

APPENDIX 1.0-A

**FEDERAL-PROVINCIAL ENVIRONMENTAL ASSESSMENT
AGREEMENT, 20 MARCH 2008
AND THE INFORMATION REQUIREMENT DOCUMENT**

MELFORD INTERNATIONAL TERMINAL INC.

**INFORMATION REQUIREMENTS
ENVIRONMENTAL ASSESSMENT
FOR
THE PROPOSED
MELFORD INTERNATIONAL TERMINAL**

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Project No. TV71002

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APPENDIX

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1.0 INTRODUCTION

World container traffic is currently growing at a compound rate of over 6.7 percent per year and is expected to double in the next two decades. The majority of this increase will be in the Trans-Pacific trade lanes where 15 percent compound annual growth is expected through the year 2015. Under these circumstances, ports on the East Coast of North America now receive a growing share of cargo from China, India and Southeast Asia, and the Panama Canal is presently operating at 93 percent capacity and cannot absorb the predicted rise in Asian traffic. Therefore, shippers and beneficial cargo owners continue to seek stable and reliable supply chain routes and are increasingly having goods sent directly to East Coast ports via the Suez Canal. As the first North American landfall on the Trans-Suez route from Asia, Canada has an opportunity to develop a port at Melford, Nova Scotia to serve the growing U.S. markets.

Canada's east coast offers an ideal terminus for large container ships by providing deep water, wide channels, highly productive labour, and good intermodal connections to inland destinations.

The challenge facing North American east coast ports is in responding to this growing demand without duplicating the problems of congestion and landside constraint found today on the west coast of North America. Halifax, Montreal and the U.S. north eastern ports are already located in highly urbanized harbours that offer little, if any, additional expansion potential.

To answer these challenges, Melford International Terminals Inc. (MITI) is proposing the creation of a new deepwater port and state-of-the-art intermodal rail container logistics terminal on the Strait of Canso at Melford Point, Nova Scotia. Melford International Terminals Inc. is a consortium that holds the property and development rights to an ideal portion of the Melford Industrial Reserve including the right to develop rail facilities on-site for eventual interconnection with the CN main line. The property includes a port site along the water, plus hinterlands for intermodal rail and road linkages, and allows for possible future expansion and enhancement of the proposed facilities as traffic growth indicates.

The purpose of this document is to provide scoping information to federal and provincial regulators for the Environmental Assessment of the proposed Melford International Terminal (MIT). Transport Canada (TC) and Fisheries and Oceans Canada (DFO) are each required to exercise regulatory decision-making authorities in regards to specific components of the development proposal in order for it to proceed. For this reason, both departments are required to ensure that a federal environmental assessment is conducted, pursuant to the *Canadian Environmental Assessment Act* (the Act), prior to taking their respective decisions.

The development proposal is also subject to a Provincial Environmental Assessment in accordance with the Nova Scotia *Environment Act* and its *Environmental Assessment Regulations*. The federal and provincial regulators have agreed to review the proposal jointly and to harmonize their respective EA processes. However, the federal and provincial governments will each make decisions on matters within their own legislative authorities.

1.1 Regulatory Considerations

There are regulatory triggers that will require MITI to prepare an EA for the Project in accordance with the Canadian Environmental Assessment Act (the Act) and the Nova Scotia Environmental Assessment Regulation. These include:

- Federal – a screening level assessment is anticipated due to the requirements for approvals from Fisheries and Oceans Canada (DFO) and Transport Canada (TC);
- Provincial – a Class I registration document under the Environmental Assessment Regulation is required if the project disturbs more than 2 ha of wetland.

Federal Process

DFO and TC are required to ensure that a federal environmental assessment is conducted in accordance with the Act. Therefore, these departments are responsible authorities (RAs) under the Act. Each RA's responsibility is to ensure an assessment is conducted that relates to the issuance of a permit, license or other approval that is included in the Law List Regulations of the Act.

Following the review of the Project Description TC and DFO determined that the required environmental assessment is a Screening level environmental assessment pursuant to Section 18 (1) of the Act. TC's responsibilities under the Act arise from the anticipated requirement for a Navigable Waters Protection Act (NWPA) approval which will address navigation issues associated with the development proposal.

DFO's responsibilities under the Act arise from the anticipated requirement pursuant to of the Fisheries Act. Section 32 of the Fisheries Act requires an authorization for the possibility of destroying fish due to the use of explosive authorization. Section 35 of the Fisheries Act requires an authorization for the Harmful Alteration, Disruption, or Destruction (HADD) of fish habitat associated with the development of the terminal wharf and the rail corridor.

Provincial Process

Provincially, EAs are regulated under Nova Scotia's *Environment Act* and *Environmental Assessment Regulations*. Projects requiring registration are divided into Class I and Class II Undertakings. The Melford International Terminal is identified as a Class I Undertaking because a total of 2 ha or more of wetland will be disrupted during development (*Environmental Assessment Regulations*). A Class I Undertaking requires registration under the *Environment Act* and its *Environmental Assessment Regulations*. As per Section 9(1) of the *Environmental Assessment Regulations*, the registration has to provide the following information:

- the name of the undertaking;
- the location of the undertaking;
- the name, address and identification of the proponent including the name of the Chief Executive Officer and contact persons;
- the nature of the undertaking;
- the purpose and need for the undertaking;
- the proposed construction and operation schedules;

- a description of the undertaking;
- a list of approvals which will be required and other forms of authorization; and
- sources of any public funding.

For further information requirements pursuant to provincial legislation and regulations, refer to Section 3 of this document.

