

The Inconvenient Truth, Roberts Bank Terminal 2 is economically unviable and environmentally disastrous, and therefore a Nonstarter.

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A. Executive summary and the "Economic Non-Starter" case

In early 2026, the **Roberts Bank Terminal 2 (RBT2)** project stands at a crossroads. While the federal government has doubled down on its commitment to the terminal as a "nation-building" project, the economic, environmental, and regional competitive landscape has shifted, making the project's "non-starter" status a central theme of debate.

The first and most important question to ask – **“Does the Roberts Bank Terminal 2 Project make strategic common sense?”** As this report will demonstrate the answer is **NO**. Therefore Roberts Bank Terminal 2 is a **Non Starter**. This report details the rationale and reasons for the **Economic Non-Starter Case, and why the environmental issues support the conclusion that this project is not viable.**

Executive Summary: The RBT2 "Non-Starter" Case (Q1 2026)

1. The Financial Crisis: Cost vs. Competitive Pricing

- **Budget Explosion:** Originally estimated at \$2.0B–\$3.5B, procurement figures in late 2025 suggest a total project cost nearing **\$10 Billion**.
- **The Operator Vacuum:** As of December 2025, **no private terminal operator has signed a lease**. The high capital costs require terminal fees that analysts believe will make RBT2 uncompetitive compared to established U.S. ports.
- **Private Alternative:** Rival **Deltaport Berth 4 (DP4)** is ready to provide 2 million TEUs of capacity for roughly **half the cost per container**, funded entirely by private capital.

2. The Regulatory Wall: The "370 Conditions"

- **Biofilm & Extinction Risk:** Condition #1 involves the protection of intertidal biofilm for migratory birds. Federal scientists (ECCC) maintain that the impacts cannot be fully mitigated, leaving the project vulnerable to a **"Stop-Work" order** at any time.
- **The Oct 2026 Deadline:** The project's survival hinges on a **Fisheries Act Authorization** due by October 2026. If DFO deems the 370 conditions insufficient to protect salmon and orcas, the 2028 construction start will be legally blocked.
- **Financial Bonding:** The unprecedented **\$150 Million performance bond** required by the federal government acts as a massive "regulatory tax" that further strains the project's liquid capital.

3. The Regional Pivot: Prince Rupert's Rise

- **The Skeena Terminal:** Prince Rupert's second terminal (adding 2M TEUs) is moving toward a **2029-2030 opening**, beating RBT2 to market by nearly five years.
- **Rail Superiority:** Prince Rupert offers a **2-day shipping advantage** to Asia and a more fluid rail corridor to Chicago, bypassing the urban congestion and "Directional Running" bottlenecks of Vancouver.

4. Social and Local Deadlock

- **City of Delta Opposition:** The City refuses to cooperate on land-use permits until the federal government funds **\$100M+ in local infrastructure** (overpasses and policing) that the Port's \$6M Legacy Fund fails to cover.
- Opposition from environmental organizations is widespread and staunch from many groups, including Ecojustice, Georgia Strait Alliance, Wilderness Committee, Raincoast Conservation, BC Nature, Nature Canada and Birds Canada, David Suzuki Foundation, Against Port Expansion (APE), Boundary Bay Conservation Committee
- **Fragmented Indigenous Consent:** While 27 Nations have signed Mutual Benefit Agreements, major groups like the **UBCIC** and the **Lummi Nation** remain staunchly opposed, promising a "decade of litigation."

The "Final Decision" Scorecard

The 2026 "Tipping Point"

The project is currently "Approved but Fragile." The **May 2026 RFP deadline** (where construction bids are revealed) and the **October 2026 Fisheries Permit** are the two dates that will determine if RBT2 proceeds or if the federal government pivots to the cheaper, faster, and more private-sector-led "Alternative Vision."

At this point in time everything points to the RBT2 project being economically unviable and environmentally disastrous and therefore a Non Starter.

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B. Introduction

Several key indicators suggest Roberts Bank Terminal 2 (RBT2) is a nonstarter starter, not because of the environment and the environmental protests. It is a nonstarter because it fails miserably when measured against strategic common sense.

