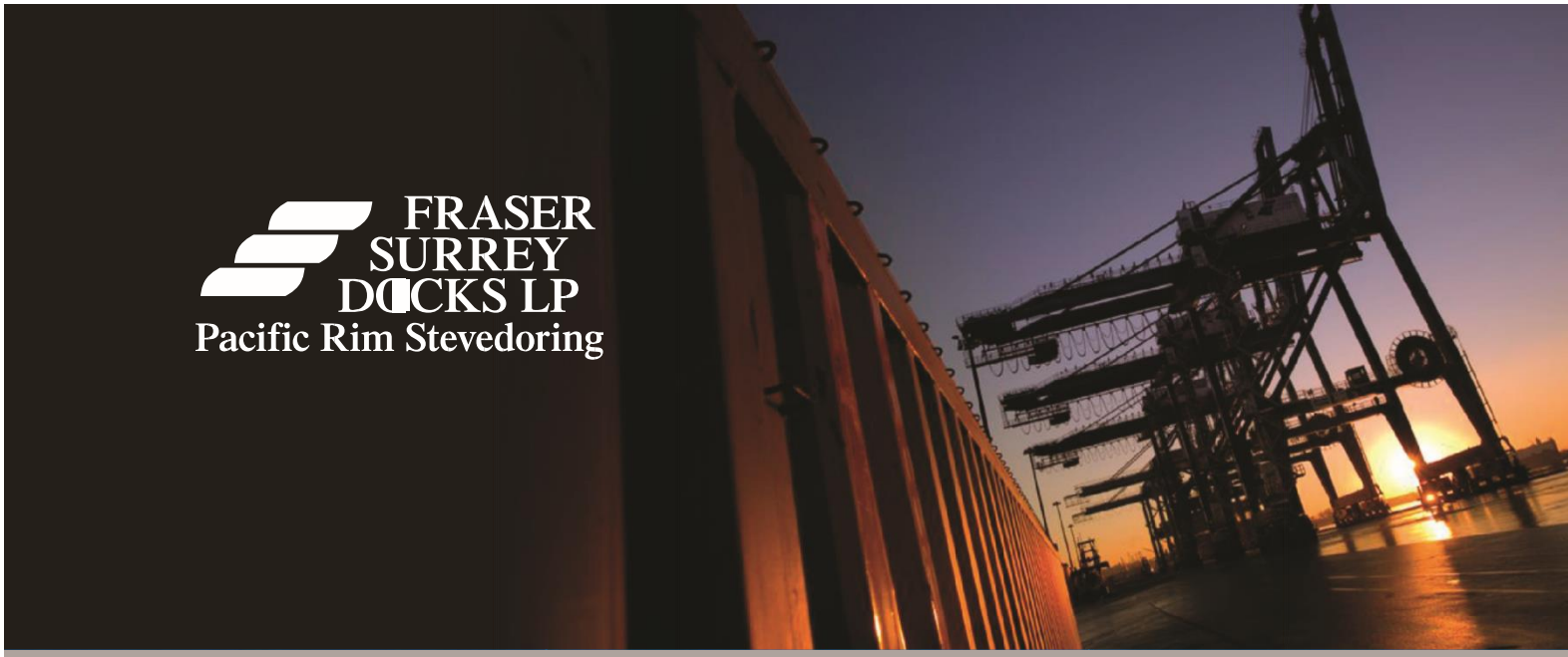


FRASER SURREY DOCKS LP
Pacific Rim Stevedoring

FRASER SURREY DOCKS
DIRECT TRANSFER COAL FACILITY
PHASE 1 - ENGAGEMENT SUMMARY REPORT

SEPTEMBER 10 2012 TO MAY 12 2013

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1. Project Overview

Fraser Surrey Docks (FSD) has applied to Port Metro Vancouver for a project permit to build coal handling facilities within the existing terminal operations. The facilities would allow for the direct transfer of coal from trains to barges via a conveyor system, meaning no permanent stockpiling of coal at the terminal would be required. In addition to the 280 full-time equivalent jobs currently provided at FSD, the project will deliver a further 50 more jobs.

Making the most of our strategic location here in Surrey and our efficient rail and shipping connections, this new facility will link Canada's largest markets of the United States and China. It further strengthens our position as the largest multi-purpose terminal on the North America's West Coast.

