Notes from a Pre-Consultation multi-stakeholder meeting for the proposed Roberts Bank Terminal 2 Project, June 16, 2011, 6:00pm-8:00pm, at the Hilton Vancouver Airport, Richmond, BC.

Stakeholders: Craig Jones, Richmond Chamber
Peter Mitchell, Steveston Rotary

Port Metro Vancouver: Cliff Stewart, Director, Infrastructure Development
Chris Chok, Kirk & Co. Consulting Ltd., Facilitator

The record notes that the meeting commenced at 6:00 pm

KEY THEMES:

- Participants noted the importance of further development of the Asia-Pacific Gateway as a major piece in the supply chain of trade. It was suggested that a regional approach to planning and development of transportation infrastructure in the Lower Mainland is needed.
- Participants were interested in what role the Port of Prince Rupert could play in achieving future needed container capacity on Canada’s West Coast.
- Participants were interested in discussing potential community and economic benefits of the proposed Roberts Bank Terminal 2 Project.

1. Judy Kirk, Facilitator – Welcome and Agenda Review

Roundtable introductions were undertaken.

C: Chris Chok: I work for a company called Kirk & Co., and I’m part of the communications and consultation team for Port Metro Vancouver’s Container Capacity Improvement Program. Our firm specializes in consultation and we’re helping Port Metro Vancouver for consultation with the Proposed Roberts Bank Terminal 2 project. We’re keeping a record of our meetings and combined with the feedback forms that we’ve been receiving we will write a consultation summary report. It will summarize the input that we’ve received and we give that to the Port who will consider it. They will document their consideration in a memo. It shows the key themes we heard and how they’ve considered it, if they couldn’t, the reasons why. So it’s pretty transparent in terms of consultation...
2. Presentation of Pre-Consultation Discussion Guide and Feedback Form – Cliff Stewart

Cliff Stewart: Some of this you probably already know. The purpose of the discussion guide is literally to lead the discussion. Particularly when there is a multi-party group and someone may not know as much about the organization or the program. The Container Capacity Improvement Program itself is the umbrella within Port Metro Vancouver dealing with the delivery of container capacity over the next twenty years. In the short term, it’s looking at primarily road and rail and other projects that will unlock additional capacity in existing Port facilities.

In the medium term, it’s Terminal 2 which is an entirely new multi berth deep sea marine container terminal designed to deliver more than 2 million TEUs of additional capacity.

In the long term in the late 2020s, to revisit terminals in the inner harbour which have been significantly upgraded in the last decade to look at taking them to their next life stage. Terminal 2 is clearly the largest project in the suite of projects that make our program. In terms of specific projects that have been identified, it’s the longest lead time project. We’re here talking today on Pre-Consultation basis on a project that we hope to be able to tie ships at in 2020. It’s about a ten year program to deliver this kind of structure.

Port Metro Vancouver, as you probably know, was formed in 2008 by the merger of the Fraser River Port Authority, the North Fraser Port Authority and the Vancouver Port Authority. Collectively known as Port Metro Vancouver, it’s the largest port in Canada, it’s the largest port by tonnage on the West Coast of North America and it’s the largest export port on the West Coast of North America. The five main lines of business are automobiles or ‘roro’ as it’s called, bulk and bulk is anything that can be poured into the hole of the ship whether it’s a liquid or a solid. There’s also break bulk which is things like lumber, pulp, and panel products and those ones in particular also transfer nicely into containers so there’s a lot of back and forth there. Containers and then finally cruise.

The mandate of Port Metro Vancouver is to support Canada’s international trade. I probably don’t need to tell you why trade is important. The economic benefits are obviously felt right across the country.

An important part of what we’re trying to do here is to work towards responsible growth. That’s a combination of sustainable but also cooperative. For example we share a commitment to sustainable solutions but we’re also striving to build links and develop solid relationships with local governments and
also with communities. We recognize that those aren’t always the same. Helping to identify common values, to determine sustainable legacies and mitigate potential community impacts. That’s an important part of the consultation process.

Why are we talking about Terminal 2 today when lots of people have said, you don’t need this for ten years.

Q: Cliff Stewart: Now Peter are you here representing yourself or are you representing a group?
A: Peter Mitchell: I was called on behalf of the Rotary Club of Steveston. In some situations I can represent the club but in other situations without having spoken to the club I can’t represent them, even though I am the president.

C: Cliff Stewart: Peter wears many hats.
C: Peter Mitchell: I’ve got about another eight or ten hats that I can represent or not represent at the same time.

C: Chris Chok: Can I make a suggestion? We would be happy to take your feedback form today as yourself. Then if you wanted to take it away and talk to your membership about it and submit something as the Rotary Club we would take that as well.

C: Peter Mitchell: That would probably be appropriate because there will be opinions from that area which is much nearer where your port is then where I personally live and not all opinions may not necessarily completely agree with me.

C: Cliff Stewart: We are here tonight for Pre-Consultation. Pre-Consultation is best practice, but it has been historically rare in BC. As somebody said to me, with this project I feel like I’m in a fog I can’t see anything. They’re not in a fog, the project is so early that there’s really nothing to see. We’re here talking at this point talking about two questions that we would like to have answered as we walk away tonight. In future rounds what do you want to be consulted about and how do you want to be consulted. We’re happy to tell you what we can tell you, which isn’t very much at this point and certainly answering questions that you have around this that we can answer. But if you look at page 6 we begin to look at the question of why. Why are we talking about Terminal 2?

