

South Fraser Community Rail – Master Agreement uncovered February 2009!

“Hydrogen Passenger Rail, Pattullo Bridge to Chilliwack” #connect the valley

What ultimately made this passenger rail corridor possible was the Master Agreement covering the Pratt Livingston corridor through the Langleys between B.C. Hydro and CP Rail, uncovered by Mayor Green in February of 2009. It was renewed through the efforts of all Mayors and Councils South of the Fraser in June of 2009, due to expire at the end of August 29th 2009.

Read More....

Master Agreement Synopsis

Introduction – Press Release: 2:00 PM July 27th, 1988

B.C. Government names ITEL Rail Corp. as successful bidder in sale of B.C. Hydro’s Rail Freight Division. C.P. Rail acquires operating rights to strategic trackage for Roberts Bank Coal Port.

NOTE: Sale of FREIGHT operating rights on entire corridor to Itel of Chicago for a price of approx. \$32 Million. (These FREIGHT rights are now owned by Southern Rail)

Sale of FREIGHT operating rights on the joint section (Pratt Livingston corridor) to CP Rail for a price of \$6.3 Million.

The Master Agreement is an agreement made between the British Columbia Hydro and Power Authority and Canadian Pacific Limited on the 29th day of August, 1988 covering what is known as the Pratt-Livingston corridor, or otherwise known as the Joint Section. (This section is roughly from 232nd Street through the Langleys to Cloverdale). This agreement was for 21 years as well as the renewal clause, both permitting renewal at either party’s option.

Renewal: On or about February of 2009, Mayor Rick Green when researching the issue of heavy rail through the Township of Langley reviewed a report from Township lawyers (Bull Houser & Tupper dated May 2nd 2005) which referred to the Master Agreement on (Page 3) that B.C. Hydro did not provide the Township with a copy of the said agreement. With that info in hand Mayor Rick Green went about locating and finding the Master Agreement in question, source is not identified.

The information in the Master Agreement previously unknown was very significant. A letter writing campaign was launched to all Municipal Councils and Mayors requesting letters to the CEO of B.C. Hydro, Mr. Bob Elton, requesting renewal of this Master Agreement. All municipalities received letters from Mr. Bob Elton serving notice that a renewal notice was being served on C.P. Rail of the agreement in question. This renewal notice advice from B.C.

Hydro was to all Municipalities dated July 16th, 2009, a very short six weeks BEFORE our rights were lost forever. Remember nobody up to this time could find the Master Agreement.

What are the key points of interest found within this agreement? Excerpts follow -

Page 2 – E. “CP Rail has also agreed to grant Hydro running rights over certain tracks owned by C.P. Rail.”

Page 3 Part 1 Pratt Livingstone 1.01 – Sale of Assets on Pratt Livingston Line to C.P. Rail.
“Hydro agrees to sell and C.P. Rail agrees to purchase the Tracks and Equipment free and clear of all liens, charges and encumbrances.”

Page 4 1.02 Grant of Statutory Right of Way over Pratt Livingstone to C.P. Rail.
“Hydro agrees to grant to C.P. Rail on the closing date a statutory right of way over the Railway Operations Easement Area in the form attached hereto as Annexure III.”

Page 4 1.03 Survey of Railway Operating Easement Area
“The Railway Operations Easement Area shall encompass the Tracks and an area sufficient to enable C.P. Rail to double track, construction of such double track to be at the sole cost of C.P. Rail including the cost of removal and relocation of the works of any other party on the lands required to double track.”

Page 5 1.05 Running Rights over Pratt-Livingstone Tracks to Hydro
“Hydro hereby reserves unto itself the right in perpetuity to operate a railway on the Tracks and Equipment and on the double track, when constructed. The reservation shall be in the form of running rights agreement attached hereto as Annexure V.”

Page 5 1.05(b)“if the railway operations of Hydro are sold to and operated by the Successor Rail Company, provided it is not owned or controlled by Canadian National Railway Company (“CN”) or Burlington Northern Inc. (“BN”), on a without charge basis, so long as the use thereof by the Successor Rail Company does not exceed 33% of the total annual wheelage of all trains operating trains in the Railway Operations Easement Area.”

Page 12 5.03 Regulation
“C.P. Rail will not take any action intended to bring Hydro or Successor Rail Company under the jurisdiction of the Railway Act R.S.C. 1970, c. R-2, as amended or the National Transportation Act, 1987 S.C. 1987, c. 34, as amended.”

P. 21 **Entire Agreement**

Section 10.07 *“Each of the parties hereto acknowledges that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this agreement save as expressly set out in this Agreement and this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.”*

Annexure V **Page 2 Sect. 1.2**

“Hydro shall have the exclusive right to operate upon any Hydro trackage connected with the Joint Section to serve present or future industry from the Joint Section, to pick up or discharge passengers, freight or express business upon the Joint Section or to handle directly any passenger, freight or express business originating at or destined to points on the Joint Section.”

Page 3 **Article II**

Section 2.4 *“CP Rail shall initially at its sole cost and expense, maintain and keep the Joint Section, including all mainline turnouts, in good condition and repair suitable for use by all parties.”*

Section 2.5 *“CP Rail shall make such reasonable rules and regulations as are from time to time customary among railways for the operation of the Joint Section. All train schedules, rules and regulations shall be reasonable among all railway companies using the Joint Section and shall not reasonably discriminate against any of them.”*

Section 2.7 *“This agreement does not contemplate the operation of passenger trains upon the Joint Section by any railway company other than Hydro. Hydro shall have the right to operate passenger trains over the Joint Section. The cars and engines of such passenger trains shall be included in the wheelage count made pursuant to Section 4.4.”*

Summary:

The Master Agreement lays out in very specific terms the rights and conditions of the sale of the freight rights over the Joint Section (known as the Pratt Livingston Corridor) by all parties concerned. A review of the B.C. Government Press Release spells out the intent of the then B.C. Government to #1 – Continue ownership of the full Interurban Corridor in the right of the people of B.C. and #2 – protect corridor for passenger rights on said corridor. The rights were

renewed by B.C. Hydro in June of 2009, less than two months prior to the 21 year term of expiry.

The Master Agreement and relevant additional pages number 88.

IMPORTANT – A full copy of this Master Agreement is available for review to substantiate it's authenticity but it will not be released from our possession.