2. Consultation Program & Outcomes

At part of Port Metro Vancouver's project permit review process, Fraser Surrey Docks undertook a community notification process, which included communications with municipal and provincial elected officials, adjacent residents and businesses.
These activities included:

- Briefing calls with elected officials and adjacent businesses
- Distribution of a community householder brochure (mailed week of September 10th - see Appendix)
- Referral letter to the City of Surrey Project page on the Fraser Surrey Docks website (http://www.fsd.bc.ca/company/community.htm)
- Posting Frequently Asked Questions about the project on the Fraser Surrey Docks website
- Responding to inquiries/comments via email or phone (scheduled)

In addition, Port Metro Vancouver undertook consultations with First Nations. Port Metro Vancouver also provided a letter of notification to city staff with New Westminster, the City of Richmond and the Corporation of Delta, informing them of how to direct inquiries from River community residents who may inquire about the project (notification letters sent October 12, 2012).

2.1 Engagement Feedback

Fraser Surrey Docks received four inquiries by email and three by phone as of December 21, 2012.

Stakeholder	Nature of Inquiry	Response
Local resident	Phoned to express concern about coal dust	Provided project details via telephone and directed individual to website for further details. See website for full report.
Municipal government	Called to inquire about project information	Responded via email with project details and briefing document.
Local resident	Called and asked to receive a copy of community flyer	Sent community mailer to individual's address.
Business	Emailed regarding investment questions	Arranged meeting to discuss further.
Business	Emailed regarding investment questions	Responded via email.
Community member	Emailed to find out how to respond to the proposal	Responded by email and informed that they can also respond by contacting Fraser Surrey Docks or Port Metro Vancouver directly. They were also directed to website for further details. See website for full report.
Stakeholder group	Called to find out more information about the project	Answered questions via telephone and directed them to website for full report.

2.2 Stakeholder Engagement

During Phase 1 from September 10th 2012 to May 12th 2013 FSD engaged with the public by participating in meetings with various community members, community groups and other stakeholders. Please see the following list capturing the meetings:

Meeting with:	Date of Meeting:	Materials Provided / Attendees:
Meeting with City of Surrey	Sep.11/12	Materials provided: Presentation and letter Attendees: Jeff Scott, Brittany Allison, Mayor Watts, Murray Dinwoodie, Vincent Lalonde
Meeting with BCMEA	Sep.19/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Brittany Allison, Andy Smith
Meeting with Ministry of Jobs, Tourism and Skills Training	Sep.19/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Minister Pat Bell, Matthew Stickney, Dave Byng
Meeting with Ministry of Jobs, Tourism and Skills Training	Sep.20/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Michael Track, Paul Kan
Meeting with CP Rail	Sep.28/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, CP staff - Jane O'Hagen, Tracey Robinson, Jason Copping
Meeting with MP Jasbir Sandhu	Sep.21/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Brittany Allison, Jasbir Sandhu, Surrey North
Meeting with Fraser Annacis Car Terminals	Oct.10/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Howard Williams
Meeting with federal government	Oct.10/12	Materials provided: Briefing notes, flyer and PowerPoint presentation Attendees: Jeff Scott, Kerry-Lynne Findlay
Meeting with Deputy Minister Dave Byng, Ministry of Jobs, Tourism and Skills Training	Oct.11/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Dave Byng
Meeting with Westshore	Oct.15/12	Materials provided: Briefing notes and flyer Attendees: Denis Horgan
Meeting with Chamber of Shipping	Oct.16/12	Materials provided: Briefing notes and flyer Attendees: Stephen Brown
ILWU 502 & Canadian Area	Oct.17/12	Materials provided: Briefing notes and flyer Attendees: Mark Gordienko, Chad O'Neil, Dan Debruyn, Chris Verbeek
Meeting with BC Ministry of Environment	Oct.17/12	Materials provided: Briefing notes and flyer Attendees: Minister Terry Lake, Jennifer Wright
Meeting with Ministry of	Oct.17/12	Materials provided: Briefing notes and flyer

