

OTTAWA CHIPS IN FOR B.C. CONTAINER PORT PROJECT

By BRENT JANG

Friday, April 15, 2005

TRANSPORTATION REPORTER

The federal government plans to provide a \$30-million grant to kick-start a container port at Prince Rupert in northwestern British Columbia.

B.C. Premier Gordon Campbell and federal Industry Minister David Emerson will make a joint announcement today that will pave the way to build the container terminal -- creating a second West Coast venue to help handle booming Asian trade.

The Port of Vancouver has been under strain, with consumer goods shipped from China pouring into Canada and producing bottlenecks.

Federal lawyers are carefully crafting details of the financing, since the grant must be processed in a way that doesn't contravene the Canada Marine Act, which prohibits Ottawa from directly investing in Canadian ports, a senior federal government official said.

The B.C. government had already committed \$17-million to Prince Rupert and will be bumping up that total to \$30-million today, the official said late yesterday.

For Mr. Campbell's B.C. government, the announcement comes at a good time, with British Columbians preparing to cast their ballots in a provincial election on May 17.

Prince Rupert supporters say that 600 container-terminal jobs could be created within five years and there would be enormous economic spinoffs.

The first phase of the \$530-million project could cost \$180-million.

Prince Rupert currently has an underused terminal that isn't equipped to handle containers.

Mr. Emerson will meet with the Vancouver Board of Trade and unveil Ottawa's plans at a news conference this morning in Vancouver. The co-senior B.C. representative at the federal cabinet table will then fly to Prince Rupert to announce details to that city's port supporters.

Don Krusel, president of the Prince Rupert Port Authority, and other civic leaders had been lobbying Mr. Emerson and federal Transport Minister Jean Lapierre for funding.

Montreal-based Canadian National Railway Co. previously agreed to contribute \$15-million for the proposed Prince Rupert project while Maher Terminals Inc. of New Jersey pledged to invest at least \$60-million.

CN acquired the freight operations of BC Rail Ltd. last July from the B.C. government, gaining northwestern B.C. tracks that connect to CN lines into Prince Rupert.