2.0 SCOPE OF THE PROJECT

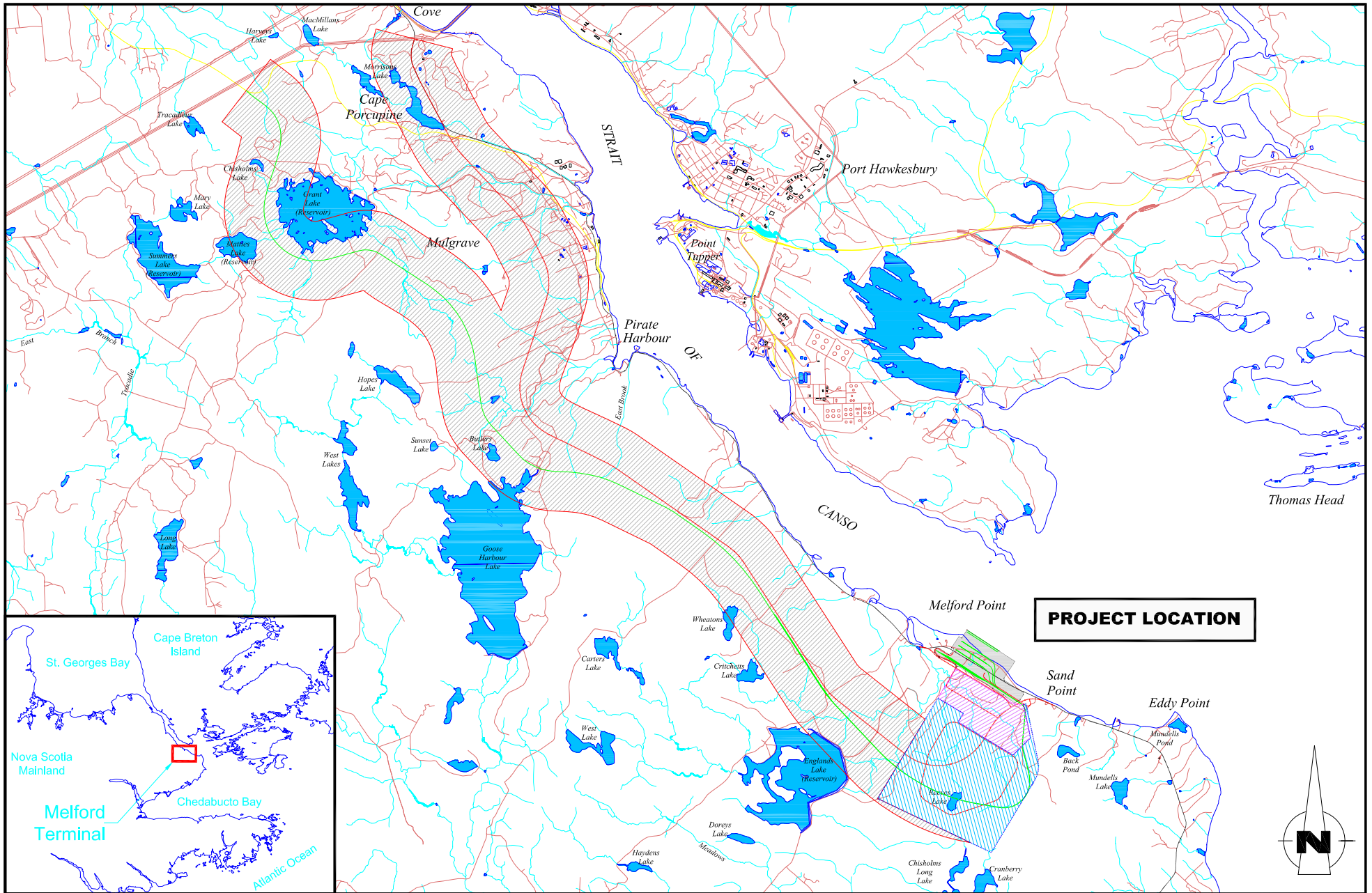
2.1 Development Location, Project Site

The future location of the MIT is in Nova Scotia approximately 242 km northeast of Halifax and about 10 km southeast of Port Hawkesbury (Figure 1). The site is situated on the southeast shore of the Strait of Canso and offers a deep-water, ice-free harbour with an average channel depth of 36.5 m, exceeding the needs of the largest current and forecasted container ships. The site is part of a larger package of land zoned as industrial by the Municipality of the District of Guysborough; it is classified as “Industrial Resource M-3 Zone” which specifically encompasses “marine/container terminals, including wharfs and storage facilities” (see “Northeastern Guysborough Planning Area, Municipality of the District of Guysborough, Land Use Bylaw”, and “Northeastern Guysborough Planning Area, Municipality of the District of Guysborough, Municipal Planning Strategy”).

The proposed MIT will be situated within the 5,665 hectare (ha) Melford Industrial Reserve and east of Melford Point. The MIT itself will extend over approximately 217 hectares (ha) and about 738 ha including future expansion scenarios for wharf and logistics park site (Figures 2 and 3).

The principal railway connection leading towards the Melford Industrial Reserve is the now decommissioned Mulgrave Spur off of the Cape Breton and Central Nova Scotia (CBCNS) railway owned by RailAmerica, Inc. The CBCNS railway extends from its connection with the CN system at Truro, Nova Scotia across the Canso Causeway to Port Hawkesbury and beyond on Cape Breton Island. The Mulgrave Spur is the remaining railbed section of the former Mulgrave Branch, from Linwood Station on the mainland side of the causeway to Mulgrave. The track on the spur has been removed, so that the current end of track is located approximately 24 km to the northwest of the Melford Industrial Reserve.

The principal road nearest to the Melford Industrial Reserve is Highway 344, a two-lane unlimited access highway that maintains an alignment roughly parallel to the Strait of Canso throughout the project area. Highway 344 connects to Highway 104, a major arterial in Nova Scotia and a portion of the Trans-Canada Highway, at the Canso Causeway approximately 18.7 km northwest of the site. Highway 344 is considered adequate for the anticipated minimal truck transport to and from the MIT. If this initial assessment is not supported by traffic studies, the development of a new road link within the rail corridor will be considered.

