

WESTAC Members highlight key transportation projects for federal investment

Vancouver, January 27, 2009 – The Western Transportation Advisory Council (WESTAC) applauds the Government of Canada’s commitment to infrastructure spending announced in the Budget and by Transport Minister John Baird. As an economic stimulus, investment in infrastructure supports job growth and the mobility of people and freight. Powerful transportation and trade related networks will support the long-term growth of our trade-dependent nation for future generations.

The economy is in crisis – and transportation is the backbone of the economy. Investments in projects that increase trading ability and the viability of our supply chains will generate the national wealth to eliminate our deficits and progress paying off the debt.

The attached projects have been suggested by WESTAC members as a means to increase productivity and capacity, promote harmony between communities and transportation partners, and advance green transportation opportunities. Speed of implementation, potential for job creation, and positive economic impact have been the criteria behind the projects.

We support projects that continue to contribute to supply chain excellence in Western Canada to the benefit of all Canadians, increase productivity and competitiveness and take a long-term perspective.

The Western Transportation Advisory Council (WESTAC) is a balanced and influential association of key transportation organizations, represented by senior business, labour and government decision-makers. The Council highlights ***the contribution of transportation to Canada's economic and social well-being*** and focuses on priorities to ***ensure our competitiveness in world market and economic strength***.

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TRANSPORTATION INFRASTRUCTURE SPENDING PRIORITIES

MARINE AND PORT PROJECTS

1. North Shore of Vancouver Harbour Access

a. Harbour Avenue underpass	\$15 M
b. Brooksbank underpass closure & infill	.5M
c. Rail and road bridge over Lynn Creek	20M
d. Neptune grade separation	35M
e. Low Level Road realignment	52M
f. St. Andrews grade separation	17M
g. Pemberton Avenue grade separation	<u>31M</u>
	<u>\$170.5M</u>

These infrastructure projects will improve rail and road capacity and efficiencies to the benefit of export commodities handled in North Vancouver, British Columbia. The above mentioned infrastructure projects are ready to go (or close to ready to go), create jobs and advance the Western Canadian economy by increasing the competitiveness of exporters.

2. Prince Rupert Port

- a. Expedite the new Canpotex potash facility
- b. Continued expansion of the Fairview Terminal – Phase II

In 2008 Canpotex announced a new terminal in Prince Rupert to handle exports of potash from Saskatchewan through the Canadian west coast. Federal funds are sought to expedite this process.

With over 95% of planning completed and environmental assessment well advanced, the Phase 2 expansion at Prince Rupert is an ideal candidate for Federal investment in partnership with the private sector. The Phase 2 expansion of the Prince Rupert container terminal represents an immediate economic stimulus to the region. In addition to the 1,825 person years of construction employment, it is estimated the terminal operations will create 1,300 direct and indirect full-time equivalent (FTE) positions, \$100 million in annual wages, and well in excess of \$25 million in personal income tax, Employment Insurance and Canada Pension Plan annual contributions. A federal contribution of \$200 million is requested in this key \$650 million private public partnership.

3. Port of Nanaimo Cruise Ship Facility Project

The modification of two berths at the Port of Nanaimo to further develop the cruise ship business is a project with an estimated cost of \$18.5 million. The city, First Nation Partners and other stakeholders are fully supportive of this initiative that will contribute to Nanaimo's transportation and tourism industry. A federal contribution of \$5 million is being sought to solidify the project, with the other funding already in place.



4. *Berth 6 Extension at Centerm Container Terminal*

Estimate cost \$2M, Estimated time 4 months

Centerm has 625 metres of effective container berth length. Historically the berth could accommodate two vessels at a time. As container vessels continue to increase in size, it is not always possible to berth two vessels concurrently. The Berth 6 Extension west of Berth 6 will consist of approximately 70 meters of catwalk, one midspan catwalk support and one mooring dolphin. The mooring dolphin will be located at the western extremity of the catwalk. This project is currently on hold due to the challenging economic situation.

In the near term the project will create construction jobs for British Columbia: an estimated 1,200 of direct construction hours. Including the indirect jobs, the total will exceed 5,000 hours. The project will increase the capacity of the Port and opportunities for trade by enabling the terminal to accept the newer and larger container ships. In the medium to long term this creates both longshore and terminal operations support jobs. With an assumed sustained 5% increase in terminal throughput as a result, this creates 27 container industry jobs, with the multiplier effect building it to more than 100 new jobs in Canada. This project is ready-to-go and could be completed within 4 months.