Strategic Risk Assessment and "Non-Starter" Indicators for RBT2

1. Purpose

To provide an update on the critical economic and regulatory risks that threaten the viability of Roberts Bank Terminal 2 (RBT2) prior to the 2026 procurement milestones and the 2027 Final Investment Decision (FID).

2. Current Status: The "Approved but Fragile" Paradox

While the project has received federal and provincial certificates, it lacks the three pillars of a successful infrastructure "starter":

- **Market Validation:** No terminal operator has signed a lease as of early 2026.
- **Cost Certainty:** Current internal estimates suggest a **\$10B+ price tag**, a 185% increase over the original \$3.5B baseline.
- **Operational License:** The October 2026 SARA (Fisheries) permit remains a "binary risk" that could halt the project permanently.

3. 370 legally binding conditions attached to the ministerial approval of the RBT2 project could lead to project delays or potentially an outright stop work order. If monitoring data indicates that the project is causing "immediate, continuous and cannot be mitigated" impacts on **biofilm**, the federal government can require the project to be **reconfigured or even decommissioned**

4. Key Strategic Risks (The "Non-Starter" Pillars)

- The Federally appointed **Independent Scientific Body (ISB)** is mandated to provide impartial advice and oversight regarding the project's environmental impacts. Project monitoring includes specific **thresholds** and potential for exceedance regarding salinity, biofilm quality, and Western Sandpiper health.
- **The Biofilm "Kill-Switch":** The Federal Conditions #1 requires monitoring biofilm. If changes in salinity lead to a decrease in biofilm productivity or a shift in the **diatom community composition** that exceeds pre-determined levels, mitigation is required. **Extreme Response:** If these effects are found to be "immediate, continuous and cannot be mitigated," the ISB can mandate the **redesign or removal of infrastructure**
- **The Regional Pivot:** The **Prince Rupert Skeena Terminal** (DP World) is on track for a 2029 opening, offering a faster, cheaper path to additional West Coast Canada capacity with a 2-day sailing advantage over Vancouver.
- **The Private Disconnect:** The private sector's preference for the **Deltaport Berth (DP4)** expansion (\$1.6B vs. \$10B) suggests the market views RBT2 as a "publicly funded redundancy."

5.. Recommendation

Maintain RBT2 on a Watch status. Establish two decision points (May 2026 RFP Deadline and Oct 2026 Fisheries Permit), using specific parameters to determine whether the RBT2 project is a non-starter. Accelerate contingency planning for the **"Alternative Vision"** (DP4 + Prince Rupert Expansion).

C. Economically Unviable

RBT2 is a non-starter; let's start building a better alternative.

While the Vancouver Fraser Port Authority (VFPA) frames **Roberts Bank Terminal 2 (RBT2)** as a "nation-building" project essential for trade, critics—ranging from economists and labor unions to rival terminal operators—argue it is an economic "non-starter."

The primary arguments for why the project is economically unfeasible or ill advised include:

1. Astronomical and Rising Costs

The project's price tag has ballooned significantly. While the Port Authority's official estimate has not been updated and has remained at **\$3.5 billion** for several years, independent engineering estimates now suggest the cost will come in between **\$8 billion to \$10 billion** due to inflation, rising labor costs, and the technical complexity of building an artificial island in deep water. And that is a 2025 cost estimate. By the time the first shovel hits the ground that cost will likely be closer to **\$12 billion**

- **Highest Cost per TEU:** Critics argue RBT2 would be the most expensive greenfield container terminal ever built globally on a per-unit basis, making it difficult to offer competitive shipping rates.
- **Public Financial Risk:** Since the VFPA is a federal agency, there are concerns that if the project fails to attract a private operator or enough shipping volume, the financial burden could fall on Canadian taxpayers or result in significantly higher port fees for other users.

2. Stagnant Container Growth

A central economic criticism is that the "need" for the project is based on outdated or overly optimistic growth forecasts.

- **Low Compound Annual Growth Rate:** While the Port has projected 4% annual growth, actual data shows that container volumes at the Port of Vancouver have been largely stagnant. In 2024 the port handled roughly **3.4 million TEUs**, nearly the same volume as in 2020. In 2025 it handled **3.8 million TEUs, only 2.7% more than 2021. The 10-year CAGR is 2.15% versus a projected growth of 4%.**
- **The "Empty" Problem:** Approximately 50% of the containers handled are empty. Critics argue that building massive new infrastructure to move empty boxes does not provide a genuine economic return.

