

**PORT METRO VANCOUVER
PROPOSED ROBERTS BANK TERMINAL 2 PROJECT
PRE-CONSULTATION**

**Multi-Stakeholder Meeting 5
June 16, 2011**

Notes from a Pre-Consultation multi-stakeholder meeting for the proposed Roberts Bank Terminal 2 Project, June 16, 2011, 7:30am-9:00am, at the Morris J. Wosk Center for Dialogue, Vancouver, BC.

Stakeholders: Marian Adair, The Nature Trust of British Columbia
Stephen Brown, Chamber of Shipping of BC
Dan Buffett, Ducks Unlimited Canada
Jon Garson, BC Chamber
Pat Gordon, Sustainable Cities
Jeremy McCall, Nature Vancouver & Outdoor Recreation Council
Dan Overmyer, Nature Vancouver
Mauricio Seijo, Chamber of Shipping of BC
Louise Yako, BC Trucking Association

Port Metro Vancouver: Judy Kirk, Kirk & Co. Consulting Ltd., Facilitator
Cliff Stewart, Director, Infrastructure Development
Sarah McPherson, Senior Advisor, Communications and First Nations
Michelle Lachmann, Environmental Lead, Container Capacity Improvement Program
Dallas Henault, Senior Advisor, Communications and Consultation
Chris Chok, Kirk & Co. Consulting Ltd., Meeting Recorder

The record notes that the meeting commenced at 7:35 am

KEY THEMES:

- Participants expressed an interest in Port Metro Vancouver reviewing whether the Port of Prince Rupert expansion could address growth in demand for container capacity on Canada's West Coast.
 - Participants said that they want Port Metro Vancouver to consult with communities and stakeholders beyond the Lower Mainland, noting that the effects of the proposed Roberts Bank Terminal 2 Project were not only local, but also provincial and national.
 - Participants expressed a desire to discuss the Pacific Flyway and migratory birds as part of the consultation regarding the proposed Roberts Bank Terminal 2 Project.
 - Participants suggested that Port Metro Vancouver consider integrated planning, including systems, wildlife, habitat and economic scenarios. Some participants suggested that Port Metro Vancouver consider looking out further than a 20-year planning horizon.
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1. Judy Kirk, Facilitator – Welcome and Agenda Review

Roundtable introductions were undertaken.

C: *Judy Kirk:* Thank you for coming at this early hour, though at this time of year it feels pretty good rather than starting at this time of year in January.

I'm going to have the Port representatives introduce themselves. Kirk & Co. is a firm that specializes in consultation. Some of you here know that because we have helped the Port in other consultations and Stephen for example has been involved. We are going to be helping the Port with this Pre-Consultation, which is the first of many rounds of consultation associated with the Container Capacity Improvement Program, and very particularly the Proposed Terminal 2. This is the fifth meeting of seven. We are holding multi-stakeholder meetings in Vancouver, Delta, Langley, Richmond and Surrey. We're hearing some very interesting view.

The purpose of this early consultation is to find out from you and others what you are interested in being consulting on, so what topics, and how. We have some ideas that are expressed here in the discussion guide, but not meant to limit at all only meant to start the conversation about how you want to be consulted and about what.

Chris Chok, my colleague will be taking notes of this session and we will be keeping a tape just to cross check the notes. We will be attributing your comments, unless you tell me you would prefer not to. If you want to do that now or later in private that's fine, but you certainly have the option, otherwise we keep a full record of the meeting. It will form the basis of the consultation summary report that we do and the end of the stage, independently, and we will be giving that to Port Metro Vancouver to consider. They will be writing a consideration memo so you can see how the input was considered going forward.

And that kind of methodology will be utilized as we proceed in the various rounds. I have a cell phone in my briefcase, and it's on vibrate, and I hope that yours is either off or on vibrate as well just so we don't interrupt each other. Are there any questions before I ask Cliff and the others to introduce themselves?

C: *Cliff Stewart:* Good morning and thanks for coming. My name is Cliff Stewart, I am the director of infrastructure development for Port Metro Vancouver and my primary responsibility is the Container Capacity Improvement Program, which we'll be speaking of in a few minutes. One of the major components of which is Terminal 2. Terminal 2 obviously is the subject of our discussions here this morning.

- C: *Sarah McPherson*: I'm Sarah McPherson. I'm also with Port Metro Vancouver working on the communications and consultation program for the Container Capacity Improvement Program.
- C: *Michelle Lachmann*: I'm Michelle Lachmann. I'm the environmental representative for the Container Capacity Improvement Program.
- C: *Stephen Brown*: I'm Stephen Brown. I'm the president of the Chamber of Shipping here in British Columbia.
- C: *Jon Garson*: Jon Garson, I'm Vice-President, Policy Development, BC Chamber of Commerce.
- C: *Mauricio Seijo*: I'm Mauricio Seijo, Chamber of Shipping of British Columbia.
- C: *Pat Gordon*: I'm Pat Gordon from the Sustainable Cities.
- C: *Marian Adair*: I'm Marian Adair with the Nature Trust of British Columbia.
- C: *Dan Buffett*: Dan Buffett from Ducks Unlimited.
- C: *Louise Yako*: Louise Yako, BC Trucking Association.
- C: *Jeremy McCall*: Jeremy McCall. I'm with the Outdoor Recreation Council with BC Nature and the Vancouver Natural History Society.
- C: *Dan Overmyer*: Dan Overmyer. I'm chair of the conservation section of Nature Vancouver
- C: *Dallas Henault*: My name is Dallas Henault and I'm with Kirk & Co. as well.
- C: *Judy Kirk*: Please let me know if you have any questions before we get started. What Cliff is going to do is run through this discussion guide. This set up and location feels a little more formal then we would like because we would like it to be an informal discussion. Please let me know if you have a question or comment at any point along the way so we can have a good dialogue rather than feeling like you have to wait until Cliff is finished speaking. That's not the intention at all.

