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August 5, 2010

Bruce March, President & CEO
Imperial Oil
237 Fourth Avenue S.W.
P.O. Box 2480, Station "M"
Calgary, Alberta T2P 3M9

Dear Mr. March:

Re: Rail Yard to Store Imperial Oil Petroleum Tanker Cars

As you may be aware, Cando Contracting Ltd. is in the midst of constructing a rail yard to store up to 225 petroleum tanker cars owned by Imperial Oil. The rail yard is being built on existing rail right-of-way owned by CN through what we understand to be a 15-year lease arrangement between Cando Contracting Ltd. and CN. We view this project as essentially a joint business venture of Cando, CN and Imperial Oil, and for purposes of this letter these parties are considered the proponents of the project.

In summary, the site selected by the proponents for this rail yard, the old Bretona Railway Station grounds in Strathcona County just east of Edmonton (see attached map), is the most inappropriate site that could possibly have been selected. It is very close to two occupied homes and two protected conservation areas, a short distance from a golf course, and will completely change the complexion of this agricultural, environmental and recreational community into an industrial area. We find this totally unacceptable.

The reason for this letter is to appeal to Imperial Oil to reconsider its involvement with this development, as it contradicts numerous Imperial Oil principles and business ethics, as outlined on Imperial Oil's website. Examples follow.

No notice was provided to anyone in our community by the proponents. As well, we were provided with no opportunities to object to this development. My neighbour's home is only 68m from the rail yard property, my home is only 163m away, the two protected conservation areas are less than 30m away, and the 27-hole Country Side Golf Course is only 0.7km away. We found out by accident on May 12, 2010 about this development from a bidding contractor.

We immediately contacted Cando, CN, Imperial Oil, the Canadian Transportation Agency, Strathcona County, Environment Canada, Transport Canada, Alberta Environment, Alberta Culture and Community Spirit, our County Councillor and our MP. Before we had time to obtain much information or to even begin filing our objections, Cando Contracting Ltd. and their sub-contractor, Kichton Contracting Ltd., moved onto the site on June 21, 2010 and commenced construction. We could not believe what was happening!

On June 21, when the tree feller, bulldozers, backhoes and trucks moved in, we pointed out that we had been given no opportunities to object. A Cando representative simply said, "We have all of the approvals we need. You can't stop us." Again, this approach by the proponents is totally unacceptable.

The joint Railway Association of Canada/Federation of Canadian Municipalities (RAC/FCM) proximity report indicates, "Railways need to be more proactive in engaging municipalities and landowners and sharing information on expansion of facilities or changes in operation that may have impacts for adjacent land users." Such proactivity was most certainly not displayed or followed by the proponents in this case! In fact, they intentionally did not inform us of their plans, as indicated to us by one of the contractors bidding on the earthworks construction.

The fact that we were given no notice nor provided any opportunities to object to the rail yard proposal violates Imperial Oil's "contribution to communities" priority under the "How we do business" section of Imperial Oil's website, namely, "We strive to make a positive and lasting contribution to the communities where we operate through.....actively engaging with stakeholders." We note that Imperial Oil's "standards are also reflected in contracts with suppliers and customers." We assume that Cando Contracting Ltd. is one of Imperial Oil's suppliers.

Under Imperial Oil's "Community engagement" it states, "We listen to and engage with a broad range of stakeholders including.....local residents.....". And, "We seek dialogue with those groups and individuals that our operations directly impact or that can have a direct impact on our operations or reputation." Such laudable procedures were certainly not followed in this case.

The proponents are in violation of many railway operating rules and guidelines, CN's policies, the RAC/FCM proximity and landowner notification guidelines, and we contend, federal legislation and regulations.