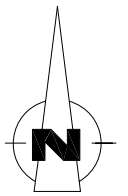


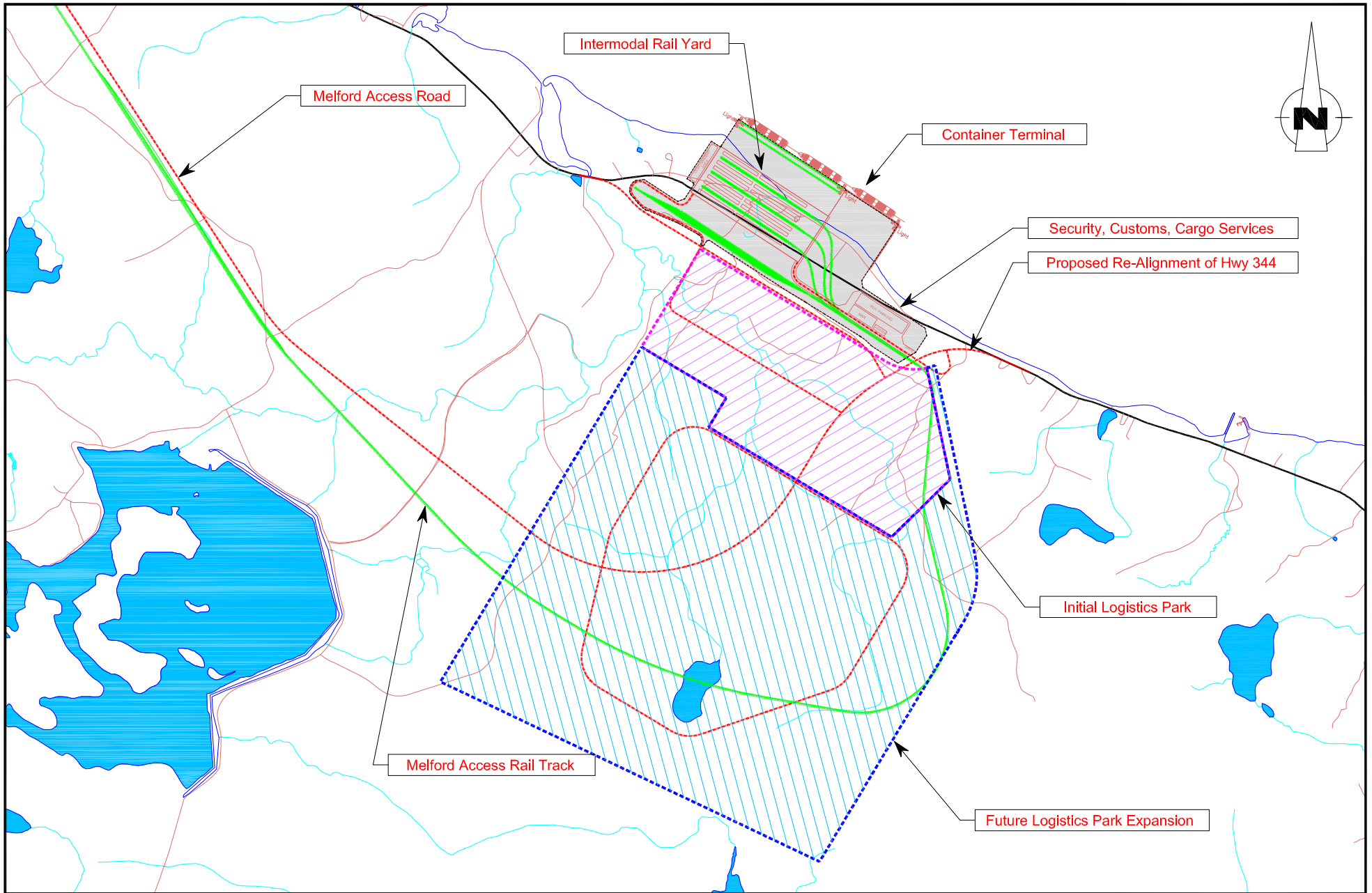
PROJECT LOCATION

LEGEND:

- Proposed Melford Rail Track
- - - - - Proposed Melford Access Road
- Existing Route 344
- Road Network
- Railroad Network
- Proposed Melford International Terminal
- Environmental Baseline Study Corridor
- Initial Logistics Park
- Future Logistics Park Expansion

Figure 1
Proposed Melford International Terminal
January 2008





LEGEND:








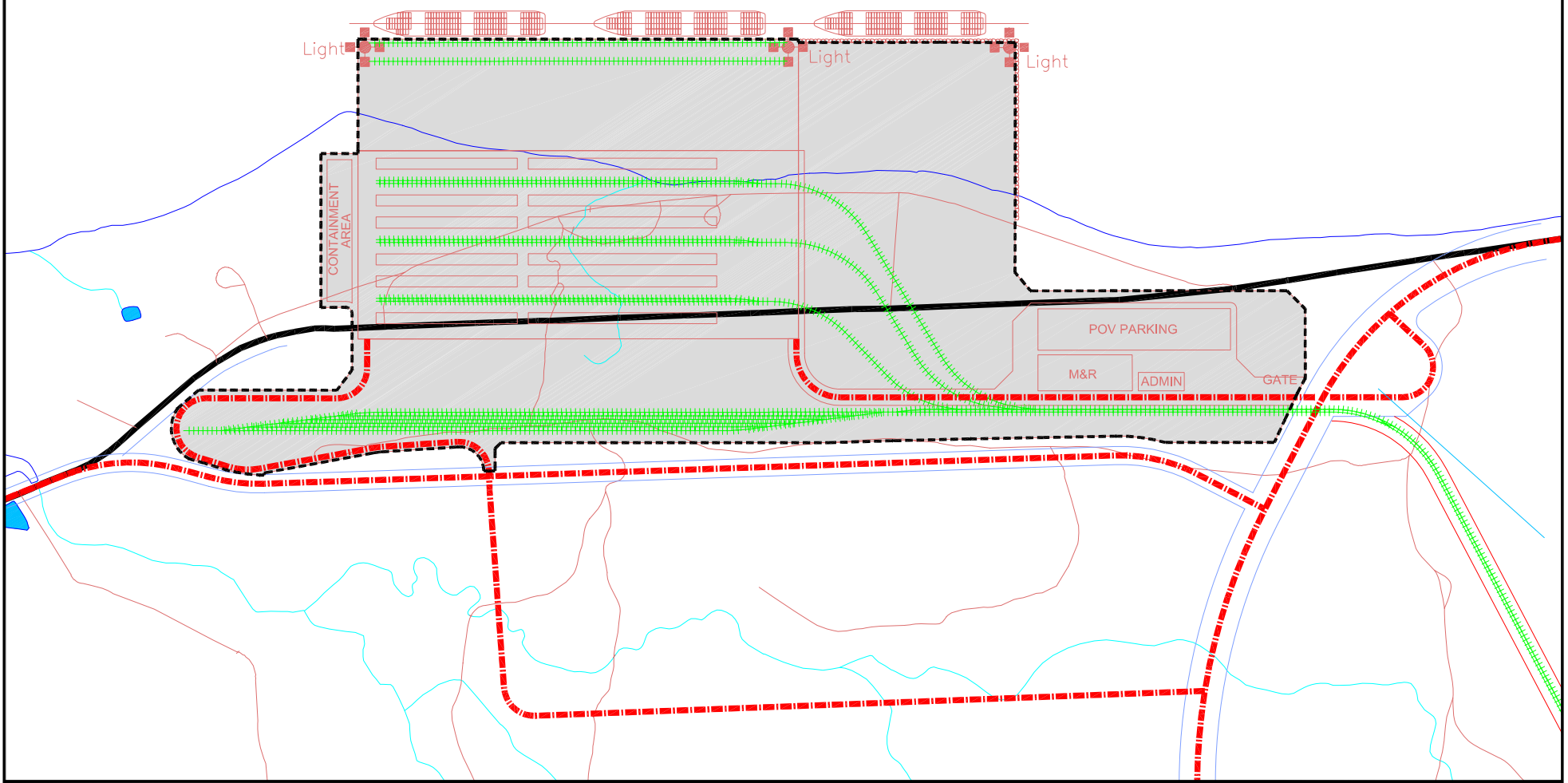
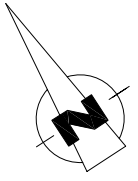