2. Presentation of Pre-Consultation Discussion Guide and Feedback Form – Cliff Stewart

- C: *Cliff Stewart*: I'm not going to read this to you; the guide is a useful tool to structure the conversation. Please feel free to make it a conversation; it's not intended to be a monologue. Simply, the purpose of the discussion guide is to give some structure to the conversation.

What is the Container Capacity Improvement Program?

Port Metro Vancouver, as part of its long range planning, sees a requirement for the ongoing addition of container capacity in Pacific Gateway, particularly in Port Metro Vancouver. The Container Capacity Improvement Program designed to ensure that capacity becomes available as it's required. The proposed Roberts Bank Terminal 2 Project is a significant; probably the most significant component of that capacity improvement program and it's the only part that's a standalone terminal.

Why are we here today?

We are here today because we want to hear from you, in particular about two questions – as this process proceeds, we want to understand those issues upon

which you wish to be consulted, and we want to understand the nature of the consultation that you would like to see and of the format it takes.

Pre-Consultation, which is what we're here for today is part of a best practice of consultation. It's probably not something that you have run into before, if you have, very infrequently. Most organizations don't engage in pre-consultation. As it says, it is that part of the process which is before the consultation. If you have specific questions about the project, I may or may not be able to answer them today because this process is very early.

The proposed Roberts Bank Terminal 2 project has a delivery timeline of about ten years and we are in year one now. We anticipate that the approvals process would take about 6 years. This is something that we are looking to start construction in about 2017 or so.

What is Port Metro Vancouver?

In 2008, the three legacy port authorities in the Lower Mainland were combined, that is the Vancouver Port Authority, the Fraser River Port Authority and the North Fraser Port Authority into a single port authority, Port Metro Vancouver, in order to allow integrated planning and an integrated use of assets.

Port Metro Vancouver is Canada's largest port, it is North America's most diversified port and it is the largest port by tonnage on the West Coast of North America and the largest export Port. Quite simply the mandate of Port Metro Vancouver is to support the growth of Canadian trade.

Why is trade important?

Trade is important because of the economic benefits that are generated. Those benefits are felt not just in the gateway, not just in the region, not just in the province but across the country. Trade creates jobs, it creates tax revenue for municipalities and it produces economic benefits for all of Canada.

How do we work towards responsible growth?

An important part of ensuring responsible and sustainable growth is connecting with communities and ensuring that we have a shared commitment to sustainable solutions. We're striving to further develop solid relationships at the local government and at the community level to identify common values, determine sustainable legacies and mitigate potential community impacts.

If you turn over to page 6, there is what appears to be a fairly simple graph there. It's actually based on a significant amount of economic analysis regarding both the growth per GDP and population growth in Canada and in our trading partners' economies in Asia through 2030. It says that on average in the next twenty years we anticipate to see about 5% annual growth in the flow of containers through the West Coast of Canada. 95% or so of the containers that

flow through Port Metro Vancouver are destined for or originate from Canadian sources. What this graph tells us is that somewhere around 2015 or so, we are going to run into a capacity crunch on the West Coast of Canada. There is a rule of thumb that says you should have new capacity ready to go when you reach about the 85% level of the existing capacity. If you run right up to the 100% capacity you start to run into lots of problems. So if you take the green line which is the existing installed capacity and take the 85% point around 2015 there starts to be a gap.

Q: *Louise Yako:* I just had a contextual question. I know that Port Metro Vancouver does projections fairly regularly. I'm wondering how accurate those past projects have been to date?

A: *Cliff Stewart:* Absent the global financial crisis, by the firm did this work for us, they have been particularly good. In spite of the global financial crisis we are now back to the low projections that were done back in the middle of the last decade. So I would say very good.

Q: *Jeremy McCall:* Which firm did do the projections?

A: *Cliff Stewart:* It was done by Seaport. Seaport Consultants.

C: *Judy Kirk:* Just before we continue, could you clarify please, because we have a record as well as people's comments here. When you that last comment about the low projections are accurate, can you just explain that? What does that mean?

A: *Cliff Stewart:* Most projections involve an expected case, a low case and a high case. Up until 2007, the work that Seaport did for us and I think in 2004, if you take the actuals and plot them on top of the forecast at the time they follow very closely. Through 2008-2009, of course, they dropped significantly below, and then by 2010, they are back to point where they are just about at the low case forecast.

Q: *Marion Adair:* Just more of a curiosity question. We've seen over the years the change in the mode of how commodities are shipped and containers started coming in relatively recently. Is that going to be the mode, or is that projected to be the mode that is going out in the next twenty or thirty years and that's why we're focused on container shipping?

A: *Cliff Stewart:* I will just go back for a moment in answering the question, if you look at page 3 - there are actually five major streams of business in Port Metro Vancouver. One of them is automobiles, or as it's called in the business 'roro' which stands for roll on, roll off. Although automobiles do get shipped in containers, both legitimately and illegitimately, that sector is not expected to change dramatically. The second sector, and that is by far the largest sector in Port Metro Vancouver, is bulk. It's primarily, although not exclusively bulk export. By and large that is not expected to go into containers, so things like coal or sulphur or potash aren't. There are certainly some bulk commodities, particularly in the green sector that do go in containers. I remember somebody saying a couple of years ago that they'd heard someone was shipping barley, and I don't mean malting barley, but feed barley. The respondent said barley?

