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## NEWS RELEASE

For Immediate Release  
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Sept. 19, 2011

Office of the Premier  
Ministry of Transportation and Infrastructure

### **Port funding helps B.C. benefit from Asia Pacific trade**

PRINCE RUPERT – B.C. is poised to attract new investment into our economy, creating and protecting jobs for families in every region. As part of “Canada Starts Here: The BC Jobs Plan” to be formally released on Thursday, Premier Christy Clark made two announcements to help secure B.C. as the preferred gateway to Asia-Pacific trade and enable our resources to get to world markets.

“I am in Prince Rupert today because if you are looking at Canada from Asia, with an eye to investing in our country, Canada truly starts here,” said Premier Clark. “It is through British Columbia ports where resources are shipped to Asia, and where goods arrive for distribution at home and to the rest of North America. A bright economic future for British Columbians is linked to opening up Asia-Pacific markets to the rest of Canada, and B.C.’s transportation network will be the key to success.”

The Province confirmed a \$15-million contribution for the \$90-million Road Rail Utility Corridor project, Phase 1 of a planned \$300-million development at the Port of Prince Rupert. This project includes investments of \$30 million from CN and \$30 million from the Prince Rupert Port Authority. The federal government continues to work through its process to determine its participation with respect to the remaining \$15 million.

To help ensure the Pacific Gateway is competitive and to provide an environment for private-sector port terminal investment into the future, the Province will also introduce legislation to make permanent the existing temporary municipal tax rate caps of B.C.’s major port terminals, with the possibility of expanding the program to other ports as part of a broader review of the terms and conditions of the Port Property Tax Act.

“We are building on a solid foundation of good fiscal management to attract new investment to British Columbia,” said Transportation and Infrastructure Minister Blair Lekstrom. “Our transportation infrastructure is the backbone of our economy. This investment will expand our capacity to meet the increasing demand for our valuable resources and allow us to be cost-competitive, efficient and reliable, while creating and protecting jobs in every region of B.C.”

The \$90-million Road Rail Utility Corridor Project will expand Ridley Island’s terminal capacity to help meet Asia’s demand for Western Canada’s natural resources. The project includes construction of new inbound and outbound rail lines and the extension of on-site rail and utilities. The investment will create over 570 direct construction jobs over the life of the project and will further provide up to 4,000 operational jobs after all construction is complete.

"This investment by the Government of British Columbia will have a major economic impact in Prince Rupert – and far beyond its shores," said Port of Prince Rupert President and CEO Don Krusel. "The Road, Rail and Utility Corridor will anchor bulk, container, and logistics terminal developments that will build jobs and opportunities along our North American trade routes, reaching clear across the Pacific to rapidly-growing Asian markets and producers."

"CN is pleased to see the Government of British Columbia and the Prince Rupert Port Authority come forward with funding commitments for this critical infrastructure at Ridley Island," said CN President and CEO Claude Mongeau. "CN is willing to do its part by contributing up to \$30 million to put in place a common-user roadbed to serve new bulk terminals and strategically add export capacity in the Prince Rupert Asia-Pacific Gateway."

By introducing legislation to make permanent the existing temporary municipal tax rate caps for B.C.'s major port terminals, the Province is helping to ensure the Pacific Gateway is competitive, and to provide an environment for private sector port terminal investment into the future.

The proposed changes to the Port Property Tax Act give port terminal operators increased certainty about the maximum municipal tax rate they will face, which is necessary when deciding on new longer-term terminal investments. The review of the Act is supported by port terminal operators in the Lower Mainland and Prince Rupert and by the Ports of Vancouver and Prince Rupert.

Premier Clark will announce the full BC Jobs Plan on Thursday. There are three pillars at the heart of "Canada Starts Here: The BC Jobs Plan" to help us deal with today's economic uncertainty and emerge from it stronger than ever:

- Expanding markets for B.C. products, particularly in Asia.
- Strengthening our infrastructure to get our goods to market.
- Working with employers and communities to enable job creation across B.C.

Underlying these pillars are continuing commitments to ensure our skills and training programs lead the way to the jobs of tomorrow, and to maintain the prudent and fiscally responsible approach that our economy needs – and taxpayers deserve.