- | | |
|--|---|
|  Proposed Melford Rail Track |  Proposed Melford International Terminal |
|  Proposed Melford Access Road |  Initial Logistics Park |
|  Existing Route 344 |  Future Logistics Park Expansion |
|  Road Network | |

Figure 2
Proposed Project Components,
January 2008



LEGEND:

-  Proposed Melford Rail Track
-  Proposed Melford Access Road
-  Existing Route 344
-  Road Network

 Proposed Melford International Terminal

Figure 3
Conceptual Container Facility
January 2008

2.2 Physical Works or Physical Activities

The physical components of the Project, including the future expansion potential, are as follows:

- *Container Terminal/Marginal Wharf*– full build-out capacity for large container volumes to meet projected demand, covering an area of 77.6 ha; This footprint supports a contiguous container storage area, intermodal yard with about 18 working tracks, and other associated facilities. The wharf will be designed to feature the largest container gantry cranes with dense container storage in the storage yard, and the latest operations technology and management practices; the terminal is designed to have 16.5 m of draft between the channel and the berthing area to accommodate all container ships. The marginal wharf will be approximately 950 m in length to serve three Post-Panamax container ships or two super Post-Panamax ships at one time. A further 36.8 ha will be held in reserve for future expansion of the wharf and associated facilities;
- *Intermodal Rail Yard* – the primary landside distribution mode for MIT containers; this would include a switching yard designed to accommodate heavy cars and high volumes to serve the MIT facility, as well as a series of rail working tracks extending towards the wharf;
- *Logistics Park* – a multi-use logistics park to allow for integration of rail, truck, transload and intermodal services with distribution and warehousing, including container laydown and handling areas warehouse facilities and cargo storage and segregation facilities; this will encompass an initial park development of approximately 140 ha, with a further approximate 480 ha reserved in the backlands for future expansion of the park.
- *Rail Line* – a new single line rail connection to the existing Cape Breton and Central Nova Scotia railway;
- *Melford Access Road* – if traffic studies determine the existing road infrastructure as being insufficient for the MIT road transport requirements, a new two-lane highway will be considered to connect the terminal and industrial reserve to the existing Highway #344 and then to the Trans-Canada Highway;
- *Security, Customs and Cargo Service* – infrastructure to provide a one-stop security and customs check in the port zone that will enable containers to be pre-cleared for direct transit to destinations in the U.S. and Canada; and
- *Realigned Highway 344* - realigned existing coastal Highway #344 in the vicinity of the facility to minimize interference between local traffic and terminal activities.

2.2.1 Construction Activities

The construction phase is expected to extend over an approximately 2-year time period. Construction of the Project facilities is expected to occur year around for some work. Within the development envelope of the container terminal and Project site, designated temporary material storage and lay-down areas will be established.

Site Preparation, Clearing, Marine Work, Foundations

The first construction activities at the Project site will include site clearing, grading and leveling, blasting (see discussion below), removal and retention of top soils, crushing, and screening. It is anticipated that on-site rock will be suitable for crushing for concrete and foundation backfill, and will become the principle source of granular material for site roads and fill, including the container terminal.

The wharf structure will likely be a rock filled cribbing system, pre-cast and floated in place. The top of the wharf will be a cast-in place concrete deck. Cut and fill work, including blasting, is likely required for leveling the site and for establishing the transportation corridor. The on-shore cut and fill operations will be carried out in accordance with the Nova Scotia *Occupational Health and Safety Act*, S.N.S. 1996, c. 7 and in compliance with the Project's Environmental Management Plan (EMP) and site development plan. Near fish habitat, the blasting activities will be conducted in compliance with the Guidelines for the Use of Explosives in or Near Canadian Fisheries Waters (Wright, D.G., and G.E. Hopky.1998.)

To minimize the potential for increased erosion and siltation of the nearby streams and the waterfront from site runoff while soils are exposed and un-stabilized, and from movement of construction vehicles, erosion and sediment control measures will be implemented. These requirements will be established in an EMP and measures will be specified in site-specific erosion and sediment control plans. Any shoreline areas that do need protection will have typical armour stone protection designed and placed using conventional methods.

Following the site grading, excavations and leveling, the foundations of buildings and major equipment will be constructed. All underground services such as sewers will be installed. The storm-water management system will be constructed comprising open swale and piped collection systems, catch basins, a detention pond, and discharge systems to the sea. Site roads will be established around the complex.

Waste Water Management

A variety of liquid wastes will be generated during construction, including oils and lubricants from equipment, and wastewater (i.e., site runoff, sewage). If required, mobile sanitary wastewater treatment units approved under relevant regulations and guidelines will be used to treat sanitary wastewater on-site. Initially for the construction activities it may only need special holding tanks for sanitary waste management, this will be determined following the Front End Engineering Design (FEED) assessment.

Erosion and sediment control plans will be developed to manage surface water run off during construction. This may include temporary storm-water retention and/or sedimentation ponds as well as open swale systems for site drainage.

Site Rehabilitation at Temporarily Used Sites

Upon termination of the use of temporary sites (e.g., lay-down areas, construction camp) all surface structures will be dismantled and removed from the site. Where applicable, disturbed areas will be landscaped and re-vegetated. All solid waste will be disposed of in an approved manner, and hazardous waste will be collected for disposal in accordance with the established waste management plan.

2.2.2 Operation

As a new development, the terminal can be made “future ready”, integrating state-of-the-art equipment, technological advancement and highly efficient vessel to rail transfer. The terminal is designed to have 16.5 m of draft between the channel and the berthing area to accommodate the world’s largest current and forecasted container ships. This combination of assets will provide faster port turnaround and increase productivity considerably.

The terminal includes berthing for three post-Panamax container vessels or two super post-Panamax container ships with an auxiliary wharf for servicing small feeder vessels. The wharf structure will be fitted with an unloading system, crane electrical power, bollards, bull rail and ship’s utilities. Most calling vessels will include a high proportion of large, Post-Panamax container ships that require deep water access and long contiguous wharf areas. Each of these vessels will also require three to five large container gantry cranes to effectively offload and reload the ship within a reasonable time in port.

Containers will be stored on-terminal in a common container yard for both the wharf operation and the rail transport. This yard provides storage for grounded containers, including empties and refrigerated containers.

Rail operations are an integral part of the overall port function at MIT, providing the primary inland access mode for international containers. Therefore, it is crucial that the daily train movement complement the port operation regardless of inland train delays, equipment problems, or main line traffic constraints. At the eastern terminus of the Melford running track, an arrival/departure yard will be constructed to receive and break down arriving trains and to dispatch fully built departing trains.

Container operations at MIT are directly coupled with the on-dock intermodal rail transfer operation. Therefore, containers will be stored, processed, cleared and dispatched in an integral system that includes scheduling car movements on the intermodal yard to coincide with vessel arrivals and vessel manifests. This integration of the port and intermodal functions will result in the fewest non-productive moves, the highest cargo velocity, and the best customer service possible.