That's like shipping dirt. There are things that are relatively low value that are beginning to go into containers. But primarily for bulk it would be high value items like malting barley. Break bulk is probably the sector that most significantly crosses over with containers. Break bulk is things like packaged lumber, baled pulp, panel products such as plywood and other sheet products. There is a significant cross over between break bulk, which is where they're loaded by package into the hull of the ship and containers, where they are obviously containerized. Containers itself obviously and then crews, and with some very notable exceptions we tend not to ship passengers by container. We don't see any cross over there. On the break bulk sector there is a significant cross over. The benefit from the shippers' perspective is you're able to ship a much smaller lot if you're going by container then if you're going by break bulk vessel and you don't need specialized equipment to handle it when you get to the other end; the container can be used to deliver right to the end user.

C: *Judy Kirk:* Any other questions on that?

Q: *Louise Yako:* To go back to that graph that you were talking about on page 6. This is probably the average, what's the range? The low and the high projection?

A: *Cliff Stewart:* The low, and I don't have the number with me, I think that the high end is probably at a couple million more, and the low is a couple million less. It's sort of in that range, by 2030.

C: *Judy Kirk:* I think Louise, if you're interested, as well as others that there's a summary of that report available online. Is there not?

C: *Cliff Stewart:* I'm not sure if it's actually online, but on request we're happy to give you a copy of it.

C: *Cliff Stewart:* I'll make the point here that this speaks of BC West Coast. So this includes the Port of Prince Rupert. One of the questions that we get asked is, well why don't you just build the terminal in Prince Rupert? I mentioned earlier that our mandate is to support Canadian trade. Certainly if the Port of Prince Rupert builds facilities that will potentially delay the point at which we're required to provide facilities here. But we don't have the luxury of making it, if you will, the Port of Prince Rupert's responsibility to provide those facilities. We don't have the luxury of waiting to see if they're going to because as I mentioned the process will take about ten years. So we have to start now in order to be able to deliver by 2020. What we can do is that if other facilities become available or if the rate of growth slows down, we have the option to slow or pause the process as we move along through the preliminary design and permitting detailed design and construction phases of this project.

Q: *Jeremy McCall:* I'd like to pick up on that point. I cannot believe that a Federal agency such as Port Metro Vancouver cannot work cooperatively with the Port of Prince Rupert to work out who should take the lead on the next capacity increase. Did I misunderstand what you said? That you do not work with them at all?

- A: *Cliff Stewart:* No, what I said was we can't direct them as to what they do. So they are involved in a process to permit and build a facility and if they build that facility then that allows us the luxury of being able to slow the delivery of facilities here in Vancouver. But if they don't, and quite simply, the decision on whether a facility gets built will be a market-based decision. So if the market doesn't support the provision of those facilities in Prince Rupert and it does support the provision here in Vancouver then ultimately that will be an important consideration of where they're building.
- C: *Judy Kirk:* Other people have asked questions around this and I think Cliff it's useful because some people, I'm assuming Steven and Mauricio because you're involved in trade in some way know this but others may not. That is the kind of trade in Prince Rupert versus Vancouver.
- A: *Cliff Stewart:* 95% of import containers through Port Metro Vancouver are destined for Canadian markets. In Prince Rupert, it's a much higher percentage that is destined for American markets, somewhere between 40% and 60% of their business goes primarily to Chicago. There are a number of dynamics and Louise could probably speak much more eloquently than I can to some of them. There is only one railroad serving Prince Rupert. In spite of the fact that the terminal has been open and available for about four years now, there is only one shipping line serving Prince Rupert and there doesn't seem to have been a clamour or demand for others to go there. Part of what makes Vancouver very attractive to shippers is it has a strong import and export business. That export business requires significant infrastructure. That infrastructure exists in Vancouver today and the business is well established and understood. It doesn't exist in Prince Rupert and hasn't by and large, developed in the four years that the port has been open. For those of you who know Port business, the other port that is serviced by one railroad in Canada is the Port of Halifax. That single rail service can be a significant trade barrier, particularly for customers who have had issues with that railroad or wish the ability to have a competitive alternative; remembering that a significant portion of the import cargo leaves by rail and virtually all of the export cargo arrives at coast by rail.
- C: *Judy Kirk:* Any other questions before I ask Cliff to carry on?

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- C: *Cliff Stewart:* So what is the Container Capacity Improvement Program? Starting back in the middle part of the last decade, so yes talking about potentially 2007 and earlier, there were two major projects in Vancouver, in Burrard Inlet. Both of which resulted in doubling the capacity of the existing container terminals in Vanterm and Centerm. The third major project was the development of the Third Berth at Deltaport which opened at the beginning of last year. Collectively those three projects added probably about 1.6 million TEUs of capacity into the local market. One of the things that has been happening at the same time unfortunately is the ships are getting bigger, and fewer of the ships that call in Vancouver are able to access the terminal at

Fraser Surrey Docks on the Fraser River. So part of the program going forward is looking at that facility and looking at the river to see what opportunities there are essentially maintain the capacity that's available there. We are also looking at road and rail enhancements to unleash additional capacity in Deltaport, at the container terminal there at Roberts Bank. Those are all short term projects where we are hoping to begin delivering capacity by about 2015 or 2016. We are look. That would hopefully carry us through until T2 could be ready in 2020. The expectation is that if this growth continues as projected here that Terminal 2 would meet Gateway requirements until the late 2020s at which point we would be able to go back into the inner harbour and look at additional capacity enhancements at Centerm and Vanterm again. Ultimately, the Container Capacity Improvement Program is a series of projects, some very small and some very large, whose purpose is to continue to find new container capacity.

