

## BRIEFING NOTE FOR INFORMATION

**DATE:** November 22, 2012

**PREPARED FOR:** Honourable Mary Polak, Minister  
Ministry of Transportation and Infrastructure

**MEETING:** With Robert (Bob) Landucci, President and CEO, Ashcroft Terminal; Kleo Landucci, Vice President Projects and Development, Ashcroft Terminal; and Hon. Chuck Strahl, former federal Minister of Agriculture, Minister of Indian Affairs and Northern Development, and Minister of Transportation, Infrastructure and Communities.

**ISSUE:** Company representatives will likely brief the Minister on Ashcroft Terminal and its Phase One expansion currently underway. In addition, it is likely that Ashcroft representatives may seek funding and marketing support from the Province in pursuit of their goal of forming an inland container terminal for Asia-Pacific trade.

### SUMMARY:

- The Ministry is pleased to hear of Ashcroft Terminal's Phase One expansion and the jobs and growth it will provide to the people of Fraser-Nicola.
- Canada's Asia Pacific Gateway and Corridor Initiative (APGCI) is a program of over \$1 billion in federal investments designed to strengthen our economic trade with the Asia-Pacific Region. The Province does not have a comparable initiative currently in place, and as such cannot offer financial assistance similar to that provided by Canada.
- If there is a need for further expansion and growth at Ashcroft Terminal s.13  
Terminal is seeking investment, Ministry staff would be pleased to help facilitate the project being listed on the Province's *OpportunitiesBC* Database. s.13
- Federal promotion of Ashcroft is directly related to the \$5 million APGCI commitment made by Canada. s.13
- The Ministry is supportive of efforts to increase container handling capacity through Pacific Gateway ports, and in 2006 sponsored an inland container terminal analysis to identify what would be required for such terminals to be successful. This information can be used to support private sector analyses. s.13
- The Ministry views the establishment of a site-specific inland container terminal as a business decision for the private sector responding to the needs of the marketplace. For example, the \$20 million container handling and transload facility recently developed by CN in Prince George was completed without provincial funding or influence.
- Where land is needed for infrastructure development, the provincial government does not interfere in the statutory decision-making power of municipalities or independent bodies such as the Agricultural Land Commission (ALC).

**BACKGROUND:**

Ashcroft Terminal, located near the Village of Ashcroft approximately 70 km west of Kamloops, is a truck-rail bulk transfer facility that handles products such as red shale aggregate, roofing grit, coking coal, and used steel. The facility has been operating since the early 1990s and consists of an area of approximately 640 acres, including 293 acres zoned for industrial use. Ashcroft Terminal's current infrastructure includes 2,500 metres of railway track, a private road network, loading and unloading facilities, and an automated truck scale. It is located adjacent to the CN and Canadian Pacific (CP) main rail lines. Ashcroft Terminal is served Monday-Friday by CP, and ships approximately 10 rail cars per day. The switching of Ashcroft Terminal obstructs the CP mainline, impeding the flow of high-value transcontinental traffic.

CrescentView Investments – the Vancouver-based owner of Ashcroft Terminal – believes that Ashcroft's location at the convergence of the CN and CP mainlines presents an ideal location to add container-handling services to its existing bulk business. At present, Ashcroft Terminal does not handle any significant container volumes.

In July of 2010, the Government of Canada announced that it would provide up to \$5 million under APGCI to match funding that CrescentView Investments would raise from private investors. This funding would be used to finance the first phase of Ashcroft Terminal's planned capacity expansion, which will include a rail track (to allow CP an unobstructed mainline while switching the facility), road improvements, basic transload capabilities, and safety and security improvements.

The complete Ashcroft Terminal expansion has been planned in a phased approach. The first phase, which will cost approximately \$8 million and be complete by March 31, 2014<sup>1</sup>, will increase terminal capacity from 250,000 to approximately 1 million metric tons per year. Subsequent phases may increase capacity to 7 million tonnes per year via the construction of container loading/unloading facilities, railcar storage and switching yards, and a loop track for CP crews to "hook and haul" complete trains.

**DISCUSSION:**

Given the importance of fluidity (stopping trains as few times as necessary) and equipment balance (avoiding the movement of empty equipment) to railway operators, import container terminals tend not to be built in remote locations but in populated centres with large local markets (e.g. B.C.'s Lower Mainland). Conversely, the major potential catchment areas in B.C. for containerized exports are areas with major forest product industries. Where these conditions exist, railways will usually establish container loading/unloading facilities themselves rather than work with other companies (e.g. CN's Prince George transload facility for export lumber).

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Representatives of Ashcroft Terminal will likely make the following three requests of the Province during their meeting with Minister Polak:

1. Request for infrastructure funding similar to the \$5 million commitment made by the federal government as part of its APGCI program.

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<sup>1</sup> As per federal APGCI funding rules.

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2. Request for promotional assistance of Ashcroft as an inland container terminal as part of the Province's Pacific Gateway marketing efforts. Representatives of Ashcroft Terminal feel the federal government has been much more willing to promote their terminal than has been the Province.

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3. Request that the Province endorse Ashcroft Terminal as the preferred location for the establishment of a new Southern Corridor import/export container transload facility. Representatives of Ashcroft Terminal will likely state that use of their facility avoids use of finite agricultural land in Delta and removal of such land from the Agricultural Land Reserve.

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