

**PORT METRO VANCOUVER  
GATEWAY INFRASTRUCTURE FEE CONSULTATION**

**Gateway Infrastructure Program Advisory Committee – Meeting 3  
March 2, 2010**

Notes from a meeting of the Gateway Infrastructure Program Advisory Committee, March 2, 2010, 1:00-3:00pm, at BCMEA, Boardroom, 500-349 Railway Street, Vancouver, BC.

**GIPAC:**

- Brad Eshleman, BC Wharf Operators Association
- Bonnie Gee (for Stephen Brown), Chamber of Shipping of British Columbia
- Dave Kushnier (for Phil Hulina), Vancouver Terminal Elevator Association
- Roger Larson, Canadian Fertilizer Institute
- Tom Maville, Canadian Fertilizer Institute
- Ian May, Western Canadian Shippers' Coalition
- Marian Robson (for Bernie Magnan), Greater Vancouver Gateway Council
- Don Sorochan, Canadian Association of Importers and Exporters
- Craig Williams, Canadian Manufacturers and Exporters
- Allen Wright, Coal Association of Canada

**Port Metro Vancouver:** Judy Kirk, Kirk & Co. Consulting Ltd., Facilitator  
Allan Baydala, Chief Financial Officer  
Chris Badger, Chief Operating Officer  
Larry Sawrenko, Director, Finance and Treasurer  
Scott Galloway, Director, Trade Development  
Kirk Zhou, Supervisor, Business Analysis & Decision Support  
Naomi Horsford, Community Engagement Specialist  
Chris Chok, Kirk & Co. Consulting Ltd., Meeting Recorder

*The record notes that the meeting commenced at 1:00 p.m.*

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**KEY THEMES:**

- Participants requested cost benefit analyses for the GIP projects.
  - Participants were concerned about railway service, and that the railways have not provided Port stakeholders with any plans regarding when improvements in rail service would be made to capitalize on GIP infrastructure improvements. Further, some participants noted that while the railways are contributing financially to the GIP, the railway contributions would likely be passed back to shippers and goods movers.
  - Participants acknowledged their understanding that Port Metro Vancouver will be implementing a Gateway Infrastructure Fee, but were divided about whether a volume-based approach or a value-based approach is preferable.
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**1. Judy Kirk, Facilitator – Welcome and Introductions**

C: *Judy Kirk:* Thank you everyone for coming today. I want to make sure we go through the package that you have so that we're all in the right place. We have the agenda and the attached meeting notes from the last meeting. Attached to those notes is the submission from the Canadian Fertilizer Institute as provided by Roger, and discussed in the last meeting. We may discuss it further today, Roger, as you see fit. There is also an email provided by Stephen Brown. And today, on the table, is a submission that was received late yesterday from the Western Canadian Shippers Coalition, which has some comments as well, which we may or may not discuss today, depending on your preference, Ian. Happy to discuss it today and wanted to make sure that people had it.

*A submission from Ian May, Western Canadian Shippers' Coalition, was distributed, and is attached to these meeting notes.*

**2. Review of GIPAC Meeting 2 Notes – Judy Kirk**

*The meeting notes were reviewed.*

C: *Judy Kirk:* The notes were circulated to you about a week ago. I hope you have had time to review them. Unless I hear otherwise, I will assume that you are ok with them. But consistent with the way that I have facilitated and chaired this committee before, if you have comments at the end of the meeting or down the road before the end of the process, please let me know. You don't have to feel that these notes are rock solid from meeting to meeting. I want them to appropriately reflect our discussion and your comments. Please do take time to review them and make sure that you are comfortable.

The substance of the discussion today is the provision of further information, which Allan Baydala will do on behalf of Port Metro Vancouver. This is a response to some of your questions and some of the continuing dialogue. Point three is the continued review of the models on the table as presented in the discussion paper and also looking at and discussing information that you are bringing to the table both verbally and in writing.

Finally, and I hope very briefly, a discussion of next steps, which will include a reminder of our next meeting on March 26<sup>th</sup>, which is our last scheduled meeting. Subject to how we proceed today, I would like to suggest that it is our last meeting, in terms of the information before you today and in order to allow us to go out to the broader consultation. If, though, as we have said before, we think that there is a need for another meeting, we could schedule that meeting within the next week, so that we can stay on schedule with the broader consultation. My hope is that today's meeting and the March 26<sup>th</sup> meeting are the substantive meetings that we will have before moving out to the broader consultation. Any questions so far?

### 3. Further Information – Allan Baydala

*Allan Baydala reviewed a GIF Project Summary table.*

C: *Allan Baydala:* There was a request for more information on the individual projects within each of the trade areas. We have been presenting on and speaking on a trade area by trade area basis. This table gives you more detail of those projects. With each of those projects, there is some additional information around the agency that is delivering the project, who is responsible for building that particular piece of infrastructure. You can see that it varies quite a bit by area. PMV is responsible for a minority of those projects – none in the Roberts Bank Rail Corridor, a fairly significant piece of the North Shore Trade Area with the Lynn Creek Bridge and Brooksbank underpass as well as the Neptune/Cargill grade separation, and in the South Shore Trade Area, Port Metro Vancouver is responsible for the Stewart Street separation and overpass. The table also has a breakdown of the project cost and what the industry contribution to the projects is. Certainly, we are familiar with the numbers at a trade area level, but this gives you the breakdown by project. And then to another question that was asked, this table also answers the question about the breakdown of rail/truck apportionment or benefit, which is a benefit, but the percentage is applied to the cost. That came up when we were talking about Models 3 and 4. We've been using the 65% rail benefit and 35% truck benefit in those models and this shows you how we arrived at the 65% and 35%. Working with our engineers, we figured out what their assessment of benefit was. I mentioned at the last meeting that if we went with a Model 3 or 4, and applied a GIF that used that separation between rail and truck, we would need to do more detailed work to refine these numbers. To a certain extent, they are useful and indicative, but certainly not final. The table also shows the project partners, so you can see who the funding partners are. There has been a question, and I see it on Ian's submission, of who the terminals are who are involved, and those are typically not funding partners, because we are doing the pre-funding on behalf of terminals. A number of terminals did sign these agreements as supporting partners and we can get into that a little later on. By project, the table shows some stakeholder benefits, very high level benefits listed here, and the overall project benefits as well. A lot of information, but happy to answer any questions you might have on this. But certainly is a good take away to have in context as we talk about some of the other issues.

Q: *Brad Eshleman:* I wasn't sure if we shouldn't really go into the percentage splits and the details right now, so I was going to ask a question about that, but I think it is what it is right now...

A: *Allan Baydala:* I think that's what I said last time, let's not get too hung up on that.

C: *Brad Eshleman:* Because I see different things where I say why's this, why's that. But I think I'll leave that right now.

C: *Tom Maville:* It's obvious from this table here that a lot of the benefits, 100% on the North Shore, go to the railways, and I think that's exactly true. Two comments on that – I see that the railway contribution is approximately \$66

million. Those costs are going to find their way into the railway rate structure. What that tells me is that those costs are going to come back to be paid for by the same shippers who are going to be paying the GIF. Now, there are going to be productivity advantages brought about by those expenditures, and I believe those will be significant. But history tells us that those productivity improvements that result in lower costs for the carriers, and I'm thinking 4 or 5 years down the road, is there any guarantee that those cost savings will flow back in any degree to the shippers? What I'm saying is that the railways are going to probably pass on \$66 million through their rate structure, and they are probably going to retain whatever cost savings that they accrue through these productivity gains down the road. That's a concern.

- C: *Brad Eshleman:* Another part of that, that has been expressed a number of our members on the North Shore, is that these improvements, given that they are made and improve the rail efficiency and rail trackage on the North Shore, and concern being that once this happens, whether the railways will actually improve service levels to the North Shore, or whether service levels would actually go down. So there is that concern, a level of service concern.
- A: *Allan Baydala:* Why would they go down, Brad?
- C: *Brad Eshleman:* Changing service practices, changing switching practices.
- A: *Allan Baydala:* Not related to the infrastructure developments...
- C: *Brad Eshleman:* Yeah, where they will have the ability, given the infrastructure, to do a lot of things more efficiently, those efficiencies may not flow down to improve services to the terminals.
- C: *Judy Kirk:* I'm going to put out for purposes for discussion, there would be a financial incentive for them to improve throughput?
- C: *Marian Robson:* Yes.
- C: *Judy Kirk:* I think it would be counter intuitive to their financial interest to somehow not take advantage of that improved infrastructure.
- C: *Brad Eshleman:* It's how they provide the service, and to whom, that is more the issue.
- A: *Chris Badger:* I think it is important to recognize that coming out of the rail service review, there is, among certain terminals and shippers, a level of dissatisfaction about rail operations. I know that a number of terminals on the North Shore are also looking at what they can do to address that through the CTA, etc. I think though, for the purposes of what we are doing today, we can't deal with the rail operating issues at this table. Even if we can deal with them, if we don't have the capable capacity, then it would be a moot point anyway. So I think that if we just acknowledge the fact that there are issues around rail operations, hopefully they will be addressed through the rail service review and other mechanisms, focus here on once they are addressed, how do we ensure we have the capacity or infrastructure to utilize that increased performance in the future..
- C: *Judy Kirk:* We have been hearing, or I have been hearing, commentary on rail service. So in going through and doing key themes for the consultation summary report, if that continues, you'll see the record reflect that. But I think the point that Chris makes, which is a really good one, is that the Port has been very clear about what this consultation is about. I think your comments are very

appropriate for this table, because they are related. But I just want to make sure that we're all clear that the Port can't do much about that concern, at least as I understand it...

C: *Brad Eshleman*: I guess that's part of the point here...

A: *Chris Badger*: Yes, we can do something about it, but those are for other mechanisms.