As a vital adjunct to the MIT, the Logistics Park integrates direct rail, truck, transload and intermodal services with distribution and warehousing, all in one location. The park would offer cargo owners and shippers additional services such as trans-loading, re-packaging and storage of container cargo handled through the MIT. These services could include tagging, pricing, stenciling and labeling in various languages, sub-assembly of components, as well as testing and quantity checking of cargo. An opportunity to load export cargo into empty containers on the terminal will also be

available to local and regional producers. The cargo may be segregated by cargo type or by cargo owner, under strict security at all times.

For containers destined to the US, it will be desirable to perform all security checks and to obtain customs clearance for direct entry from Canada. On-dock facilities will be dedicated to continuously inspect containers as vessels arrive. On-terminal facilities for 100 percent inspection will be a designed-in feature of this terminal operation. Secondary inspection and intradivision can take place at a designated “holding” area.

A fully automated gate with paperless optical character recognition (OCR), radio frequency interference (RFI) or other scanning technologies will be operated at the northwest end of the terminal. Over the road traffic will generally be pre-cleared prior to arrival at the terminal, allowing this gate to operate as part of an integrated terminal security and documentation system. Most cargo bound for the U.S. can be customs cleared on the terminal for “green lane” service at the border.

As part of the EMP provisions, a Spill Prevention and Emergency Response Plans will be developed and implemented to avoid spills and minimize impacts should a spill occur. All staff will be appropriately trained in the handling, storage, and disposal of hazardous materials (i.e. WHMIS, Transportation of Dangerous Goods (TDG)). Storage of chemicals and other hazardous substances will be in designated locations and in accordance with the manufacturers’ recommendations and federal and provincial regulations, where applicable.

3.0 FACTORS TO BE CONSIDERED

Federal Requirements

The Federal screening will consider those factors required pursuant to section 16(1) of the Act:

- the environmental effects of the project as defined in section 2 (1) of the Act, including the environmental effects of malfunctions or accidents that may occur in connection with the project and any cumulative environmental effects that are likely to result from the project in combination with other projects or activities that have been or will be carried out;
- the significance of the environmental effects referred to above;
- comments from the public that are received in accordance with the Act and the regulations;
- measures that are technically and economically feasible and that would mitigate any significant adverse environmental effects of the project; and
- any other matter relevant to the screening such as the need for the project and alternatives to the project, that the responsible authority may require to be considered.

The cumulative effects assessment will take into consideration, effects related to components of the development proposal that are not included in the scope of project.

It is important to note that the following effects can only be considered when they relate to a change in the environment: health and socio-economic conditions; physical and cultural heritage; the current use of lands and resources for traditional purposes by aboriginal persons; and any structure, site or thing that is of historical, archaeological, paleontological or architectural significance.

Provincial Requirements

The requirements under Nova Scotia's *Environment Act* for the preparation of a registration document and Ministerial decision for a Class I Undertaking are provided in Section 9 (1) of the *Environmental Assessment Regulation* and aim at a comprehensive description of the undertaking (see Section 1 - *Provincial Process* of this scoping document). In Section 12 of the *Environmental Assessment Regulations*, the factors are listed that are relevant to the Ministers' decision on the project, including among others:

- the location of the proposed undertaking and the nature and sensitivity of the surrounding area;
- concerns expressed by the public about the adverse effects or the environmental effects of the proposed undertaking;
- steps taken by the proponent to address environmental concerns expressed by the public;
- potential and known adverse effects or environmental effects of the technology to be used in the proposed undertaking;
- planned or existing land use in the area of the undertaking; and
- other undertakings in the area.

As per the definition provided in Section 2 of the NS Environmental Assessment Regulation, environmental effects and adverse effects in this context include:

- "...any change, whether positive or negative, that the undertaking may cause in the environment, including any effect on socio-economic conditions, on environmental health, physical and cultural heritage or on any structure, site or thing including those of historical, archaeological, paleontological or architectural significance" (Section 2, I(i), and
- "any change to the undertaking that may be caused by the environment". (Section 2, I, (ii)) ,

Within the harmonized approach to the environmental assessment, both federal and provincial governments maintain decision making authority under their respective legislation.

Appendix A provides a draft Table of Content (TOC) for an environmental assessment of the proposed MIT project. The TOC has been developed for a document that addresses both the above referenced federal and provincial requirements with respect to the factors to be addressed in a screening level assessment and Class I registration document respectively.

4.0 SCOPE OF THE FACTORS TO BE CONSIDERED

In order to obtain a comprehensive prediction of the effects of a project on the environment, it is important to focus the assessment. “Environmental components” is a term used to describe various aspects of the biological, physical and social environment. Environmental components can be something physical such as vegetation, a process such as biodegradation, or a condition such as biodiversity.

Internal scoping was conducted based on the Teams knowledge of the process, the scope of the Project, and the “environmental components of concern” (ECC). These are the environmental components that exist in the area, and therefore could possibly be impacted by the Project. As the assessment proceeds, a determination will be made on which of these environmental components of concern would be impacted by the project, and are of legal, scientific, ecological, cultural, economic, etc. value. These will be referred to as the “valued environmental components” (VEC) and will be the focus of the environmental assessment.

It is important to note that the scope of the project, as described in Section 2 above, does not mean that the area to be studied will be confined to the Project site. Rather, the study area, for the purposes of the environmental assessment, must include the area within which the environmental components that could potentially be affected by the Project (i.e., undertakings associated with the Terminal, Wharf, Proposed Rail corridor) are located.

The environmental assessment methodology will include the following:

- an overview or study, as appropriate, for each of the ECC, in order to describe the actual conditions in the study area (i.e., baseline conditions);
- prediction of environmental effects, identification of mitigation that can be used to avoid or minimize adverse effects on the environment;
- identification and assessment of residual (i.e., still remaining) effects;
- determination of significance of residual environmental effects;
- prediction of cumulative environmental effects discussion of significance; and
- preparation and implementation of a follow-up program.

Temporal and spatial boundaries will be determined for each VEC, early in the assessment. Temporal bounding refers to the determination of the time period during which an VEC could be impacted by the project (e.g., during the construction phase). Spatial bounding refers to the determination of the geographical area within which an VEC could be impacted by the project (e.g. footprint of a building). The study area for the environmental assessment should encompass the area within which all of the VEC could be impacted.