3. Lack of a Private Terminal Operator

One of the most significant "non-starter" arguments is that the project currently lacks a confirmed private-sector tenant.

- **Tenant Reluctance:** Established terminal operators, such as **GCT (Global Container Terminals)**, have argued that the business case is flawed. They suggest the Port is building "a car factory without a car manufacturer."
- **Crowding Out Private Investment:** GCT has proposed a rival expansion (Deltaport Fourth Berth) that would be privately funded and, they claim, cost roughly

half as much as RBT2 because it builds on existing infrastructure.

4. Job Losses via Automation

Unlike existing terminals that support thousands of high-paying manual labor jobs, RBT2 is designed to be a **fully automated terminal**.

- **Economic Displacement:** The International Longshore and Warehouse Union (ILWU) argues that the terminal will destroy more "family-supporting" jobs than it creates.
- **Competitive Pressure:** There is fear that existing terminals will be forced to automate to compete with RBT2's lower labor costs, leading to a net loss of middle-class employment in the region.

5. Environmental "Externality" Costs

While often categorized as "environmental" issues, the impacts on salmon and killer whales have massive economic implications for BC's **commercial fishing and tourism industries**.

- **Irreversible Damage:** The federal review panel concluded the impacts on Chinook salmon and Southern Resident Killer Whales would be "permanent and irreversible."
- **Legal & Mitigation Liability:** The project is tied to 370 legally binding conditions and a **\$150-million financial guarantee** for environmental compliance. The ongoing legal battles and the cost of these mitigations add significant financial burden. Recent data and independent financial analysis highlight several reasons why the **Roberts Bank Terminal 2 (RBT2)** project is viewed by many as an economic "non-starter." While the Port Authority views it as essential for long-term capacity, the following data points illustrate the core of the opposition's argument:

6. The "Stagnation" Gap: Forecasts vs. Reality

The Port Authority's business case originally relied on a **4% Compound Annual Growth Rate (CAGR)** for container traffic. However, actual performance has been significantly lower, **with a 10 year CAGR now at 2.15%**.

- **Flat Volumes:** In 2024, the Port of Vancouver handled **3.47 million TEUs**. This is effectively the same volume handled in 2020 (**3.46 million**) and only **2% higher** than in 2019. In 2025 the port handled 3.8m TEUs, only 2.7% higher than in 2021
- **The Growth Disconnect:** Over the last 5 years (2021–2025), the actual CAGR is approximately **1.74%**—a near-total stagnation that undermines the urgent "need" for a multi-billion dollar expansion.
- **Laden vs. Empty:** Critics point out that "laden" (full) container exports have actually declined since 2017. A large portion of the port's "growth" numbers are driven by moving empty containers back to Asia, which generates far less economic value per lift.

7. Escalating Capital Expenditure (\$10B+?)

While the official estimate remains at **\$3.5 billion**, this figure is increasingly dismissed by industry analysts as "stale."

- **Inflation & Complexity:** Building an artificial island in the Salish Sea is technically grueling. Independent engineering estimates suggest the costs will certainly exceed **\$3.5 billion and more likely to be in the \$8 to \$12 billion** range due to labor shortages and material inflation since the project was first proposed a decade ago.

- **Cost per Slot:** At a \$10B price tag, the "cost per unit of capacity" would be among the highest in the world. This makes it difficult for a private terminal operator to ever turn a profit without charging astronomical fees to shipping lines.

8. Port Performance and Competitive Disadvantage

The economic viability of a port depends on its efficiency.

- **Efficiency Rankings:** The World Bank and S&P Global's Container Port Performance Index consistently ranks Vancouver near the bottom (347th out of 348 ports in recent years).
- **Customer Flight:** High costs and low efficiency may drive major shipping lines to more modern or cheaper facilities in **Prince Rupert** or the **U.S. West Coast** (Seattle/Tacoma), leaving RBT2 as a potential "stranded asset."