C: *Judy Kirk*: Ok, fair enough. Thanks for that.

C: *Brad Eshleman*: And that's why the point is being made, that this is all tied into revenue going back to the Port to pay for the infrastructure, and they're tied into what they can do on the rail service stuff.

C: *Tom Maville*: I don't want to harp on the rail stuff, but there is a project in here that is a rail bridge, and normally rail bridges are built by railways, and it comes out of the revenue stream that the railway gets from moving traffic, and that's the way it's meant to be. It's an unusual expense.

C: *Judy Kirk*: The Lynn Creek Rail Bridge?

C: *Tom Maville*: Yes. It's not a normal expense. The uniform classification of accounts sets out the way that a railway audits and accounts for everything that goes into operating a railway. Here we have an exception – you don't have to pay for this one guys, we're going to do it for you.

C: *Dave Kushnier*: When you're looking at the project partners column, and you get down to the South Shore Trade Area. At earlier meetings that we had involving TransLink and the City of Vancouver, particularly around the Powell Street grade separation, TransLink didn't say much. The City really wants this done, but they have cried poor. On this list it says "proposed partners" as opposed to Roberts Bank Rail Corridor and North Shore. What was said at those meetings, on May 9<sup>th</sup>, for example, was that the Powell Street grade separation had nothing to do with the Port terminals. So we said, ok, the City wants to do that, that's fine, that's none of our business. Now we're being lumped in as being part of the paying partners for it, knowing that the City of Vancouver and TransLink stated they didn't have any money. Where does that leave us? And why did we suddenly come up as being a paying partner.

A: *Allan Baydala*: I don't have an answer for that, I wasn't at the meeting. Chris, I don't know if you do, you weren't there either.

A: *Chris Badger*: I'm not sure why the word proposed is in there. The partnership for that bridge is definitely the City, Transport Canada, TransLink. It should read the same as the other ones.<sup>1</sup>

C: *Judy Kirk*: I think that's a mistake, actually.

A: *Chris Badger*: You also need to recognize that there was a lot of conversation about whether that would have a positive impact on terminal operations...

C: *Judy Kirk*: The fundamental question I want to clarify, and it's in the discussion paper, is that there are committed funds from the levels of government. And there wasn't any question about the level of those committed funds.

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<sup>1</sup> The GIF Project Summary table has been amended to remove the word "proposed" from the South Shore Trade Area funding partners. A revised version of the table is attached to these notes.

- C: *Dave Kushnier:* Well, Judy, I was at the meeting, and there were definitely questions. It was these two parties that were going to benefit the most, saying we love the projects, but we have no money.
- C: *Judy Kirk:* I hear you, Dave, and I think it's a very good point. I want to bring clarification on that to the next meeting. In the discussion paper we are clear that there are leveraged funds committed from all levels of government.
- Q: *Roger Larson:* My question is to the general principle of the inclusion of these projects. I cannot garner from the spreadsheet in front of us whether this work has been done or not, whether the analysis has been completed. It would seem on a principle basis, every one of these projects should have a cost benefit analysis completed.
- A: *Chris Badger:* Absolutely, and every one of them has had that.
- Q: *Roger Larson:* And that cost benefit analysis would identify all of the beneficiaries, whether it's public transit, the general public, the city, commercial user, whether it's private vessels, etc. And based on that cost benefit assessment, there can be some determination of what percentage of the PMV cost that is on the spreadsheet should be appropriately allocated to commercial users.
- A: *Chris Badger:* That's exactly what happened, and it was done by a third party for Transport Canada.
- C: *Roger Larson:* We haven't seen it.
- C: *Judy Kirk:* Has the committee asked for that before? I think we had some discussion about it but you haven't actually asked for it. What I'm hearing today is that the committee is asking for that document.
- A: *Allan Baydala:* We will make sure that we record that request. We can ask if that is available.
- A: *Chris Badger:* It's a Transport Canada document. If there is an issue of getting it, we will feed that back to you.
- C: *Judy Kirk:* The intention is that we would try to get that information for you at the next meeting. I take Allan's point is that it is a Transport Canada document and we do what we can to get it. I think the point is, and Ian, you raised it in your letter, is that you're saying that there should be, normally, a cost benefit analysis done, and what you're hearing is that there was, and you want to see it.
- C: *Roger Larson:* Once we have an understanding of what the benefit is to the commercial users, and certainly in my case, I'm here on behalf of commercial users of the port, we need to understand how that was applied to the individual projects. When I talk to some of my industry, and I look at some of these items, our understanding of how something like the grade crossing is attributed to the terminal as opposed to the general public that gets a new road, or the one to Park Royal, the shopping centre, we need to understand some of the logic that applied to that apportionment. I don't think until we have that, we can get to where we need to go in terms of a GIF model.
- C: *Judy Kirk:* I've heard that in various forms. The only thing I would add around that is in my experience in public policy discussions around fees, taxes and assessments, there is always this push-pull around how much drill down you should do about allocation of tax or assessment to benefit or fee to benefit. That's one of the things that is coming up and which the Port is going to have to

consider in terms of your feedback. I'd also remind you of the benefit of thinking at a macro level. I'm not here to argue one way or another. But before we drill down too far, without remembering how important it is to look at the overall benefit. Frankly, Canada, British Columbia and local government tax framework simply wouldn't work if they had to allocate a specific benefit to every household for property tax and every tax payer for income tax. It's perhaps a silly analogy, but I think you see the point that I'm making.

C: *Roger Larson:* No, I think that's a fair analogy. But the point here is that we pay rent, or our industry does, and so the question is, in addition to that rent, we're being asked to pay a specific fee. And if that's the case, that goes beyond the general taxation and general of society issue, to say, how is this user fee being applied. There is federal legislation, it's called the *User Fee Act*, and it's my understanding that it applies in this case, because the *Canada Marine Act* is scheduled under the *User Fee Act*. And port user fees are listed in the *Canada Marine Act*. And I think my neighbor here, the former chair of the Canada Transportation Agency, would have a view on whether or not that body would have authority in this area.

C: *Judy Kirk:* And whether in fact this is classified as a user fee, I would assume.

C: *Roger Larson:* Well, if it's taxation, let's call it that.

Q: *Brad Eshleman:* I'm going to go back to what Dave said earlier about the Powell Street grade separation. I represent a couple of terminals in that South Shore Trade Area, and they had the same comment about the Powell Street grade separation not really having a lot of benefit to the terminals. It seems like it was more a community project than it was a terminal project. So they echoed the same thing that Dave said. Further to that, on the total percentage of what was paid into those from the Port impact terminals, it was 46% of all the projects. So I think in the South Shore trade area, this one didn't get the support of either the provincial government, or some of the municipalities or had the time to go through the same process. So I think there was, in our opinion, a higher percentage of costs ended up being borne by the Port. When you look at the 16% on the Roberts Bank Rail Corridor when there was a lot of political pull in that area, there was a lot of partners because it was a politically sensitive area. In the North Shore, it comes down to 22%, so there were other partners that were willing to come there too. It seems quite apparent that it wasn't so on the South Shore, and it was the last one that was done, and sort of jammed through, if I can put it in those words. There is some concern that the terminals are paying a big bulk of those dollars for something that is very little benefit to them. On the point that you made about the taxation side and this whole cost benefit analysis, I think in fact that is the point. In the past, the terminals and their relationship with the Port, it's all been on some sort of cost benefit formula, you're getting something for the charges. I think our concern is that it is going a taxation way – I think that is the point. We don't want to see fees coming into the Port through any mechanisms because each terminal does have unique circumstances. We want to see cost benefits. We have some terminals that don't see any benefit but they are on the list to pay the fees. We don't want to see taxation of terminals.

- A: *Allan Baydala*: I have to jump in here because I think we're going down a road that might be creating an expectation. This is not taxation. This is a guardianship fee, like harbour dues, and we do not do harbour dues on a cost benefit basis down to the terminal level. I think it is highly unlikely that we will be able to do a cost benefit analysis to the terminal level for the GIF. We've had some broad looks at it, that's not our intent, but nonetheless, we looked to see whether it makes sense at all, and we don't believe it does at this point. The work is being done on a trade area basis. Brad, you know that we have had some discussions with the various terminals on the North Shore that have been involved and have been supporting partners, and they've asked this question already, and we have already had this dialogue. It's very difficult when you have a rail system running through the whole North Shore, to say, that piece of track going into that terminal just benefits that terminal, and that track going down there, I'm not getting any benefit for, notwithstanding that if they don't do that and they run a long train, you're not going to get access to your terminal. That's the problem you have, on a system, in determining the benefit for someone who utilizes that system. That's the concern I have.
- C: *Brad Eshleman*: I understand that, and one of the things is that I'm trying to represent all the terminals that are included in this. I'm trying not to be specific, but sometimes you need to be. I'll take Pacific Coast Terminals is a terminal that is included in this but there is no direct benefit in any of these for them.
- A: *Allan Baydala*: There is no new siding going into their terminal, but if the overall capacity of the system improves by 40%, they are going to be a beneficiary.
- C: *Judy Kirk*: In the discussion paper, the intention expressed, on the cost and benefit side, is that the Port community is also contributing to benefits in the communities in which they operate. When you look at Vancouver and Burnaby and Port Moody and Delta, when you look at these communities, part of your contribution is to continue to have the good will of those communities. I know it's only a portion, but it's something that none of you have really mentioned.
- C: *Roger Larson*: I see that CSR appeared a lot in this list. And as an industry, we are big believers in corporate social responsibility, so it's not that we don't support that in both philosophy and action. To your point, Allan, I understand what you're saying; I think I understand the complexity. The fact that we're doing more trackage inside Neptune is going to mean that you are putting less pressure on the general rail yard up or down stream. If that flows better, and you have fewer grain ships blocking, then maybe there is some flow back. I don't speak for the sulfur industry, but we have close relationships with them, they export to the global fertilizer industry. I understand their concerns about why they are being asked to pay for a chunk of someone else's projects. This is not easy. It probably gets more complex the deeper you drill into it. When you are talking about actually putting a user fee on it, there has to be some credible attachment to the commercial benefit they are going to receive from it, otherwise it becomes a tax. And I don't know how you bridge that. There are probably ways of doing the analysis...
- A: *Chris Badger*: I think partly because you haven't been party to the process and the documentation coming out of it, and clearly we want to change that. But if we go back in and look at the perspective of what was trying to be achieved

here. At the beginning of the process, Transport Canada, who led it, went to every terminal and asked “what capacity do you think you are going to need for the next 20 years time?” No one argued with it, and everyone put in their capacity. It was a very holistic process. They then said, to achieve that capacity, what are the pinch points that are going to prevent us from getting from A to B. Coming out of it, the ones that we see in front of us are the ones that were seen as pinch points. It was a very holistic process. I can completely understand why any company would look at it and say, specifically, what is the benefit to me? But that won’t work in this process, as Judy was saying. It’s about looking at it very holistically, we need to remove those pinch points, and we need to pay for it collectively, particularly if we are getting so many cents back on the dollar. That’s it in a nutshell.