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- C: *Cliff Stewart:* We attempt to answer the question; how can I be involved? The fact that you are here this morning shows that you are involved, and are able to be involved but we want to talk about the process of consultation. We are looking at seven rounds of consultation over six to seven years. Some of those rounds, the fourth one and sixth one in that diagram at the bottom of the page would be mandated by the federal environmental assessment review process. There may be additional rounds which that process may mandate, but those are the minimum requirements. However as you can see we have proposed a consultation process that adds an additional 5 rounds, starting right now with Pre-Consultation and carrying on, depending on the length of the environmental process, over about six or seven years. Judy, is there anything you would like to add about the process?
- A: *Judy Kirk:* Only that what people have told us and told other organizations over two or more decades in the Lower Mainland and in British Columbia is that they want to be early and often. This is early, very early and certainly the Port has agreed, on our recommendation to do a multi-round process. We are interested in your feedback on that, and once we get into the next few pages, what topics you want to discuss. You may not know all the topics now but to at least start thinking about that and how you want to be consulted about that. We are in an age where depending where you are in the province, depending on the demographics of those involved, in other words the age and electronic literacy, people want face-to-face interactions or they want online interactions or everything in between. We are very interested in seeking your sense of how you would like to be involved and in what range of things. The only other thing I would say is that the consideration of the input that the Port has committed to is a very transparent process where once Kirk & Co. has written the consultation summary report the technical team at the Port will look at the feedback and articulate how they considered the input they could use and the input they couldn't use and why. It's an emerging best practice and when I say emerging I mean that not all organizations adopt that practice. I'm happy to take any

questions or talk to any of you afterwards about the consultation process. There is a feedback form attached to this and it is also online but we'd very much appreciate it today if you could take the time to do that.

- C: *Cliff Stewart:* Ok, so just a reminder that what we are consulting on today is how you want to be consulted as we move through the process and the topics you wish to be consulted upon. So turning to page 10, obviously we're not coming to this with a blank canvas and we've been through the Third Berth project at Deltaport the involved some aspects of this consultation process. So we do have a sense of the types of issues that people want to be consulted on. That list on page 10 is the result of that understanding. However, this is not intended to be either exhaustive or limiting, rather it's a starting point for people to consider when they think about the types of things they want to be consulted on. Judy mentioned that the input will be used to develop a consultation summary document so that we understand the themes that have emerged from each round of consultation, and to develop a consideration memo; which explains how we used the input or if we weren't able to, why we weren't able to. So if you look at page 11, and on to page 12. Page 11 we have a specific list of items that you may or may not feel are appropriate for consultation and you have the opportunity to express that between, extremely important and not important at all.

Then on page 12 the opportunity to list any of those things that you don't feel have been addressed that should be as part of the process. Then at the bottom of page 12, and on to page 13 there are lists of methods to being consulted. Those which we have specifically thought of and others that you may think of that we don't have. And finally, on page 14, in case what you want to talk about is nothing at all about what we wanted to talk about, the opportunity to put additional comments related to the program, the Terminal 2 project or anything else that you think is germane to you and the Port.

3. Q&A and Discussion

Q: *Jeremy McCall:* What is a webinar, please?

A: *Judy Kirk:* A webinar is an online meeting. If we were holding this meeting as a webinar, every one of us would be probably at our office or our home and we would have a computer screen in front of us. The material from the discussion guide would be on the screen, you would hear us over your computer, and we would hear one another over a computer. So it's essentially a seminar, that's where the name emerged, but it's online.

Q: *Jeremy McCall:* Sort of like a video conference?

A: *Judy Kirk:* So you can hear and see. It's a lot like a video conference except that the information streaming is a little more advanced. The way the format is built you can see questions on the screen, you can see information on the screen whereas video conferences generally are just visual and hearing. You don't generally see information on the screen.

- C: *Cliff Stewart:* But in a webinar you don't see the other participants.
- A: *Judy Kirk:* Well interestingly you can, but here's the limiter on that because these technologies are still emerging if you don't have an up to date computer system with a camera then you won't.
- C: *Unknown:* Sort of like Skype.
- A: *Judy Kirk:* It is, though it's simpler than that to be honest. But the point is that you will only be seen if you have a camera and know how to connect otherwise you can be heard. What we're finding is that a webinar is a very good tool in rural consultations, when you are trying to consult in the winter and you have travel issues, people want to be involved. Or it's a national issue and to include people across the country. It's not that much a tool for consultation like this one in my opinion because we're in the Lower Mainland, very particularly Delta, Surrey, Langley, Vancouver, and Richmond where people can come together. But this is why we want feedback on it. We want to know whether people are interested in it as a method. Any questions or comments?

We would very much like to hear from you Steven and others, Jeremy, Dan and everyone about whether you think the topics adequately cover the range of things that you think should be covered or whether you think that there should be other things.

- Q: *Jon Garson:* Not on the topics as such but what is the process for reaching out to communities outside the lower mainland? A lot of communities are dependent on getting their product to the market through the port. There is a lot of interest in what happens both with the Port and the transportation in the Lower Mainland in general. Is there a process for broader Provincial consultation?
- A: *Judy Kirk:* We have not considered that, Jon, so that is a very good point and please put it on your feedback form and we'll note it here. We have so far looked at this as a Lower Mainland consultation if you will, and very particularly the communities I just mentioned but you make a good point.
- Q: *Stephen Brown:* Jon reminded me, before I get into any other points that I think it is important because we as an industry are faced with looking at explaining why there are increases in marine traffic, and why marine traffic is evolving. Of course, those concerns that we have to deal with extend far beyond the Lower Mainland. I think Jon raises a good point and we do need to ensure that we explain to people why there are bigger and sometimes more frequent ships. It's probably not a bad idea that in the consultation process, we address that. The context in which it's been happening in recent times is of course tank traffic. I think it's important to set a context for what we're doing here. We are a minnow of sorts in terms of containers here in Port Metro Vancouver. The total amount of containers by the end of this year that will be handled globally will be something around 600 million TEUs. So we will be handling something around half of 1% of the total global containers. Although sometimes when you look at Deltaport and you see three ships working there you may wonder what is all of this activity? I think you have to contextualize what we are actually looking at here in terms of what is going on worldwide. I think it is important that we

