

May 26, 2006

Rona Ambrose  
Minister of the Environment  
Ottawa, Ontario

Dear Minister Ambrose,

By way of introduction, I represent a grassroots community organization in Weston, Ontario formed to provide a community response to the proposal for an 'Air-Rail-Link' between Pearson Airport and Union Station in Toronto. The Town of Weston found the proposal to be very disruptive to the heritage and socio-economic fabric of our little community, as roads would close and businesses would be disconnected from the residents, their customers.

At present there is underway an environmental assessment, which is being run through the province of Ontario's rules, with the Federal officials monitoring the process to ensure compliance with federal assessment regulations. Section 5.1 of the Canadian Environmental Assessment Act provides:

5. (1) An environmental assessment of a project is required before a federal authority exercises one of the following powers or performs one of the following duties or functions in respect of a project, namely, where a federal authority

(a) is the proponent of the project and does any act or thing that commits the federal authority to carrying out the project in whole or in part;

(b) makes or authorizes payments or provides a guarantee for a loan or any other form of financial assistance to the proponent for the purpose of enabling the project to be carried out in whole or in part

...

(d) under a provision prescribed pursuant to paragraph 59(f), issues a permit or licence, grants an approval or takes any other action for the purpose of enabling the project to be carried out in whole or in part.

In the instant case, the project is not a federal undertaking, but it is only going forward with significant amounts of federal funding, particularly from the ministry of Transportation. In particular, between 2003-2006 \$31,475,040 (according to supplemental estimates from 2003/4 and main estimates from 2005/6, attached) was transferred (apparently from the Toronto Waterfront Development fund) to the Greater Toronto Airport Authority (GTAA), and it is planned that a further \$385 Million will be given to GO Transit, some of which will be to build infrastructure required for the Air-Rail Link.

Our immediate concern is the aforementioned \$31.5 Million given to the GTAA. When we first spotted this amount in the Main Estimates, we could not determine what the money was for. However, recently we were given a copy of the 'stakeholder agreement' (attached) between the GTAA and the proponent of the Air-Rail Link. In that agreement, it is clear that the GTAA will not sign any agreement until they have been paid \$25 Million for activities related to the Air;Rail Link. Finally, recently we received a letter from Steve Shaw to Alan Tonks (attached), outlining that the money was to build the terminus at the airport for the Air-Rail Link, and that building is now complete.

Clearly this is a direct violation of section 5.1 of the act, which prohibits spending money or making irrevocable decisions until AFTER the EA is final. Part of the EA deliberations under way will study whether, environmentally, there isn't a better routing for a link to the airport, and as such, that Terminus may be in the wrong location, or facing the wrong direction. However, the fact that it is built, and built specifically for the Air Rail Link proponent, makes a mockery of the process, and since it is clearly money from the Federal Ministry of Transport, it is in violation of the Act.

I have no idea what you, as the new minister responsible, can do about the actions of the previous government. What penalty can you accord the former minister of Transport for spending, and perhaps wasting, \$31.5 Million taxpayer dollars before the EA confirmed it could be spent? I have no choice but to leave that to you.

However, there is one other issue. Under the CEAA, participant funding can be afforded to assist the public in dealing with complex and important issues. We have twice asked the Minister of Transport to upgrade this assessment to include participant funding. We have never had the courtesy of a reply. You could, under the act, upgrade this assessment to provide for some participant funding. We would therefore ask that you do that.

Yours Truly,

Mike Sullivan  
Chair  
Weston Community Coalition

72 Church St.,  
Weston On  
M9N 1N3  
416-240-7836

# TRANSPORT Department

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|   |                    |
|---|--------------------|
| <b><u>Transfer Payments</u></b>   | \$                 |
| <b><u>Grants</u></b>  |                    |
| <i>Safety and Security</i>  |                    |
| Grant to close grade crossings .....  | 100,000            |
| Grant to the International Civil Aviation Organization (ICAO) for the ICAO Universal Security Audit Program .....   | 42,000             |
|   | <u>142,000</u>     |
| <b><u>Contributions</u></b>   |                    |
| <i>Policy</i>   |                    |
| Payment to Ridley Terminals Incorporated for repayment of outstanding loans .....                                   | 77,000,000         |
| Toronto Waterfront Revitalization Corporation in support of the Toronto waterfront revitalization initiatives ..... | 21,400,000         |
| Contribution to the Greater Toronto Airports Authority for the Air Rail Link .....                                  | 20,050,040         |
|   | <u>118,450,040</u> |
| <i>Programs and Divestiture</i>   |                    |
| Port Divestiture Fund .....   | <u>25,000,000</u>  |
|   | <u>143,592,040</u> |