It’s about a 10 year process from the time that we start this, which started at the beginning of this year until the facility is in place and ready to receive vessels. About six of those years are preparatory process leading up to the environmental assessment and the environmental assessment itself. We have spent some time looking on a case study basis at environmental assessments, large panel project environmental assessments projects in Western Canada over the last decade or more. Our schedule is based on that case study and how long we think it will take. We talk about it as a panel project, because we will request a panel, we believe it should be a panel process. Ultimately the decision for that rests with the Ministry of the Environment federally. As to whether it’s a
harmonized panel process, that’s a joint decision of the federal and provincial ministers. We’ve done our schedule on the assumption that it will be, but ultimately that’s somebody else’s decision.

Why are we planning for containerized trade? Page 6 has what looks like a simple graph, and it is a simple graph, but it’s based on a detailed economic forecast that looks at anticipated population growth, anticipated GDP, per capita growth, anticipated conversion of cargo from existing modes to containers. For example we mentioned pulp and lumber and other export commodities which can go break bulk and are more and more moving in containers.

The economic data that this is based on comes from the economist intelligence units, so it’s pretty well respected data. When you boil it all down it says that on average over the next twenty years we expect to see 5% growth in container demand year over year. It’s a little higher in the earlier years and it’s a little lower in the later years but it ends up averaging about 5%. The green line represents currently installed capacity in BC the West Coast of Canada, including Port Metro Vancouver and Prince Rupert.

We talked about whether or not we should really have it as a horizontal line because we’ve certainly seen over the last decade more increasing efficiency and increasing capacity in existing facilities. We felt that the state of the technology has matured to the point where the likelihood of getting market increases in existing footprints is probably near the end of its time. For better or for worse, the green line is about where we are right now. As a general principal when you’re building port facilities in order not to really annoy users you kind of want the new stuff to be available when you hit 85% of existing. That last 15% of growth, it’s fine if you’re talking about seasonality but if you’re growing into the last bit of space, it gets to be a real problem for businesses. So somewhere around 2015, we need some new capacity on the West Coast. In the short term that capacity will most likely come from road and rail infrastructure improvements which will unlock additional capacity at Deltaport. We think that Deltaport, as it’s configured today has about 1.8 million TEUs of capacity, but we believe it could be about 600,000 TEUs more available if the offsite road and rail issues can be sorted out. It’s no surprise that the South Fraser Perimeter Road is a key part of that capability and the Roberts Bank Rail Corridor project. I know you’re aware of it Craig, I’m not sure if you’re aware Peter, but Roberts Bank Rail Corridor is a program that 20% of the money is going into increasing actual capacity of the facility. While 80% is going into social license issues which relates in terms of grade separated crossings overpasses so people’s lives and communities aren’t separated by that. I think it started as eleven, now it’s down to about eight or nine overpasses between 41B at the base of the Roberts Bank Causeway all the way out to 232nd Street and Highway 1 in North Langley.
Q: Craig Jones: There is some concern with the SFPR that the current design parameters still leave us with two or three major interchanges that are light controlled.

A: Cliff Stewart: It’s more than that; there’s actually only two interchanges left and everything else on it is intersections. That certainly is an issue that has been identified to us already. We’re concerned about it, because it was built to handle trucks we are talking about in this consultation. We want to make sure that it’s clear who should be paying for those changes when it’s required. That’s one of the things we’ll be looking at. Certainly, others have brought that up as an issue that they want to be consulted on. Having said that, with the South Fraser Perimeter Road, lights or interchanges, this traffic is possible, without it, it would absolutely not be possible. And if I wasn’t sure of that, I was out at Westshore today and coming back at four o’clock in the afternoon.

Q: Craig Jones: The other thing that ties into that too and relates to this community is the potential upgrade of the Massey Tunnel.

A: Cliff Stewart: Yes, now it’s interesting because I think what’s happening within Port Metro Vancouver is anything that can vaguely be considered to be container-related is trapped in the CCIP pot. Certainly we’re looking carefully at Fraser Surrey Docks because that’s an existing asset that has existing capacity. The Massey Tunnel is one of eight crossings that impact the ability to get bigger ships there.

Q: Craig Jones: It also starts at Sandheads.

A: Cliff Stewart: It starts at Sandheads and it’s an issue all the way up. So we’re actually looking at that as well as the road and rail projects as part of our short term and medium term in trying to figure out exactly what that is.

What this tells us is if our forecasters are right, and with the exception of that period when we fell off the edge of that financial cliff late in 2007 through to late 2009. The forecasts that we’ve been using that have been provided to us by folks that did this one, if you go back and look historically they do low case, high case and expected case, they track very well to the expected case. Of course things went off the rails in 2008 and 2009 but by 2010, what actually happened in 2010 is back up to the low case of the previous forecast. It gives us some pretty good comfort about their ability to look forward. I don’t think anybody saw the global financial crisis coming.

Q: Peter Mitchell: So Cliff, the green line here is base level operation of the economy?

C: Cliff Stewart: Sorry no, the green line is the actual container facilities.

Q: Peter Mitchell: In terms of capacity the tracking along here is based on average for the economy so at the present time we might be a touch late getting to the point where you hit the green line. But you say there is rebound right now?

C: Cliff Stewart: No. Actually we did a similar study this time last year and we were projecting the same kind of growth. We actually had 17% growth last year. We
lost two years between last year and this year we’re running at 7% right now and we haven’t hit the peak season right now.