5. *Thunder Bay Grain Terminal Site Improvements and Keefer Terminal Upgrades*

The Port Authority has acquired an operational grain terminal located on a 40-acre site adjacent to our Keefer Terminal facility in Thunder Bay. The site requires the demolition of two adjacent derelict terminals and site improvements with an estimated cost of \$7.5 million.

This elevator site can be used for bio fuels production, canola crushing related to bio fuels, power generation from bio mass, wood pellet storage and shipping. The site has over 2000 feet of dock and can also be used for inbound equipment and material destined for Western Canada and or fabrication/manufacturing opportunities serving the Western Canadian market.

In addition we are seeking funding for a harbour crane and terminal upgrades at Keefer terminal totaling \$6.5 million. These upgrades will increase the efficiency and competitiveness of the Thunder Bay gateway for Western Canadian cargo.

RAIL PROJECTS

6. *52nd Street Calgary Grade Separation*

Similar to past national programs and recent work completed through the Asia-Pacific Gateway and Corridor Initiative, specific funding for rail-road grade separations is needed at key high density locations across Canada. A commitment to grade separations will realize public benefit for communities located near major rail installations. The 52nd Street grade separation project in Calgary is such a key project.

7. *Commuter Rail in Calgary & Pedestrian Overpass in Vancouver*

Commuter rail projects offer a unique opportunity to inject stimulus into Canada's economy and can provide sustained long-term benefit. There are also significant downstream, multiplier effects for the economy. The demand for commuter rail transportation in Canada continues to grow faster than supply and meets objectives to reduce traffic congestion and GHG emissions, share existing land corridors and augment existing rail infrastructure.

- a. **Calgary Commuter Rail:** Plans have been developed for initial service to serve the citizens west of the City as far as Cochrane, Alberta at a cost of \$331 million. Calgary commuter rail will provide new commuting options for the 300,000 citizens who live in the region surrounding Calgary. Commuter rail for Calgary aligns with the Province of Alberta "Green Trip" program objectives to reduce auto dependency and address climate change.
- b. **Vancouver Commuter Rail:** A pedestrian overpass at Victoria Drive in the City of Vancouver will enable increased speeds for the West Coast Express commuter trains and improve safety for port workers who must cross the railway. The capital cost of the project is \$3 million and work could commence immediately.

8. *Technology: Electronically Controlled Pneumatic Braking ECP and Wayside Detectors – improves safety*

New railway car technology has advanced significantly over the last few years. However, the cost-benefit analysis and significant capital demands do not, in many cases, support full implementation. Both of the mentioned technologies would generate major manufacturing employment and significant safety and environmental benefits.

- a. **Electronically Controlled Pneumatic Braking (ECP):** ECP eliminates the pushing and pulling of cars against each other during the braking process, which ultimately causes equipment wear and failures, and derailments. Another major benefit of this technology is a significant – as high as 10% – reduction in fuel consumption and emissions.

We propose a federal contribution of up to \$130.5 million to convert coal, grain and potash train sets to this technology to realize the significant safety and fuel consumption benefits. The work could begin immediately. (Canadian Pacific Railway)

- b. **Advanced Equipment Failure Detection Equipment:** The failure of just one bearing on one car in a train poses a significant risk. New technologies are being implemented that allow for constant condition monitoring. These provide information that can be used to predict future failures. Implementation of this technology has begun in high traffic areas; a partnership with the Federal Government could significantly accelerate implementation more widely, especially on track that is used for the movement of dangerous goods.

We propose a federal contribution of up to \$8.6 million to implement these technologies across our network. The work could begin immediately. (Canadian Pacific Railway)



9. Queensboro Rail Bridge – Reconstruction (New Westminster, BC)

Estimated cost: \$17M, Estimated Lead Time: 6 Months

The Coastal Marine Community is on record requesting widening of the channel access past the Queensboro Bridge by 25 feet. To accomplish this, the span will require re-engineering, lengthening and strengthening of the turret foundation. Aging timber approach spans should be replaced with ballast deck pre-stress reinforced concrete piers on steel piles. This will extend the life of the structure for approximately another 100 years. The span lengths will increase, thus reducing the bridge's footprint in the river. Steel and concrete materials are more environmentally friendly than pressure treated timbers. The ballast deck will act as a positive renewable barrier between rail operations and the environmentally sensitive river. The ballast deck option provides a safer track structure warding against derailment and, should a derailment occur, the structure will provide a stronger more resistant environment as compared to an open timber or steel stand alone structure.

