

Background

Port Metro Vancouver (PMV) has developed a Gateway Infrastructure Program (GIP) to invest in supply chain improvements. The GIP includes a series of infrastructure projects in three areas: Roberts Bank Rail Corridor, North Shore Trade Area and South Shore Trade Area.

The total investment for GIP infrastructure projects is \$717 million and Port industry is required to fund \$167 million towards these projects. PMV has taken a leadership role by leveraging and extending Provincial and Federal funding for a generational investment in supply-chain infrastructure improvements. In pre-funding the industry portion of \$167 million, PMV has secured \$3 million from other agencies for every \$1 million its industry stakeholders are investing.

Port Metro Vancouver will contribute ten per cent towards the overall industry component of the GIP projects and will recover the remaining 90 per cent from industry stakeholders through the Gateway Infrastructure Fee (GIF).

Gateway Infrastructure Fee

Port Metro Vancouver undertook a comprehensive consultation process with industry stakeholders to develop an effective, efficient and fair mechanism to recover the cost of the GIP projects through a GIF. Industry stakeholder input was carefully considered as part of the consultation process and has been incorporated, where possible. A *Consideration Memo* summarizes how key themes from stakeholder input have been considered in refining the structure and implementation of the GIF.

GIF Structure

GIF will be implemented by trade area: North Shore Trade Area, South Shore Trade Area and Roberts Bank Rail Corridor. The rate structure will be based on a tonnage model collected on cargo loaded or unloaded.

The GIF for laden containers is payable by the owner of the vessel on volumes loaded to or unloaded from a vessel over the wharf. The GIF for non-containerized cargo is payable by the owner of the cargo based on cargo tonnage loaded to or unloaded from a vessel over the wharf.

Gateway Infrastructure Fee - Containerized Cargo (per TEU)				
Trade Area	2011	2012	2013	2014
South Shore Trade Area	\$0.50	\$0.50	\$1.00	\$1.00
Roberts Bank Rail Corridor	\$0.30	\$0.30	\$0.60	\$0.60

Gateway Infrastructure Fee - Non-Containerized Cargo (per metric tonne)				
Trade Area	2011	2012	2013	2014
North Shore Trade Area	\$0.05	\$0.05	\$0.10	\$0.10
South Shore Trade Area	\$0.05	\$0.05	\$0.10	\$0.10
Roberts Bank Rail Corridor	\$0.03	\$0.03	\$0.06	\$0.06

GIF Collection Mechanism

The Gateway Infrastructure Fee will be invoiced and collected either directly by PMV or by the terminal operators. Full details of the collection mechanism will be determined through further discussion with terminal stakeholders prior to the end of 2010 to discuss the details of collection to ensure that the implementation of GIF is efficient.

GIF Term

GIF will be implemented in January 2011. The term of the GIF will be 30 years to approximate the life of the infrastructure constructed. This is the most equitable method of ensuring the cost is borne by the users of the infrastructure over its life. It will automatically include contributions from new terminals established during the repayment period, for the proportion of the period that they benefit from the infrastructure that is created.

GIF Annual Evaluation

The GIF consultation process and structure have been designed to maintain the key objective of transparency. PMV will report annually to stakeholders on the GIF costs, GIF collected by trade area, and remaining costs to be recovered.

Appendix 1: GIF Collection Entities

The following list outlines the current terminals responsible for the collection of the Gateway Infrastructure Fee (GIF). This list is subject to changes as new terminals established during the repayment period will contribute to the GIF, for the proportion of the period that they benefit from the infrastructure that is created.

Trade Area	Terminal
North Shore Trade Area	Canexus
	Cargill
	Fibreco
	James Richardson International
	Lynnterm East
	Lynnterm West
	Neptune Terminals
	Univar (Dow Chemical)
	Vancouver Wharves (Kinder Morgan)
South Shore Trade Area	Alliance Grain
	Cascadia
	Centerm
	Lafarge Construction Terminal
	Pacific Elevators
	Rogers Sugar
	Vanterm
	West Coast Reduction
Roberts Bank Rail Corridor	Deltaport
	Westshore Terminals