



SNC•LAVALIN
Engineers & Constructors

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May 10, 2005

Mr. Peter Smith
Chairman
Board of Directors
GO Transit
20 Bay Street, Suite 600
Toronto, ON M5J 2W3

**RE: OFFER TO WITHDRAW FROM
GO TRANSIT GEORGETOWN / WESTON SUBDIVISION COMMUTER RAIL
SERVICE AND UNION STATION TO PEARSON AIRPORT AIR RAIL LINK
ENVIRONMENTAL ASSESSMENT**

Dear Mr. Smith,

As you are aware, SNC-Lavalin was retained by GO Transit to assist the GO/AGM project team in preparing the environmental assessment ("EA") for the proposed improvements to the GO Georgetown Commuter Rail Service operating within the CN Weston Subdivision between the Union Station Rail Corridor and south of the Bramalea GO Station. As you are also aware, SNC-Lavalin is a participant in the Union Pearson AirLink Group ("UPAG") that is the proponent of the proposed Air Rail Link ("ARL") between Union Station and Lester B. Pearson International Airport.

The infrastructure improvements to support the proposed GO service improvements in the Weston Subdivision corridor, which would also accommodate operation of the ARL, VIA Rail and CN freight trains, are being made under the GO TRIP program, with part of the required funding being made available under the Federal Government's CSIF program, thus requiring an EA under the *Canadian Environmental Assessment Act* ("CEAA"). The GO Transit service improvements are also subject to an environmental assessment as a Group "B" project under GO's Class Environmental Assessment Document.

Due to the integral relationship between the two projects, federal Responsible Authorities have decided that it is appropriate to consider the GO Georgetown / Weston S/D and ARL environmental assessments as a single body of information for the decision-making process under CEAA. GO Transit recognized the efficiencies of bringing to the EA phase of the project both the experience on previous GO assignments and the intimate knowledge of the ARL that SNC-Lavalin could provide. Hence, the decision to retain SNC-Lavalin for the combined EA work.



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Recently there has been concern expressed by some members of the Weston community alleging SNC-Lavalin may have a conflict of interest by virtue of its involvement in the preparation of the GO Transit Georgetown / Weston S/D and ARL EA, and being the proponent of the Union Station to – Pearson Airport Air Rail Link (i.e., being a participant in the EA of a project for which it is the proponent). This concern was addressed by the Board of Directors at its April 8, 2005 meeting where it was recognized that there was only a perceived conflict, not a real conflict, and the Board committed to the retention of an independent consultant to conduct a peer review of the GO Georgetown / Weston S/D and ARL EA.

Despite the action taken by the Board, and the rationale provided by GO/AGM and UPAG representatives at the April 28, 2005 Public Information Centre in Weston (the Project Team must adhere to legislated, transparent and traceable environmental assessment processes at both the provincial and federal levels, involving numerous government review agencies and approved mechanisms for registering and having objections addressed), the allegation of a conflict of interest persists among a small but vocal minority of local residents. These individuals have been attempting to use this issue to request elevation of the project status to an individual environmental assessment. We at SNC-Lavalin believe that elevating the project to an individual EA is unwarranted and would result in undue delays to the implementation of these GO Transit and private sector initiatives that are both long overdue for serving existing and latent transportation demand in the Greater Toronto Area.

Recognizing the potential delays that objections to our on-going level of involvement may cause, and in the interests of moving forward with these two important undertakings, SNC-Lavalin is prepared to withdraw from further participation in the EA phase of the work. As SNC-Lavalin remains the developer of the Air Rail Link and a proponent in this process, our role will be as an advisor and interested party to this process as it pertains to elements and issues connected with the Air Rail Link, similar to GO Transit's role in such EA's as it relates to the expansion of GO Train service.

This offer is made under the general provisions of our current contract governing suspension or termination; on the understanding that a suitable alternate firm would be retained immediately by GO Transit; and that our involvement would continue until such time as a seamless transition to the new consultant and a high degree of continuity of the work can be assured. Also in this regard, we expect that the independent subconsultants currently working under our direction would be retained by the new consultant to complete their work and if accepted GO staff will negotiate the contractual terms of our offer to withdraw in good faith.

We understand that the GO Transit Board of Directors recognizes the level of integrity, competence and expertise that SNC-Lavalin has exhibited in carrying on business in Ontario, and on GO assignments in particular, over many years. Similarly, GO/AGM staff have, many times, provided extremely positive feedback to the SNC-Lavalin team for their work to date on the Georgetown / Weston S/D and ARL EA. We expect that our excellent working relationship with GO Transit will continue and look forward to favourable consideration on similar assignments, absent of any perceived conflict, in the near future.



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Yours very truly,
SNC-Lavalin Engineers & Constructors Inc.

Albert F. Sweetnam, P.Eng.
Senior Vice President

cc Gary Mc Neil - Managing Director GO Transit