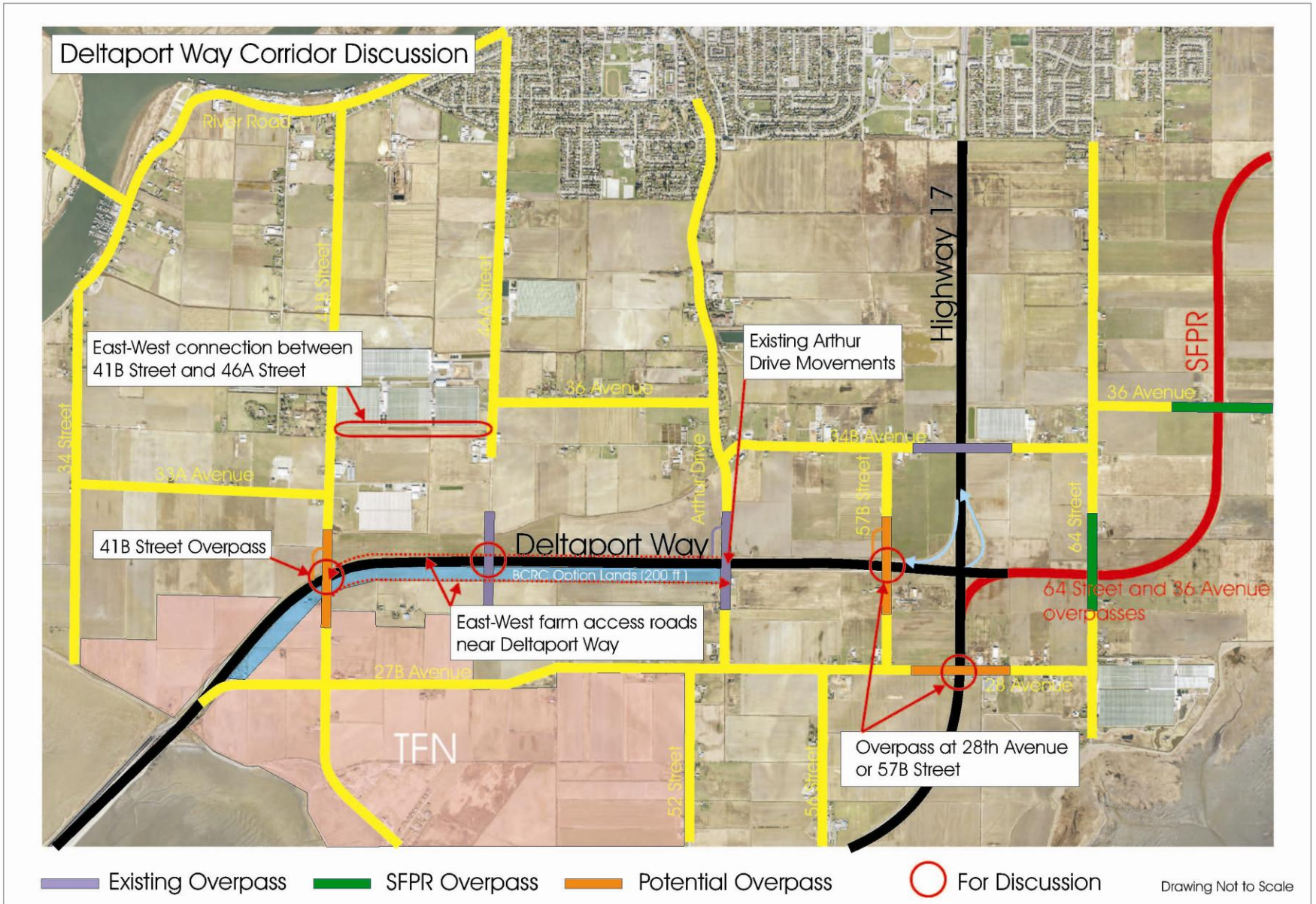
➤ South Fraser Perimeter Road (SFPR)

- New 4-lane highway connecting Deltaport Way and Hwy #17 to TransCanada Hwy#1
- Planned grade separations at 36th & 64th