**Q:** Peter Mitchell: The other question I have is you talk about capacity both Vancouver and Prince Rupert, does that mean that you’re much closer to capacity down here and you’ve got more room in Prince Rupert of vice-versa?

**A:** Cliff Stewart: I’ve been saying for a couple of years that Prince Rupert’s capacity is about 700,000 TEUs. They’ve been saying it was 500,000 TEUs. But now that they’re at 500,000 TEUs, they’re admitting that maybe it’s a little bit bigger.

**Q:** Peter Mitchell: I guess what I’m saying is you going to max out here, and you’ll have a little capacity left in Prince Rupert where it’ll be problematic for people down here before you run out of capacity in the province?

**A:** Cliff Stewart: I think you’re likely to run out in Rupert first. Rupert is an interesting conundrum. We have assumed for the purposes of our project that the next phase of Prince Rupert doesn’t get built. If it does get built that’s great, because that gives us potentially some breathing room. There are some things about Prince Rupert that are interesting to know when you’re trying to understand the whole context of this. The first phase of Prince Rupert was almost entirely built with government money. You can say that CN was a major investor in it but the CN money was part of the BC Rail deal and it was part of the sale price. The operation has been going for four years now, and they have still only been able to attract one shipping line. I think they’re finally getting another one just about now. It was originally sold as a gateway to Chicago. It was supposed to be all about US cargo. They haven’t been as successful at attracting US cargo as they wanted to be. I think the numbers now 40% US and 60% Canadian. Contrast that to Greater Vancouver, we’re about 5% US and 95% Canadian.

**C:** Craig Jones: But you have to also understand that over that four year period we had two plus years of a very down economy.

**A:** Cliff Stewart: There is no question of that.

**C:** Craig Jones: So the attraction was impacted.

**A:** Cliff Stewart: And the other thing we had was the last year the industry was in collective bargaining with its labour and still in collective bargaining with its foremen, and American cargo that’s going there is completely discretionary and a lot of it chose to go somewhere else until that settled down. But we’re not saying that Prince Rupert won’t be built. What we are saying is if it isn’t built then we’re on the critical path because we’ll need that capacity. We’re probably beyond that critical path but we’ll need it at least not later than 2020. We’ll probably need it sooner.

**C:** Peter Mitchell: Thanks, and I just want to be able to differentiate a little bit. Because when you’re talking about two areas that are not necessarily both working lock step.

**A:** Cliff Stewart: What’s interesting is that the ships that go to Prince Rupert come to Vancouver. There’s lots of ability for the cargo to come off there or to come off here. The other piece that Prince Rupert is only now beginning to be able to exploit is export cargo. Vancouver’s big advantage to a lot of the players is the
fact that there’s very close to a balance between import and export. We don’t actually export as many containers loaded as we import loaded.

C: Peter Mitchell: That was going to be my next question.
A: Cliff Stewart: It’s not for lack of demand, it’s simply for the fact that because the export cargoes are heavier than the import cargos that the ships gross out before they cube out. So in other words, they get all the weight that they’re allowed to have with loads and then they have to top off with empty containers. So we’ll see what happens in Prince Rupert. We don’t think that the business case is there for the kind of investment that’s needed. But if it happens, that allows this project to be done later. But what we don’t have the luxury of doing is waiting a few years to see if Prince Rupert gets built and then come back and start this because it’s going to take ten years. Those ten years isn’t because we want it to take ten years. It’s simply what we expect the process to take.

C: Craig Jones: It’s no different than YVR. If they would have just sat back and waited we’d be in big trouble today. They had to take that look at capacity and growth, where it was going to come from and that was really dependent on, and we go back into the mid-90s, it was really dependent on the federal government and the bilateral air agreements that they had no control over. We had to look at what the possibilities were going to be and build to take advantage of the possibility.

C: Cliff Stewart: Absolutely. It’s a little like Deltaport, I mean I wasn’t in the container business; I was in the waterfront but not the container business when Deltaport opened in 1996. I remember the pundits then saying it was a white elephant, and it would never be used. Four years later when they were scrambling to expand, it the same pundits were saying that the Port had lacked vision and hadn’t understood the need. So you’re damned if you do and damned if you don’t.

Q: Peter Mitchell: Quick question. I don’t know if all this shows up later, but your planning is based on the sorts of materials you’re importing and exporting now? Or is it forecast getting into other materials that people start shipping out natural gas in much greater quantities, current or much greater quantities which come out of Alberta in terms of fuel and everything else. Are you factoring that into what you are looking at here?

A: Cliff Stewart: No, because this is purely containerized trade. The study does look at things that can convert. As much as we think that everything that we buy comes from Asia today there’s still significant ability for further offshoring and I can’t tell you the specifics of these assumptions that’s made about them. But it’s looked at that level of detail. Things that are in containers or could be in containers.

Q: Peter Mitchell: So everything that is in containers, or conceivably or economically could be in containers and forecast increase in those markets in which you’re looking at. To the degree that you see it coming in the next five or ten years.

A: Cliff Stewart: Actually we’ve looked out twenty years.
C: *Craig Jones:* Five years ago, you wouldn’t have perceived the growth in containerized wood going to China.

A: *Cliff Stewart:* That’s a great example. Right now imports are still driving the business. During the downturn they didn’t, exports drove the business. In fact, we were importing empty containers from Asia to support the export business. That was before lumber started going to China. In this forecast, it assumes that imports continue to drive. But exports could easily. If that happens then you could see the 5% being conservative.