Transportation & Infrastructure		Attendees: Mary Polak, Chris Sandve, Jacquie Dawes
Meeting with CN Rail	Oct.29/12	Materials provided: Briefing notes and flyer Attendees: Lonny Kubas, Brad Bonder and Francois Hebert (CN staff)
Meeting with Interfor	Nov.5/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, John Horning, Steven Hofer
Meeting with Catalyst	Nov.6/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Gerry Rolufs, Gary Carr
Meeting with Sylvia Bishop (NDP candidate), Jagrup Brar and Harry Bains	Nov.14/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Jagrup Brar and Harry Bains
Discussion with Minister's Regional Office, Colin Metcalfe	Nov.9/12	Emailed presentation to Colin Metcalfe, Director of Regional Affairs
Vancouver Board of Trade	Nov.2/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Kareem Allam
Meeting with Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway	Dec.14/12	Materials provided: Briefing notes and flyer Attendees: Jeff Scott, Dan Baxter, Minister Ed Fast
Meeting with Surrey Board of Trade	Dec.20/12	Materials provided: Presentation, briefing notes Attendees: Jeff Scott, Bill Wehnert, Ray Hudson
Meeting with Mayor Jackson, Municipality of Delta	Jan.9/13	Materials provided: Presentation, briefing notes, flyer Attendees: Jeff Scott, Mayor Jackson, George Harvie
Meeting with Deputy Minister Louis Levesque, Transport Canada	Jan.9/13	Materials provided: Briefing notes, flyer Attendees: Jefj Scott, Louis Levesque, Mimi Sukhdeo and Mike Henderson (Transport Canada)
Meeting with Mayor Wright, City of New Westminster	Jan.11/13	Materials provided: Presentation, briefing notes, flyer Attendees: Jeff Scott, Mayor Wright and engineering staff
Meeting with Crescent Beach Property Owners Association	Jan.30/13	Materials provided: Presentation, briefing notes, flyer, BNSF materials Attendees: Jeff Scott, Jurgen Franke, Crescent Beach Property Owners Association
Presentation and Q&A session with Surrey Transportation and Infrastructure Committee	Feb.4/13	Materials provided: Presentation Attendees: Jeff Scott, Surrey Transportation and Infrastructure Committee
Presentation to City of New Westminster Environmental Advisory Committee	Feb.13/13	Materials provided: Presentation Attendees: Jeff Scott, City of New Westminster Environmental Advisory Committee
Presentation and Q&A with Municipality of Delta	Feb.18/13	Materials provided: Presentation Attendees: Jeff Scott, Delta City Council
Meeting with Metro Vancouver Chair, Greg	Feb. 20/13	Materials provided: Briefing notes, flyer, presentation Attendees: Jeff Scott, Greg Moore

Moore		
Meeting with City of Delta staff	Feb.21/13	Materials provided: Presentation, briefing notes, flyer, BNSF materials Attendees: Jeff Scott, Bernita Iverson and business development and fire department representatives
Meeting with Premier's Chief of Staff, Dan Doyle	Feb.22/13	Materials provided: Briefing notes, flyer Attendees: Jeff Scott, Dan Doyle
Meeting with City of White Rock	Mar.11/13	Materials provided: Presentation, briefing notes, flyer Attendees: Jeff Scott, Mayor Baldwin, Dan Bottrill, Greg St. Louis
Meeting with Crescent Beach Property Owners Association	Mar.15/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott, Jurgen Franke, BNSF, Crescent Beach Property Owners Association
Info Session with Quayside Community Board at Fraser River Discovery Centre	Apr. 9/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott, Bill Wehnert, Melissa Tocheri, Karla and Tom (Triton) Chris (Levelton), James Crosty, the Quayside Community Board, and several others invited by James Crosty. Approximate total attendees: 40
Meeting with Councillor Raymond Louie - Metro Vancouver	Apr. 17/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott, Raymond Louie
Meeting with Mayor Stewart - Coquitlam	Apr. 18/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees provided: Jeff Scott, Mayor Stewart
SBoT update presentation	Apr. 23/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott / Bill Wehnert, SBoT members
Meeting with Mayor Brodie - Richmond	Apr. 25/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott, Mayor Brodie
Phone call with Mayor Diane Watts and Jeff Scott	Apr 25/13	Materials provided: Presentation, BNSF dust strategy and railcar emissions handouts (sent electronically)
Meeting with Councillor Mike Little	Apr. 25/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott, Mayor Brodie
Meeting with MP Peter Julien	Apr. 26/13	Materials provided: Presentation and BNSF Coal Dust info package Attendees: Jeff Scott, MP Peter Julien
Meeting with Mayor Fassbender - City of Langley	Apr. 29/13	Materials provided: Presentation and Coal Dust info package Attendees: Jeff Scott, Mayor Fassbender

Meeting with Canadian Chamber of Commerce (Kimberley Gale)	May 6/13	Materials provided: Presentation, BNSF dust strategy and railcar emissions handouts Attendees: Jeff Scott, Kimberley Gale
Meeting with the Kids for Climate Action at Westshore	May 10/13	Materials provided: Community Mailer Attendees: Jeff Scott and 4 KFCA reps

3. Going Forward

Fraser Surrey Docks is committed to keeping the community and stakeholders informed as the regulatory review continues.