follow through this process; we pick up on best practices that are being adopted worldwide as well as at the container terminals. There are dozens of container terminals being developed worldwide. I think it's a great opportunity for Port Metro Vancouver to ensure that we pick up on those best practices and steal other people's ideas to make sure that we come out with a super duper project. I think the point that was raised about the capacity of Prince Rupert versus the capacity of Vancouver probably does need to be addressed in a little bit more thoroughness as I suspect that question will not go away. The Port of Prince Rupert has some very ambitious expansion plans. They do now have approval for their phase 2 of their own container terminal which will take them up to about 2.7 million TEUs of capacity. They have about 700,000 TEUs at the moment and they got approval for another 2 million so that'll take them up to 2.7 million TEUs. But Cliff is very accurate in the sense that their business model is predicated on US trade, not necessarily servicing container trade; although there is an increasingly important component to what they're doing in Prince Rupert in terms of container traffic into Ontario and Quebec. So I think what we perhaps we need to do is break down the graph on page 6 and look at that in a bit more detail.

I also think it would be helpful, because in another forum, we are talking about Port 2050. It would be helpful to look further ahead than 2030 and look at the situation in 2050. If we are to develop T2 and I'm sure that we have to develop T2, there's no question about that, from economic necessity. But the fact is that we need to look at what is the master plan beyond T2 and at what rate of expansion would we need to build upon from a T2. I would be disappointed if we didn't look at this project in the context of the Port 2050 discussion that the Port has already initiated about a year ago and look at the various phases of the T2 project. There are some initial comments.

I just conclude by saying we are very involved in the Pacific North Coast Integrated Management Area and people around this table are quite familiar with that. You cannot underestimate the level of concern that people have with the perception that we are increasing shipping traffic and not telling people enough about what we're up to. Here is a great opportunity for us to get it right. We haven't done particularly well in the past but I think we can do a better job in the future. I'm really happy that we've started this consultation process at this level and think we can really do well.

- C: *Jeremy McCall*: I cannot let that statement by Stephen go unchallenged. The statement that he made that we have to go ahead with Terminal 2 regardless. I know you represent the Chamber of Shipping, Stephen, but I do suggest that is a question that has to be resolved in terms of future capacity. Just to present another aspect of this whole question, there are seven hundred important bird areas in Canada. The number one important bird area in Canada is Boundary Bay and Roberts Bank because of its position on the Pacific Flyway because of the critical species that stop over there on their way to and from their nesting

grounds in the north and their wintering grounds in the south. I think it's sad that Port Metro Vancouver lost a lot of credibility during the process that led up to the Third Berth at Deltaport. First of all they filed with the environmental assessment authorities the fact that they were going to move ahead with Terminal 2. Then when the question of cumulative impact assessment came up in its environmental processes they pulled it out again to try and purport that this terminal would not go ahead at all. Well, now it is presumably going ahead, Stephen says it has to go ahead. I don't think it necessarily has to go ahead; there are a number of things happening that really put a question mark around the demand side of container traffic through Terminal 2. I think, myself, from observing most weekends what happens in the downtown container terminals and knowing what happens with the truck traffic through the tunnel and out to the Deltaport that the container traffic is being shifted from downtown to Deltaport. I think that will continue with Terminal 2. I think that whole question has to be examined. I was intrigued by something that Cliff pointed out on page 7 about the fact that maybe down the road once they've desecrated Roberts Bank even more, they maybe make some improvements to the downtown container terminals. Well, why isn't that going to be done first? It seems to me that first of all, Port Metro Vancouver should be doing everything it can to improve the terminals downtown. Only then should it be necessary to go ahead with any other terminal if justified. I just want people to know that this proposed terminal is taking place in a very significant wildlife habitat area and I can assure you that the naturalists will be totally opposed to it. Aspects such as socio-economic as traffic, the traffic is unbelievable already. I don't know if anyone has driven out in Delta lately like I did the other night to a meeting. The Delta farmland, some of the best farmland in Canada is gradually being covered with piles of dirt so they can build the South Fraser Perimeter Road and all kinds of other things associated with the increase in traffic in that terminal which is in exactly the wrong place.

A: *Cliff Stewart:* Just a couple of things Jeremy. You mentioned that T2 was removed from the table so that the cumulative effects would not need to be considered. I need to correct that incorrect statement. In fact, the cumulative effects for Terminal 2 were required to be and were included in the cumulative effects for the Deltaport Third Berth. Notwithstanding that, the project wasn't considered to be a go at that time. Because it's a requirement to consider not only projects that are reasonably foreseeable. So in fact, the Deltaport Third Berth cumulative effects included cumulative effects for both the increased capacity for Deltaport as it was then understood and the capacity for T2 as it was then understood.

C: *Jeremy McCall:* That was not my understanding.

A: *Cliff Stewart:* The second question was about the inner harbour. The hundreds of millions of dollars that were invested in the inner harbour were invested by private companies to increase the capacity of the terminals using the best then available technology. Those companies have leases on those terminals that have a time frame. They have to be able to get the return on the investment. The expectation is that sometime around the end of the next decade, they will be in

a position to reinvest with then best available technology with an expectation of increasing capacity again. So that's why it's happening in the way that it's happening.

Q: *Marion Adair:* I guess a related question, I was wondering and I haven't been as conversive in projects as I've been involved in today. Here we are talking about the bits that are Port Metro Vancouver's responsibility but obviously they are interconnected with the backup, whether it's rail or road. How much is this development? Is there going to be some sort of coordinated process with the other agencies responsible for those other infrastructures and the impacts, again it's sort of the cumulative effects, but it's the total project look. How the timeframes, and reliance's of those kind of support infrastructure. Obviously I mean clogged and everything else here. How is that all related? That gives a better overall picture on what the total project implications are in the Lower Mainland.