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C: *Cliff Stewart:* So what do we know about Terminal 2 today?

We know that it’s proposed to be a multi-berth terminal more, than 2 million TEUs. We know that it’s proposed to be at Roberts Bank. Beyond that the scope scale and location are still a work in progress. However I can say that nothing is new under the sun. So if you were involved in the process around T2 that started eight years ago we haven’t come up with something new and different in terms of location. We’re looking at the same locations that were looked at before. Now some of those locations have since been essentially terminated by DFO saying that they’re not permitable. We looked at that and said that we understand why you’re saying that and we don’t disagree. We’re working to be in a position so by the fall when we come out in the next round of consultation which will be the Project Definition Report to have the answers to those sorts of questions. I mentioned that it’s all subject to environmental approvals and it’s an independent panel process that will make that decision. We assume that it will be.

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C: *Cliff Stewart:* The question is how can I get involved?

I find that a bit humorous for people who are here because obviously you know how to get involved if you’re here. I just want to point out that this is meeting six of seven in this first round of Pre-Consultation. There are seven rounds of consultation proposed. Now when I say proposed two of those, the fourth one in called Draft Panel Guidelines and the sixth one called Environmental Assessment are mandated by the environmental assessment process under the Canadian Environmental Assessment Act. If and when a panel is put in place the panel may choose to have additional rounds of hearing. So it will not be less than seven rounds over the next six or seven years but it could well be more.

What we want to do today besides answering any questions you have, is to come away with answers to those questions about what you wish to be consulted on and how.

Kirk & Co. are independent, they report back to the Port. They will take the information that’s garnered in this Pre-Consultation summary round and
produce a summary report that looks at all the themes that are identified. Then once the project team has looked at all of that, we will develop a consideration memo that says how we took the input and what we did with it. In this Pre-Consultation phase since the input is primarily around the Project Definition Consultation, part of it will be the actual formation of that next round of consultation. And in subsequent rounds, when we are talking about bricks and mortar issues, environmental issues and things that need to be studied we will actually point to how it’s been used to enhance or change or otherwise impact the design and or the study process. I’ve talked about Environmental Assessment already. We believe that there will be one and that it will be a panel.

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C: Cliff Stewart: We didn’t want to come with a blank canvas. We have pretty good understanding of issues that people are concerned about. We have just come through an environmental assessment and a consultation process on the Deltaport Third Berth Project. This list has been developed based on that experience. The list is not intended to be exhausted, rather it’s a starting point for people to look and think about whether the things they’re interested in are here. If they aren’t to then tell us that in addition to that they are interested in other things.

If you look at page 11 there’s a correlation between page 10 and page 11 in an interest scale between not at all important and extremely important for each of those types of things. Then over on page 12 we ask you about any additional topics that you would like to be consulted about during the Terminal 2 Project Definition Consultation. Then we go on about how you want to be consulted. Again, we have some ideas for you to think about but also the ability to tell us about other things. Then we talked about communications and the different ways you would like to be communicated with.

Finally, on page 14, we have the additional comments section.

We’re hoping you will be able to fill this out for us tonight, because we know historically we know we have a better chance of getting it back if it’s done here. But it’s available online, you can do it online, you can take it with you and send it in. In your case Peter you can do one here and you can take another one back to the club.

C: Chris Chok: The only thing that I will point out right now is given our current postal strike, the online form is preferable.

C: Peter Mitchell: I was going to say that I can take something back in terms of hard copy. We still have one member who refuses email. But if it’s something that people can look at online I can hand out a copy and just send it around the room, get it back at the end and tell everybody where they can go have a look at
it later if they want. Or we could take this, have some people look at it, discuss it and see what people come up with.

C: Cliff Stewart: That would be great.

C: Peter Mitchell: I don’t guarantee that you’re going find with our group that more people than four people out of forty that are interested.

C: Cliff Stewart: As long as people have the opportunity to provide the input that’s great. The Pre-Consultation round ends at the end of June. Anything that we receive before the 30th of June will definitely be considered and included. Anything that we receive afterwards it’ll be a function of how far Kirk & Co. are in the process getting the report ready.

C: Chris Chok: We’ll certainly review it but it may not show up in the report.

C: Cliff Stewart: But we certainly would be interested.

C: Peter Mitchell: As with everything else if you’re well past that point in time it’s great to know and it’ll be nice for the next expansion you do.

C: Cliff Stewart: Sort of.

C: Cliff Stewart: General contact information is at the back, email and phone. I think I’ve given both of you my cards if you wanted to contact me. We have a fairly large group of people and if I’m not able to get back what I do is pass it on to people who I think will answer the question. This has been a particularly a particularly challenging two weeks because I’ve spent most of my time out doing this sort of thing. But we’ve got a great communications team with the Port Metro Vancouver folks and the Kirk & Co. folks. Any other questions that I can answer about anything to do with the business?

Q: Peter Mitchell: In terms of your current expansion what locations are you looking at? Or what projected expansion able locations are you looking at?

Q: Cliff Stewart: For Terminal 2?

A: Peter Mitchell: Yes.


Q: Peter Mitchell: So it’s what, directly north or directly south side? How is that being accomplished?