The wider channel will improve marine access to a vital 50 acre industrial site located at 501 Boyd Street (the former Interfor Queensboro lands) which are currently listed for sale. With improved marine access the site becomes an excellent location for Port Metro Vancouver related Short Sea Shipping initiatives and will assist in the preservation of the site as an industrial property.

10. McConnell Road Rail Overpass Construction (Abbotsford, BC)

Estimated Cost: \$7M, Estimated Lead Time: 1 Year

The Vye road at grade crossing is located at the throat of Southern Railway of British Columbia's (SRY) Huntingdon Rail Yard in Abbotsford. As a result of the conversion of industrial land to commercial/retail in this area vehicle traffic on Vye Road has increased exponentially, creating a significant safety risk to SRY employees and impediment to yard productivity. SRY's Huntingdon Yard is used to support rail service to 7 Fraser Valley Feed mills and the loss of yard productivity continues to negatively impact its ability to provide rail service to these valuable customers. For a number of years the City of Abbotsford has had a plan to construct a grade separation at Vye Road however financial pressures continue to delay this investment. SRY strongly endorses the grade separation concept but in order maximize yard productivity would prefer that it be build approximately 800 meters North of Vye road at McConnell Road.

11. Reconstruction of Vancouver Island Rail Corridor

Estimated Cost: \$103.8M, Estimated Lead Time: Shovel Ready

Southern Railway of British Columbia's subsidiary company, Southern Railway of Vancouver Island (SVI), is the current operator of the former E&N Railway on Vancouver Island. SVI has been operating the line for the past 2.5 years in order to maintain rail service to the customers on Vancouver Island that are dependent upon rail service for their survival. The owner of the rail corridor is an organization called the Island Corridor Foundation (ICF), which gained control of the property in 2006 when CP Rail gifted the corridor to the ICF, as a charitable donation.

SVI and ICF have spent the past 2.5 years lobbying all levels of government with respect to contributing to the rebuilding of the rail infrastructure and have developed a business case supporting the investment. To demonstrate the broad level of support, the continuation of rail



services on Vancouver Island SVI and the ICF launched the “Our Corridor Campaign” in March of 2007 resulting in the registration of over 6000 supporters on our web site www.ourcorridor.ca.

PUBLIC TRANSIT AND ROAD PROJECTS

12. Metro Vancouver Regional Transportation

• Evergreen Rapid Transit Line *	\$400 M
• West Coast Express Service and Facility Expansion	\$27.73 M
• Main Street SkyTrain Station Upgrade	\$26 M
• Surrey Transit Centre Expansion	\$7.5 M
• SkyTrain Fibre Optic System Upgrade	\$5.83 M
• Bus Security Cameras and Safety Program	\$3.97 M
• Elevator Installation at Scott Road SkyTrain Station	\$1.6 M

Projects marked with an asterisk () have received partial federal funding and the cost quoted is for the remaining unfunded portion.*

These projects collectively and individually contribute toward the increased use of transit, alleviating congestion and reducing greenhouse gas emissions, thus improving traffic flows and safety in the Metro Vancouver area.

13. CentrePort Canada Way, Manitoba

Manitoba has a major 20,000-acre inland port initiative underway on a site west of Winnipeg’s International Airport. This initiative combining air, rail and road infrastructure and services, will become a transportation, trade, manufacturing, distribution, warehousing and logistics centre. It will create jobs, attract investment and take full advantage of Winnipeg’s prime location in the heart of North America. CentrePort Canada Way will be the \$212 million highway project that will provide the needed access to CentrePort, making it a prime candidate for Federal infrastructure funding.

14. Dempster Highway 8 Reconstruction

Ongoing problems on the Dempster Highway from the Yukon Border to Inuvik with grade settlements, permafrost degradation and culvert failures require a continuous annual program to protect the investment and ensure public safety. This long-term project will bring the Dempster up to NWT highway geometric standards. Work is required to improve the width, horizontal and vertical alignments, sight distances, and the subgrade and wearing surface. Accelerating this shovel ready project, estimated at \$28 million, would alleviate job losses.

