Better Deltaport

Allan Baydala, former Chief Financial Officer of the Vancouver Fraser Port Authority, wrote a Letter to the Editor of the Delta Optimist on June 19 (Re: Incremental options to T2 offer no risk to taxpayers, June 6). It contains several inaccurate comments. GCT Global Container Terminals believes residents of Delta and all British Columbians deserve facts.

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Allan Baydala: The port authority's forecasts, validated multiple times by leading international experts, show that Canadian west coast marine container terminals will not be able to meet the import and export trade demands of Canadians by the early 2030s. It is imperative that capacity is expanded before that happens, and Terminal 2 is the only project that can be evaluated, approved and built on time.

GCT: The Vancouver Fraser Port Authority (VFPA) has prevented GCT's Deltaport Berth 4 project from entering the review process. VFPA is a landlord, regulator and, in this case, a competitor using its regulatory powers to prevent a fair, open and transparent process for a Terminal Operator (i.e. GCT) to advance a port expansion project.

Allan Baydala: Terminal 2 is nearing the end of a federal environmental assessment process which started over five years ago. The review, approval, procurement and construction of a new terminal will take well over a decade. Since no other project has even started this process, there are no alternatives to meet the demand even when considering expansions at existing terminals, including Prince Rupert.

GCT: VFPA has prevented GCT's Deltaport Berth 4 project from entering the review process. VFPA is using its regulatory powers to prevent a fair, open and transparent process for a Terminal Operator (i.e. GCT) to advance a port expansion project.

Allan Baydala: The potential impacts of not building in time are enormous. As container terminals reach capacity, the costs to users will go up, which will mean higher prices for everyone. And, as demand will continue to grow, more containers will be redirected through U.S. ports.

GCT: This is misleading as 35% of all imports entering BC container ports are USA destined cargo. It would be USA destined cargo that would be redirected should Canadian ports not have capacity. That being said, as this study shows, there are plenty of expansion projects permitted or already in construction to meet capacity well into the 2030s.

Allan Baydala: I, for one, am not happy with the thought of our imported goods and agricultural exports being dependent on border crossings and U.S. ports.

GCT: This is not how the supply chain works. Nearly 33% of all containers leaving Canada are empty. There is lots of export capacity still in the system as evidenced in this presentation.

Allan Baydala: Global Container Terminals proposes to build a fourth berth in an area previously rejected by federal officials because of its impact on the environment.

GCT: The Department of Fisheries and Oceans indicated during the recent RBT2 Public Hearings that their comments were made almost 20 years ago and in relation to a project with a larger footprint under different legislation and regulation. There is no prohibition as VFPA would suggest. See for yourself in the transcripts from May 22, pages 128-132.

Allan Baydala: In addition to undergoing the country's most rigorous federal environmental review and being purpose-built for immediate use, Terminal 2 would be funded by the port authority, not by taxpayers. As Simpson should know, Canada's port authorities are financially self-sufficient through revenues from port tenants and users.

GCT: If the VFPA is self-sufficient, why did it apply to the Government of Canada for a borrowing increase of $2.7 Billion for this project as seen here?

Allan Baydala: The port authority also has an excellent credit rating and borrows funds in Canada's capital markets. The investment in Terminal 2 would be recouped through a decades-long lease with a terminal operator and through user fees, again at no risk to Canadian taxpayers.

GCT: Twice already the VFPA has failed to identify a Terminal Operator for RBT2. First in 2008, and they walked away. Second time since 2015 they have not been able to come to a conclusion despite announcing they will do so by the end of 2016 (see page 28). What if they walk away again? Who will pay for the big island built at Roberts Bank then?

Allan Baydala: This is how port infrastructure is and should be built. The land for Terminal 2 would remain an asset belonging to Canadians, not private enterprise.

GCT: Global Container Terminals has never suggested that the built landmass would belong to GCT. Rather, as with all other terminal expansions, the land would remain an asset of the Port Authority. The Port Authority proposed this model when they originally started T2 planning in mid-2000s.

Allan Baydala: And the returns on the use of that land would be to the benefit of the Port Authority and the Canadian public, not corporate shareholders.

GCT: Terminal Operators pay the Port Authority significant fees and leases which provides substantial returns on the land. This is exactly how it is supposed to work. Instead, with T2, VFPA is crowding out Canadian private investment. Delta citizens and British Columbians would much prefer VFPA invest $2.7 Billion for a new river crossing, and let GCT invest for new container capacity.