



COMMUNITY BENEFITS

PRINCE RUPERT

Communities and customers of BC Rail told the provincial government that a new investment partnership was needed to secure the long-term future of this vital transportation network.

The BC Rail Investment Partnership responds to their concerns by delivering significant benefits to communities like Prince Rupert. CN's billion-dollar investment in British Columbia will inject needed money into capital improvements, and free taxpayers from BC Rail's \$500 million debt. A focus on growing the business, lower freight rates, faster, more reliable service and improved infrastructure will be strong incentives for B.C.'s resource industries to move more of their products on rail. This will in turn create new jobs, both within the railway and within Heartlands communities.

Major new expansion of the Port of Prince Rupert

A major new expansion planned for the Port of Prince Rupert will fuel job growth in the northwest, creating up to 500 direct jobs.

A total contribution of up to \$32 million will be invested by the province and CN to assist the Port of Prince Rupert to transform the port facilities into a major new North American gateway, fuelling new economic and tourism opportunities.

The province will provide \$17.2 million to the Port Authority to support the port's redevelopment, including development of a container terminal facility. CN will directly invest up to \$15 million to construct terminal trackage and upgrade rail infrastructure to accommodate double-stack operations.

This will prepare the way for new partnerships to dramatically enhance B.C.'s northwest transportation and trade corridor with Alberta.

With the commitment to reopen CN's Dawson Creek to Hythe link, there is also new potential to transport products from the Peace region through the Port of Prince Rupert.

\$135 million Northern Development Initiative

Proceeds from the partnership will be used to establish a \$135 million Northern Development Initiative to support investments in forestry, pine beetle recovery, transportation, tourism, mining, Olympic opportunities, small business and sustainable economic development.

A sum of \$25 million will go toward an operating endowment, with the interest used to support the operations of the Northern Development Initiative.

A further \$60 million will be divided equally among four regions, including \$15 million dedicated for the Northwest region. The remaining \$50 million will go to a general trust to support cross-regional investments, economic development and job creation.

The initiative will be administered by a board, to be established by future legislation, and assisted by a regional advisory committee for each of the four regions to provide input to spending priorities. The province will make the initial appointments to the board. It will include people with the range of skills required, along with representatives selected by the regional advisory committees. The regional advisory committees will include community representatives that may include mayors and MLAs.

New passenger/tourism services

CN will issue a request for proposals (RFP) for passenger-tourist train service providers. CN will provide access to the rail line on reasonable commercial terms to accommodate passenger services. New passenger-tourist train services are estimated to create hundreds of new jobs in B.C.'s tourism and hospitality industry.

Possible routes could include all or portions of BC Rail's line between North Vancouver and Prince George, and on all or portions of CN's network between Prince Rupert, Prince George and Jasper. This north-west route could open possibilities to link tourism trains from the Prince Rupert Port to cruise ships bound for Alaska.

New benefits for First Nations

CN has extensive experience in working with First Nations and they support the BC treaty process. They will honour BC Rail's existing agreements and protocols with First Nations.

In addition, a \$15 million First Nations Trust will be established to support economic development, educational advancement and cultural renewal for the 25 First Nations along the BC Rail network. This may include funding to: build capacity and provide seed-capital for aboriginal enterprises and joint partnerships; protect and promote First Nations' languages; and support initiatives for aboriginal youth apprenticeship training.

The trust will be administered by a board to be established by future legislation.

Investment in new rail cars

Shippers have indicated that BC Rail was unable to provide sufficient rail cars to meet their needs. This concern will be answered by a contractual commitment by CN to purchase 600 centre beam cars and to upgrade 1,500 cars to ensure customers have access to rail cars when and where they need them.

Lower rates and costs

Shippers will receive an average rate reduction of seven per cent for interline rail shipments. Lower rates will help make B.C. forest products more competitively priced and that will help companies protect and create jobs. Virtually all of BC Rail's current customers will enjoy the benefits of lower freight rates with CN, and there will be regulatory protection for rates—for the first time ever—under the *Canada Transportation Act*.