D. Environmental Realities and Liabilities

The environmental risks of Roberts Bank Terminal 2 (RBT2) aren't just about "saving the whales"—they represent a massive, compounding financial liability. Because the federal government approved the project despite a review panel finding it would cause "significant adverse effects," they imposed a historic level of oversight to manage that risk.

Here is how those environmental conditions translate into economic "non-starter" arguments:

1. The \$150 Million "Performance Bond"

For the first time in Canadian history, the federal government is requiring the proponent (VFPA) to put up a **\$150-million financial guarantee**.

- **What it's for:** This money ensures that if the Port fails to meet its environmental obligations during the first three years of construction, the funds are already seized to pay for remediation.
- **The Economic Impact:** This is a high-risk insurance premium that adds to the upfront capital cost. Investors and potential operators view this as a red flag—a signal that the government itself anticipates a high probability of environmental failure.

2. The Biofilm "Impossibility" Problem

The most contentious condition involves **biofilm**—a thin layer of diatoms on mudflats that western sandpipers need to fuel their trans-continental migration.

- **The Condition:** The Port must ensure that the mudflats are not negatively affected.
- **The Economic Risk:** Federal scientists have stated that we **do not know how to recreate biofilm** at the required scale. If construction begins and the biofilm starts to degrade, the Port may be legally forced to pause construction or spend hundreds of millions on unproven "geo-engineering" solutions. This creates a "black hole" of potential future costs.

3. Operational Friction (Noise & Salmon)

The 370 conditions include strict operational limits that could make the terminal less efficient than its competitors:

- **Ship Delays:** The Port must implement procedures to **delay vessel departures** or

reduce speeds if Southern Resident Killer Whales are in the area.

- **Construction Constraints:** Noisy activities (like pile driving) are restricted to daytime hours on weekdays.

- **The Bottom Line:** These rules increase the "turnaround time" for ships. In the shipping world, time is money. If RBT2 has more "red tape" delays than Prince Rupert or Seattle, shipping lines will simply go elsewhere.

4. Ongoing Legal & "SARA" Risk

Despite a recent court ruling (January 2025) upholding the project's approval, the project remains a target for environmental litigation.

- **Species at Risk Act (SARA):** Because the project impacts "critical habitat" for endangered orcas and Chinook salmon, it requires special permits under SARA. These permits are legally fragile; if a court finds the mitigation measures insufficient, the entire project could be halted mid-construction, leading to a "stranded asset" worth billions.

E. RBT2 versus DP4

As of early **2026**, the battle between **Roberts Bank Terminal 2 (RBT2)** and **Deltaport Berth 4 (DP4)** has shifted from the courtroom to a high-stakes procurement and regulatory race. While the Port Authority is moving forward with construction plans for RBT2, the economic "non-starter" arguments have gained more traction due to updated financial and legal developments.

1. The Judicial Verdict (January 2025)

In a landmark ruling in **January 2025**, the Federal Court of Canada **dismissed** a legal challenge brought by environmental groups (including the David Suzuki Foundation).

- **The Ruling:** The judge ruled that the federal government's decision to approve RBT2 was "reasonable," even though the project would cause significant environmental harm.

- **The Logic:** The court accepted the government's argument that the economic benefits—estimated at **\$100 billion in annual trade** and a **\$3 billion boost to GDP**—outweighed the irreversible environmental damage, provided the 370 conditions are met.

2. Current Construction & Procurement Status (Late 2025)

Despite the "non-starter" criticisms, the Port Authority has doubled down.

- **Shortlisted Teams:** As of **November 2025**, the Port Authority has officially shortlisted three major construction consortiums (KLJ Partnership, Pacific Gateway Partners, and TerraMarine) to bid on the landmass and wharf.

- **Timeline:** The final Request for Proposal (RFP) is closing in **May 2026**, with **land reclamation starting in 2028**. The terminal isn't expected to be operational until the **mid-2030s**.

- **Financial "Black Hole":** Critics note that the Port still hasn't released an updated public cost estimate. Independent analysts in late 2025 suggest that with labor shortages and inflation, the project is tracking toward **\$10 billion**, making the business case even more precarious.