A: Cliff Stewart: I have to be very careful how I say this. First we have to agree because who’s already out there has a different definition of north, south, east and west. If you believe that the causeway runs east and west, when the program looked at Terminal 2 back in the last decade they looked at four locations. One of them was in line with the existing Deltaport and that was called E1. The second one was directly across the causeway from the existing Deltaport and that was called W3. The other two were W1 and W2 and they were located what I would think of as north of the coal terminal. DFO have started in writing that E1 and W3 are not permitable. So you can draw your own conclusions as to where we’re likely to be.

Q: Peter Mitchell: So if I’m having a beer in Point Roberts you’re not going to disrupt my view?

A: Cliff Stewart: Having a beer in Point Roberts you can’t see anything anyway because there’s no windows in that bar.
C: _Peter Mitchell_: In the summer time you’re out in the deck.

C: _Cliff Stewart_: We’re in the process of trying to figure that out now. That will be one of the issues that we consult on. Given the balance of probabilities it’s more likely to be on the north side.

Q: _Craig Jones_: Closer to Richmond?

A: _Cliff Stewart_: Closer to Richmond. Closer to Canoe Pass, but still connected to the whole complex.

Q: _Craig Jones_: Closer to Richmond?

A: _Cliff Stewart_: Yes, so it’s actually, north runs one way and the causeway runs another.

C: _Craig Jones_: But simplistically you’re driving to the ferry terminal.

C: _Peter Mitchell_: In your mind you’re going less and I understand that.

A: _Cliff Stewart_: It’s not likely to be on the ferry terminal side of the causeway.

Q: _Peter Mitchell_: That’s the first thing. It doesn’t matter it’s all in American waters anyway until you get a couple of miles out?

C: _Cliff Stewart_: You mean in terms of the ships departing?

C: _Peter Mitchell_: In terms of where you have to go with the ship to get anywhere you basically cross through American waters as soon as you get out of there.

A: _Cliff Stewart_: As soon as you leave the berth you cross into American waters and you cross back into Canadian waters.

C: _Peter Mitchell_: The transit would be very much similar to the existing transit. That raises an interesting point.

Q: _Peter Mitchell_: Do they have to be consulted if you are going to be increasing traffic?

A: _Cliff Stewart_: That’s an interesting question. Let me answer it this way. In 1999, the Ports that now comprise Port Metro Vancouver handled 1 million TEUs. In 2010 they handled 2.5 million TEUs. They did it with less container vessel calls then they had in 1999. One of the things that is important to understand is, there is a very good likelihood because the ships are still getting bigger and will continue for a while. There is a practical limit that they are going to hit pretty soon. We think that the majority of ships that will come to this terminal after 2020 will be what’s called new Panamax so the ships that are sized to fit through the new locks at the Panama Canal. They could be bigger, and those are ships that are about 12,000-14,000 TEUs.

Q: _Craig Jones_: Are there any draft issues that you have to consider in looking to that future from a dredging point of view or an environment point of view?

C: _Cliff Stewart_: That gives you a certain vessel size and it’s about 16.5 meter draft. The Emma Maersk, which is the largest ship currently out there is bigger. Maersk has just conditioned the fleet of ships called the Triple-E’s, the Emma Maersk is about 15,000 TEUs and the Triple-E’s are about 18,000 TEUs. They’re not physically very much bigger, they’re slightly deeper in draft, and they’re slightly wider and slightly longer. They’ve changed the shape of the hull that’s how they get so much more in the ship. You then run into something called the
Malaccamax which is the straights between Singapore and Indonesia. That is the practical maximum. It is highly unlikely that anyone would ever build a ship that can’t go through Malacca because if you can’t go through Malacca then you’re only in the North Pacific trade and that’s too risky and too expensive.

Q: Peter Mitchell: What’s the challenge there? Depth? Width?
A: Cliff Stewart: Depth. It’s relatively shallow. In fact, the Malacca Straights at Malacca max depth are down the middle there’s not even any passing abilities and I think it’s about 20 metres or less than 20 metres depth.

C: Peter Mitchell: And if you can’t pass, you’re probably not going to have a lot of extra width either.

C: Cliff Stewart: You’re not going a whole lot of width, exactly. What we have said is we think that the vessels will probably be Panamax 16.5 metres. Let’s make sure that we allow for the ability to build the marine structures such that if you want to make changes, someone gets really ambitious and dredges the Malacca Straights and ships get deeper they could come back and dredge this terminal. We’re looking to build a terminal that will open in ten years and that has a 75 year life and trying to figure out. If you look back 85 years, they didn’t have containers, so the likelihood that we get it right is close to zero. If we do get it right it’ll be coincidence. In terms of what’s foreseeable and what’s likely to happen in the economic life.

C: Peter Mitchell: You’ll be right for decades and then you’ll be wrong.

C: Cliff Stewart: We’ll be right for decades and then we’ll be wrong.