- C: *Judy Kirk:* And certainly, wherever you are leveraging provincial and federal dollars, you don’t get to leverage dollars unless you contribute. It’s important to remember that that be part of this discussion too. What is the value to you, of those leveraged dollars? I’d like to hear some of that.
- C: *Dave Kushnier:* Certainly there is some value to that. But we were under a lot of pressure at a couple of our meetings from Helena Borges, saying guys, do this now, because here’s the money. If we’re going to do something like Powell Street to benefit the City just because the federal dollars are there – I’m a taxpayer too, I don’t really like that. A lot of these benefits, they talk about the added benefit we’re going to get from the railroad. I can’t find anyone from the railroad who will tell me what their plans are, even at 10,000 feet, what trackage is additional on the South Shore from this. All I got from a couple of the meetings were at, sitting next to railroad guys, saying we hardly use Powell Street. I said, is it 6 times a day? And they said not anymore. I remember being blocked there several times, but I don’t remember getting blocked there in the last couple of years. CN doesn’t use it; the gentleman beside me said some weeks it’s not six times. So it’s not a critical as it used to be. People from the City who were getting complaints from taxpayers saying they get stuck at Powell Street or that buses run late because of trains, it’s not as often as it used to be. However, they haven’t said to any of us, here’s what you’re going to gain – I’m going to get into you more often, or I’m going to be able to take away your empties more often because TSI is not going to block you as often, because they are going to get this gain. It’s all at 10,000 feet. There will be track or there may be track or there may be something else. I look out my window and I can’t see how it’s going to be, and I can’t get anybody to tell me. I’m not saying that they’re not going to do it, but I’d like to know so that I can say to some other people there is a benefit. Another track is going to be good, another track of empties or grain or boxes or cans to go back in there is going to be good for us. But I can’t tell people that, because no one will tell me what they are actually going to do.
- C: *Judy Kirk:* I hear you loud and clear. A key theme from these meetings will be about railway service and for knowledge of plans for improvements in railway service. I would like to move along in the agenda to the substance of your continued feedback and questions and discussion of the models before you, and so I’d like to do that now and invite Allan to add any comments he might have at

the front end but to ask you to be thinking about what additional feedback do you want to give the Port today about the models that are articulated in the discussion guide. And perhaps, suggestions that Roger has made in his submission, and Ian, anything you may have provided in your letter.

- C: *Tom Maville:* I would ask that when you look at railway service, that is an issue. But when you look at service, look at rates as well, because that \$66 million could come back in the form of rate increases, and I suspect it will.
- C: *Craig Williams:* Somewhere in the process that has got us today, has someone written a piece of what the logic is in trying to recover this from the users of the port, this GIF. Why it is not just tucked in? Somewhere where there is logic put together. That's the big thing, the macro level, the details aren't that important. And the end of the day, all my members shove stuff through the black box of PMV. And some wonder why it is coming back to the users.
- C: *Judy Kirk:* The rationale is here in the discussion paper. But I'm going to ask Allan to respond to that as a question.
- A: *Allan Baydala:* I could turn to the page and see what we have said already and expand on that. We made it quite clear, I think, in the discussion paper, and in the last meeting, that that came up, and I responded to it then. This money needs to come from the industry. We have no other sources of revenue than the industry. The \$40 million a year is a profit, I mentioned that last year we made \$40 million of profit, but that money has already been spent on infrastructure. We're not sitting on \$40 million plus \$40 million plus \$40 million of cash. Our borrowings today are about \$117 million, and we are going out to market shortly to borrow another \$100 million so that we can pay the \$167 million of this program. Don't be misled by a profit number to suggest that we have the cash lying around to contribute to this infrastructure. We were a partner with the industry and the terminals throughout this process, and really, it was collectively, the industry that has decided that these projects, we have an opportunity, and that it's essential to move forward on. Certainly on the North Shore, I'm less familiar with the South Shore, these are long requirements that we've talked about for decades. We were able to offer the leadership when the Federal government – there was some time pressure, that's just how government works – to fund the program, we were able to step up and say, ok, we'll pay the \$167 million, but we have no way to generate those funds other than new funds from the industry. That's where we are today, we are spending \$170 million, we need a revenue stream. We don't have that profit sitting there.
- C: *Judy Kirk:* If I could add, Allan, because we wrote the discussion paper, some of the questions that I asked in the development of the paper, are some of the questions that you are asking now. And my understanding of it, is that the whole discussion and agreement about the infrastructure projects, was not done with all stakeholders, but was done with the terminals and many of the larger stakeholders. And there was agreement, and indeed I know, from my work in this region for years, through the Gateway Council, Business Council, Board of Trade, there has been general agreement with the need to deal with the infrastructure deficit and make some infrastructure improvements, and these were part of those. And there was understanding, that prior to getting commitment of getting provincial, federal and other funds, that the Port would

pre-fund these, with the understanding that there would be a fee. That's why this consultation isn't about whether there will be a fee – there will be a fee – the Port has the authority and responsibility to do it and the understanding in terms of the agreement on the projects. But what's being discussed here is thorough discussion about what model, how should it apply, dealing with the fairness, effectiveness and efficiency issues.

- C: *Craig Williams:* I understand that, the horse has left the barn. But my customers, as private enterprise, want faster service, but they don't want to pay anymore. I'm guessing that all of these projects have productivity improvements for all the people inside the black box called PMV. So, rather than just jumping to a fee for 100% recovery, is there some sort of equitable sharing of the productivity improvement, financial gains, versus what all of those wearing and tearing the infrastructure pay, a 50-50 split or something like that. Just something that recognizes that someone is doing better, you wouldn't be spending this money unless you're making more money, that's the way businesses operate.
- C: *Judy Kirk:* And the assumption is that everyone will benefit, though what we don't know, and I think people have said, is by how much.
- C: *Craig Williams:* And I can accept that and I think people get around that. But this is like running a business, the business of our province, our country, this port. And there should be a sharing of that, as opposed to a full cost of recovery.
- C: *Judy Kirk:* So you're saying that not only should there be a sharing in the cost, but there should be some sort of system to share in the maximization or increase in profitability. More than what each individual entity would do.
- C: *Tom Maville:* It comes back to rail. You can measure productivity, and the Canadian Transportation Agency does measure productivity in a rank. And they claw back some of that in the form of rate caps. I have been suggesting since the beginning of the meeting that there will be productivity improvements.
- C: *Judy Kirk:* What you're talking about here is the notion of somehow capturing and sharing in the productivity gains.
- C: *Ian May:* In terms of what we attempted to characterize in our letter, and in terms of what I'm hearing around the table. I hear there was agreement, yet now those who are being asked to pay were not part of that agreement. If you say it, move on. My guys are choking on that, it's a sticking point for them, we never agreed to this. It's a hurdle and I think that it's a hurdle that may cause them to try and defend themselves. And I don't think anyone of us wants to do that. I think we want to bring all the benefit of this we can. And by defend themselves, it could be legal or political. They feel badly done by. They feel unfairly treated.
- C: *Judy Kirk:* What about the leveraging of the dollars, does that help?
- C: *Ian May:* When decisions like this get made – and I do represent the sulfur guys – they are made on, how much dough have we got, can we afford it, oh boy, what a good deal, got no money, can't go for it right now. I think you and Allan will recall when I talked about how this will hit the forest industry, who not only have no markets, they have no trees. The best deal on a new car in the world is not going to help you if you can't afford a new car. It's not that way for all of our members. Some of our members are supporting the economy quite

handsomely. Some of them, and I'm thinking Westshore, have already made investments in infrastructure within their own boundaries. And that's a sticking point. The other sticking point, and this is my word, we loosely assign benefit from this project around. Many folks around our table think that the main benefactor of all of this is Port Metro Vancouver. Both in terms of reputation, productivity, enhanced throughput, it's all under that bubble and makes it a better property owner, better landlord as it were, more attractive landlord, one that can attract more visitors to their tenants, and I'm stretching that analogy. But one of the problems is that coming out of the rail review, and one of the problems that we have to overcome as a nation, is reputation. We have a bad reputation in some international markets because of labour agreements and because of rail. To finish off, if you can stretch the benefit to the degree that have been coming out in some of these documents, it's not too far to stretch to say that folks that are coming in on cruise ships benefit from less congestion, easier access to shopping, etc. There is just something that needs to be put right in terms of the taste of this thing. I don't have a here's what would fix it. I think the cost benefit analysis from Transport Canada would help. But we hear you, it doesn't quite fit this process. But yet, it better fit this process somehow. We better take a breath here. I get the fact that there is a schedule. We need to take pause, we really do. I know my guys, and when they're heading back to the gun cabinets, it's not a good sign.