The project website page will be updated with current information on the project status, including:

- Notification of Port Metro Vancouver's project permit review outcome
- Construction start (pending Port Metro Vancouver's project permit review)
- Construction completion and operation commencement (pending Port Metro Vancouver's project permit review)

Should the project proceed, FSD will inform the Port of construction commencement and any unanticipated incidents during operation will also be reported to the Port.

FSD will also notify the community and adjacent residents about construction and operation commencement, as well as any unanticipated incidents that impact the adjacent community as necessary. A community flyer will be issued to provide updates.

Appendix A: Community Update Flyer



COMMUNITY UPDATE

Fraser Surrey Docks (FSD) has applied to Port Metro Vancouver for a project permit to build coal handling facilities within the existing terminal operations. The facilities would allow for the direct transfer of coal from trains to barges via a conveyor system, meaning no permanent stockpiling of coal at the terminal would be required.

Project Overview

FSD is investing in the future. We're strengthening our role as a key link in Canada's Pacific Gateway and as an important contributor to our local and provincial economy.

FSD is proposing to add new coal handling facilities to its terminal operations, all within our existing footprint. The proposed facilities would require a significant investment to upgrade existing infrastructure that would include:

- additional terminal rail trackage
- installation of two railcar unloading pits
- conveyor connecting the unloading pits to barges
- upgrades to the electrical systems
- installation of associated dust control and fire prevention systems

The new facilities would be capable of handling eight million metric tonnes of coal annually at full capacity. In the immediate term, FSD is seeking to handle a minimum of four million metric tonnes annually. FSD forecasts that it would handle two million metric tonnes in 2013 and four million metric tonnes per year starting in 2014.

Coal would be unloaded directly from bottom dump railcars in to the receiving pits and transferred directly onto barges via a conveyor



system. The barges would carry the coal to Texada Island, where it would be unloaded, stored at an existing coal storage yard and then transferred to deep-sea vessels for export to Asia.

The coal will be delivered to FSD by train about every two days starting in 2013. This will increase to about one train per day in 2014.

The coal will be delivered to Texada Island by two barges about every two days in 2013. This will increase to two barges a day in 2014.

Making the most of our strategic location here in Surrey and our efficient rail and shipping connections, this new facility will allow us to link Canada's largest markets of the United States and China.

Protecting the Environment

We have a proven track record of safety and quality handling. Our coal handling operations will use industry-leading best available technology on bottom dump railcars, transfer pits and conveyance systems.