To accelerate growth, the BC Jobs Plan also leverages the strengths of our most competitive sectors – resource, knowledge and infrastructure – to bring new dollars into our economy from our most important trading partners.

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Government Communications and Public Engagement

## BACKGROUND

### Prince Rupert Road, Rail and Utility Corridor – Phase 1

Project cost: \$90 million

Anticipated start date: 2012

Direct jobs created: more than 570 construction jobs estimated over the life of the project

The \$90 million Road Rail Utility Corridor Stage 1 (RRUC 1) Project is designed to support new investment opportunities including potential bulk, break-bulk, general cargo, warehouse and logistics facility developments on Ridley Island.

The RRUC 1 Project consists of three inbound and two outbound tracks for coal, potash and other bulk terminal developments, two additional tracks that form a loop around the main part of Ridley Island and one new track that extends off the rail loop towards Ridley Terminals. The project also includes 69 kv and water utility connections into the middle of the island to support bulk terminal development as well as road improvements along the new rail corridor.

Funding for the \$90-million project includes: \$15 million from the Province, \$30 million from CN and \$30 million from the Prince Rupert Port Authority. The federal government continues to work through its process to determine its participation with respect to the remaining \$15 million. The expected start date for the project is mid-2012, with an anticipated completion date in 2014.

The potential future Ridley Island developments that would rely on the RRUC 1 Project include:

- Bulk and break-bulk terminal development.
- Expansion of Ridley Terminals to create additional capacity.
- Barge and short sea shipping terminal.
- Automobile roll-on/roll-off terminal.
- General cargoes terminal.

The Port of Prince Rupert is a major driver of economic growth for the Northwest region. Fairview Terminal was converted into a container handling facility in 2007 and since then, shipments of containers and bulk commodities through the Port of Prince Rupert have increased consistently and are currently at record levels.



# BACKGROUND

## Keeping B.C. ports competitive

As part of the Canada Starts Here jobs agenda, the Province will introduce legislation to make permanent the existing temporary municipal tax rate caps for B.C.'s major port terminals. The Province will also review the Port Property Tax Act and consider expanding these municipal tax rate caps to include other communities. These measures will help ensure the Pacific Gateway remains competitive and provide an environment that encourages new private sector port terminal investment into the future.

British Columbia's ports are a vital resource and open all of Canada's economy to the Asia-Pacific market. The B.C. government is committed to supporting our ports that help get B.C. goods to market.

In 2004, to encourage new port investment and secure the competitive position of British Columbia's major industrial ports, the Province enacted the Ports Property Tax Act (PPTA).

Property tax relief is currently provided to major industrial ports by capping municipal tax rates on eligible facility investments and compensating local governments for the resulting impact. Measures include:

- A tax rate cap of \$27.50/\$1,000 of assessed value for existing ports property until 2018.
- A tax rate cap of \$22.50/\$1,000 for 10 years on eligible new investments constructed before Dec. 31, 2018. New investments constructed in 2018 may be eligible for the tax rate cap until the 2028 taxation year.
- Municipal compensation payments indexed to the rate of inflation until 2018.

Subject to approval of the Legislature, these expiry dates would be removed to give port operators increased certainty about the maximum municipal tax rate they will face and provide for longer-term investment decisions.

Currently, the Act covers 20 terminals with 30 facilities in the following municipalities:

- The Corporation of Delta
- The Corporation of the City of North Vancouver
- The Corporation of the District of North Vancouver
- City of Port Moody
- City of Prince Rupert
- District of Squamish
- City of Vancouver
- The District of West Vancouver
- City of Surrey

Following a review in 2007, the Province renewed the Ports Property Tax Act in 2008 for another 10 years, extending it to 2018. Approximately \$1 billion in terminal expansion has since been committed by the private sector as a result.

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# **Questions and Answers**

## **Jobs Day One**

### **Road Rail Utility Corridor**

#### Port of Prince Rupert Investment:

#### **1. Where is the funding for the Road Rail Utility Corridor project coming from?**

- The Province is committing \$15 million toward the project.  
Other partners include:
  - \$30 million from CN
  - \$30 million from the Prince Rupert Port Authority

#### **2. Is there federal funding for this project?**

- The \$15 million funding announcement is British Columbia's commitment to investment in jobs in our province.
- Conversations are underway with the federal government about their participation to provide the remaining \$15 million.
- The federal government has been a long-standing partner with the province in the Pacific Gateway strategy.
- The funding announcements from our partners will be made by them.