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# Transport Department

## Transfer Payments

| (dollars)   | <b>2005–2006<br/>Main Estimates</b> | 2004–2005<br>Main Estimates |
|---|-------------------------------------|-----------------------------|
| <b>Grants</b>   |                                     |                             |
| <i>Policies, Programs and Infrastructure in support of a market-based framework</i>   |                                     |                             |
| Grant to the Province of British Columbia in respect of the provision of ferry and coastal freight and passenger services   | <b>24,951,738</b>                   | 24,514,251                  |
| <i>Policies, Rule-making, Monitoring and Outreach in support of a safe and secure transportation system</i>   |                                     |                             |
| Grant to close grade crossings  | <b>300,000</b>                      | 250,000                     |
| <b>Total grants</b>   | <b>25,251,738</b>                   | 24,764,251                  |
| <b>Contributions</b>  |                                     |                             |
| <i>Policies, Programs and Infrastructure in support of a market-based framework</i>   |                                     |                             |
| Transportation Association of Canada  | <b>188,000</b>                      | 188,000                     |
| Contribution to the Province of Prince Edward Island for policing services in respect of the Confederation Bridge   | <b>230,000</b>                      | 230,000                     |
| Contribution to Canadian National Railways towards the Quebec Bridge Restoration Program  | <b>600,000</b>                      | 600,000                     |
| Allowances to former employees of Newfoundland Railways, Steamships and Telecommunications Services transferred to Canadian National Railways   | <b>937,000</b>                      | 987,000                     |
| Newfoundland – Construct runways and related facilities in Labrador (Nain, Davis Inlet, Hopedale, Postville, Makkovik, Rigolet, Cartwright, Black Tickle, Charlottetown, Port Hope Simpson, Mary's Harbour, Fox Harbour and Williams Harbour) | <b>1,000,000</b>                    | 1,000,000                   |
| Contributions for the operation of municipal or other airports:   |                                     |                             |
| Original Program  | <b>1,958,900</b>                    | 1,813,900                   |
| Contribution to the Thompson Regional Airport Authority for the cost associated with the rehabilitation of runway 05/23 of the Thompson airport   | <b>2,223,856</b>                    | 1,927,427                   |
| Contributions to provinces toward highway improvements to enhance overall efficiency and promote safety while encouraging, industrial development and tourism from a regional economic perspective:   |                                     |                             |
| Outaouais Road Development Agreement  | <b>2,632,000</b>                    | 2,632,000                   |
| Contributions for ferry and coastal passenger and freight services  | <b>8,036,000</b>                    | 8,036,000                   |
| Strategic Highway Infrastructure Program:   |                                     |                             |
| Border Crossing – Planning and integration  | <b>10,397,025</b>                   | 9,500,000                   |
| Border crossing   | <b>12,760,388</b>                   | 14,649,000                  |
| Highway component   | <b>158,463,097</b>                  | 190,699,085                 |
| Intelligent Transportation System   | <b>9,400,000</b>                    | 9,000,000                   |
| Contribution to the Greater Toronto Airport Authority for the air rail link   | <b>1,630,000</b>                    | 9,795,000                   |
| Payment to the Canadian Wheat Board for the acquisition and leasing of hopper cars for the transportation of grain in Western Canada  | <b>16,967,296</b>                   | 16,967,200                  |
| Port Divestiture Fund   | <b>31,225,000</b>                   | 42,500,000                  |
| Airports Capital Assistance Program   | <b>38,000,000</b>                   | 42,582,100                  |
| Special Capital Contribution to the Régie intermunicipale de l'aéroport régional de Mont-Joli for the construction of a multipurpose building and other miscellaneous capital projects  | <b>1,900,000</b>                    | .....                       |
| Contribution in support of the divestiture of the non-National Airport System airports  | <b>1,170,000</b>                    | .....                       |