A: *Cliff Stewart:* That's a good question. There are currently two major support infrastructure projects underway. One is the Roberts Bank Rail Corridor Project and the purpose of that is twofold. A relatively small component of it is to provide additional rail capacity by the extension of sidings to allow the passing of longer trains. Passing sidings at Mud Bay, at Pratt, and at Rawlison. Mud Bay is just near where the Burlington Northern line comes up at the north end of Boundary Bay. Pratt is a little further east, but not as far east as Cloverdale. Rawlison is up where the CP line crosses the freeway at 232nd St. There are three relatively small projects there to increase existing sidings so that twelve thousand foot trains can pass on the right of way. Those are the only things that are being done to actually increase rail capacity. One of the things that will be done as part of this project is to model that facility. Again, because it's been done lots of times just to confirm that there are no other rail capacity issues required to allow this facility to be supported from the rail perspective. The much larger and I think in many ways more important part of the Roberts Bank Rail Corridor is the provision of a series of grade separated crossings, in other words overpasses to allow those communities through which the rail passes to be less affected by the rail corridor itself. In particularly the Langleys and Surrey, although there are a couple of, grade separated crossings going through in Delta as well. Now, there are a variety of results. For those who live in the Panorama Ridge section of Surrey, the grade separated crossings provide for a whistle cessation program. What that means is when you have grade crossings, every time the train approaches a crossing they are required by law to blow their whistle. So by getting rid of at-grade crossings and going to grade separated crossings first of all people who want to move north south in that corridor aren't stopped from doing that. For the people who live on the hill above the track the trains no longer have to blow their whistles as they travel through the neighbourhood. In the Langleys, it's purely about traffic. We were out in Langley yesterday, and I lived out there 20 years ago and it was a difficult time then and it's obviously much more difficult today. There's a series of overpasses that are planned or under construction out in Langley to allow people to live and work

and do their business on either side of the track without concern of the transit of trains. So that's a really important, and I would call it a pre-cursor project, on the rail side.

Notwithstanding people's views on the South Fraser Perimeter Road, from a traffic perspective, the South Fraser Perimeter Road will address the truck traffic that would be generated by the Container Capacity Improvement Program certainly over the next two decades.

- Q: *Pat Gordon:* I just thought listening to the fifty years out and twenty years out that I've done 2-3 big planning projects and the cities in our international network for sustainable cities take on scenario planning. And I'm wondering, given the complexity and breadth and length of time that you're trying to embrace in this that scenario planning enables participants to understand some of those interacting complexities. Even in a charrette-y way, you could do a rapid prototyping build to this so you're not modelling necessarily; you're actually having a conversation as part of building up those scenarios. Certainly for cities that's what we do; we talk about long range features for the city. And then it also gets to the concept of the 'what ifs'. What if the economy tanks? What if there's a big change in how we ship? You are then able to articulate the need for some sort of resilience. I think some people call it risk management. The idea of being resilient within that is having the conversation at least about how you respond to another tank in the economy. Likely there could be another dip somewhere else along the way. It's that idea of adaptability and resiliency within it. I guess they sort of fit together, but that idea of embracing the whole long term and it includes the, 'what ifs' in there because there are a lot of 'what ifs'.
- A: *Cliff Stewart:* That is a really good point. And the process that Stephen alluded to, Port 2050, is scenario planning and fits within that scenario plan.
- C: *Pat Gordon:* Everyone wants to know. Whether it's Prince George and this or whether it's the whole west coast. It's always going to be put into a broader context because you're connected.
- C: *Cliff Stewart:* It's interesting, but I haven't heard it here today but I'll bring it up because I've heard it in any other meeting, the question of the Panama Canal, the widening, deepening and lengthening of the Panama Canal which is due to open in 2014. There's been significant work done on examining the expected impacts of the Panama Canal. I remember someone saying at a conference once that transportation is like water, it finds its lowest level, its lowest cost level. What all of the experts are saying about the Panama Canal is that it definitely will move the line. There's a line around North America where for goods coming from Asia there are three choices. Your goods can come to the West Coast and move by rail. They can come through the Panama Canal to a gulf coast or East Coast port and go by rail. Or they can come through the Suez to the East Coast and go by rail or truck. But for distance points it's almost always rail. And the line between which it's cheaper to come through the West Coast and go by rail versus going by Panama is definitely going to move north and inland, but it's not

going to come anywhere near Chicago, Toronto or Montreal. Given that 95% of what we're handling here goes to those three places there is no expectation that Panama will have any measurable impact on Port Metro Vancouver. And speaking about LA and Long Beach which are not just big players, they're the big player. Collectively LA and Long Beach have 15 million TEUs of capacity while the coast of British Columbia has 4.3 million TEUs of capacity to give you a sense of scale. There are a number of experts who believe that absent of the Panama Canal, that LA and Long Beach will be back to gridlock by 2015. There are no projects currently down there that are going to deliver more capacity by 2015. So when you talked about putting that in the broader context for those who think that the opportunity is to simply do nothing in Canada and we'll just use the American assets to deliver our containers it's not realistic for a host of reasons including that by the time we would need it it's not likely to be there.

C: *Pat Gordon:* I think what some scenario process would do, would allow the fact that what you're dealing with, interactive transportation networks you're thinking about the networks of how wildlife moves and the water systems are in there as well. Because of the level of complexity it allows you actually, and you're not breaking it down, but dealing with just the nature, keeping that diverse enough, I think you get a much stronger product as a result. It causes you to question. The graph, standing on its own, is not enough to know, what if. Then you get stories from a person who hasn't been involved can follow the story of the wildlife that migrates through and it's a way to deal with that astounding amount of complexity.