3. The "Projects of National Interest" Fast-Track (DP4)

While RBT2 is the Port Authority's "preferred" project, the rival **Deltaport Berth 4 (DP4)** has made a major strategic move.

- **Federal Submission:** In **September 2025**, Global Container Terminals (GCT) officially submitted DP4 to the new federal **Major Projects Office**.
- **The "National Interest" Push:** GCT is urging the government to place DP4 on the **Projects of National Interest List**. If granted, this would essentially "fast-track" its environmental review, allowing it to potentially bypass RBT2's timeline.
- **The Landlord Feud:** The Port Authority (as the landlord) is still refusing to process GCT's internal application for DP4, leading to ongoing litigation where GCT is suing the Port for "anti-competitive behavior."

F. The State of Play (December 2025)

In 2025, the Vancouver Fraser Port Authority (VFPA) has utilized First Nations' support as its most effective defense against the "non-starter" narrative. By late 2025, the Port has secured consent from **27 First Nations** through Mutual Benefit Agreements (MBAs).

These agreements are central to the project's economic and political survival, serving as a buffer against both legal challenges and the rival Deltaport Berth 4 (DP4) proposal.

1. The Strategy of "Broad Consent"

While critics focus on cost and efficiency, the Port focuses on **social license**. By 2025, the VFPA has effectively framed RBT2 as a "Reconciliation Project."

- **27 vs. 1:** The Port frequently highlights that 27 Nations support RBT2, whereas the DP4 alternative is primarily associated with a single major partnership.
- **Legal Shield:** In the January 2025 court ruling, the fact that dozens of Indigenous groups had signed agreements was a major factor in the judge's decision that the project's approval was "reasonable." It made it much harder for environmental groups to argue that the project lacked a social mandate.

2. Economic Components of the Agreements

These are not just environmental "sign-offs"; they are complex economic partnerships designed to inject hundreds of millions of dollars into Indigenous communities:

- **Revenue Sharing & Contracting:** Many agreements include "Indigenous Procurement" clauses, requiring that a significant percentage of the construction work (from dredging to paving) be awarded to Indigenous-owned businesses.
- **Direct Payments:** The federal government announced over **\$45 million** in 2023–2024 specifically to accommodate impacts on Indigenous rights, with further private MBAs between the Port and Nations providing ongoing annual payments.
- **Legacy Funds:** A **\$6 million Community Legacy Fund** was launched in late 2025 specifically for the City of Delta and local First Nations to fund long-term infrastructure and cultural projects.

3. Key Nations and Their Roles

The Economic Counter-Argument: "Bought Support?"

Critics of RBT2 argue that these First Nations agreements—while positive for the communities involved—actually **worsen the project's financial "non-starter" status:**

1. **Increased Overhead:** The hundreds of millions committed to these agreements must be recovered through terminal fees. This makes the terminal even less price-competitive compared to US ports.

2. **Fragmented Consent:** Groups like the **Union of BC Indian Chiefs (UBCIC)** and the **Lummi Nation** (in the US) have remained staunchly opposed, arguing that "consent from some is not consent from all." This keeps the threat of fresh litigation alive. Members in some First Nations remain opposed and concerned with the environmental and economic aspects for First Nations communities.

3. **The "Reconciliation" vs. "Business" Debate:** Economists argue that using a trade infrastructure project as a vehicle for social reconciliation is noble, but it doesn't change the fact that the underlying business model (stagnant container growth) remains broken.

Summary: The 2025 Deadlock

The Port Authority's position is that RBT2 is the **only** project with the broad Indigenous support necessary to survive modern Canadian regulatory law. They argue that even if DP4 is "cheaper," it lacks the 27-Nation coalition that makes RBT2 politically "unstoppable" in the eyes of the federal cabinet.

G. The "370 Conditions" - which ones are the most expensive to implement?

The 370 conditions attached to **Roberts Bank Terminal 2 (RBT2)** are not just regulatory checkboxes; they represent a massive, ongoing financial burden that critics argue makes the project a "non-starter" from a risk-management perspective.

By late 2025, several specific conditions have emerged as the most expensive and high-risk for the project's bottom line.