The VECs were identified based on:

- a review of existing information on species of special status (NSDNR, NSESA, ACCDC, NSM) known to occur within the project area;
- a review of federal and provincial websites (Environment Canada, NSDNR);

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- preliminary environmental studies conducted by AMEC environmental and engineering consultants;
- meetings with key groups and the public on 8 March 2007 and 29 May 2007 as part of the ongoing consultation process;
- consultation with stakeholders;
- a review of EA documentation for similar projects previously proposed in the region (e.g., Bear Head LNG; NSPI Coal Terminal EA; Keltic Petrochemical and LNG Project); and
- the professional judgment of the proponent's study team.

Table 1 provides the VECs proposed for this assessment, and includes potential project/environment interactions and rationale for VEC inclusion/exclusion.

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
SOILS & SEDIMENTS	SOIL QUALITY	X		<ul style="list-style-type: none"> • Loss of top-soil • Exposure of bedrock and acid rock drainage • Soil contamination due to accidental spills and release of contaminants from loading/unloading accidents/ breaking open of containers 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute / regulation • Public concern • Air quality regulations for dust
	SEDIMENTS - MARINE ENVIRONMENT	X		<ul style="list-style-type: none"> • Increased concentrations in contaminants due to sediment disruption and site run-off 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute / regulation • Public concern • <i>Fisheries Act</i>
	SEDIMENTS— FRESHWATER ENVIRONMENT	X		<ul style="list-style-type: none"> • Increased concentrations in contaminants due to sediment disruption and site run-off 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute / regulation • Public concern • <i>Fisheries Act</i>
ATMOSPHERIC ENVIRONMENT	CLIMATE AND ATMOSPHERIC CONDITIONS <ul style="list-style-type: none"> • Climate Change and Greenhouse Gases • Microclimate change 	X		<ul style="list-style-type: none"> • Exhaust emissions from on-site operation of heavy equipment. • Exhaust emissions from train and road traffic. • Exhaust emissions from container vessels • Change in topography 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute / regulation • Public concern
	AIR QUALITY – INCLUDING: <ul style="list-style-type: none"> • Emissions from combustion exhausts • Dust 	X		<ul style="list-style-type: none"> • Exhaust emissions from on-site operation of heavy equipment. • Exhaust emissions from train and road traffic. • Fugitive dust from site preparation and earthwork. • Exhaust emissions from container vessels 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute / regulation • Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
ACOUSTIC ENVIRONMENT	CONSTRUCTION NOISE	X		<ul style="list-style-type: none"> • Operation of heavy equipment (e.g., site clearing, earthwork, grading) • Sheet pile driving • Noise effects on near-by human receptors 	X		Included as a VEC: <ul style="list-style-type: none"> • Municipal Bylaw; • Provincial noise guidelines
	OPERATIONAL NOISE	X		<ul style="list-style-type: none"> • Berthing of ships • Loading/unloading of container ships • Loading/unloading of containers via rail or truck • Rail operation 	X		Included as a VEC: <ul style="list-style-type: none"> • Public concern
	UNDERWATER NOISE	X		<ul style="list-style-type: none"> • Sheet pile driving • Vessel movement at site during construction • Berthing/deberthing of ships • Effects on marine mammals 	X		Included as a VEC: <ul style="list-style-type: none"> • Provincial noise guidelines
OCEANOGRAPHIC CONDITIONS	CURRENTS	X		<ul style="list-style-type: none"> • Wharf may cause change in currents at and near site 	X		Included as a VEC: <ul style="list-style-type: none"> • Public concern
	SEDIMENT TRANSPORT	X		<ul style="list-style-type: none"> • Infill and dredging activities • Marginal wharf may change sediment transport, erosion and deposition at and near site • Propeller wash may change current sedimentation patterns 	X		Included as a VEC: <ul style="list-style-type: none"> • Public concern
GROUNDWATER RESOURCES	QUALITY AND QUANTITY	X		<ul style="list-style-type: none"> • Alteration of infiltration and runoff characteristics. • Alteration of groundwater flow due to change of infiltration • Alteration of water supply in near-by wells (quantity and quality) • Effects on groundwater quality through infiltration of contaminated surface water 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation • Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
SURFACE WATER (FRESHWATER AND MARINE ENVIRONMENT)	FRESHWATER ENVIRONMENT -QUALITY AND QUANTITY	X		<ul style="list-style-type: none"> • Site runoff quality • Change in infiltration/runoff coefficient • Discharge of treated water • Change in drainage patters, i.e., diversion of site run off from or to stream courses • Accidental discharges (fuel spills, leaks in container) • Train and/or truck traffic accident associated with spills to freshwater-environment • Acid rock drainage 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation • Public concern
	MARINE ENVIRONMENT - QUALITY			<ul style="list-style-type: none"> • Direct and indirect (via water courses) discharges from site • Discharges from on-site spills and accidents • Accidental fuel discharges from vessels • Ballast water discharges at wharf (not considered part of routine operations) • Accidental vessel grounding or berthing accident involving spills • Accident during container loading/unloading with release of harmful substances into marine environment 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation
MARINE ENVIRONMENT	MARINE HABITAT	X		<ul style="list-style-type: none"> • Habitat alteration, disturbance and /or destruction (HADD) as a result of the wharf development and wharf and vessel operation • Short-term effects on habitat from spills and other malfunctions and accidents in marine and/or terrestrial environment 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation (<i>Fisheries Act</i>) • Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
	MARINE BIOTA (INCL. MARINE MAMMALS)	X		<ul style="list-style-type: none"> • Effects on biota as a result of changes to marine habitat (may include physical characteristics, water and sediment quality, under water noise levels, effects of propeller wash) • Effects on species as a result of blasting • Effects on species as a result of malfunctions and accidents (e.g., fuel spills) 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation (<i>Fisheries Act</i>) • Public concern
	MARINE SPECIES AT RISK (INCL. MARINE MAMMALS)	X		<ul style="list-style-type: none"> • HADD; i.e., effects on biota as a result of changes to marine habitat (may include physical characteristics, water and sediment quality, under water noise levels, effects of propeller wash)) • Effects on biota as a result of underwater noise levels (incl. noise from blasting) • Effects on species as a result of malfunctions and accidents (e.g., fuel spills) 	X		<ul style="list-style-type: none"> • Protected by statute/regulation (<i>Species at Risk Act</i>) • Public concern
FRESHWATER ENVIRONMENT	FRESHWATER FISH HABITAT	X		<ul style="list-style-type: none"> • Habitat alteration, disturbance and /or destruction (HADD) • Short-term effects on freshwater habitat from on-site spills and other malfunctions and accidents (incl. rail and road accidents) 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation
	FRESHWATER FISH	X		<ul style="list-style-type: none"> • HADD; i.e., effects on biota as a result of changes to freshwater habitat • Effects on species as a result of blasting • Effects on species as a result of new barriers to fish migration • Direct effects on species as a result of malfunctions and accidents (e.g., fuel spills; incl. rail and road accidents) 	X		<ul style="list-style-type: none"> • Protected by statute/regulation (<i>Fisheries Act</i>) • Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
	FRESHWATER FISH SPECIES AT RISK	X		<ul style="list-style-type: none"> • HADD; i.e., effects on biota as a result of changes to marine habitat • Effects on biota as a result of underwater noise levels (incl. noise from blasting) • Effects on species as a result of new barriers to fish migration • Direct effects on species as a result of malfunctions and accidents (e.g., contamination from spills; incl. rail and road accidents) 	X		<ul style="list-style-type: none"> • Protected by statute/regulation (<i>Species at Risk Act</i>) • Public concern
TERRESTRIAL ENVIRONMENT	FLORA	X		<ul style="list-style-type: none"> • Site clearing and development activities • Road and rail corridor development • Changes in site drainage with effects on off-site habitat/vegetation communities • Spills and other malfunctions and accidents with the potential to affect habitat and to directly affect plant individuals. 	X		Included as a VEC: <ul style="list-style-type: none"> • Protected by statute/regulation
	BIRDS INCLUDING: <ul style="list-style-type: none"> ○ WATERFOWL ○ SHOREBIRDS ○ PASSERINE ○ RAPTORS ○ BREEDING BIRDS 			<ul style="list-style-type: none"> • Vegetation clearing/ bird habitat removal or alteration as a result of clearing and development activities for the site, rail and road corridors • Noise effects (disruption; startling) from construction and operating activities • Lighting effects and bird collisions with equipment and structures • Disruption of nesting activities (noise, movement) • Disruption of wintering shorebirds (vessel maneuvering, loading noise) • Spills and other malfunctions and accidents with the potential to affect habitat (e.g., oil spills) 	X		<ul style="list-style-type: none"> • Protected by statute/regulation (<i>Migratory Bird Convention Act</i>) • Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
	WILDLIFE (INCLUDING MAMMALS)	X		<ul style="list-style-type: none"> Vegetation clearing/ wildlife habitat removal or alteration as a result of clearing and development activities for the site, rail and road corridors Noise effects (disruption; startling) from construction and operating activities Spills and other malfunctions and accidents with the potential to affect habitat (e.g., oil spills) 	X		Included as a VEC: <ul style="list-style-type: none"> Protected by statute/regulation Public concern
	WETLANDS	X		<ul style="list-style-type: none"> Wetland removal or alteration as a result of clearing and development activities for the site, rail and road corridors Alteration of site drainage and implications for near-by watercourses/wetland habitat Alteration of water quality (e.g., increased nutrient intake) Temporary increase in contaminant levels (malfunction and accident scenarios with contaminant discharges) 	X		<ul style="list-style-type: none"> Protected by statute/regulation (<i>NS Environment Act</i>) Public concern
	SPECIES AT RISK	X		<ul style="list-style-type: none"> All factors listed under Terrestrial Environment 	X		Included as a VEC under Vegetation and Wildlife: <ul style="list-style-type: none"> Protected by <i>Species at Risk Act</i> (SARA) Public concern
SOCIO-ECONOMIC ENVIRONMENT	ABORIGINAL RESOURCES AND LAND USE	X		<ul style="list-style-type: none"> Current use of lands and resources for traditional purposes by Aboriginal People at the Project site will be limited due to access restrictions and habitat changes 	X		Included as a VEC: <ul style="list-style-type: none"> Protected by statute/regulation Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
	PLANNED LAND USES (PLANNING STRATEGY)	X		<ul style="list-style-type: none"> No adverse interaction identified. Project is within proposed future land use designation/zoning 		X	Not Included as a VEC: <ul style="list-style-type: none"> No adverse interaction identified – project complies with existing land use designation/zoning
	LABOUR AND ECONOMY	X		Project is expected to have beneficial effects: <ul style="list-style-type: none"> Increased employment opportunities Increased municipal tax contributions Increased spending power Diversification in local labour market 	X		Included as a VEC: <ul style="list-style-type: none"> Potential economic benefit Public Concern
	FISHERIES AND AQUACULTURE	X		Potential for effects related to <ul style="list-style-type: none"> damage of fishing gear from container vessel traffic; accidental spills affecting aquaculture operations 	X		Included as a VEC: <ul style="list-style-type: none"> Potential economic impact Public Concern
	PROPERTY VALUE (RESIDENTIAL)	X		<ul style="list-style-type: none"> Construction activities can temporarily affect neighboring property values as a result of traffic, noise, dust, etc. Economic growth in area can lead to increase in residential property values. 	X		Included as a VEC: <ul style="list-style-type: none"> Public concern
	RECREATION	X		<ul style="list-style-type: none"> Recreational uses could be affected by noise, dust, lighting, and changes in landscape aesthetics 	X		Included as a VEC: <ul style="list-style-type: none"> Public concern