A: *Cliff Stewart:* Something I want to mention about the graph. The graph is a call to action on the basis of how it takes to deliver capacity. It was interesting that in Surrey yesterday afternoon several of the proponents said, well once you've spent all the money on the planning process, you'll just go ahead whether you need it or not. When you talk about the scale of the dollars in the planning process and the scale of the dollars in the delivery process it's pretty clear that it wouldn't happen. The beauty of the graph as a call to action is that it allows you to move forward to the point where you could make that decision and then make that decision on what will no longer be a forecast. But you'll have five or six years of actual growth to know whether or not you continue to have a problem. It's important to understand and to go back to what Jeremy was saying we're absolutely aware of the importance of the Flyway. We're absolutely aware that on given days 25% of the entire Western Sandpiper population is at Roberts Bank feeding on its way north or south. There are other issues out there that we may have the opportunity to deal with positively in terms of addressing things like sea levels rising related to Global Warming. Because those Sandpipers feed on biofilm, the biofilm is very sensitive to sea level. Somebody is going to need to do something about it or there's going to be a problem or the Flyway regardless of whether there's a terminal built. You talk about bringing together disparate issues and disparate interests. That's a big part of what we want to hear from the public about. What good, besides economic good, can come out of a project like this and how can other things be enabled that would otherwise probably not be enabled.

- C: *Dan Buffett:* Cliff, you have alluded to this as well – the importance of the flyway. As Jeremy mentioned the importance of the Fraser goes beyond national and international recognition. Unfortunately, our regulatory review mandates some very specific endangered species or fish. But the Fraser, almost the majority of its value is on endangered species and fish. I think, Pat had mentioned too, moving this beyond just site specific and thinking in terms of systems. I think that could be a really valuable asset that the Port could bring, so that we're looking at things in terms of systems and not just here's the site impact. Get to the spirit and intent of cumulative impacts. I've been in conservation for about seventeen years now and in government. We've been so site specific whether it's farmland or habitat. I think there is a good opportunity, we've got a good planning time to look at these issues. No matter whether it's moving forward at T2 or the Burrard Inlet, but looking at the entire system of the Fraser I think will really benefit and maintain what we have by integrity. I think there are a number of agencies that this thinking has been there for the last few years, and if it could be cultured a bit more we could actually create something great and have a lot of us not fighting. Because there is just one land left in the Fraser. Even though I'm maybe talking about wildlife and habitat, but moving beyond looking at a site. I think the economics is looking at it that way, and I think the habitat can be developed that was as well. There are a lot of partners, be it BC Nature or any other.
- Q: *Louise Yako:* One of the additional pieces of information that I think would be helpful is with greater context about how we make better use of what we have already invested. I'm thinking about the possibility of operational efficiencies specifically related to terminals. What happens if we improve double ended moves, what happens if we go to 24 hour operations? How that additional piece of information will be helpful in understanding if we do that how much of this additional capacity will be required. My guess is that it's not going to be enough to handle increased volumes. But I think it would help communities, residents, and other stakeholders understand what else what could be done to try and mitigate a need for additional capacity.
- A: *Cliff Stewart:* Certainly, that's interesting, it's something that is a part of we will be looking at. The preliminary look, it doesn't probably address the capacity question but it definitely addresses the offsite question. The more double ended truck moves there are, the less truck moves there are per container that moves. Obviously short sea shipping is an example of something that can have a profound impact on the offsites because while 60%-70% of containers leave the terminal immediately by rail of the 30%-35% that leave by truck, 20% of them actually get reprocessed and leave the Lower Mainland by rail within 72 hours. Although people view it as being truck traffic, a significant portion of that truck traffic ultimately ends up on rail. So there are lots of opportunities to do the business differently. The 24 hour operation one is a very interesting one. As you remember during the Olympics, the question of 24 hour operations was a hot topic because of the requirement to allow it in the City of Vancouver, because currently it's not. Lots of municipalities don't look at 24 hours operations as a

solution they look at it as a problem. A lot of what we will run into as a program as we go through and a lot of what we as a population will run into is one person's solution is another person's problem. We have to negotiate that fine line that gives the best overall result to the greatest number of people, systems, and eco-systems and other.

- C: *Marion Adair:* Picking up on some of the same themes that were already picked up on and that have already been said. The question, if we are talking about overall integrated planning or system planning out into the future, climate change is definitely one to be factored in and considered. Not to be looking necessarily just at the dollars or to the bottom line, however it is you want to characterize that, but taking into consideration ecosystem, goods and services component. The provincial government says the best place on earth and all of these types of things. Port Metro Vancouver wants to stand up as being a leader and that can stand out of something that is significant at this port and in the area that has got the province of BC the highest biodiversity values in Canada, in particular, the Fraser Estuary and its significance from a global standpoint. We already know that most of the habitat or original habitat in the Lower Fraser here has been degraded or converted. We're looking at either having to rehabilitate and that takes a long time. Even if you look at concepts of habitat banking or whatever that should already be into looking at this process or looking at scenarios.
- Q: *Pat Gordon:* One more quick thing – working with cities, more of them are asking the avoidance questions – how to avoid having to build infrastructure and that's just one of those cost effectiveness kind of things. How you get there is another question but if you think about energy utilities are asking that, cities with their water treatment facilities are asking that. Is there something we can do on this? It's easy on the efficiency but efficiency and conservation, in order to stop needing to build in the first place. But it is very difficult I find talking to transportation engineers and water engineers they like building stuff. It's almost the two year old question of why are we doing this? Way back to how do we avoid it in the first place and I don't think that's a bad thing to ask at this point. What does avoidance look like from cost? Cost is probably the most powerful leverage.
- Q: *Dan Overmyer:* With all of the building of new roads and rail lines, how will it relate to the Agricultural Land Reserve?
- A: *Cliff Stewart:* That's a good question, that's part of what we'll be looking at. The road piece apart from Deltaport Way, and we don't know yet because we haven't finished doing the studies, we don't expect that there are additional roads beyond those that are already under way that would be required for this. Deltaport Way already has a right of way that already exists and allows for widening. On the rail side – the Roberts Bank Rail Corridor for those of you who don't know, actually belongs to four different railroads. So there's 26 miles of rail but there's four different railroads that are involved – so when you talk

about an integrated planning process, it's about as integrated as it gets. The Agricultural Land Commission is very involved in any conversations about construction on agricultural land. They would be ultimately the arbiters of that question.