1. The Biofilm "Stop-Work" Risk

The most technically daunting condition involves **intertidal biofilm**—the microscopic "superfood" required by Western Sandpipers.

- **The Condition:** The Port must ensure that changes in salinity and other factors from the new terminal island do not degrade biofilm quality.

- **Economic Trap:** An **Independent Scientific Body (ISB)** has been established to monitor this specifically. If they determine the ecosystem is being compromised during construction, the Port could be legally forced to **halt construction, redesign the island, or even remove structures.**

- **Unproven Mitigation:** Federal scientists (ECCC) have repeatedly stated that "creating" or "replacing" biofilm at this scale is likely impossible. This creates a "binary risk": if the birds' food supply drops, the entire multi-billion dollar investment could be legally frozen.

2. The \$150 Million "Environmental Ransom"

In a first for Canadian infrastructure, the federal government required a **\$150-million financial guarantee**.

- **The Cost:** This isn't just a budget line; it's liquid capital that must be set aside or bonded, increasing the cost of borrowing.
- **The Use:** These funds are specifically earmarked to be seized by the government if the Port fails to comply with any of the 370 conditions during the first three years of construction.

3. Underwater Noise & "Vessel Slowdowns"

To protect **Southern Resident Killer Whales**, the project is tied to strict operational limits that affect its competitive efficiency.

- **Echo Program Expansion:** The Port must fund and expand the "ECHO" program, which requires ships to slow down or alter routes.
- **Operational Friction:** Slower ship speeds mean fewer "turns" per year for a shipping line. If RBT2's conditions make it 10–15% slower to dock and depart than a terminal in Seattle or Prince Rupert, the economic incentive for shipping lines to use the terminal evaporates.

4. The "Plan to Plan" Problem

Critics, including environmental groups like the Wilderness Committee, note that many of the 370 conditions are actually **"plans to plan."**

- **Example:** Condition 5 requires a "Follow-up Program" for nearly every impacted species.
- **Economic Uncertainty:** Each of these plans requires ongoing scientific consultants, field studies, and potential adjustments to construction schedules. This "regulatory creep" makes it impossible for the Port to give a fixed final price to a potential private operator, which is why a tenant has yet to be signed by the end of 2025.

5. Cumulative Impact of Small Conditions

While "Biofilm" gets the headlines, the sheer volume of 370 conditions creates a massive administrative overhead.

- **Light Pollution:** Restrictions on lighting to protect birds and fish require specialized, more expensive infrastructure.
- **Air Quality:** Mandates for shore power (allowing ships to plug in) and zero-emission equipment add hundreds of millions in electrical infrastructure costs that rival ports may not yet face.

Summary of the Economic Trap:

The 370 conditions have created a "high-floor" cost structure. Even if construction costs stay low (which they aren't), the cost to **operate** within these legal boundaries is so high that RBT2 may never be able to offer the "low-cost, high-volume" services needed to win business back from U.S. competitors.

H. The current political landscape in Ottawa

In late 2025, the political landscape in Ottawa regarding **Roberts Bank Terminal 2 (RBT2)** is characterized by a high-stakes "speed vs. standards" debate. While the federal government remains publicly committed to the project, the political environment has shifted under the weight of economic reality and the 2025 federal election cycle.

Here is the current state of political play in Ottawa:

1. The "High Bar" Stance (Liberal/Carney Leadership)

Following the transition from Justin Trudeau to **Mark Carney**, the Liberal government's rhetoric has shifted toward "economic competitiveness." However, they have signaled they **will not scale back** the 370 conditions.

- **The Logic:** Government views the conditions as the only reason the project survived the 2025 court challenges. Removing them would likely trigger an immediate "SARA" (Species at Risk Act) lawsuit freezing construction for years.
- **"National Interest" Label:** In late 2025, the Liberals have designated RBT2 as a "Clean Growth Project," attempting to fast track the permitting speed without lowering the environmental requirements.

2. The Conservative Pivot: "Repeal and Replace"

The Conservative Party, led by **Pierre Poilievre**, has made the streamlining of major projects a central pillar of their 2025 platform.