- C: *Judy Kirk:* There is agreement on the process, and we're going to be doing the broader consultation in April. We did accommodate in May, an opportunity to potentially come back to the GIPAC for one meeting prior to wrapping up in June. What I'm saying, in answer to that point, is that there are no decisions here. This is an advisory committee, there is input coming and there is no closure to the process for some months from now. I just want to bring some comfort there. There are a few months of process to go through here.
- C: *Ian May:* On that point, the cynics around our table, at least, say, if you can't get consensus, that's carte blanche to do whatever you want. That cynicism has emerged during our discussions about it.
- C: *Judy Kirk:* I'm more than happy to talk to you about consensus models, Ian, as a side bar. And you're entering into an area of expertise that I have. And consensus, at a table where you have competing interests, and this is something I advised the Port on and they accepted, as something that just isn't possible.
- C: *Ian May:* Judy, I'm a shipper. You think I don't know that?
- C: *Brad Eshleman:* In each trade area, there have been different levels of consultation happen. The consultation process has been inconsistent between the trade areas. The North Shore probably had the most involvement of the terminals, and a lot of that momentum drove some of this. The Roberts Bank Rail Corridor did not have that same level of consultation. Where this has come to has come from the North Shore Trade Area discussions and involvement. So that level of involvement is where you get, I believe, those comments that there was involvement agreement. I don't believe there was involvement and agreement on Roberts Bank. That was done prior to heading into a lot of the stimulus funding. That was something that was done on a different basis.

- A: *Chris Badger:* I'm quite willing to acknowledge what Brad is saying here. There has been a different level of consultation in each area, because this was a learning curve for us. The consultation differed, in my understanding, in the process of we are going to need to get the money back at the end of the day. The consultation with the terminal operators around the corridors and what was needed to remove the pitch points to allow the capacity to occur, I think was consistent throughout the whole process. And that's because Transport Canada used a particular model in the way they did it. It's not to say that Helena wasn't more aggressive towards the end as time was running out. But that process, I think, had a level of consistency.
- C: *Brad Eshleman:* But all the terminal operators weren't involved in each trade area. And I don't think the Roberts Bank was done on the same basis as the North Shore was, it was done after. The Trade Area agreements, basically none of the terminals signed the agreement in principle on the South Shore Trade Area.
- A: *Chris Badger:* This is what I said – the actual process of deciding what is needed there, putting the money aside, was a consistent process as far as I understand, because that was Transport Canada's process. What we freely admit, is when we went ahead with the Roberts Bank one, we had not articulated what we were going to do to recover. It wasn't until we got to the North Shore we started to get more understanding of that. I absolutely agree with that. We had to go back to Roberts Bank after and say, this is the mechanism we are looking at using for collection. There was more consultation with the North Shore terminals around that part of it, absolutely.
- C: *Judy Kirk:* That is an important distinction for the record, and I want to make sure that I understood, if this is correct, that the consultation on the GIP projects was fairly consistent if not consistent across the trade areas. You're shaking your head but the Port is saying that it was. But where you are in agreement is that there was inconsistent consultation on the recovery mechanisms.
- C: *Brad Eshleman:* There was also inconsistent consultation with different terminals. So some terminals were involved and others weren't involved, that are being asked to pay now, after the fact, basically.
- C: *Judy Kirk:* Ok, I want to move on to the models, please.
- C: *Brad Eshleman:* If I could just finish off a couple of comments that they have, I'll make them brief.
- C: *Judy Kirk:* Let me say this around the additional discussion we are having. I definitely, as you know, want your written submission. I want everyone to have it so they can read it. I also want to make sure out of respect for everyone's time and the agenda, that we get an hour to talk about the models. So with that, please wrap up.
- C: *Brad Eshleman:* One of the other comments is that there are multiple beneficiaries that fall outside of the Gateway Infrastructure Program that are benefiting. Some of the chemical companies on the north shore, Canexus, are getting improved rail service but are not in the program. On the South Shore, there are a whole number of beneficiaries within the Port that are benefiting that aren't part of the payment program. So there are number of beneficiaries

that are benefiting from what's going on but are not paying towards it. Also, with respect to prior expenditures in these areas, such as the South Shore road and overpasses, that off site infrastructure spending was done by the Port and charged through harbour dues or paid through Port revenues from the tenants. There needs to be a re-look at who exactly is paying for all of these, and just how that's done. Having it all paid out of the cargo interest may not be the model that makes sense.

#### 4. Feedback on GIF Models

##### GIF Models

- C: *Judy Kirk:* Moving to comments on the four models, I'd like to open the table to additional comments and feedback on those models. What I'm after here, is now that you've had a chance to read the discussion paper and have two meetings, please articulate your feedback on the models. Whether you're seeing a preferred model, a modified model, or something different. Roger?
- C: *Roger Larson:* We were the first who said that the first four models didn't work. Part of the model is getting the numbers going into it right as well. To echo what Brad has said, we really need to see, and maybe you've done it, but we haven't seen, is here is the commercial value to the commercial users, separated from the other benefits. And we continue to believe that when you're talking about the general flow of the port, the benefit goes beyond the bulk users that we are, and includes the cruise lines, private vessels, public transportation, and that CSR objective, if that's what we're being asked to pay for, we should see it allocated to the others users as well. Once you get the numbers right, in our view, which is commercial substantiation for everything we are being asked to cover, then the payment model might almost fall out of the first analysis. Because if there is a consensus and an understanding that cruise ships will indeed benefit, then you will need a model that will allow an allocation to those users who don't ship tons. That would include the private vessels and cruise, and that's why we put forward the DWT model in model 5. It ensures that less of what is floating in the port and using wear and tear on the report. Someone used that term last meeting, and I thought, that's it, it has to be related to the wear and tear on the port. There are more than just those of us who ship tons.
- C: *Tom Maville:* I would add to Roger's comment that you want to keep the model simple. Some of the models, particularly the first model, are very complex. You'd have to change those numbers up every few months. Based on tonnage, again, any way you cut it, tonnage or rail car length of bulk versus container versus truck, it always put a disproportionate amount of the fee on the bulk. The other thing is that these industries are forecast to grow in the next 5-10 years. There is a possibility, whatever the fee that is applied on the bulk side, could result in more money being collected back than the total cost required. We have to cap it.
- C: *Judy Kirk:* The discussion paper does address that and I think some of the Q&A does. There is a desire here as I understand it, to have the fee only cover the cost of the projects. It's not a revenue stream that is elastic. I wanted to ask you,

around models 2, 3, 4, your comment about the disproportionate allocation to bulk. Do you have any ideas about how models 2, 3, 4 or a 5<sup>th</sup> model, could be modified to mitigate that?

- C: *Tom Maville:* I would have to think about that. I don't have the answer.
- C: *Judy Kirk:* Please do.
- C: *Marian Robson:* I noticed Stephen Brown's submission from the last meeting. Is there some way that you could take a model 2 and somehow modify it? Because I know the bulk people are always concerned about the disproportionate contributions. Is there any way of tweaking a model that could possibly up the container fee?
- A: *Allan Baydala:* We can do anything like that. But I have to ask what you mean by disproportionate charge to bulk, because it is directly proportional to the tonnage moving on the infrastructure, and that is seen as a good proxy for the wear and tear. If we said, we are not going to do it on straight tonnage, because containers don't pay enough, and increase what the container charge is, what would be the justification for it? Other than Model 1, which does that because it goes to value.
- Q: *Roger Larson:* What you are saying by saying that tonnage is a fair proxy for wear and tear is that you completely reject our view that cruise lines cause wear and tear on the port?
- C: *Judy Kirk:* I'm going to step in there, because I'm not going to allow Allan to reject anything, other than to change the premise of the consultation. In other words, we are not consulting on whether there will be a GIF or not. We have been very clear about the premise of the consultation. But I've been very clear with PMV that this is a consultation. You are to consider the input, you're not rejecting it. So with that caveat, Allan.
- A: *Allan Baydala:* Of course, we don't reject anything, and that's why we're here, to hear your views. We did spend a lot of time thinking about these ideas before coming to the table. We did think about whether cruise should be included. Take the North Shore for example, we have not found an argument to go to the cruise lines to say that they should pay for rail improvements on the North Shore. We already have special fees for the cruise lines and cruise industry. They might easily view that they are ahead of the rest of the industry in paying for special infrastructure.
- Q: *Roger Larson:* Can we make the same argument with regards to the traffic overpass? That that might make the traffic flow better on the highway system, that it might reduce accidents on the lower road, but it doesn't actually help us move tons in and out of the terminal. Therefore it should not be part of this equation?
- C: *Marian Robson:* I've worked for two railways in this terminal. It seems to be that if you try to be too specific about the benefits of each piece in this port region, it can't work. I don't see how it could logically work. I don't also see how you could include all the pleasure craft and all sorts of other people who have some benefit. Administratively it would be a nightmare, I don't know how you would ever do it. It seems to me that you have a whole transportation system of truck and rail, and everything is of a piece. Everything flows together, whether you're at Pacific Coast Terminals or Neptune. The whole system works together. So as

soon as you make improvements to one little piece of it, you are improving flow to the whole region. You all know that because you work in this port. I don't see how you could all of a sudden start segmenting. There has been a huge consultation with many of the key participants on the waterfront. There are federal dollars and provincial dollars that don't usually come and aren't going to be coming again, as we know from budgets coming up. And Transport Canada and the Port had to make some decisions, and I think they tried to do it as equitably as they could. At the end of the day, you're going to see some significant improvement in productivity and traffic flows. That has a dollar figure attached to it, and it's an improvement, there's no question. I'm struggling, and I'm an outsider here, I know nobody wants to pay more money. And certainly I know people in the forest industry, they are in the tank. But at the end of the day you have an opportunity to match some funds from the federal and provincial governments and the Port.

