

NO: **R044**

COUNCIL DATE: **March 11, 2013**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **March 7, 2013**

FROM: **General Manager, Engineering  
General Manager, Planning and Development**

FILE: **5650-20(FRPA)**

SUBJECT: **Application to Port Metro Vancouver by Fraser Surrey Docks for a Proposed  
Direct Transfer Coal Facility at Fraser Surrey Docks**

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## RECOMMENDATION

The Engineering Department and the Planning & Development Department recommend that Council:

1. Receive this report as information; and
2. Instruct the City Clerk to forward a copy of this report and the related Council resolution to Port Metro Vancouver (PMV) and the Fraser Surrey Docks (FSD) as the City's comments on the application by FSD to PMV to install and operate a Direct Transfer Coal Facility at Fraser Surrey Docks and include in such communication a request that PMV address the concerns listed in this report in the application review process.

## INTENT

The purpose of this report is to provide an overview of a Direct Transfer Coal Facility that is being proposed by Fraser Surrey Docks (FSD) at the Fraser Surrey Docks in Surrey and for which an application has been submitted to Port Metro Vancouver (PMV) and to document concerns with the proposed Facility that should be addressed by PMV in its consideration of the subject application.

## BACKGROUND

The Vancouver Fraser Port Authority, which operates under the name Port Metro Vancouver (PMV), is a federal agency that is responsible for the operation and development of port interests along 600 km of shoreline in the Metro Vancouver area including the port activities along the Fraser River in Surrey.

Fraser Surrey Docks (FSD) is a tenant of the PMV lands in Surrey and is a large multi-purpose marine terminal that handles a variety of cargo including containers, steel, forest products, salt, and bulk materials.

FSD has submitted a project permit application to PMV for the development of a Direct Transfer Coal Facility (the "Facility") at the southwest end of the existing FSD terminal to handle up to 4,000,000 metric tonnes of coal per year.

The coal will be hauled by Burlington Northern Santa Fe (BNSF) railway to the Facility and will be loaded directly onto barges from the rail cars. The coal is expected to originate from Montana and Wyoming and will ultimately be shipped overseas. No coal is expected to be stored at the FSD terminal during normal operations; however, the Facility is being designed to accommodate the temporary storage of up to 30,000 metric tonnes of coal to address unforeseen circumstances.

When the coal is loaded on barges at the Facility, tugs will tow single barges down the Fraser River to its mouth. Once the barges pass Sand Heads, they will be towed in tandem to Texada Island, where the coal will be off-loaded and stored before being transferred to deep sea vessels for shipment overseas.

Although the current application is seeking to transfer as much as 4,000,000 metric tonnes per year, there is potential to increase volumes up to a total of 8,000,000 metric tonnes per year over the longer term but such an expansion would be subject to a new application to PMV for a project permit.

The current application process has included community engagement and has included referral to First Nations.

## **DISCUSSION**

Staff has met with representatives of PMV and of FSD to better understand the proposed Facility and to identify potential implications that its implementation may have on stakeholders in Surrey.

The following sections document the results of staff's review of the proposal and list the concerns that from staff's perspective should be addressed by PMV in relation to its consideration of the application for the Facility. There are two fundamental aspects to the proposal, each of which has potential concerns to stakeholders in Surrey. These aspects are:

- A. The transportation of the coal through Surrey by way of the BNSF railway to the Facility;  
and
- B. The operation of transferring the coal from rail cars to barges at the Facility.

### ***A. Concerns Related to Transporting Coal by Railway through Surrey***

#### Description:

The FSD is planning to receive coal by way of trains that will travel on the BNSF railway through Surrey and that will be approximately 135 rail cars long, approximately 7,500 feet in length. At the outset of the operation, FSD is planning to transfer 2,000,000 metric tonnes of coal per year at the Facility, which equates to approximately 160 trains per year or on average approximately one train every two days. FSD has advised that after the first year the amount of coal to be transferred through the Facility will be increased to 4,000,000 metric tonnes per year, which equates to 320 trains per year or an average of 1 train per day approximately. Each such train would pass through Surrey in a loaded condition going north and would pass through Surrey again after being

unloaded heading south (i.e., each train would result in two trips through Surrey; one in each direction).