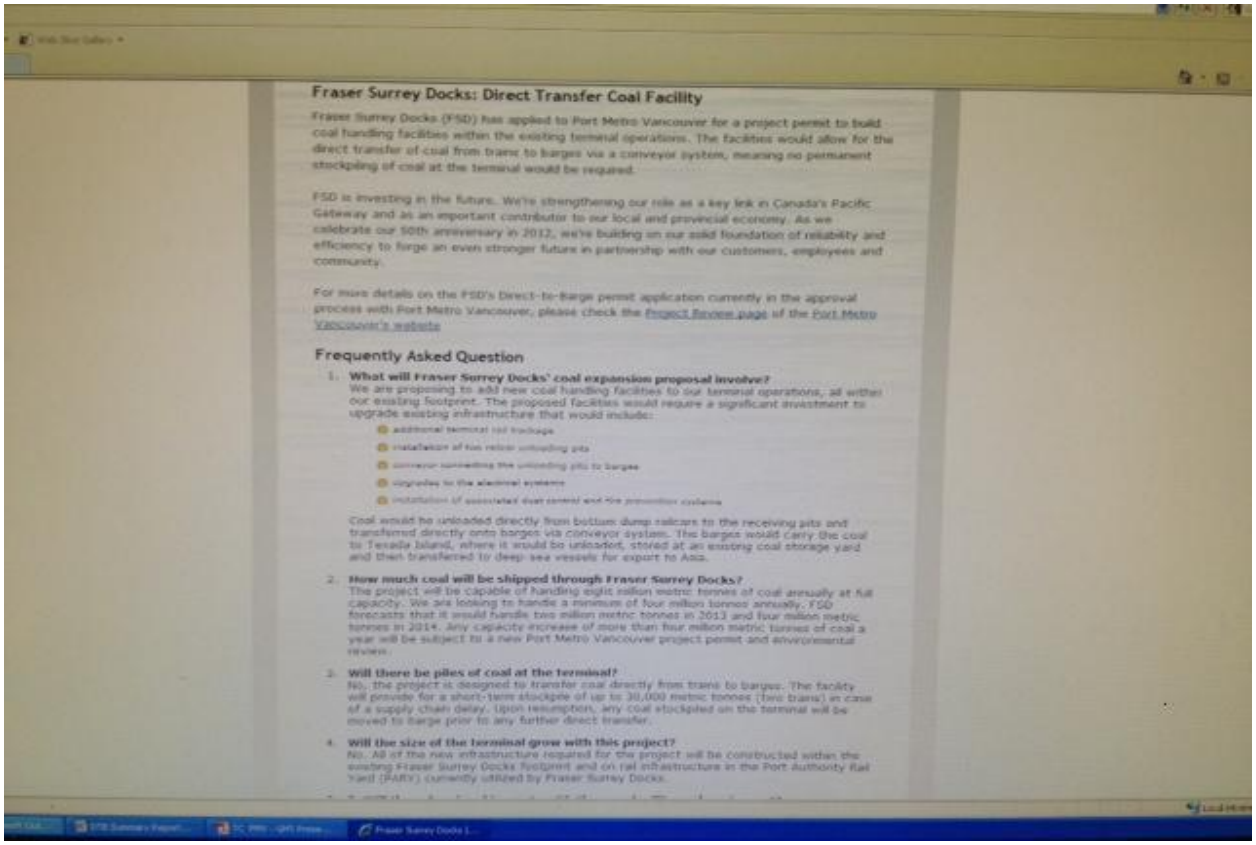
The design, engineering and construction of the facilities will minimize, the potential of any environmental contaminates and pollutants. FSD has undertaken a full risk and mitigation analysis to ensure we employ the best environmental and safety practices at every step.

FSD will use the latest dust suppression technology to minimize the possibility of air borne contamination. We will continually monitor and update our risk assessment to ensure the transfer of coal to barge and the barging of coal along the Fraser River is held to the highest operating standards possible. In the unlikely event that any coal is spilled, it will be immediately contained and controlled as outlined in our comprehensive Spill Response Plans.

In order to significantly reduce environmental impacts, there will be no permanent storage facilities of coal on site. The facility will provide for a short-term stockpile of up to 30,000 metric tonnes (two trains) in case of a supply chain delay. Upon resumption, any coal stockpiled on the terminal will be moved to barge prior to any further direct transfer.

www.fsd.bc.ca

Appendix B: Direct transfer coal facility website



Fraser Surrey Docks: Direct Transfer Coal Facility

Fraser Surrey Docks (FSD) has applied to Port Metro Vancouver for a project permit to build coal handling facilities within the existing terminal operations. The facilities would allow for the direct transfer of coal from trains to barges via a conveyor system, meaning no permanent stockpiling of coal at the terminal would be required.

FSD is investing in the future. We're strengthening our role as a key link in Canada's Pacific Gateway and as an important contributor to our local and provincial economy. As we celebrate our 50th anniversary in 2012, we're building on our solid foundation of reliability and efficiency to forge an even stronger future in partnership with our customers, employees and community.

For more details on the FSD's Direct-to-Barge permit application currently in the approval process with Port Metro Vancouver, please check the Project Review page of the Port Metro Vancouver's website

Frequently Asked Question

1. **What will Fraser Surrey Docks' coal expansion proposal involve?**
   We are proposing to add new coal handling facilities to our terminal operations, all within our existing footprint. The proposed facilities would require a significant investment to upgrade existing infrastructure that would include:
   - additional terminal rail trackage
   - installation of two railcar unloading pits
   - conveyor connecting the unloading pits to barges
   - upgrades to the electrical systems
   - installation of associated dust control and fire prevention systems