C: *Judy Kirk:* And think about, following up on Marian's point, and making sure that we go around the table to get some more input, think about whether you have an idea of how to modify one of these models, or a new and different model so that the Port can benefit from your input. I'm going to go around the table, because it's time in terms of facilitating the meeting that I hear from you all. I'm going to come around and ask you the very specific question about your feedback on the models that are before you, and how you think something should be modified.

C: *Ian May:* To echo what Roger said, and what my guys said, they make their decisions on dollars and cents equations, and they want to know, what does each model cost. And that's not apparent in any of the models yet, and I don't know how we get there.

C: *Judy Kirk:* I think what you're saying is that you care more about that, and that the model of the GIF is of less interest, if you will.

C: *Ian May:* Glad you asked.

C: *Judy Kirk:* From the weight of your input, that's what I'm getting from you.

C: *Ian May:* No, that's the door opener for the input.

C: *Judy Kirk:* Fair enough, so I'm pushing you now, we hear that, now give us some feedback on the models.

C: *Ian May:* Can't do it until we know the impact of the models, which is why we've asked for it.

C: *Judy Kirk:* Fair enough.

C: *Craig Williams:* I would think that the GIF should be some equitable sharing of the productivity gains that the Port itself realizes with users of the port. If that does mean some splitting of the GIF then it should not be based on value, it should be based on wear and tear, which was my buzz word, because I'm the engineer who understands this stuff. I don't really understand the depth of 2, 3, 4 or a modified one that includes cruise ships. It should be clear and transparent that it's wear and tear.

C: *Don Sorochan:* Our association consists of a wide variety of people that would probably have a wide variety of views on this. And there was some correspondence earlier in the week as to whether we could move up the external consultation so that we could get those views in. I don't have the

benefit of knowing what all our members would think. I'm a lawyer, not a person that is involved in this industry. Just as an observer of what's gone on here, I would certainly think that you should keep it simple. I think it is very difficult for us to sit down here to accurately determine what the costs and benefits are. It was brought up a few minutes ago that there were a lot of previous expenditures on the South Shore. If you look at it, there's nothing there, it's a couple of overpasses, it's insignificant. But we can't pretend that there haven't been incredible benefits by the Port that were already put on the South Shore. If you want to go back to 1965 when I worked for CNR building the Second Narrows Railway Bridge, there was nothing on the North Shore before 1965. The ports over there resulted from that infrastructure. Using that historical background, I find it very difficult to try and get down to the fine tuning that some of your members seem to be wanting. I go back to the first meeting, and ask whether we're sweating the small stuff, how much is this really going to cost. I went after the meeting, and said that if we can show that the overall costs in relation to the overall benefits show that you shouldn't sweat it, that's where I think maybe we should go on. I don't know the answer to that, because we don't have the numbers.

C: *Judy Kirk*: I do want to reinforce that the intention of the broader consultation is to make sure that in addition to the advice that we are getting here, we are getting advice directly from those who are affected, that is, the payers, and the consultation won't be wrapping up until that is done.

C: *Bonnie Gee*: Briefly, our board just had a quick look for the first time last week. So they haven't had a lot of time looking at it, but we did have a discussion on the four models. They supported the recommendation by Stephen that Model 2 was the most simplistic way to move forward. The only concern they had, as Roger mentioned, they would like to see it more inclusive, to include passengers. They felt they should be part of the models. And crude was talked about, the pipeline users, whether they should be included as well. There was some concern about some of the numbers in the report as well, how valid some of the numbers were. A big concern for our users is the competitiveness of the port.

C: *Judy Kirk*: I just want to go to the number validity point. Which numbers?

C: *Bonnie Gee*: I think it was the competitiveness numbers. I think Scott met with Stephen and our chairman and discussed these figures.

C: *Judy Kirk*: I just want to make sure that we show that in the record that we are not questioning the numbers of the funds.

C: *Bonnie Gee*: No.

C: *Dave Kushnier*: I agree with the points made by Bonnie about the numbers. We do need to make sure they are accurate when we do get to the point of moving forward. We don't want any surprises, we don't want someone to say, ok, grain is \$190, but really it should be \$290. We have to get that straight so that we don't say, ok, we think this is fair, and then we get hit between the eyes...

C: *Judy Kirk*: Bonnie was not saying the same thing as that. Bonnie was talking about relative competitiveness numbers. I want to make sure that I understand so we get this correct. The numbers you, Dave, are talking about, is make sure we know what the fee is.

- C: *Dave Kushnier:* The value numbers will affect the fee if we use Model 1, so let's get them right.
- C: *Judy Kirk:* Ok, the commodity value numbers. Got it. Thanks.
- C: *Dave Kushnier:* We do have to talk about the cost of this, and what we're going to get out of this. We can't make motherhood statements like "for the greater good". It won't fly, forget it. I can't sell the greater good. We have to sell something specific. Please get the numbers we asked for. And what the real projects are, don't tell me about an overpass at Powell Street, one day it's not going to be any benefit, and then all of a sudden it will, because the railway is going to do something, but the railway won't tell us what they are going to do. We need substantial knowledge of what is going to happen so that we can say yes, there is a benefit, for all of us, because if it speeds up everything in the Port, we can substantiate that. We're doing a lot of motherhood here, and that's not good. We need to know again, what the best way to keep it simple is because we can't have changes. We can't be paying x amount in year one, and x number more in year two.
- C: *Judy Kirk:* So you want certainty.
- C: *Dave Kushnier:* More certainty in where it's going to be
- C: *Judy Kirk:* On the notion of a model being value based vs. tonnage based, do you have a view on that?
- C: *Dave Kushnier:* We looked at Model 1 as being the nearest one for us, if the numbers were more accurate. So that we could say that is what it is, and it would change a little bit. The value of a ton of canola could swing, but the value of a ton of wheat doesn't swing as much, so we can know that it's going to be within a few cents.
- C: *Judy Kirk:* So you would lean towards, and I understand all the caveats, towards the value rather than the tonnage.
- C: *Dave Kushnier:* Probably.
- C: *Judy Kirk:* And I also register the reluctance as well.
- Q: *Dave Kushnier:* We don't appreciate that things have changed, that somethings are here or not here. I want to know, is it all or none? Is it everything? There's no none, because the GIF is going through, but all these things have to be done? Do they have to be done by us? I don't want to go on about Powell Street, but come on folks. Maybe someone from Roberts Bank could say, 92<sup>nd</sup> Avenue, I don't like that one.
- C: *Judy Kirk:* So your question is, do all the projects have to be in there?
- C: *Dave Kushnier:* Yes.
- C: *Brad Eshleman:* I have made the comment about the inconsistency in the consultation process, and that is causing problems with acceptance within our group. One thing I should say is that most of the terminal operators support a whole number of the projects, but again not all of them. It's tough to have a global comment that comes out. You're going to see both sides of it. What I do see in looking at inconsistencies, you talk about social license, and some terminals need to pay because of social license, and PCT falls into that. However, Fraser Surrey Docks isn't in the program. So why is that? It's a similar analogy. Cruise isn't in also, you could have a similar analogy for cruise also. You also have other benefactors within the Port who don't move cargo, but who are

benefactors. And then there is the notion of different trade areas, because of the consultation process, feeling that they don't want to pay for other trade areas. Dave doesn't want to necessarily want to pay for the Powell Street overpass, how do you think the North Shore feels about that? There is going to be a problem with having all projects put on cargo and to the current terminals that are included right now, perhaps there should be a re look at where are all the benefits accruing to. And do the cost benefit analysis, look at that, because we are going to have to have more justifications to some of the terminals. Your comment Allan, around PCT benefiting from the overall flow into the port, there would potentially be some benefit there, but does that mean that they pay just as much as someone on the North Shore who gets a big benefit? They have a problem with that. Perhaps what the Port may want to look at is another model that has a little bit more of the sharing of where the costs or where the payments are coming from. That model can include some of the payment coming from current PMV revenues. Those have been used in the past to pay for infrastructure improvements. Have a portion paid out of harbour dues. Those have, in the past, actually funded the South Shore Trade Area, funded the overpasses on the South Shore and funded off-site benefits to the whole gateway, through harbour dues. And then also have a charge on cargo. The terminals on the North Shore were fully involved and supportive, and the whole program makes sense, but there needs to be a little bit more work done on who's benefiting, who's paying, and just sharing that maybe a little bit more, would be a wiser way of approaching it. I know some of my members are going to be coming out pretty hard on this. The ones that were involved in the process, not so much. Just to clarify on the trade agreements, it was discussed on the sharing, and the payments towards these, but there was real concern about the mechanism, and how it was going to be paid, such that the terminals did not sign these agreements because they were concerned on how it was going to be recovered.

- A: *Chris Badger:* I think we need to clarify a bit on this one, Brad. When we were going through the trade area processes, Transport Canada allocated money to particular terminals.
- C: *Brad Eshleman:* Yes.
- A: *Chris Badger:* They allocated a quantity of money to be paid by the terminals.
- C: *Brad Eshleman:* Yes.
- A: *Chris Badger:* The terminals did not sign it because they realized that they would not be able to agree, between themselves, on who got what. That's when we, as the Port, broke the ice, and said, ok, how about if we pick it up, so you don't have to argue amongst yourselves on who got what, but with the understanding that we would have to recover the money in the future.
- C: *Brad Eshleman:* I agree with that. That discussion did happen on the North Shore. I'm not sure what happened at Roberts Bank, but it did happen on the North Shore, so I totally concur with you. And that the concern that flowed from, was how it was going to be recovered...
- A: *Chris Badger:* And that is the consultation that we are having now.
- C: *Brad Eshleman:* And so you're getting the comment back – I've got a group that has different levels of benefit levels, different levels of consultation, different

levels of whether some of these projects should even be in there. There needs to be a little bit more sharing, would be a wise thing to approach.