- **Axe Bill C-69:** Poilievre has pledged to repeal the Impact Assessment Act (often called the "No More Pipelines Act").
- **The RBT2 Dilemma:** While Conservatives generally support the terminal, they argue the 370 conditions are "regulatory handcuffs" designed to make the project fail. They have suggested they would replace the "slow and expensive" federal review with a "six-month permit guarantee," though critics warn this would violate Indigenous treaties and trigger constitutional crises.

3. The Major Projects Management Office (MPMO)

In a surprise move in late 2025, Ottawa empowered a new **Major Projects Office** with the mandate to resolve the "Civil War" between the Port Authority and Global Container Terminals (GCT).

- **Considering DP4:** For the first time, federal officials are seriously entertaining the rival **Deltaport Berth 4 (DP4)** as a viable alternative if RBT2's costs exceed a certain threshold (rumored to be **\$10 billion**).
- **Supply Chain Resiliency:** The government is under pressure from the U.S. and international trade partners to fix Vancouver's 347th-place efficiency ranking. There is a growing political sense that "any berth is better than no berth," leading to a more open-minded view of the cheaper DP4 project.

Summary of the Political "Non-Starter" Reality as of late 2025

By the end of 2025, the political viability of RBT2 is actually more fragile than its legal status.

- **If the Liberals stay:** The project remains technically alive but burdened by the **\$10B+ price tag** and **370 conditions**, leading to a likely "death by a thousand cuts" as no operator signs on.

- **If the Conservatives win:** Unlikely though this is, they may try to gut the conditions to make it a "starter" again, but they would immediately face a wall of litigation from First Nations and environmental groups that could tie the project up in court until 2030.

I. BC Provincial Government Position

In late 2025, the British Columbia provincial government's position on **Roberts Bank Terminal 2 (RBT2)** is one of "conditional, cautious approval." While the province has technically issued the necessary certificate for the project to proceed, it has done so with a specific set of provincial demands that add to the project's complexity.

Here is the breakdown of the BC government's role and current stance:

1. The Provincial Certificate (EAC #T23-01)

In late 2023, BC's Minister of Environment and Climate Change Strategy and the Minister of Transportation issued the **Environmental Assessment Certificate**.

- **The "Jurisdiction" Defense:** The BC government noted that because the project is almost entirely on federal land, a provincial "no" could not legally stop it. By issuing a certificate instead, BC gained the power to enforce **16 additional provincial conditions** on top of the federal 370.
- **Economic Stance:** Premier **David Eby** has repeatedly framed port expansion as "crucially important" for the provincial economy, particularly for getting commodities like potash and critical minerals to global markets.

2. The 16 Provincial Conditions

These conditions focus on areas where the province has direct authority (land, local transport, and specific species). Key requirements include:

- **Wetlands Management Plan:** The Port must create a plan to mitigate the loss of provincial wetlands, which are vital for local flood control and biodiversity.
- **Greenhouse Gas (GHG) Emissions:** The province requires a strict plan for RBT2 to align with BC's CleanBC goals, likely forcing the terminal to use even more expensive zero-emission technology than originally planned.
- **Wildlife Management:** Specific plans to mitigate impacts on the **Great Blue Heron** and **Barn Owl**, which fall under provincial wildlife protection.

3. The "Two-Project" Headache

The BC government is currently in the awkward position of reviewing **both** RBT2 and the rival **Deltaport Berth 4 (DP4)**.

- **The DP4 Fast Track:** In September 2025, GCT applied to have DP4 fast-tracked by the new federal Major Projects Office. The BC Environmental Assessment Office is now simultaneously reviewing this private-sector alternative.
- **Political Pressure:** Premier Eby's "Look West" economic plan, introduced in late 2025, calls for \$200 billion in new investment by 2035. The BC Conservatives (the official opposition) have criticized the NDP government for the "regulatory slow-motion" of port expansions, arguing that the province should favor the privately funded DP4 to save taxpayer money.

BC Government Risks (2025)

The 2025 "Wait and See" Strategy

While the BC government issued the certificate for RBT2, they haven't "married" the project. The province is keeping its options open by also reviewing DP4

- **The "Non-Starter" Trigger:** If the cost of RBT2 hits a certain threshold—or if the Port Authority fails to sign a private operator by 2026—the province could shift its political support toward DP4 as the more "fiscally responsible" way to achieve the Premier's trade goals.