#### **3. When will this project begin?**

- The expected start-date for the project is mid-2012 with an anticipated completion date in 2014.

#### **4. Are there any companies that have committed to using the expanded facility?**

- There are, among them Canpotex. There will be other terminals coming to Ridley Island, however confidentiality agreements that are part of the on-going negotiations between the Port and the identified companies (est. 2 -3) mean that these companies cannot be identified.
- The investment also benefits Ridley Terminals in its efforts to expand. These expansions will help serve current and future customers of Ridley Terminals.



- These negotiations are part of the operations of the Port of Prince Rupert.

**5. What specific work is envisioned with this investment?**

- The RRUC 1 Project consists of three inbound and two outbound tracks for coal, potash and other bulk terminal developments, two additional tracks that form a loop around the main part of Ridley Island and one new track that extends off the rail loop towards Ridley Terminals.
- The project also includes 69 kV and water utility connections into the middle of the island to support bulk terminal development as well as road improvements along the new rail corridor.

**Wood Pellets**

**6. Will the RRUC lead to increase in wood pellet capacity?**

- Yes. As with coal at Ridley Terminals, the investment allows for capacity expansion for wood pellets as well.

**7. On Sept. 6<sup>th</sup>, a large wood pellet producer indicated that they have plans to build another facility/ terminal off of Ridley Island. How does this impact the business case/ justification for the province's investment in RRUC?**

- We understand that this company, Pinnacle Renewable Energy Group, has intentions to invest in the Port of Prince Rupert by building a new facility off of Ridley Island. We believe this demonstrates the value of this port to companies such as Pinnacle and the need to continue to invest in the Port's infrastructure.
- This in no way reduces the need for the RRUC infrastructure for existing and future terminals.

## **Ridley Terminals Improvements**

### **Monday, Sept. 19, 2011**

#### **Event: what is it?**

- The launch of "Canada Starts Here: BC Jobs Plan" includes two announcements.
- We are contributing \$15 million towards the Road Rail Utility Corridor, a \$90-million project that will allow more coal, potash and other goods to move through the terminals on Ridley Island. This is Phase One of a \$300-million development to expand port capacity.
- Other funders include CN Rail (\$30 million); Port of Prince Rupert (\$30 million) and yet-to-be-announced \$15 million from the Government of Canada (still waiting for TB approval).
- And we making the Ports Property Tax Act permanent, with a view to expand it to other ports, to ensure the Pacific Gateway is competitive and provides an environment for private sector port terminal investment.
- Property tax relief is currently provided to major industrial ports by capping municipal tax rates on eligible facilities and the Province compensates local governments for the resulting impact.

#### **Audience: who are they?**

- Longshoremen from Maher Terminals and Ridley Island.
- Executives from Prince Rupert Grain, Ridley Terminals and the Port of Prince Rupert, and Maher Terminals, which operates the Fairview Container Terminal (announcement location).
- Media

#### **Key Messages**

- Today's announcements commit \$75 million towards the roads, railways and ports that connect BC and Canada to growing markets in the Asia Pacific. This is a pillar of our jobs plan.
- We believe the future of our country lies in the potential of our BC to connect Canada to the world. No matter where you live in this country, Canada Starts Here.
- And we are making the Ports Property Tax Act permanent, with a view to expand it to other ports, to ensure our ports are able to attract private sector terminal investments.



Thank you for joining me today.

We are gathered here in the traditional territory of the Coast Tsimshian people.

I am pleased to be joined by:

- Pat Bell, Minister of Jobs, Tourism and Innovation;
- Blair Lekstrom, Minister of Transportation and Infrastructure;
- Don Krusel, CEO of the Prince Rupert Port Authority;
- And Claude Mongeau, President and CEO of CN.

### **Canada Starts Here**

Later in the week, I will be announcing the full details of our BC Jobs Plan.

But I wanted to come up here to get the ball rolling.

## **Ridley Terminals Infrastructure Announcement – Sept. 19**

There is no better place in Canada to talk about our future than here on the shores of Prince Rupert, our western-most port city.

We are standing on the Pacific Edge of this country.

From here, we are three days closer to Asia than any other port on this continent.