C: *Allen Wright:* Just to go back to this piece of paper, I would be hard pressed to bring this back and take this to members and talk about corporate social responsibility. Like Roger said, companies are individually involved in corporate social responsibility, but right now, as I mentioned last time, it's all about cost. We can't pass on those cost. I really get upset when people say it's only a small amount of money. You start adding up small amounts of money and it starts to get really big. You look at the railways, as an example, and I'm not being critical of them, but we do know fairly well that they are going to add their costs into our rates. And you can't get that money back. So that makes us less competitive. You talk about competitiveness, this is not going to help, unless, you can show the cost benefit. In other words, if I spend a buck, and I get a buck and a quarter back, then it's worth my while.

C: *Judy Kirk:* So unless you can show the throughput improvements.

Q: *Allen Wright:* On the models, I can't get anyone to tell me what they think. One of the questions I had for you is, are you going to go out to the broader consultation with all of the models? Or are you going with one?

C: *Judy Kirk:* As I mentioned in the very first meeting, and I'll repeat now, part of the purpose of the advisory committee process was to bring a number of models here to the table, and refine the discussion paper. And drop out a model or revise or refine and take a revised discussion paper out to the broader consultation with the benefit of your advice. I can tell you that right now, in my view, we're not there. There hasn't been any kind of overwhelming response that says drop a model, or any overwhelming response that says we like this one. What that says to me so far, and you should hear this from me, so that you can get a sense of the advice that I'm going to give the Port, is right now that the discussion paper would stand, and go forward with a summary of comments from the advisory committee. It's more the kind of tenure of feedback that you are getting, it's not so much the specific comment on the models, although we've had some. We have had some very good and useful constructive comments about the volatility of commodity prices and the complexity of that model. We have had some very good comments about wear and tear and how it relates to tonnage. We've had some good comments about Models 3 and 4 and about the allocation to rail and truck. So I'm not saying there hasn't been any, but there has been more discussion about the step before that, about the total cost of the GIF, how do we allocate that out. Ok, so Allen, that's the answer to that question.

C: *Allen Wright:* I'm trying to get them to look at the models and give me feedback on what they think would work best. I've got one that doesn't believe they should be paying it at all, that there are certain things that are built out at Roberts Bank. The rents out there are pretty significant, and as a result they believe at least a portion of what you are including here are under normal operations anyways. So what percentage are under normal operations? The other one figures that he's going to get done on this one like dinner, so he's not sure which way he's going to go. But it really comes back to what are the

- benefits and demonstrate the benefits. It's really difficult to go back and tell them that it's all about corporate social responsibility.
- C: *Judy Kirk:* To be fair, I don't think that there is any intention that it is all about corporate social responsibility. In the discussion paper, I for one was very hard on the Port to make sure that it didn't say this is all for the greater societal good. I just want to make sure that the record reflects that the corporate social responsibility was a portion of, and only that.
- C: *Allen Wright:* Everything talks about the benefit to Port Metro Vancouver, but not to the users of this. This has not been clear, in my view. You say that we're going to benefit, but overpasses into a shopping mall are really not benefiting us. A lot of them are benefiting the communities that we are operating in, and I realize that we have a certain obligation there. But is it a disproportionate obligation that we are going to pay? The bottom line is to keep us competitive. We don't have an alternative to go elsewhere. We're competing in a global market. A few bucks here may not seem like a lot, but when you take a look at your margins, then that becomes much more significant. Your shareholders start getting antsy when you say we're just going to add a couple more bucks on.
- C: *Tom Maville:* The whole issue is about benefits at the end of the day and I think there are disproportionate benefits right now. We haven't defined them, but they are there. Talking about rail, there are going to be increased rail revenues, there are going to be increased rail rates and there are going to be increases in rail productivity. Those are definite benefits to the rail...
- C: *Judy Kirk:* And they are paying, aren't they? Rail is a funder?
- C: *Tom Maville:* That's the \$66 million that is going to come back to the shippers. What I would add to that is when you look at the bulk shippers in this room, a lot of them are captive shippers, they don't have a say. The railway serving them is the only store in town. It's a take it or leave it when it comes to the rate that is being set. That's my fear, there are benefits here, but there needs to be a counter balance that whatever those benefits are, they are shared.
- C: *Roger Larson:* Just a side note – when you're asking for people's views on whether or not it should be tonnage or value – and I suppose you can include vessels under the definition of tonnage. But when you say A or B, you are also saying, CIF brought up C, but I'm not asking you about that.
- C: *Judy Kirk:* And I didn't intend that.
- C: *Roger Larson:* I know you didn't intend that, but that kind of is the result that you are not asking other people around the table whether or not they think the vessel option would be the best option.
- C: *Judy Kirk:* I'm not trying to be exclusionary. I'm trying to cover a base, and the base I'm trying to cover right now are the four in the discussion paper. We do have another meeting, and my intention is to take a closer look. I'm going to go there now, because you've brought it up. I want every single member of this advisory committee to provide a written submission, and do it in time for the next meeting. And then when we've got them together, then what I'd like to do is get your feedback on what your colleagues have brought to the table. So let's be explicit about that.

- C: *Roger Larson:* After Marian made her comments, I leaned over to her and told her I agreed with everything that I said. And she said, you do? The point is, and maybe I didn't make it at the start. Every time I ran into Helena Gorges in Ottawa, I said infrastructure is good. We are one of the industries that has said that we need some investment into the North Shore to maintain access to our offshore markets and we want to grow that ability and that capacity. And that means finding those bottlenecks and finding ways to open those up. It's not a question of do we support the broad benefit as well as the specifics, yes we do. What I have seen so far gives me concern in two areas. One is that having said that there is a great benefit to having a smoothly operating port, we are then allocating all the cost to the bulk users. If the Port was to say, 35% of the value of this \$167 million goes to private vessels or cruise lines, and we're not going to charge them because it's impossible to get to every private vessel, that's fine. But then don't turn around and ask the bulk shippers to pay for it.
- C: *Judy Kirk:* Who would pay for it?
- C: *Roger Larson:* The Port, out of its gross profit, the city, the province, the federal government, the taxpayers in the city, I think that's a good question. I don't have an answer for that, but it shouldn't be us, on a user fee basis. So commercial benefit has to be identified, and that's what the user fee has to be based on. And then there has to be some reasonable limits put on it. Putting a 2% stipend on top of a user fee is not a profit, is not a rent, it's a cost. We're taxing costs now. Not having a cap on this... I could do the math on this and come out with the view that at the end of 30 years, we would have paid more than 100% of the North Shore improvements ourselves, if volumes go to where we think they might.
- A: *Allan Baydala:* I think that's just a misunderstanding of how the models work. That can't happen, unless the only commodity moving on the North Shore was potash, and everything else was gone. And that would only happen if we were doing it by trade area. You would have to be the only commodity in the whole Port to pay 100%.
- C: *Roger Larson:* How do I understand that from what we have seen here?
- A: *Allan Baydala:* We have talked about a couple of scenarios here that we have to look at. One is a three year rolling average, depends on whether we are using values or volumes. Or it could be the previous year tonnage and so there would be a readjustment.
- C: *Judy Kirk:* But the point is that there is an understanding from the part of PMV that you couldn't have the situation that you have identified.
- C: *Roger Larson:* Ok, so then we could get into the finer grain of how you are going to do that. That's great, I appreciate that. Maybe I'm wrong again, but my understanding is that the costs include a return on investment or financing charge, as opposed to just the cash cost of building the infrastructure.
- C: *Judy Kirk:* The cost of financing, but not a return on investment, right, Allan?
- C: *Allan Baydala:* No, our return on investment, we would require 10%, and we have an estimate in the models of 5% for financing costs.
- Q: *Roger Larson:* And if the financing cost turned out to be 2%, then that's what it would be?
- A: *Allan Baydala:* Yes.

- C: *Roger Larson:* And whether or not there are any allocated overheads, and I'm hearing no, there's not? It's the cash cost of the projects.
- A: *Allan Baydala:* That's right. The one piece that came up at the last meeting, and we've had some discussion, and this is for everyone, is the downstream maintenance cost of the projects. If we have to go in and make some repairs in 20 years, we have to look at that from an engineering point of view. We might have to build a maintenance component for the recovery.
- C: *Roger Larson:* That would surprise me because then we're paying for both the project and the depreciation.
- C: *Judy Kirk:* Let's come back with an answer to that, so that we're not floating it as an uncertainty.
- C: *Roger Larson:* Let's look at that later. And finally, to echo some of the other people in the room, there are projects here, that at least our understanding, is that they are not solely to the benefit of the commercial user. And there may be benefit to non-commercial users, and we're paying the full Port cost of it.
- A: *Allan Baydala:* On that point, Judy, I don't think Roger's letter provides an answer to the basis of that view. We don't see how the cruise industry benefits, and how private vessels benefit. Unless you have a view, other than let's include as many people as we can, but that doesn't support your own view that these have to be benefits based.
- C: *Roger Larson:* But you have said that some of these projects are just to the general benefit to the flow of the port.
- C: *Judy Kirk:* To be fair, again, going back to the discussion paper. I would encourage everyone to re-read the discussion paper because that is the foundation document for the content, as well as obviously, the commentary here. There, what you will read, is that the projects in the GIP are benefiting throughput. And are therefore creating increased opportunities for additional revenue and profits for Port participants. That's one of the fundamental bases for these projects, and that a portion, and only a portion, is this community benefit piece.
- A: *Chris Badger:* Judy, can I respond as well. I've been trying to work out what the question was there. And I think that there were a concern, and that's why it's so important to read the document, that some of these overpasses, where it says corporate social responsibility, were nothing more than an overpass to a mall, as someone mentioned. Let's be very clear that overpasses are generally over railway tracks. That improves the productivity of the railway track. It's an Alameda Corridor concept. I think we haven't defined that properly in this matrix that we put together. By just putting down corporate social responsibility down there, I can easily understand how you would wonder why we were doing that. If you can imagine a whole bunch of Alameda Corridors that we are trying to achieve, by putting overpasses over railway tracks. Clearly there is a railway component to that which is very valuable to the gateway, and at the same time it does add a certain amount of value to the community, because they are not stopping at each rail crossing as the trains go past.
- C: *Judy Kirk:* But the main point is to improve the throughput capacity.
- A: *Chris Badger:* You know, you don't have any rail crossings through there, you can move your trains a lot faster. Instead of moving your train through Langley

at 5 miles an hour, you can maybe double or triple that speed. That obviously has a huge impact on productivity. The other thing was we also made a mistake talking about PMV. I believe that when people see the acronym PMV, they think we're talking about our organization, the authority. What we are really talking about is the gateway, the Port Metro Vancouver gateway.