Q: Craig Jones: So in that area with tidal flow and migratory birds is that much of a consideration?
A: Cliff Stewart: Absolutely, critically important issues. Fish habitat, species at risk, the Southern Resident Killer Whale is a species at risk and Roberts Bank is at the very northern limit of its range. Migratory birds are critically important, the Pacific Flyway. This is the one that always gets me, there is this thing called biofilm. On any given day in the migratory season, the Western Sandpiper, 25% of the entire population is at Roberts Bank having dinner on the way north or south. So that’s an important aspect of insuring that this project doesn’t interfere with that. In fact, we see this as a potential opportunity, because, not sure if you have seen the sea level rises guidelines that has come from the BC Government. When we started this project at the pre-conceptual phase last year we were using 100 millimetres sea level rise over the next century. They are now calling for a metre rise. Biofilm is very sensitive to water depth. Not only is there an opportunity for this project to help ensure that it doesn’t do it damage but even potentially to provide an opportunity to allow the authorities to deal with sea level rise. What that might look like whether it’s building some higher intertidal or some shallow super tidal land now that as the water level comes up there’s a place to migrate too so that when the birds come there’s something for them to eat. It’s a very important aspect of the project with lots of opportunities for a) doing no harm, and b) making this better.
Q: Craig Jones: So what about road infrastructure that we have currently underway and planning for? How does this play with increased capacity?

A: Cliff Stewart: As you are probably aware, the South Fraser Perimeter Road was actually built for Terminal 2. The federal money that was put in through the Gateway program was on the basis of the commitment that Terminal 2 would be built, which the Port has made that commitment continually. The whole question of intersection vs. interchange is something that has to be understood. I think the plan for the South Fraser Perimeter Road is that interchanges will be built when they are required, but a plan and a commitment are two different things. The land has been acquired to allow for the construction. Certainly the desire for interchanges is not universal. There are some communities who don’t want to see interchanges because of the height issues and other impacts. The interchanges do take a larger footprint but certainly that is an issue that we will be very cognisant of because this project couldn’t afford to pay for those interchanges.

Q: Craig Jones: Is double tracking still something that is being considered?

A: Cliff Stewart: The Roberts Bank Rail Corridor itself, that program I mentioned that maybe 20% of the money is going to rail and it’s probably less than 20%. There are three sidings that are being lengthened or built. One at Mud Bay, which is just ahead of Boundary Bay, one at Pratt, which is just east of the Serpentine River and one at Rawlison which is where the CP tracks cross Highway 1. The objective of building those three sidings to allow for train passing, so it’s not double passing in the sense of two-way running but it is double tracking in the sense that trains can start at opposite ends, they can pass in the middle at several places and carry on.

Q: Peter Mitchell: So the passing lanes will give you the capacity you need when the additional cargo comes in and you’re maxed out sixty or seventy years from now? Or it’ll get you twenty years down the way and you’ll worry about full capacity later.

A: Cliff Stewart: Well we think fully capacity would be realized by 2030 so that’s how far we’re looking out. We’re looking for full capacity for this terminal.

Q: Peter Mitchell: And you are anticipating that the passing lanes will get you that?

A: Cliff Stewart: Yes, and it’s been modelled before so we’re not just whistling on this one. We actually have some information but obviously things have changed. A really good example of how things have changed is when the Deltaport Third Berth project and the original T2 conversation started in 2002 or 2003 they saw each of those as being 1.5 million TEU terminals now realistically they’re probably more like 2.4 million TEUs. What’s changed is the technology, and the
ability to get density out of a given footprint has increased. We have to make sure that as we model that, we understand what the limits are. If it isn’t 2.4 million TEUs in the future but it’s 3 million TEUs we need to understand the implications of what that might become. At this point, with currently available, or any technology that anyone has plausibly proposed for container terminals, it’s about 800,000 TEUs of berth in a multi-berth terminal. So if you build 3 berths you’re going to get about 2.4 million TEUs.

Q: Craig Jones: Can you comment a little bit on what you feel about the local benefits and opportunities?
A: Cliff Stewart: That’s one where we want to local communities to think about what those benefits might be. The opportunities that are inherent in the project are jobs. All the jobs that are associated with this business tend to be well paying jobs. From Richmond’s perspective, there is in the Fraser Lands area a fairly significant container support activity already, and more being built. But in terms of what I’ll call the social benefits as opposed to the economic benefits in that socio-economic leg of triple bottom line. That’s where we would be looking to see what the communities are saying the benefits are. I differentiate between mitigation, so if we’re running more truck or rail through a community we do things to try and lessen that to differentiate from the purely legacy benefit aspect. I don’t think it’s necessarily appropriate for the Port to be suggesting what those might potentially be in any given community.