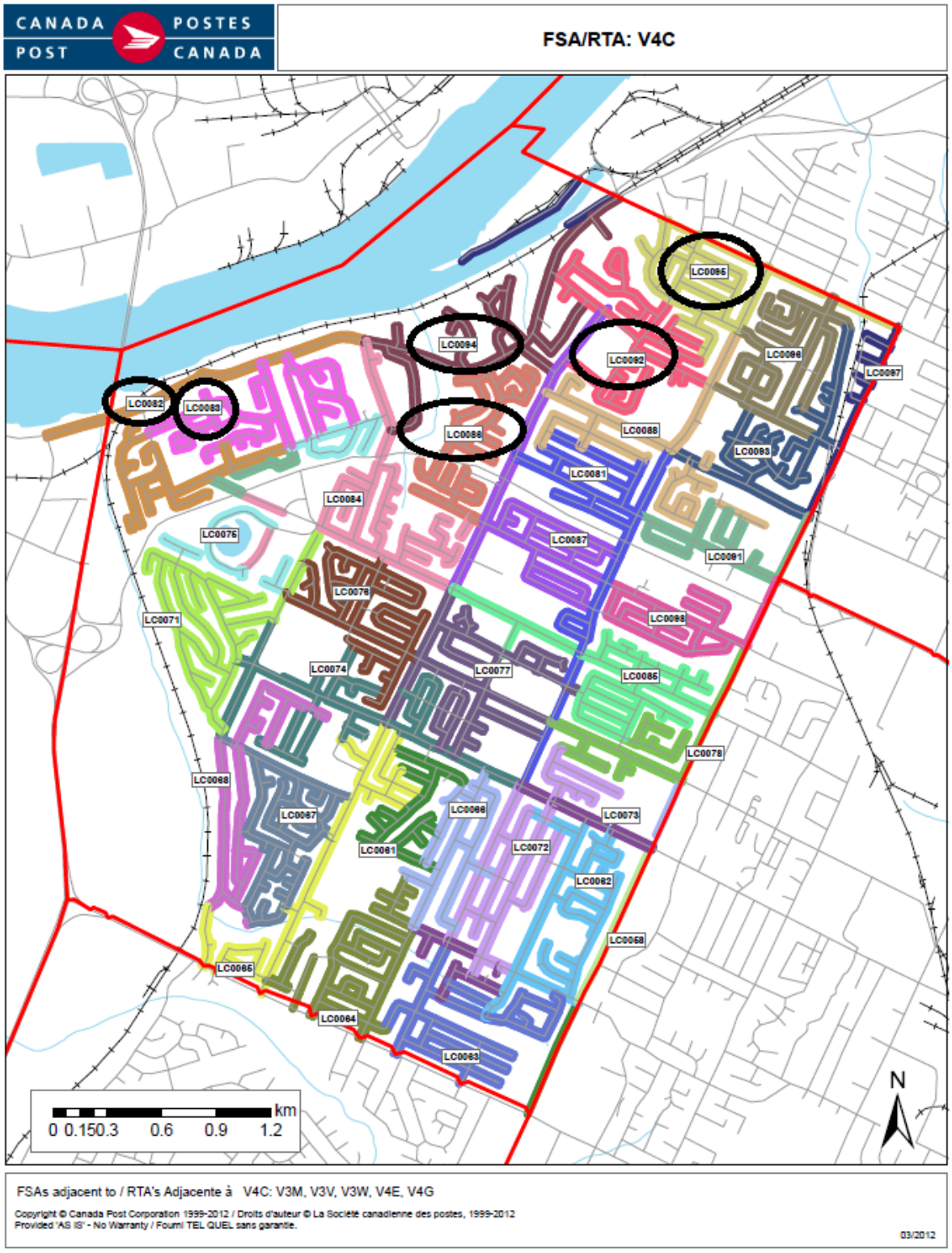
   Coal would be unloaded directly from bottom dump railcars to the receiving pits and transferred directly onto barges via conveyor system. The barges would carry the coal to Texada Island, where it would be unloaded, stored at an existing coal storage yard and then transferred to deep sea vessels for export to Asia.