- C: *Marian Robson:* I want to talk about the problem that all of you are having in selling this to your membership. And part of the problem is that you can't really show clear benefits that apply to them. One of the things that I think would be very helpful to all of you, and I think you have already agreed to it, I think getting definition from the railways on the projects that they are contemplating would be very helpful. I would have thought that would be available, is it not, Chris? Getting the details on the various rail projects that have been identified. Do the railways not have that detail?
- A: *Chris Badger:* Within the package that's actually correct. I think what the issue is, is it's about rail productivity and reliability, and what guarantee they've got. What's their 5 or 10 year plan? We absolutely recognize the concerns there, but we don't kind of separate the rail service from the rail capacity.
- C: *Marian Robson:* My understanding is that Dave wasn't able to get the rail plans for the project.
- A: *Chris Badger:* How they are going to use that capacity.
- C: *Dave Kushnier:* The overpasses are the overpasses.
- C: *Brad Eshleman:* It's a service side of it.
- C: *Judy Kirk:* I hear you Marian, and I think it's a good point. I think that's one of the things we should discuss and follow up on. Is there an opportunity to get that information?
- A: *Allan Baydala:* What we can get is the details of the \$66 million. And the rail are also doing additional work above that \$66 million on their own properties that is outside the trade area funding. Service details, that's another whole story.
- A: *Chris Badger:* I don't want to overstate expectations. These are publically traded companies. They are not going to discuss in great detail what they are going to be spending funds on over the next 5 years.
- C: *Tom Maville:* Anytime a railway wants to do grade crossing, whether it's an overpass, underpass, they have to have the approval of the agency. Normally there are a lot of negotiations. Sometimes the ROW authority, the City, has to pay for the whole thing, sometimes the railway has to pay for the whole thing, and most often it's split between the two parties. The amounts are known, and they are laid out in the plans that are filed with the agency so that information should be available. Unless they are not even planning on doing it.
- A: *Chris Badger:* I don't think that's the question, Tom. Certainly it clearly articulates what their parts, their payments, are going to be with regard to these projects, that's absolutely clear. What Dave is getting is that it states what this does is it allows for future capacity, but they are not stating when they are going to put in that future capacity.

## 5. Conclusions and Next Steps

- C: *Judy Kirk:* I want to talk about next steps. It has been a very good discussion, and I appreciate your candid and considered comments for sure. Our next meeting is March 26<sup>th</sup> at Port Metro Vancouver. What I would like, as I earlier today encouraged but would like to repeat now, we are getting to the point where I would like to ask you for your written submissions and your feedback forms. These are two very important elements of this consultation to properly document the process. Your remarks here are being recorded, but there are separate interests that you may want to convey. And I'm not suggesting that you would put confidential information in your submissions, in fact, I would like to dissuade you from doing that. We want a certain amount of transparency in this process. I would like to encourage you to submit your written submissions in advance of that meeting. We would like to put them together, collate them and circulate them out for people to review and have a discussion about your comments and written submissions at that next meeting. Following that meeting, there is an opportunity if we think it necessary to set a meeting immediately following that meeting. So, if at the March 26<sup>th</sup> meeting, you feel that you would like a meeting at the end of the consultation process, it's something that we had contemplated and would be happy to do. Then you could have an opportunity to provide feedback on what was heard in the broader consultation. Now, we won't have for you ready at that point, the consultation summary report, but we would have highlighted results from the consultation that we could share with you. Any questions about next steps?
- Q: *Ian May:* You've asked us for a submission and we've asked for information. How do we dovetail those requests? Because we do need numbers to move my guys to even look at the models.
- C: *Judy Kirk:* I will take that request and look at it more closely at it with Allan and other members of the Port team on the technical side. They'll respond to you, or through me, with the amount of information they can provide you. And then you can determine what kind of written submission you can provide. My undertaking to you, Ian, is that I will discuss that with them today and then we will turn that around and try and get that information to you as soon as we reasonably can, so that you have enough time to provide a submission.
- C: *Ian May:* Ok.
- Q: *Brad Eshleman:* Just a question on the South Shore again, because there was a comment that we weren't sure what other parties benefit from this other than the cargo interest. Correct me if I'm wrong, but the South Shore projects, there is a pedestrian overpass for workers. There is access for improvement. The Powell Street overpass, which has probably more community benefit than Port benefit.
- C: *Judy Kirk:* But that is another example of an overpass over a railway, is it not? In any case, Brad, continue.
- Q: *Brad Eshleman:* I understand that, but I guess the point is that the rail is not used much, and whether we need that overpass is the question.
- A: *Chris Badger:* I'd be careful with that one. Right now our port is at 60% capacity. The process was – we said, what can it look like in 20 years time?

- Q: *Brad Eshleman:* And I get the point, I'm giving you feedback from my members.
- C: *Judy Kirk:* And the response is important for the record, frankly.
- Q: *Brad Eshleman:* The other companies along the South Shore being West Coast Reduction, Rogers Sugar, Marco – there are a whole number of beneficiaries. Are they captured in this?
- A: *Chris Badger:* The only one that I'm aware of that might not be captured, to ensure that we don't double dip, and that would be Marco. Because we want to make sure that we don't count the same cargo twice. Marco doesn't have a deep sea, it's not a water head.
- Q: *Brad Eshleman:* But West Coast Reduction is? Rogers Sugar?
- A: *Chris Badger:* Yes.
- Q: *Brad Eshleman:* You want from us another recommendation on the models...
- C: *Judy Kirk:* I'm not saying another. You're saying you have a written submission there, if that includes a recommendation on a new model, excellent. I'm just saying for those who haven't, Roger's provided a submission, Ian's provided some, he's going to provide more. I'm making a last call for you to provide something.
- C: *Roger Larson:* I know that we've asked for a lot in terms of the cost benefit on projects. To be fair to myself, I don't want to receive 400 pages. But if there is any way that we can get that fairly quickly, so that we can look at it and have a chance... You've said I didn't understand something in the background document. Well, my understanding will increase the amount of time that I have to look at it and consult on it.
- C: *Judy Kirk:* On the point of cost benefit analysis, because I think it's one of the most important points, I want to be careful about the expectation here. My understanding is, there are members of this advisory committee, perhaps in the majority, that want more information with respect to cost benefits. What I'm hearing from the Port as the independent chair is that there may be an opportunity to get information on cost benefit analysis from Transport Canada. What you have also heard from Allan is that there may be some additional information on cost benefit, but there is not a lot of drill down. That's what I've heard. I just want to make sure that everyone has heard that from this chair, as well as the various disparate ways that it's come up so there aren't any mistaken expectations going into the next week with respect to the information you may get.
- C: *Ian May:* Just to be clear, my request is certainly on the cost benefit side but also on whether you can cost out the models more accurately. Because my guys say, what is 1 going to cost us versus 4. That's part of the consideration. And right now, they're not costed out. What have we said, 1% I think was a figure that floated in terms of costs.
- C: *Judy Kirk:* We may want to walk you through independently on that, Ian. My understanding, and what I've been told, is that you could go in and figure out almost the exact cost based on each model with the information you currently have.
- C: *Allan Baydala:* Yes, each terminal, each commodity could take each one of those and find out how much they are going to pay.

C: *Judy Kirk*: Ok, let's have someone walk you through that, it's a good question, let's make sure that you can do that. Any final comments before we break?  
Thank you very much.

***GIPAC members were reminded that the next meeting is March 26, 2010, 1pm-3pm at Port Metro Vancouver, 100 The Pointe, 999 Canada Place.***

*The meeting ended at 3:00pm.*



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1 March 2010

Ms. Judy Kirk  
President,  
Kirk & Co. Consulting Ltd.  
402-1250 Homer Street  
Vancouver, BC  
V6B 1C6

Sent Via Email

Dear Ms. Kirk;

Recently members of the Western Canadian Shippers Coalition (WCSC) reviewed the latest details of the Gateway Infrastructure Fee (GIF) consultation process. A number of questions arose from that discussion. I have been instructed prior to posing those questions, to share observations concerning both the concept and process of the Gateway Infrastructure Plan (GIP) and the proposed fee associated therewith.

You may recall from the first meeting of the Gateway Infrastructure Fee Advisory Committee (GIFAC) my mention of the fact that the WCSC membership is diverse both in terms of products produced and corporate size. It is therefore significant to note there was unanimous agreement on the following observations:

The manner in which this process is unfolding is incongruent with normal business practice. It would be more typical if those who are now being asked how they wish to pay for projects to have been included in the initial timing, planning, design and costing of those projects. To be included in a consultation process that may influence the manner in which the Port Metro Vancouver (PMV) proposes to assign its portion of the project costs seems a bit disingenuous. In short, PMV undertook a significant financial obligation on behalf of port users without consultation or communication with many of them.