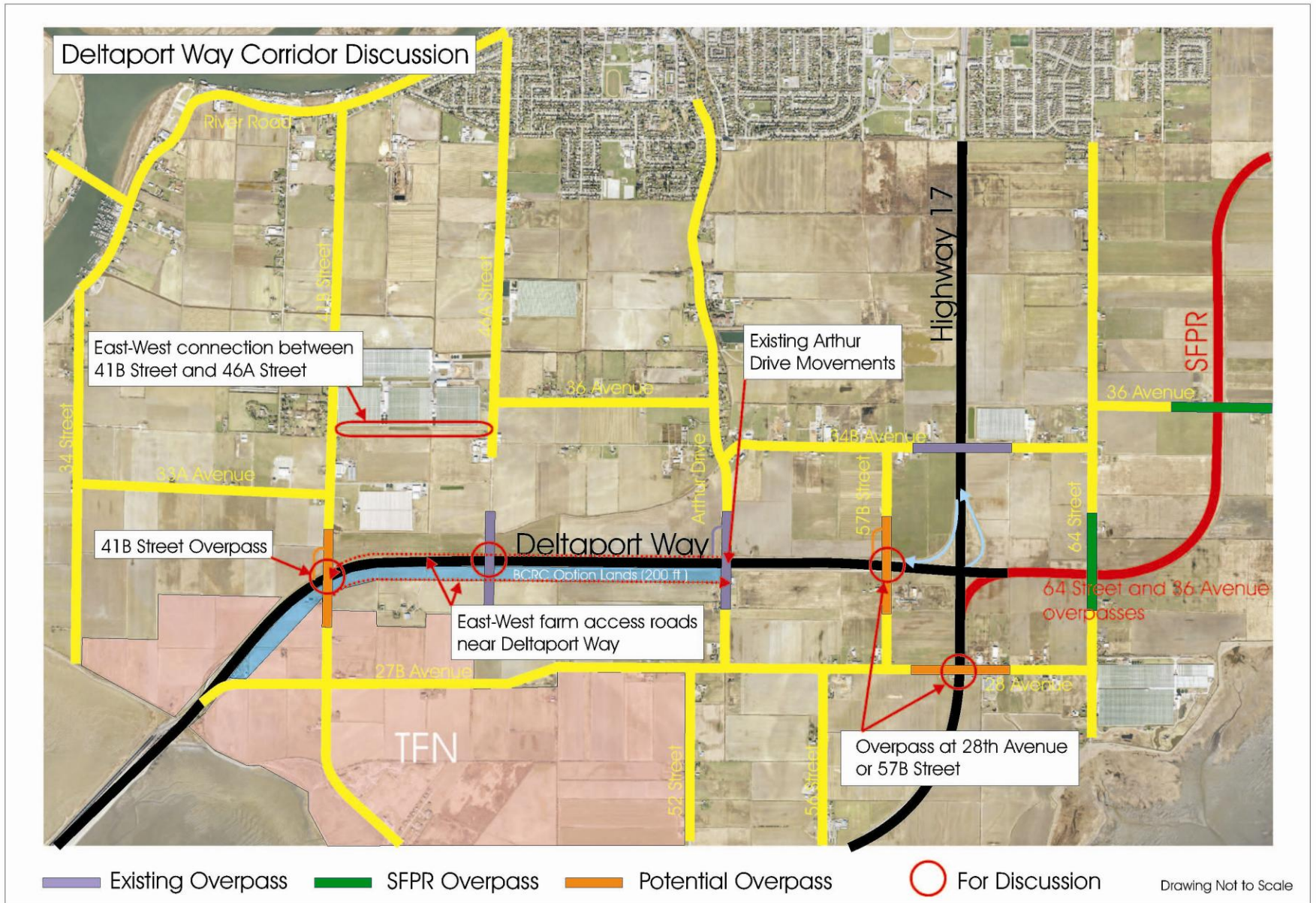
➤ Roberts Bank Rail Corridor (RBRC)

- \$300 million federal, provincial, municipal, railway gateway initiative
- 9 planned grade separations on RBRC
- 4 on Port Sub and 5 on CP's Page Sub
- Including 41B and 80th in Delta
- Railways, MoT (SFPR) and VFPA working with DFI and Corp. Delta to optimize Delta road network

Proposed RBRC & SFPR Grade Separations



BCRC Option Lands Acquisition



BCRC Option Lands

- Approx. 200' x 10,000' (45 acres) west of Arthur Dr.
- BCRC has initiated process to acquire Option Lands before the options expire – dealing with ALC and land owners
- Being done to protect BCRC interests to provide rail support for potential future terminal development projects
- Possible future usage:
 - Support T2 project
 - Access/support off-dock facilities on adjacent lands, including TFN industrial lands
 - Support future Westshore and TSI traffic growth/expansion
- Currently there are no plans for a rail yard
- Planned usage and timing will be driven by rail needs of future terminal development projects
- Likely subject to future terminal development project EA processes
- Subject to final ALC review of track plans

Other Rail Questions

- Other rail yard alternative locations:
 - Functional requirements – staging at Deltaport vs. switching/empty storage/stuffing/reload elsewhere
 - Cost-Effectiveness – economic drivers for CN-CP-BNSF

- Electrification:
 - BCRC does not operate trains - all costs passed onto user railways
 - Could only be driven by economics for CN-CP-BNSF
 - Many challenges to business case:
 - Safety (50kV), existing overpasses, RMG's
 - Very expensive capital investment
 - Involves multiple railways and access points
 - Require additional yards to switch out diesel for electrics
 - Increase asset requirements and reduce asset utilization
 - Railway "green" initiatives (RAC):
 - Improved fuel efficiency
 - Reduced emissions per gallon