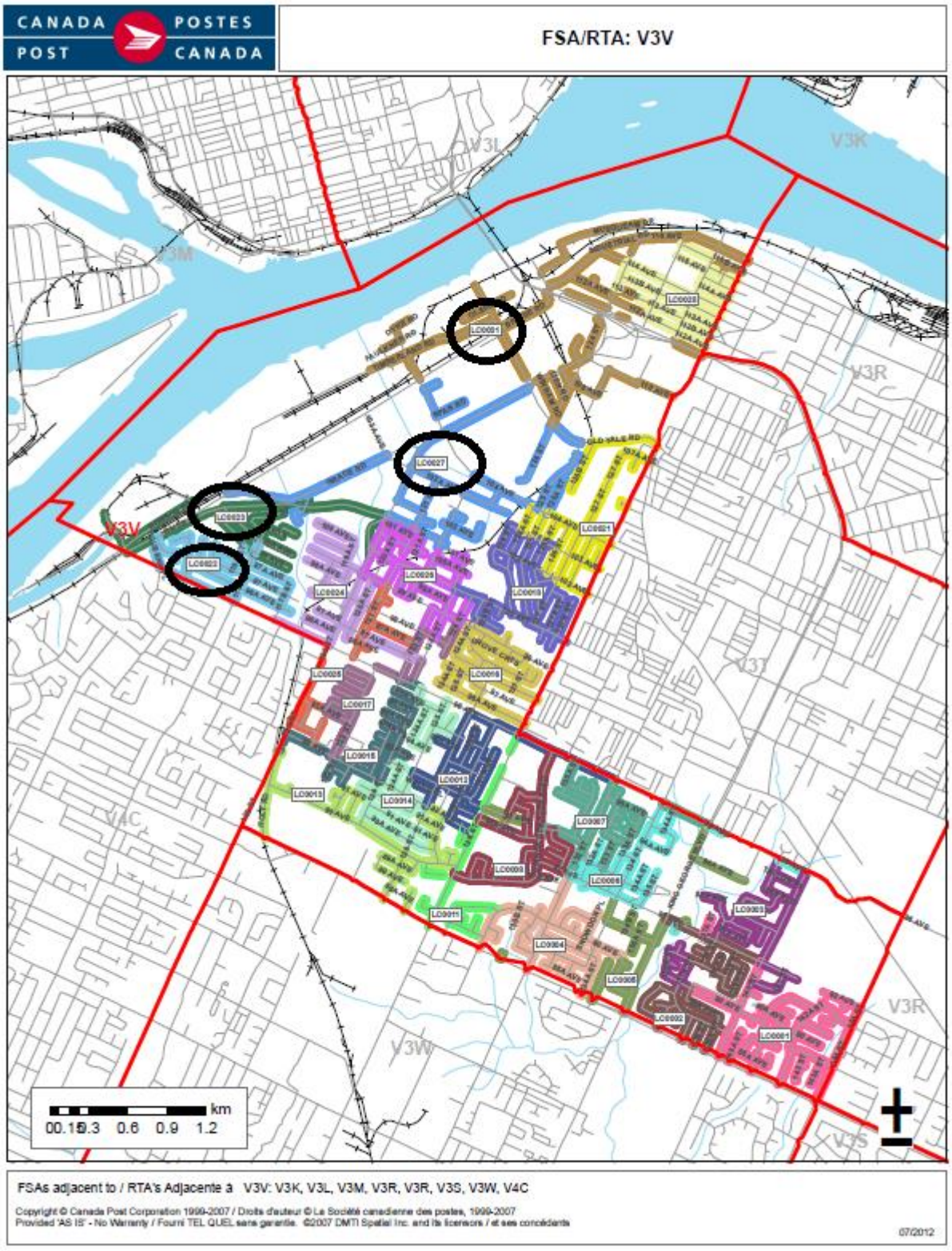
2. **How much coal will be shipped through Fraser Surrey Docks?**
   The project will be capable of handling eight million metric tonnes of coal annually at full capacity. We are looking to handle a minimum of four million tonnes annually. FSD forecasts that it would handle two million metric tonnes in 2013 and four million metric tonnes in 2014. Any capacity increase of more than four million metric tonnes of coal a year will be subject to a new Port Metro Vancouver project permit and environmental review.

3. **Will there be piles of coal at the terminal?**
   No, the project is designed to transfer coal directly from trains to barges. The facility will provide for a short-term stockpile of up to 30,000 metric tonnes (two trains) in case of a supply chain delay. Upon resumption, any coal stockpiled on the terminal will be moved to barge prior to any further direct transfer.

4. **Will the size of the terminal grow with this project?**
   No. All of the new infrastructure required for the project will be constructed within the existing Fraser Surrey Docks footprint and on rail infrastructure in the Port Authority Rail Yard (PARY) currently utilized by Fraser Surrey Docks.