## Greater Toronto Airports Authority

Lester B. Pearson International Airport  
P.O. Box 6031, 3111 Convair Drive  
Toronto AMF, Ontario, Canada L5P 1B2

Tel 416-776-3344  
Fax 416-776-3339

**Louis A. Turpen**  
President and Chief Executive Officer

May 22, 2003

Macquarie North America Ltd. and Arup Canada Inc.  
c/o Mr. James C. S. Cowan  
Executive Vice President  
Macquarie North America Ltd.  
121 King Street West, 8<sup>th</sup> Floor  
Toronto, ON M5H 3T9

Dear Sirs:

**Re: Air Rail Link between Toronto Union Station and the Toronto-Pearson International Airport**

The Greater Toronto Airports Authority ("GTAA") acknowledges that Transport Canada issued a 'Request for Expressions of Interest, Air Rail Link from Toronto-Pearson International Airport to Union Station' ("RFEOP") dated April 12, 2001, a copy of which was reviewed by GTAA, to persons interested in financing, designing, constructing, operating and maintaining a passenger railway service that will be operated between Toronto Union Station and Toronto-Pearson International Airport (the "Airport") over track that includes the Spur Line ("Air Rail Link").

A glossary of the defined terms used herein is set forth in Schedule A.

GTAA also acknowledges that, pursuant to the RFEOP, Transport Canada qualified four respondents (each a Qualified Respondent), which included Macquarie North America Ltd. and Arup Canada Inc. Transport Canada is inviting the Qualified Respondents to submit a Response to the 'Request for Business Case, Air Rail Link from the Airport to Union Station' ("RFBC") issued by Transport Canada in May, 2003, to finance, design, construct, operate and maintain the Air Rail Link.

GTAA has an interest and is a stakeholder in the proposed Air Rail Link because GTAA is responsible for the development, management, operation and maintenance of the Airport, and as such the involvement of GTAA in the Air Rail Link is required. GTAA understands that there are stakeholders in addition to GTAA whose collective involvement in the Air Rail Link is required, and that they are each issuing letters to Transport Canada, with respect to the terms and conditions of their involvement in the Air Rail Link. GTAA and such other stakeholders are herein collectively called "Stakeholders" and individually called a "Stakeholder". The Major

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Stakeholders, which includes GTAA, are providing to the Respondents as part of the RFBC, letter agreements which may be accepted by each Respondent, or negotiated by such Respondent with each Stakeholder to the extent of the optional provisions relating to bulk baggage handling only, to form a binding Stakeholder Agreement Letter between such Respondent and such Stakeholder. Minor Stakeholders have provided to Transport Canada letters outlining the terms and conditions upon which they are prepared to negotiate agreements setting forth the terms of their involvement with the Air Rail Link. The letter agreements between Major Stakeholders and the Qualified Respondents are herein collectively called "Stakeholder Agreement Letters" and individually called a "Stakeholder Agreement Letter". This Stakeholder Agreement Letter is the agreement between GTAA and the Respondent, referred to in the GTAA letter of May 22, 2003 to Transport Canada included in Appendix 2 of the RFBC.

GTAA has reviewed a final draft copy of the RFBC, the proposed elements of a conceptual alignment of the proposed Air Rail Link as described in such final draft, and the terms and conditions upon which the Qualified Respondents are to submit a Response to Transport Canada. GTAA understands that this Stakeholder Agreement Letter will form part of the RFBC.

GTAA understands that the role of Transport Canada is to facilitate the Process, whereby the Qualified Respondents were identified and pursuant to the criteria set forth in the RFBC, one of the Qualified Respondents may be selected by Transport Canada to be the successful respondent ("Successful Respondent"). Such selection will then permit the Successful Respondent to enter into Final Stakeholder Agreements.

The Respondent acknowledges and agrees that the GTAA's continued participation in the Process, including the commitments and agreements contained in this Stakeholder Agreement Letter, are conditional upon the GTAA receiving from Transport Canada a payment of \$25 million in connection with certain enabling works associated with the Air Rail Link undertaken by the GTAA at the request of Transport Canada. The Respondent acknowledges and agrees that if the GTAA does not receive the payment of \$25 million on terms satisfactory to the GTAA, the GTAA may, at any time and without notice, withdraw from the Process and the terms, conditions and obligations contained in the Stakeholder Agreement Letter and shall be of no further force and effect. The Respondent expressly releases the GTAA from any and all claims the Respondent may have for any losses, costs and damages or injury arising from the withdrawal of the GTAA, directly or indirectly as a result of the non-payment by Transport Canada of the funding described in this paragraph.