It is difficult to offer opinions on potential GIF models without a more accurate estimate of the cost impact on each port user.

The first of the three criteria listed on page 3 of the Consultation Discussion Paper states, in part:

*The GIF is based on the principle that gateway infrastructure improvements will benefit gateway users; therefore gateway users should be subject to the fee.*

It appears an assumption is being made which may not be accurate. It would be difficult to persuade a shipper who uses a facility on the North Shore that they derive benefit from an improved access to the Boundary Bay airport.

Normal practice where capital expenditures are concerned requires a cost/benefit analysis. If a net benefit is derived, projects proceed. Absent that benefit, they do not. It would appear these projects were not determined on that basis (at least for a significant number of potential fee payers). WCSC members find this to be a significant hurdle in terms of providing justification for additional expenditures to their respective boards of directors and business partners.

Please distribute a detailed cost/benefit analysis of each project to all GIFAC members at your earliest convenience in order to help facilitate a more meaningful discussion of potential fee structures.

In the interests of promoting more relevant consideration of the GIF proposal, we ask for a timely response to the following questions:

1. Given that the PMV nets approximately \$40 million annually, why doesn't the port fund the projects from its own revenues?
2. Who are the funding partners who signed an agreement in principle supporting the projects?
3. Why did consultation concerning each project exclude many who are now being asked to contribute financially?
4. Why are cruise ships excluded from the proposed models?
5. Why, in the proposed models, does the PMV percentage contribution vary from project to project?

We look forward to receiving your reply as soon as possible.

Yours truly,

A handwritten signature in black ink that reads "Ian May". The signature is written in a cursive, flowing style.

Ian May, Chair

**Gateway Infrastructure Program Project List**

Area	Project	Project Description	Location	Delivery Agency	Approx. Project Cost (\$ millions)	PMV Contribution (\$ millions)	PMV Cont. vs. Project Cost (%)	Rail Benefit & GIF Portion	Truck Benefit & GIF Portion	Project Partners	Stakeholder Benefits	Overall Project Benefits
Roberts Bank Rail Corridor	41B Street	Grade separation to enable expansion of Gulf Rail Yard.	Corporation of Delta	BCMoT	\$24.0	\$2.4	10%	50%	50%	- Government of Canada - BC Ministry of Transportation - TransLink - Municipalities including the Corporation of Delta, City of Surrey, City of Langley and Township of Langley - BCRC - CN Rail - CP Railway - BNSF Railway - PMV	Additional cargo capacity by increasing mainline rail capacity.	- Enhance rail and port operations - Accommodate anticipated growth in rail and road traffic while providing community and environmental benefits
	80 Street	Two-lane overpass that will improve access to Boundary Bay Airport.	Corporation of Delta	Corp of Delta	\$19.0	\$4.8	25%	50%	50%		Additional cargo capacity by increasing mainline rail capacity.	
	152nd Street	Grade separation	City of Surrey	City of Surrey	\$41.0	\$3.3	8%	50%	50%		Additional cargo capacity by increasing mainline rail capacity.	
	Panorama Ridge Whistle Cessation	Closure of street-level railway crossings at 125A Street, and 131A Street (Colebrook Road), and private crossing in the vicinity of 139th Street. Colebrook Road will be extended along the north side of the railway from 131A Street to 144th Street; access road upgrades and a new street-level railway crossing of the BNSF railway will be constructed for access to Mud Bay Park; and the street-level crossing protection at 144th Street will be upgraded for whistling cessation.	City of Surrey	City of Surrey	\$24.0	\$6.2	26%	50%	50%		Additional cargo capacity by increasing mainline rail capacity.	
	192nd Street^	Grade separation	City of Surrey	City of Surrey	\$117.0	\$25.6	22%	50%	50%		Corporate social responsibility. Addresses the impact of port operations in community.	
	54th Avenue/56th Avenue^	Grade separation	City of Surrey & City of Langley	City of Surrey & City of Langley				50%	50%		Corporate social responsibility. Addresses the impact of port operations in community.	
	196th Street^	Grade separation	City of Surrey and City & Township of Langley	City of Surrey and City & Township of Langley				50%	50%		Corporate social responsibility. Addresses the impact of port operations in community.	
	Mufford Crescent/64th Avenue	Closure of Mufford Crescent and re-alignment along 62nd/64th Ave. Includes a grade separation crossing the RBRC and Glover Rd, and extending to 216th St.	Township of Langley	Township of Langley	\$51.0	\$2.1	4%	50%	50%		Corporate social responsibility. Addresses the impact of port operations in community.	
	232nd Street	Grade separation to support the Rawlison rail siding extension that will be undertaken by the railways.	Township of Langley	Township of Langley	\$25.0	\$5.6	22%	50%	50%		Additional cargo capacity by increasing mainline rail capacity.	
	IRSS-RAWS (Rail Advance Warning)	Rail advance warning system focused on existing at-grade rail crossings at 192 St, 56 Ave, Fraser Hwy, 200 St, Langley Bypass and Mufford Crescent, as well as existing and proposed rail overpasses in the Langleys.	City of Surrey and City & Township of Langley	TransLink	\$1.0	\$0.0	0%	N/A	N/A			
Program general	N/A	N/A	N/A	\$5.0	\$0.0	0%	N/A	N/A				
<b>RBRC TOTAL:</b>					<b>\$307.0</b>	<b>\$50.0</b>	<b>16%</b>	<b>50%</b>	<b>50%</b>			
North Shore Trade Area	Brooksbank Avenue Underpass	Modification of underpass to accommodate additional rail tracks necessary for terminal expansion plans.	City & District of North Vancouver	PMV	\$22.0	\$10.0	45%	100%	0%	- Government of Canada - Province of BC - TransLink - City of North Vancouver - District of North Vancouver - Supporting terminal operators - CN Rail - CP Railway - PMV	Benefits overal North Shore rail by moving traffic off the mainline (will allow expansion).	- Enhance rail and port operations - Accommodate anticipated growth in rail and road traffic while providing community and environmental benefits - Enable terminal expansion plans on the North Shore - Increase rail and road capacity, enabling longer train lengths - Improve road connection to industries bordering the rail tracks
	Neptune/Cargill Grade Separation	Elimination of existing at-grade crossing at Low Level Rd and 3rd Street East.	City of North Vancouver	PMV	\$41.6	\$20.0	48%	100%	0%		Additional cargo capacity by increasing mainline rail capacity and rail yard capacity.	
	Low Level Road Re-Alignment	Realignment and elevation of existing Low Level Rd to accommodate additional rail tracks for terminal expansion.	City of North Vancouver	TransLink	\$57.3	\$18.5	32%	75%	25%		Additional cargo capacity by increasing mainline rail capacity.	
	Pemberton Avenue Grade Separation	Overpass to replace existing Pemberton Ave. and Philip Ave. at-grade crossings.	District of North Vancouver	District of North Vancouver	\$37.4	\$0.0	0%	100%	0%		Additional cargo capacity by increasing mainline rail capacity and rail yard capacity.	
	Lynn Creek rail Bridge Addition	Construct a new concrete and steel rail bridge addition over Lynn Creek to widen the existing port rail corridor.	North Vancouver	PMV	\$21.0	\$10.5	50%	100%	0%		Increase rail and road capacity, enabling longer train lengths.	
Western Lower Level Route Extension to Marine Drive	Extension of Low Level Route from Garden Ave. to Marine Dr. near Park Royal Shopping Centre. Includes a two-lane road and new bridge over the Capilano River.	City/District of North Vancouver, Squamish First Nations Land	TBC	\$86.8	\$0.0	0%	100%	0%	Accommodate anticipated growth in rail and road traffic while providing community and environmental benefits			
<b>NSTA TOTAL:</b>					<b>\$266.1</b>	<b>\$59.0</b>	<b>22%</b>	<b>92%</b>	<b>8%</b>			
South Shore Trade Area	Stewart Street (with Victoria Drive overpass)	Elevated road at Stewart St. to eliminate road-rail conflicts at several at-grade crossings. Project also incorporates a pedestrian overpass in the vicinity of Victoria Dr.	City of Vancouver	PMV	\$78.0	\$41.0	53%	50%	50%	- Transport Canada - Terminal operators - TransLink - City of Vancouver - CP, CN, BNSF - PMV	Support switch movements to terminals. Will benefit all terminals by allowing vehicle traffic to move fluidly over rail (vehicle traffic will no longer be impeded by switching). It will allow pedestrian access at Victoria to be closed which will increase capacity because Victoria will be shut down and trains can now block that intersection.	- Accommodate anticipated growth in rail and road traffic while providing community and environmental benefits - Eliminates rail/road conflicts on a number of active rail tracks as well as conflicts with bus service, pedestrians and cyclists - Gain additional rail trackage and enable more fluid operations - Improves port truck movements and traffic flows
	Powell Street Grade Separation	Grade separation to eliminate the existing at-grade crossing at Powell Street.	City of Vancouver	City of Vancouver	\$49.0	\$17.0	35%	50%	50%		Additional cargo capacity by increasing mainline rail capacity and rail yard capacity. Will support passenger rail and will include corporate social responsibility aspect by eliminating grade crossing, resulting in whistle cessation.	
<b>SSTA TOTAL:</b>					<b>\$127.0</b>	<b>\$58.0</b>	<b>46%</b>	<b>50%</b>	<b>50%</b>			
<b>GRAND TOTAL:</b>					<b>\$700.1</b>	<b>\$167.0</b>	<b>23%</b>	<b>65%</b>	<b>35%</b>			

^ NOTE: Three projects for the RBRC Program have been combined into one "combo" package for implementation.