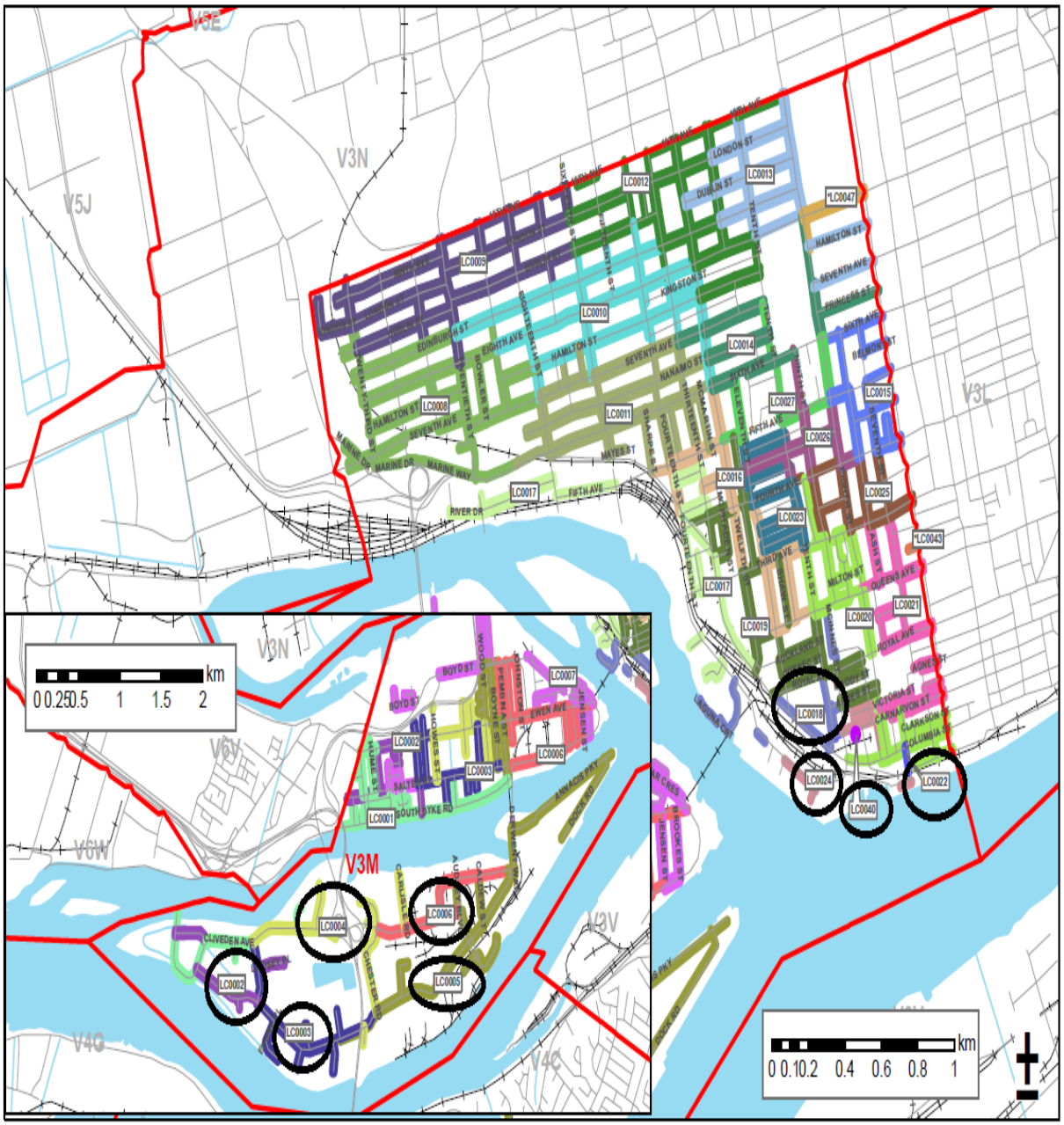
Appendix C: Community mailer distribution map




CANADA POST
POSTES CANADA
FSA/RTA: V3V
V3L
V3K
V3M
V3R
V3V
V3T
V4C
V3W
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LC0028
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FSAs adjacent to / RTA's Adjacente à V3V: V3K, V3L, V3M, V3R, V3R, V3S, V3W, V4C
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07/2012

CANADA POSTES
POST CANADA

FSA/RTA: V3M



FSAs adjacent to / RTA's Adjacente à V3M: V3L, V3N, V3V, V4C, V4G, V6V

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