Just a few examples of violations include the following:

- Proximity guidelines and even CN's own policy recommend a 300m residential setback from rail yards in order "to address the fundamental land use incompatibilities" between the two. My neighbour's home is 232m and my home is 137m closer to the rail yard property than recommended by the RAC/FCM and CN.
- No notice given to adjacent landowners.
- No opportunities for adjacent landowners to object.
- No environmental impact assessments conducted, even though two protected natural areas are so close to the rail yard.
- Drainage impacts on neighbouring properties, including a farm dugout and two protected conservation areas. This is particularly critical considering the oil, grease and solvents that will be dripping and leaking from locomotives and 225 petroleum tanker cars.
- Drainage impacts on Bretona Pond and Mill Creek, both of which drain into the North Saskatchewan River.
- No hazardous or toxic material spill containment facilities or measures incorporated into the rail yard design (as told to us by Cando).
- Clear sight line problems at both the siding interswitch with the mainline and at the adjacent railway/road crossing.

- Within our formal objections to the federal government, we contend breaches of the *Canada Transportation Act, Railway Safety Act, Notice of Railway Works Regulations, Railway Safety Management System Regulations, Canadian Environmental Assessment Act*, and perhaps several other statutes.

The above breaches of railway operating rules, guidelines and policies, and we contend, federal legislation, violate Imperial Oil's "Ethics and Standards of Business Conduct", specifically, "Our company is committed to meeting all applicable government laws, rules and regulations."

In addition to the violations cited above, we have many objections to this project, including the following:

- The rail yard is too close to numerous waterbodies, including protected ones, which poses a contamination hazard.
- The rail yard is too close to two wildlife conservation areas, and the extra noise, pollution and other disturbance will negatively affect wildlife, including many species of nesting birds.
- The rail yard is far too close to two adjacent homes.
- The added noise of idling and slow-moving locomotives, shunting and coupling of cars, load cell testing of locomotives, wheel and brake retarder squeal, compressed air releases, and the generally more frequent and longer duration noises associated with a rail yard.
- Health effects of idling and slow-moving locomotives will be increased. Locomotive diesel exhaust is about 5.5 times more carcinogenic than is exhaust from diesel trucks.
- Additional risks of fire due to idling and slow-moving locomotives and flammable petroleum products and other liquids at the rail yard.
- Significantly decreased property values of adjacent landowners.
- Disturbance to farming activities.
- Negative impacts on drainage due to filling in a previously low area, and serious concerns about contamination from the rail yard.

The fact that no recognized environmental impact assessments were conducted (pursuant to neither federal nor Alberta legislation), violates Imperial Oil's environmental principles, namely, "Another way we address environmental issues is through increased levels of protection when planning new projects. Environmental and socio-economic studies are conducted to examine how a potential project may affect the surrounding environment. These studies examine a project's potential to impact the biological, physical, socio-economic and cultural environment of the proposed activity." Other areas of Imperial Oil's website use phrases such as, "environmentally.....responsible manner", and "minimize our environmental footprint."

In light of the above, plus other information I have previously provided to you, we ask that Imperial Oil re-evaluate its participation in this ill-conceived rail yard. To re-iterate, the old Bretona Railway Station site is the worst possible location that could have been selected for a rail yard to store Imperial Oil's petroleum tanker cars.

Please be advised that we will not stop pursuing this matter until construction of the rail yard at this site is permanently stopped, or if the rail yard becomes operational, until operation is permanently ended.

Additional details of this most unfortunate situation we find ourselves in can be found at www.Railroaded.ca. This website includes: a blog, fact sheets, media coverage to date, photos, relevant legislation and operating rules, and other information. Should you wish additional information, please contact me by mail, email or phone.

We look forward to an early response. Thank you.

Sincerely yours,

Original Signed

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cc: Honourable John Baird, MP, Minister of Transport, Infrastructure & Communities
Honourable Rob Merrifield, MP, Minister of State, Transport
Honourable Jim Prentice, MP, Minister of Environment
Mr. Leon Benoit, MP Vegreville-Wainwright
Mr. Alan Dunn, Ward 6 Councillor, Strathcona County

Attachment: Google map of rail yard site