15. Ingraham Trail Highway 4 Reconstruction

The NWT Department of Transportation notes that most of Highway 4 does not meet current national highway geometric standards. The existing road top width, horizontal and vertical curvature and sight distance conditions require reduced speed limits and impede overall safety. Funding under BCP continues geometric improvements started under CSIF. Accelerating this



shovel ready project, estimated at \$13 million, would alleviate job losses

16. Mackenzie Highway 1 Reconstruction

Improvements will concentrate on upgrading the existing surface by completing drainage improvements, widening and straightening the existing grade, and enhancing safety parameters such as guardrail installation and application of dust palliatives. Accelerating this shovel ready project, estimated at \$10 million, would alleviate job losses in the Northwest Territories.

17. Mackenzie Valley Highway: Bear River Bridge

Estimated cost \$60 million

The NWT has abundant resources, which are currently inaccessible. Infrastructure investment to facilitate the development of these resources would provide the economic stimulus of construction and economic benefits by facilitating new industries to develop in the North – to the lasting benefit of all Canadians. Pre-engineering, community consultations, environmental studies, cost estimates and a complete bridge design package have been completed. Following the renewal of the regulatory permits, this project is ready for tendering. This bridge represents the final permanent bridge required to upgrade the Mackenzie Valley Winter Road to an all weather standard.

18. Realign the Tlicho Winter Road

Estimated cost \$18 million

The NWT Department of Transportation has been pursuing improved land-based access to the Tlicho Communities to reduce the cost of living, mitigate the effects of climate change on the existing winter road and facilitate resource development in the Slave Geologic Province.

A recent analysis of transportation improvement options, including an economic analysis, engineering study and environmental scoping report, identified a preferred route to realign the existing winter road to an overland alignment to extend and stabilize the winter road season. This route could potentially be developed into an all-weather road in support of resource development in the Tlicho and Slave Geologic Province.

Extended winter road access would provide many direct benefits including less dependence on the air transportation system, greater community mobility and access to services, and direct economic and employment benefits associated with road construction and potential mining opportunities. Realigning the existing Tlicho Winter Road to an overland alignment, at a cost of \$18 million, could be realized over a two-year construction period.

NON-INFRASTRUCTURE PRIORITIES

19. Land Use Planning for Prince Rupert Port Lands

Completion of a proper in-depth land use planning and engineering for the Prince Rupert Port lands is a priority. This would include all Prince Rupert waterfront, the proposed container areas, and Ridley and Watson Islands. It is critically important that the necessary supports for road, rail and utilities be appropriately planned to accommodate all of the new direct and support businesses being considered. Long term planning has been lacking in some other



centres. There is an opportunity here to avoid those mistakes and design the industrial, commercial and residential land use that capitalize on Prince Rupert's strengths.

20. Removal of Duty for New Vessel Construction

From the Great Lakes Shipowners and Cargo interests' perspective, we need to rebuild our domestic fleet. The average age of the bulker fleet is 45 years and the self unloader fleet is 30+ years. With the removal of the duty for new vessel construction, Shipowners can rebuild their fleets to meet the future demands of our Customers. This would maintain and enhance jobs for Canadian marine personnel, ensure repair and maintenance works at Great Lakes and St. Lawrence shipyards, and provide reliable, competitive grain exports, using new vessels that meet or exceed environmental standards. This will enhance the ability of the marine industry to have a positive impact on the environment.

21. Federal Defined Benefit Pension Plan Sponsor Contribution Changes

Additional clarity in regard to sponsor funding obligations for 2010 is required. Railways are extremely capital-intensive operations. Spending on capital investment goes directly into the franchise and provides a significant level of employment for rail employees as well as for the many firms used to maintain and upgrade operations. Without this certainty there will be a reduction in direct spending and subsequently additional negative pressure on the economy in Canada.

22. Tax Policy: Fuel Excise Tax Reduction

We were pleased to see the campaign commitment during the last federal election period to reduce the federal diesel fuel excise tax by two cents per litre over four years. There is perhaps no better immediate economic stimulus than a reduction in transportation costs for Canadian businesses and industry currently struggling. We recommend that the Government implement its commitment to reduce federal fuel excise tax act. Such a move will receive wide ranging support from the transportation sector and Canada's business community.

23. Tax Policy: Investment Tax Credits for Intermodal Terminals

Creative investment tax credits on railway infrastructure such as new intermodal facilities will stimulate private sector investment and also deliver public benefits related to the environment, congestion and quality of life.