Q: Peter Mitchell: Where have you done your other six consultations for this round?
A: Cliff Stewart: Tsawwassen, Ladner, Surrey and Langley.
C: Chris Chok: And Vancouver.
Q: Peter Mitchell: So with the exception of Vancouver, people geographically closer connected and us perhaps.
A: Cliff Stewart: Yes. Richmond is more closely connected than Vancouver; I mean there is a significant connection because of the container transport business. It’s going to be an interesting thing to see what the impact on tunnel traffic is with South Fraser Perimeter Road. As I look at the map and think about if I was the driver which way I’d rather go to get to today I know they get to Richmond by the tunnel. But would they go that way in the future or would it be easier to follow the South Fraser Perimeter Road and go to the Alex Fraser Bridge.
C: Craig Jones: I don’t see it.
C: Cliff Stewart: Depends on the time of day. If it’s rush hour they’d likely go that way.
C: Peter Mitchell: Well the other issue we have here is you get a traffic accident in one part of Richmond and very quickly it takes the only way you can go.
C: Cliff Stewart: See I live on the North Shore. You’re lucky because if you get a traffic accident on the North Shore and there’s no way out.
C: Peter Mitchell: The reality is we’ve had the odd traffic accident and if it’s here you go there and vice versa.
C: *Craig Jones:* But you have to have interoperability between the municipalities. You have to have Richmond RCMP in full dialogue with Delta Police. You need common channels and you need control because you have to coordinate that if you have to divert, everyone is onside and everyone is buying into that problem. And currently, we don’t have quite that stage yet. And if we don’t get there, and we don’t get there in the region, we just clog everything down and the corridors that we do have. That regional approach is in traffic demand management as we go forward has a direct impact on the Port and the Airport. The other thing that comes into play is jurisdictional road network. We have a confusing situation these days between the provincial Ministry of Transportation and what they control and then locally and what the regional TransLink controls. Within municipalities you have a road going through and then you’ll have one between one municipality and the other. I’ll take 16th Street for an instance, the set backs are completely different. And on that particular highway it’s used, it’s designated as a truck route. Except part of it is controlled by TransLink and the other part is controlled by the ministry. Here in Richmond we’ve got the same thing. We have right now the main feeds into the Port land is Westminster Highway, controlled by TransLink. And so now, with the Nelson Road, basically a new road coming up Nelson Road, which means in this community we are now diverting that container traffic coming through the tunnel or from the main Port coming into Richmond and they’re using the East West Connector. If they’re coming out of the Port they can only make a right hand turn from Nelson onto Westminster to take them to New Westminster or wherever they’re connecting through onto the East West connector over to the Alex Fraser Bridge. But to get there has been difficult. And in getting there, because you had the municipality involved, you had TransLink involved, and you had Port Metro Vancouver involved you guys have all got that and the funding and everything. There has got to be as we move forward and to look into the next twenty to thirty years, even from a Port Metro Vancouver’s perspective we’ve got to have a more regional understanding and authority to manage this growth. We’ve got a million people coming over the same period of time; we’ve got increased capacity coming. You’ve got the desire to get people off of the roads and into some form of transit to allow the goods to move more freely. Look at the impact of some things like the Massey Tunnel, and the future capacity of the Fraser Surrey Docks. To be able to utilize the type of vessels that come up the river. Talk about the sustainability of the river on a drudging point of view. In our community being at the mouth, we feel it because we get it all. It’s up above the Mission Bridge, it’s into the sand and gravel. We’ve got this whole corridor and that river starts from the Rockies and comes all the way down. Port Metro would like to see some years in the future that Sapperton Island is built up and we get to utilize that. And we have a rail that kind of stops too.

A: *Cliff Stewart:* It’s interesting the rail bridge was raised the other day. People are talking about short sea shipping. There are some real opportunities for short sea shipping. But as you increase the number of transits of the river you throw that rail bridge open more and more. It’s the worst system in the world except for all the others for planning. I’m not a fan of central planning, you know, but
coordinated planning is important. I think we’re beginning to get there. We’ve taken some steps – we’ve had some missteps certainly – the North Fraser Perimeter Road, United Boulevard Extension issue was a bit of a hiccup. Although I understand it’s back on track. We just had the same thing happen in North Vancouver with Low Level road. That’s local politics for you. These are all issues, and part of what we have to ensure, as we move through this process, and by we, I mean all of us, is to make sure that we haven’t missed some critical issues that are going to impact the project, or that are going to cause the project to impact the rest of the community.

Q: Craig Jones: I guess sitting where we are today, the South Fraser Perimeter Road is going ahead and to support Terminal 2 that was the condition of the federal government. We know that the increased capacity is coming in our direction because of our dependence on Asia, that’s a fact. With this week’s arrival of China Southern it gives you another example of direct air access to Guangzhou. It increases the opportunity; it’s going to continue to grow. That whole region, I know Japan is going to rebound, in some form, they’re going to come back, and they’ve got a little set back to overcome right now. But we see in the automotive sector of our containers coming in. Tennessee and Michigan, certain lines were shut down because of a certain part that was dependent is not getting in because mother nature played a role. But that growth is going to continue, and the growth here in Vancouver and the competition, and we can’t lose sight of that as well. That’s the other factor. We have to be looking for the viability of our economic life here in the region. And if we don’t have the supply chain with good delivery in that supply chain, then you have Seattle, Portland, LA, Long Beach, San Diego, Mexico, and the new Panama. I mean things are going to change. So if we just stay still, it’s going to go right by us.

A: Cliff Stewart: I think that’s really important. We didn’t talk about it here but we certainly have looked at the Panama Canal with respect to its likely impact on the business that Vancouver currently does and is expected to do. We don’t see that it has any significant impact. What Panama does, is it moves the point where the cost is the same going West Coast and rail versus going Gulf Coast and rail. It moves that point inland and around the continent, but it doesn’t move it far enough to come anywhere near Chicago, Toronto and Montreal which are the three places that most of our cargo comes from. But it’s interesting you talk about the opportunity. There are those in the business who think that LA and Long Beach are going to hit gridlock again in 2015. If we were to depend upon American ports they’d be quite happy to take our business when they have space. The minute they don’t have space you know whose cargo is not going to go through. The minute there’s a problem with the border you know whose cargo won’t ever get to the port because it’s going to be hung up on the border. Our mandate is to support Canadian trade; we don’t have the luxury of relying on others to do it.