Table 1: Scoping, Pathway Analysis and VEC Identification

Environment/ Resource	Environmental Components of Concern (ECC)	Pathway of Concern/ Project- Environment Interaction		Possible Pathways/Project-Environment Interactions	Determined to be a VEC?		Key Rationale for Inclusion/Exclusion as Valued Environmental (VEC)
		Yes	No		Yes	No	
	MUNICIPAL INFRASTRUCTURE AND SERVICES (INCL. ROAD AND RAIL SERVICES, TREATMENT SYSTEMS, EMERGENCY RESPONSE ETC)	X		<ul style="list-style-type: none"> Increased pressure on road infrastructure; Potential increased demand on emergency response services. 	X		Included as a VEC: <ul style="list-style-type: none"> Public concern
	MARINE TRAFFIC AND NAVIGATION	X		<ul style="list-style-type: none"> Increased risk of accidents (navigational safety) 	X		Included as a VEC: <ul style="list-style-type: none"> Navigable Waters Protection Act
	VISUAL AESTHETICS	X		<ul style="list-style-type: none"> Permanent built project features (wharf, cranes, storage yard, buildings) are likely to change landscape aesthetics 	X		Included as a VEC: <ul style="list-style-type: none"> Public concern
	ARCHAEOLOGY AND HERITAGE RESOURCES	X		<ul style="list-style-type: none"> Potential disturbance of unknown archaeological resources during excavation and tilling activities 	X		Included as a VEC: <ul style="list-style-type: none"> Protected by statute/regulation
	COMMUNITY HEALTH AND WELL BEING	X		<ul style="list-style-type: none"> Interactions with social environment (labour market conditions, income situations, access to municipal services) and physical environment (noise, environmental quality, landscape aesthetics) Country foods (e.g., fish, shellfish, wild game, garden produce, berries etc.) (if currently harvested at or near the site, could potentially be affected as a result air emissions or accidental spills at / near the project site and act as pathways to human health. 	X		Included as a VEC: <ul style="list-style-type: none"> Public Concern



APPENDIX A

Draft Table of Contents

(Draft Table of Contents for a report documenting a harmonized environmental assessment and addressing requirements for both, a screening level environmental assessment under the *Canadian Environmental Assessment Act*, and a registration document under the *Nova Scotia Environmental Assessment Regulations*)

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**Melford International Terminal
Federal-Provincial Environmental Assessment Agreement**

This Agreement dated this **MAR 20 2008** is made in triplicate

AMONG

Her Majesty the Queen in Right of the Province of Nova Scotia
as represented by the Minister of Environment and Labour, hereinafter referred to as "NSEL"

OF THE FIRST PART

AND

Her Majesty the Queen in Right of Canada
as represented by the Minister of Fisheries and Oceans Canada and the Minister of Transport Canada, hereinafter referred to as "DFO" and "TC".