Concerns:

1. *BNSF train blockages at Crescent Road and at other grade level rail/road crossings in Surrey*  
Increases in rail traffic on the BNSF railway will result in increased delays at the single access point to Crescent Beach at Crescent Road. Approximately 16 to 20 trains per day currently pass Crescent Beach on the BNSF rail line. Six hundred and forty (640) new trains per year, which is the expected volume for the Facility, would increase total train movements by approximately 10% at this crossing (i.e., an average increase of just under 2 movements a day).

There is already concern within the Crescent Beach community regarding emergency access and regular access to the community being blocked due to trains on the BNSF railway. As mentioned above, Crescent Road is the only road connection to the Crescent Beach community. Although a “stopped train” protocol has been implemented with the BNSF through the Crescent Beach area, even when trains don’t stop they can cause extended blockages at Crescent Road due to speed restrictions on the railway trestle that crosses Mud Bay.

FSD has advised that it is expecting trains to arrive at the Facility between 12:00 a.m. and 6:00 a.m. and depart between 5:00 p.m. and 10:00 p.m. thereby minimizing the likelihood for delays at rail crossings in Surrey during normal higher road traffic periods.

2. *Coal Dust*  
Members of the community have raised concern with the potential for the coal on the trains to shed coal dust due to wind turbulence that occurs as the trains move through Surrey and that the coal dust could have health, environmental and aesthetic impacts on the residents and properties located along the railway.
3. *Noise*  
Additional train traffic will result in additional noise caused by the engines pulling the trains, the wheel noise of the train cars and the whistle noise at road crossings.

***B. Concerns Related to the Transfer of Coal from Rail Cars to Barges at the FSD Facility***

1. *Coal Dust*  
Members of the community have raised concern with the potential for the transfer operation to cause coal dust that will be blown into the adjacent communities and which could cause health, environmental and aesthetic impacts on the residents and properties in these communities.
2. *Noise*  
There is concern that the additional train traffic and the transferring of coal at the Facility will cause noise that will be a disturbance to those that work and/or live in the vicinity of the Facility. The City has experienced receiving complaints from residents in the area of the FSD in the past in relation to materials being handled at the FSD such as the moving of steel that has been handled at FSD.

3. Safety

There is concern that the storing of and transfer of coal at the Facility could be dangerous in relation to potential fires in view of the volatility of coal as a fuel.

### **Economic Development Interests**

The City of Surrey is interested, subject to all stakeholder interests being reasonably addressed, in ensuring that the Fraser Surrey Dock Facility is used to its maximum potential so as to assist in ensuring a vibrant and sustainable economy in our City and the Region. It is recognized that port-related jobs are relatively high value jobs and therefore are good for the broader economy.

### **Public Consultation**

PMV representatives and FSD representatives have met with City staff and have made presentations to each of the Environmental Advisory Committee (EAC) and the Transportation and Infrastructure Committee (TIC).

The EAC has resolved to advise Council as follows:

“that Council be made aware of the community and Environmental Advisory Committee concerns of coal dust and train noise when considering the Coal Transfer Facility proposal from the Fraser Surrey Dock Ltd. Partnership.”

The TIC did not pass a formal resolution but the comments in this report generally reflect the comments that were made by the Committee.

PMV representatives and FSD representatives have also met with the Crescent Beach Property Owners Association, the Corporation of Delta and the City of New Westminster. The concerns that are listed in the previous sections of this report are consistent with those raised during these other consultations.

### **CONCLUSION**

Based on the above discussion, it is recommended that Council instruct the City Clerk to forward a copy of this report and the related Council resolution to Port Metro Vancouver (PMV) and the Fraser Surrey Docks (FSD) as the City’s comments on the application by FSD to PMV to install and operate a Direct Transfer Coal Facility at Fraser Surrey Docks and include in such communication a request that PMV address the concerns listed in this report in the application review process.

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