C: *Judy Kirk:* Part of my job is being on time. I would like to leave a few minutes at the end for you to fill out your feedback form to encourage you to leave it here today. I do want to reiterate though it is online so if you want more time to consider it and fill it out and send it to us online that's just fine. But I would very much like to encourage you to send it to us so we have your individual feedback as well as the summary of this discussion.

Q: *Jeremy McCall:* I would like to make one point about truck traffic and then comment on the chart on page 6. Cliff, you said that the South Fraser Perimeter Road, which of course we all detest but nevertheless it is going ahead, will relieve some the truck traffic. But if you look at Knight St. and the tunnel a huge amount of the truck traffic is between Downtown Vancouver terminals and the Deltaport. I don't see how South Fraser Perimeter Road would alleviate that.

A: *Cliff Stewart:* It's interesting what people see, what appears to be and what it is aren't always the same.

Q: *Jeremy McCall:* My wife drives through the tunnel every day to work so she gives me the details. She drives in a tiny little Honda Fit, so she's very conscious of these enormous container trucks.

A: *Cliff Stewart:* The majority of container support facilities, whether they're transload facilities or others, they are in four areas. They are in Tilbury and Sunbury along River Rd. on the south arm. They are in the Richmond properties area which is near Nelson Rd. in Richmond. They are out towards the CP Rail yard out in Coquitlam. The South Fraser Perimeter Road and the Alex Fraser is likely to be a preferred choice. Today, they don't have an option if they want to get to the Richmond properties they have to go through the tunnel. There's really no other practical way for them to get there. In terms of the traffic on Knight Street, traffic on Knight Street is related to these terminals, it's not related to traffic out of Roberts Bank. By and large, containers do not travel over land between marine container terminals in the Port of Vancouver. A container will come off a marine container terminal and it will go to either a distribution facility or a trans loading facility. Then that container will go back to an empty storage depot or directly to an export stuffing facility and then it will go back, most likely back to the same terminal that it originated from as an export. So yes, there are trucks on Knight Street, there are definitely trucks through the tunnel, and nothing that I'm talking about is going to have any effect on the trucks on Knight Street. But we expect that it'll have a significant effect on the trucks that are in the tunnel.

Q: *Jeremy McCall:* Thank you. On the chart I wonder if you do any future documents like this for the public? Where instead of saying there's a hard and fast line like that, show the low case, high case, and estimating case. This is really far too categorical for what the situation is.

- A: *Cliff Stewart:* Well no, I would suggest that when you're discussing this with the public you show the public.
- C: *Judy Kirk:* I hear you, the high, low and medium.
- C: *Jeremy McCall:* High, low and medium. Because a lot of people in the public would believe and say that's it. But let's face it, your job is to try and educate the public at the same time you're consulting. So I suggest that people should not be asked to go to the report. But a better reading of what the report says should be shown on your public relations materials.
- C: *Jon Garson:* You can't post low, medium and high cases without some content as to why there are three different actions. To go to the report, you still have to put a bit of detail in context around that.
- C: *Judy Kirk:* We will look at that. I think that it's a fair comment around people's interpretation of it. I think it's important that people have access to both. We know from years and years of experience that different people have different levels of desire for information and engagement. You need to provide layers.
- C: *Jeremy McCall:* It is also customary to put sources when you show information such as that. It is customary to show the source on the chart.
- C: *Judy Kirk:* Is that not the source on the side there, Preliminary West Coast Container Traffic Projections. I think that is the source, but it's not clear enough Jeremy and we'll make sure it is.
- C: *Jeremy McCall:* It doesn't say the name of the consultant.
- C: *Judy Kirk:* I take your point. Any other comments or questions before I ask to fill out your feedback form?
- Q: *Dan Overmyer:* Are you going to give us some information about who you and Cliff are and how to reach you and what your positions are?
- A: *Judy Kirk:* Well Cliff has introduced himself and so am I. I'm glad to talk to you more about that.
- Q: *Dan Overmyer:* I just don't see it in writing.
- A: *Judy Kirk:* On the very back page of the discussion guide is the contact information for the project.
- Q: *Dan Overmyer:* That doesn't have your name.
- A: *Judy Kirk:* It doesn't but I'll tell you what, Sarah McPherson will leave her card with you and we can put my name on it. Cliff has a card as well.
- Q: *Jeremy McCall:* Can I ask if Darrell Desjardin is still involved with the environmental side of PMV?
- A: *Cliff Stewart:* Yes.
- Q: *Jeremy McCall:* He is, OK. Will he be involved in this project?
- A: *Cliff Stewart:* Yes.
- C: *Judy Kirk:* So please do fill out your feedback forms for us we'd very much appreciate it. Either Chris, I or Sarah will take it from you. Thanks for taking the time.

C: *Chris Chok:* That's a good point. Jeremy was just noting that because of the postal strike the preferred options for returning this feedback form are either in person today or online. Thank you for reminding us.

The meeting ended at 3:30pm.