In consideration of the Respondent's participation in the Process and of the benefits which will accrue to GTAA if the Air Rail Link is financed, designed, constructed, maintained and operated by the Successful Respondent, and of the fees to be paid to GTAA, and of other good and valuable consideration, GTAA hereby agrees with the Respondent, as follows:

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**1. ACKNOWLEDGEMENTS AND UNDERTAKINGS**

- 1.1 The Air Rail Link can only be designed, constructed, operated and maintained through the Final Stakeholder Agreements between the Successful Respondent and each Stakeholder.
- 1.2 In order for the Respondent to submit a Response, the Respondent must have certainty as to the terms and conditions on which GTAA is prepared to enter into the Final Stakeholder Agreements with the Respondent, should it be selected as the Successful Respondent.
- 1.3 The terms of this Stakeholder Agreement Letter set forth the mandatory terms (Section 4), the mandatory fees and expenses (Section 5) and optional provisions (Section 6) relating to GTAA's involvement in the Process and the Air Rail Link. The optional provisions relate to bulk baggage handling.
- 1.4 Any requests for information and data required by the Respondent from GTAA in connection with the Process must be submitted to Transport Canada who will provide GTAA information and data to the Respondent, provided the Respondent has executed a confidentiality agreement with Transport Canada, which is required as part of the Process.
- 1.5 The Final Stakeholder Agreements between GTAA and the Respondent will be comprised of a minimum of three separate agreements: this Stakeholder Agreement Letter, the Development and Construction Agreement, and the Operating Agreement. GTAA agrees to negotiate all such agreements with the Successful Respondent in good faith in order that the Final Stakeholder Agreements may be settled, executed and delivered within the time periods described in Section 3.1 of this Stakeholder Agreement Letter.
- 1.6 At the written request of Transport Canada, GTAA will permit the Respondent and its representatives to have access to the Airport for the purpose of obtaining information in order to permit the Respondent to prepare its Response, provided that the Respondent and its representatives first sign and deliver to the GTAA such access agreements and deliver such insurance certificates both of which shall be satisfactory to the GTAA.

**2. EFFECTIVE PERIOD OF THIS STAKEHOLDER AGREEMENT LETTER**

If Transport Canada does not select the Respondent as the Successful Respondent within 540 days from the date on which the RFBC was issued, the obligations of GTAA under this Stakeholder Agreement Letter shall terminate and shall be of no further force or effect. If another Qualified Respondent is selected as the Successful Respondent and enters into Final Stakeholder Agreements with the Stakeholders within 540 days after the date on which the RFBC was issued, the obligations of GTAA under this Stakeholder

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GREATER TORONTO AIRPORTS AUTHORITY

**Corporate Affairs**

Steve Shaw  
Vice President, Corporate Affairs  
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April 19, 2006

Mr. Alan Tonks, M.P.  
York South-Weston  
2534 Keele Street  
Toronto, ON M6L 2N8

Dear Alan:

Thank you for your letter of April 3, 2006 with respect to the Airport People Mover (APM) and the proposed train between Union Station and the Airport (Blue 22 or Air Rail Link).

The Greater Toronto Airports Authority (GTAA) has designed, built, and will very soon begin operation of, a light rail system to connect Terminal 1 with Terminal 3 and the lands north of Airport Road (see attached map – slide #9). This system will begin operating late summer 2006 and will provide quick and efficient movement of people within the airport property.

While not directly involved, we understand that the proposed train from Union Station continues to proceed through an environmental assessment process. The GTAA entered into an agreement with Transport Canada in 2004 to construct the necessary infrastructure at the Airport to accommodate the train at the same station that services the APM at Terminal 1. This infrastructure, including the right of way to accommodate the Blue 22, is now in place and has been designed and built by the GTAA with funding from Transport Canada to service both the Airport's APM and the proposed train from Union Station.

I trust this addresses your question. I would be pleased to provide additional information should any be required.

Yours truly,

A handwritten signature in black ink, appearing to read 'S. Shaw', written over a light blue horizontal line.

Steve Shaw  
Vice President, Corporate Affairs