OF THE SECOND PART

Whereas the Minister of Environment and Labour, Nova Scotia, may, pursuant to Section 47 of the Nova Scotia *Environment Act*, enter into an agreement with DFO and TC to conduct a joint environmental assessment review where the proposed undertaking is also subject to review requirements of DFO and TC.

Whereas DFO and TC, may, pursuant to Section 12.(4) of the *Canadian Environmental Assessment Act* cooperate with NSEL respecting the environmental assessment where the proposed undertaking is also subject to review requirements of NSEL.

Whereas the joint assessment allows the parties to coordinate the environmental assessment and adopt, for the purposes of the review, all or part of the regulatory procedures for environmental assessment, including time frames.

Whereas Melford International Terminals Inc. (the Proponent), proposes to construct and operate a new port, marine and intermodal container terminal at Melford, Nova Scotia. The proposed facility will occupy 77 hectares. It will include a container terminal, intermodal rail yard, logistics park, single line rail connection, realignment of Highway 344, and security, customs and cargo services.

Whereas under Nova Scotia's, *Environmental Assessment Regulations* made under the *Environment Act*, the proposed facility is designated as a Class I undertaking. Under the *Regulations*, the proponent must register the proposed undertaking for an environmental assessment.

Whereas the federal government have determined that a screening level environmental assessment must also be conducted pursuant to clause 5(1)(d) of the *Canadian Environmental*

**Melford International Terminal
Federal-Provincial Environmental Assessment Agreement**

Assessment Act (CEAA) because consideration is being given to issuing the following approvals, permits or authorizations for the purpose of enabling the project in whole or in part:

- DFO: *Fisheries Act* Authorization(s);
- TC: NWPA Section 5(1)(a) (approval for works affecting a navigable waterway);

Therefore it has been determined that in accordance with the federal legislation, DFO and TC will be the responsible authorities (RAs) for the CEAA screening.

The Parties have agreed to designate preparation of an EA information requirements document to the Proponent. The document will be agreed upon by the Parties and will detail information necessary from the Proponent to ensure that the Parties respective environmental assessment requirements are met.

The Parties have agreed to work together with the Proponent to ensure that the Proponent prepares one environmental assessment document that contains all the details necessary to meet the requirements of the CEAA and the requirements for registration of a Class I undertaking pursuant to Section 9 the *Environmental Assessment Regulations*.

The Parties, or their designates, agree to establish a workplan that will set out a timeline whereby both Parties will strive to reach a coordinated decision on the proposed undertaking within 90 calendar days of registration of the undertaking. The workplan is attached as Appendix "A" to this Agreement.

Despite this Agreement, the Parties shall retain their respective legislative decision-making authority with respect to the proposed undertaking.

The Parties, or their designate, agree to consult with each other during the environmental assessment process and prior to announcing their respective decisions.

The Parties may amend this Agreement, subject to acceptance by all Parties. A Party, without the consent of the other Parties may, upon thirty (30) days written notice, withdraw from this Agreement and complete an independent environmental assessment.

This Agreement is not intended to be a legally binding instrument or give rise to any legal rights not otherwise held by the Parties.

This Agreement may be executed in triplicate counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same original agreement.

**Melford International Terminal
Federal-Provincial Environmental Assessment Agreement**



Michel Doiron
Regional Director General
Transport Canada
Atlantic Region

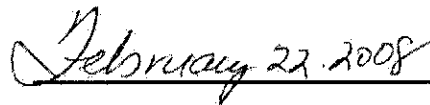
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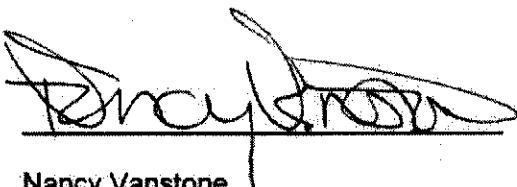


Faith Scattolon
Regional Director General
Fisheries and Oceans Canada
Maritime Region

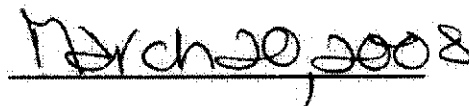


Date

**Melford International Terminal
Federal-Provincial Environmental Assessment Agreement**



Nancy Vanstone
Deputy Minister
Nova Scotia Environment and Labour



Date

APPENDIX A

Joint Federal Provincial Review Work Plan Melford International Terminal January 24, 2008

Timeline		Pre-Commencement of 90-Day Harmonised EA Agreement
n/a		Proponent files NWP Application
n/a		Nova Scotia and RAs finalize Harmonized EA Agreement
n/a		Proponent prepares draft EA information requirements document, outlining federal and provincial EA requirements
n/a		NS and RAs review EA information requirements document and provide comment
n/a		Final EA information requirements document accepted by NS and RAs
n/a		Principal RA posts Notice of Commencement on CEAR
n/a		Proponent submits Draft EA (30 day review by RAs, FAs, and NS)
Steps Below Subject To Harmonised EA Agreement		
Day 1		<ul style="list-style-type: none"> • Proponent registers for Provincial Environmental Assessment • EA document circulated to federal and provincial reviewers • Public Notice printed by proponent within 7 days (indicates both fed. and prov. review underway) • EA document released for 30 day public comment period under provincial process • All comments (gov. and public) shared between NS, the proponent and RAs
Day 35		<ul style="list-style-type: none"> • Provincial public comment period ends • NS reviews all submissions and begins preparing report to Minister • RA/FA review of public comments • Proponent clarifies outstanding issues for RA/FAs (copies NS) • Draft Screening Report started (Principal RA to lead)
Day 60		<ul style="list-style-type: none"> • RAs finalise Draft Screening Report (Principal RA to lead)
Day 90		<ul style="list-style-type: none"> • Decision of NSEL released • Final screening report signed by DFO and TC if no significant adverse environmental effects • Principal RA to post decision on CEAR