A century ago, this was where the maps ended.  
Today it is where the future begins.

From the docks here at Fairview Terminal, we can look out at opportunity, not just for B.C. but for the entire country.

Our plan is called Canada Starts Here.

It means we take the best of Canada and we make it even better ... right here in BC.

Defending and creating jobs is the primary mission of my government.

Visiting Prince Rupert port facilities, you can see all of our country at work.

- You can see coal from Tumbler Ridge being loaded onto ships.
- And stacks of containers stuffed with lumber from Prince George.
- You can see wood pellets from Houston and Quesnel.
- And grain from farmers all across Alberta, Saskatchewan and Manitoba.

This isn't just "cargo." It is jobs. Good Jobs. And these jobs are the key to strong families and which lead to stable communities.



## Ridley Terminals Infrastructure Announcement – Sept. 19

It is jobs for the people who produce it; the people who get it here; and people like you who load it onto ships.

It is people hard at work all over our country.

As a Premier dedicated to opening new markets, and to defending and creating jobs, I look around me and I know, Canada Starts Here.

This coast is Canada's coast ... and that is such an opportunity for B.C.

Our location and geography is an asset, but it is just one part of the British Columbia story.

Diversity is at the core of who we are: it is a key strength for our society and it enriches all our lives.

From the strength of our First Nations people seeking opportunities for their future, to the people of Asian and Indian descent who have been settled here for a century or more, our diverse population is a key asset to diversifying our economy and making sure our families prosper.

### **The BC Jobs Plan**

There are three pillars to our jobs plan.

First we have to be great at supporting a thriving business environment and the people who make or grow ideas, products and goods.

Government needs to make sure it gets out of the way so people can create jobs.

Second, we have to have the infrastructure so we can get goods to markets.

## Ridley Terminals Infrastructure Announcement – Sept. 19

There are lots of people who don't understand just how important roads, rail, bridges, ports and airports are to supporting jobs.

They form a web that ties our country together in a very real way.

And the third pillar is making sure we know what the emerging markets in Asia want and that they know we can provide it.

As your Premier, I am committed to making sure we sell BC so that businesses grow trade with Asian markets...

...So that more goods move through Metro Vancouver, Prince Rupert and Vancouver International airport.

Diversified markets are key to ensuring people have jobs.



Now you can't have stable pillars without a strong foundation.

These three pillars are supported by a foundation made up of a skilled workforce, and continuing to keep government's fiscal house in order.

We have to preserve our government's reputation for spending within our means.

We can't be a safe harbour for investment if we mismanage our resources.

And it's investment that creates jobs.

### **Road Rail Utility Corridor**

As I said, the importance of our roads, ports, and rail to jobs and our economic stability cannot be overstated.

## Ridley Terminals Infrastructure Announcement – Sept. 19

That's why I am pleased to announce as part of our BC Jobs Plan a significant commitment to connect BC and Canada to growing markets in the Asia Pacific.

We are committing \$15-million towards the \$90-million Road Rail Utility Corridor project on Ridley Island.

CN Rail and the Port of Prince Rupert are each contributing \$30 million towards this project. I want to thank you for that.

Our most important partner in this venture is the federal government.

The support and leadership of Stephen Harper's government has been tremendous.

Today's announcement, with my government, CN and the Port all able to confirm our respective contributions, simply would not have been possible without our national government at the table.

## **Ridley Terminals Infrastructure Announcement – Sept. 19**

It is the first phase of a \$300-million project.

It will make sure we can get more rail cars and trucks in and out of the terminals on Ridley Island.

It means 576 jobs during construction, with millions in wages going into the pockets of workers.

It means more longshore jobs in the future – good paying jobs here in Prince Rupert.

And it means we can meet the increasing demand for coal and other goods in the growing Asia Pacific markets.

### **Port Property Tax Act**

I also spoke earlier about how important it is for government to support job creators and get out of the way of people who are growing jobs.



So I am also pleased to announce we will be introducing legislation to make permanent the existing temporary municipal tax rate caps for B.C.'s major port terminals.

This will ensure all of our ports are able to attract private sector terminal investments and support future developments.

And we will also review the Ports Property Tax Act, with the possibility of expanding the program to other ports.

### **Natural Gas**

Later today I'll be in Kitimat to lay out some clear goals and markers for the development of Liquefied Natural Gas export terminals in this region of the province.