C: Craig Jones: The US Consulate here hosted a seminar on building prosperity between Canada and the United States as it’s related to our region. Robin was there representing the Port, Premier Clark was there and the US ambassador to Canada, David Jacobson. It was a good seminar, and it was talking about goods
movement, looking at the border and what changes that we have to make. It comes directly into how the Port operates. For us to be competitive globally both the United States and Canada, we have to protect our perimeter better, and then allow this movement within to be more seamless but still with checks and balances. The US, in understanding that, is investing more heavily into goods coming from Asia. Everything is pretty clear. It’s x-ray’d, it’s sealed, they know what it is, the manifest, everything, so that it hits it’s movement through because that’s protecting the perimeter. So they are investing outside making that happen. Therefore the rail corridor is very, very important, the road networks. And that’s what the US Ambassador talked about. He recognizes the free trade that we do have. He also recognizes that in homeland security, it’s difficult to distinguish between the Canadian border and Mexican border. Even though they know there’s a dramatic difference. From a public perspective they have to be seen as treating equal. This is important, not just to Canada, but to the US. The corridors that come in through ocean or air that are servicing both of our communities; Asia-Pacific is going to become very important. But we still have to go through the checks and balances and we still have to deal with the key points that you’ve got here that you’re going to go through. Local and regional area well we’ve seen with Tsawwassen First Nations and with the growth and opportunities a working relationship that they want to develop there. The impact that that’s going to have on the region. That seamless move, we have to make it happen because our big sisters to the east are going to be very dependent upon that.

C: **Cliff Stewart:** There are indeed. Peter, do you have any questions so far?

Q: **Peter Mitchell:** Not at this point actually no. I think I’ll just take what’s here and I’ll go have a word with my group. We’ll see if anybody bites and wants to take the lead on this for us. So we’ll see, following through with this you’ve got half a dozen steps or a dozen steps on your process and possibly more inserting along the way. Do you see the pacing as constant; sort of see you every summer? Are some sections going to come through fairly quickly and others going to be much longer consultations?

A: **Cliff Stewart:** We hope to be back in the Fall on the Project Definition Consultation. The Panel guidelines and the EA public hearing process aren’t really going to be in our control. And it’s entirely possible that the order of these may get switched around depending on what happens. But the Panel guidelines, if it happens the way we hope it will happen which is next Spring we submit the application and ask the minister to strike a panel then that would put the panel in place by the end of 2012 early 2013. One of the first things that they would get involved in is the panel guidelines.

Q: **Peter Mitchell:** Would that be Minister Lake?

A: **Cliff Stewart:** No this is federal. I apologize, I should know this but I don’t know who the current minister federally is. The actual process is it goes to the Minister of Transport who requests the Minister of Environment that the panel is used. The reason we’re doing it that way is we think it’s going to end up as a
panel anyway. If we don’t do it that way it’ll probably add a year to the process of when the decision is made.

Q: Peter Mitchell: Do you think that having a majority government over the next four years is going to help the process?

A: Cliff Stewart: I think it will help it in the sense that it will give certainty to process. Not a certainty to outcome, but a certainty to process. Now they don’t have to spend political capital on this they just do it. It becomes an administrative function as opposed to a political function.

C: Peter Mitchell: For four years anyway.

C: Cliff Stewart: Yes and we hope to be into the process by that time. If we’re not into the process it’s because the thing doesn’t make sense. There are lots of places and we call them off-ramps where this project can pull off and stop for a while. Ultimately it has to make economic sense. If you can’t afford to build the land that you want to build the terminal on then you can’t and there’s nothing we can do about that.

C: Peter Mitchell: If there’s something going on you can’t control in another part of the world.

C: Cliff Stewart: We expect to be well into the process in four years. I’ve mentioned that we’ve looked at other panel processes and did case studies to try to understand how long they take. We think that it will take about a year from the time the panel is empanelled until they’ve agreed on the guidelines, we’ve allowed another year for the panel not to agree with the scope of studies we think are appropriate and of course we’ll go back and do more studies. Then it takes a year for the public hearing process and the panel to deliver its decision. That then takes another year from the time the panel deliver its decision; the Minister has six months to issue his finding and the regulators then have six months to issue permits. We think that it will take from the time the panel is empanelled, a minimum of four years. We think it’ll take all of next year to get the panel empanelled. The best case scenario is end of 2017 and worst case scenario is more than that.

So that’s a very long way to say that we would be back sooner in the second phase as I’d say by the Fall. Pre-Design Consultation will probably be I would say the middle of next year, whether it’s this time next year or the following next year. Then hopefully back on the Draft Panel Guidelines by sometimes early in 2013 and at that point all bets are off.

Q: Peter Mitchell: That gives me something that I can say to people, here’s a timeline that you should expect to see things coming back. And again, things obviously can change and from that perspective it’s not every three months for the first half of the process and then see you in four years.

A: Cliff Stewart: No, so every three months for the first two rounds.

Q: Peter Mitchell: That’s fine. You’ve talked about what of cooperation you need federally to make this go forward. What sort of cooperation do you need provincially along the way?
A:  

*Cliff Stewart:* Well, they own the railroad or they own the last twenty miles of it. So if the province doesn’t want it to happen, it’s not going to happen. It’s not that they have any triggers because the only trigger environmentally on this is public interest. We’re not sure how the province is going to deal with it. Our hope is that they come in and they come into a harmonized panel process. Because there are some issues that the federal process doesn’t deal with that the provincial process does deal with. By having a harmonized process you kind of cover all your bases. The province could choose to just say, listen, it’s a federal project on federal land, it has nothing to do with us. I think if they do that, it’s politically a bit risky for the province. So my guess is that they’ll ultimately end up in a harmonized panel process. But with politics you never know.

*The meeting ended at 7:30pm.*