We want to create a new industry with the capacity to export B.C.'s natural gas to overseas markets.

If we don't fight for this opportunity, we could lose it.  
We have a plan to move forward aggressively.

We want to see the Kitimat liquefied natural gas plant operational by 2015.

And our goal is to work with all the partners to have three new terminals in place in 2020.

I'll also be meeting with members of the Haisla Nation who are very involved with the proposed Kitimat LNG terminal and have benefitted from it.

I'll be talking with the Haisla about future economic development in the northwest.

The BC Jobs Plan is about putting all our families first.

We are fighting to protect jobs that help people put food on the table for their kids.

## Ridley Terminals Infrastructure Announcement – Sept. 19

We are fighting to support a robust private sector that helps us pay for those services, like health care and education.

With markets growing in the Asia Pacific, we believe the future of our country lies in our ability to connect Canada to the world.

Today I have started to outline our BC Jobs Plan and that's what it has to be – a plan for the entire province, by the entire province.

Not a plan for the government, not a plan for one party – but a plan that brings all of us together and moves us all forward ... together.

No matter where you live in this country, in BC we know that Canada Starts Here.

-End-



## Prince Rupert Jobs Event

Location: Container Terminal Maintenance Bay  
Port of Prince Rupert  
Prince Rupert, BC

**Event Summary:** Launch of Canada Starts Here: BC Jobs Plan

**Key Message:** We are investing in roads, railways and ports that connect BC and Canada to growing markets in the Asia Pacific, because the future of our country lies in the potential of BC to connect Canada to the world.

**Action/Visual:** Premier speaking with workers and equipment and the Port behind her.

**Audience:** 60 or so stakeholders, including Port Workers.

**Dress:** Business Casual

**Date:** Monday, September 19<sup>th</sup>, 2011

**Start Time:** 9:30am

| Time    | Event Itinerary  |
|---------|--|
| 9:20am  | Premier arrives for a pre-brief with: <ul style="list-style-type: none"> <li>• Don Krusel, President and CEO, Prince Rupert Port Authority</li> <li>• Pat Bell, Minister Jobs Tourism and Innovation</li> <li>• Blair Lekstrom, Minister of Transportation and Infrastructure</li> <li>• Alex Campbell, Hereditary Chief of the Tsimshian First Nation</li> <li>• Claude Mongeau, President and CEO of CN</li> </ul> |
| 9:30am  | MC Blair Lekstrom introduces himself and the Mayors and First Nations leaders that are attending the event   |
| 9:31am  | MC Blair Lekstrom invites Alex Campbell to come forward and give a welcome   |
| 9:32am  | Welcome by Alex Campbell   |
| 9:34am  | MC introduces the Premier Christy Clark  |
| 9:35am  | Premier Christy Clark gives remarks  |
| 9:40am  | MC Introduces Pat Bell   |
| 9:41am  | Pat Bell gives remarks   |
| 9:43am  | MC introduces Don Krusel   |
| 9:45am  | Don Krusel gives remarks   |
| 9:47am  | MC Introduces Claude Mongeau   |
| 9:48am  | Claude Mongeau gives remarks   |
| 9:53am  | MC concludes event   |
| 9:55am  | Premier takes questions from the Podium, moderated by Chris Olsen  |
| 10:15am | Premier gets into a helicopter with:<br>RCMP, Don Krusel, Howard from Global and Local Media Person  |
| 10:30am | Helicopter drops Premier off at Seal Cove<br>NOTE: Minister Bell, Jess and Gabe are driven to Seal Cove by RCMP  |
| 11:00am | Premier departs Seal Cove for Kitimaat   |

### MLAs in attendance:

Pat Bell, Minister of Jobs Tourism and Innovation

Blair Lekstrom, Minister of Transportation and Infrastructure

EVENT COORDINATOR – Katherine Bergen

CELL: S17

**Contact names and telephone numbers:**

Ken Veldman..... S22

| Materials      | Required | Received | Additional Notes |
|----------------|----------|----------|------------------|
| Speaking Notes | Yes      |          |                  |
| Q&A            | Yes      |          |                  |
| Backgrounder   | Yes      |          |                  |

EVENT COORDINATOR – Katherine Bergen

CELL: S17