J. City of Delta Issues

Local Traffic, Noise, Pollution and Other Impacts

In late 2025, the City of Delta's position on **Roberts Bank Terminal 2 (RBT2)** remains one of significant skepticism. While the Mayor and Council have shifted toward a "pragmatic" stance following the federal approval, they continue to argue that the project creates local "non-starter" problems that the Port Authority hasn't fully solved.

Delta's concerns center on the fact that the city hosts the infrastructure but believes the federal government and Port are not paying for the local impacts.

1. The "Community Security" Crisis

A major economic and social concern for Delta in 2025 is the **increase in organized crime** at the port.

- **The Demand:** Mayor George Harvie has been vocal about the need for a **dedicated, federally funded police force** for the port.

- **The "Non-Starter" Logic:** Delta argues an expanded terminal will lead to more smuggling of illicit drugs and weapons. Without federal funding for an integrated police team, the burden of responding to port-related crime falls on **Delta's Police Department**, effectively forcing local taxpayers to subsidize a federal trade project.

2. Traffic and the "Massey Tunnel" Bottleneck

Delta has long argued that the Port's traffic projections are disconnected from the reality of South Delta's road network.

- **The Congestion Trap:** Despite the provincial progress on the Massey Tunnel replacement, Delta remains concerned about the "last mile" of truck traffic.

- **River Road Overpass:** The Mayor has demanded federal funding for a **River Road overpass** and a "second exit out of Ladner" to prevent port trucks from paralyzing local traffic. To Delta, approving RBT2 without these specific infrastructure guarantees is a "non-starter" for local mobility.

3. Noise, Light, and Air Pollution

As of late 2025, the City of Delta is closely monitoring the **370 federal conditions** regarding "ambient" impacts.

- **24/7 Construction:** Major land reclamation (set to begin in 2028) will involve years of pile driving and heavy machinery. Delta residents are particularly concerned about underwater noise (affecting the local fishing economy) and light pollution that impacts the "rural character" of Ladner and Tsawwassen.

- **Health Impacts:** The city has called for permanent, real-time air quality monitoring stations in residential areas, fearing that increased truck idling will spike respiratory issues in the community.

4. Agricultural Land Pressure

Delta is home to some of the most productive farmland in Canada.

- **Development Creep:** The city fears that RBT2 will trigger a "domino effect" where the surrounding agricultural land is pressured to be rezoned for **industrial warehouses and truck parking**.

- **Economic Trade-off:** For Delta, the loss of high-value farmland for warehouses, containers and truck storage is a loss for the municipality.

Delta's "Pragmatic" Opposition (2025 Update)

Summary: The "Financial Burden" Argument

The City of Delta's official stance is that unless the federal government steps up to fund the **secondary infrastructure** (policing, overpasses, and dredging), RBT2 is a **financial burden** rather than a benefit. They argue that the \$10B+ project will generate profits for the Port and the federal government, while leaving Delta to manage the noise, traffic, and crime.

The "Community Legacy Fund" does it cover Delta's infrastructure demands?

In late 2025, the **\$6 million Community Legacy Fund** has become a focal point of friction between the Port Authority and the City of Delta. While the Port frames it as a "generous investment," the City sees it as a "rounding error" compared to the massive infrastructure costs the project will impose on local taxpayers.

The core of the "non-starter" argument from a local perspective is that the fund is designed for **charity**, not **critical infrastructure**.

1. Breakdown of the \$6 Million Fund

The Port's "Community Investment Program" is split into three specific pots, none of which are permitted to be used for major roadwork or policing:

- **\$3.5 Million Community Fund:** Small-scale annual grants (max \$50,000) for local non-profits and community groups.

- **\$2.0 Million Community Grants:** Larger one-time grants for "legacy" projects like park improvements, walking trails, or cultural facilities.

- **\$0.5 Million Education Fund:** Bursaries and scholarships for Grade 12 students in Delta.

2. The "Infrastructure Gap" (Delta's \$100M+ Problem)

Mayor George Harvie and Delta Council argue that \$6 million is a "token gesture" when compared to the capital projects required to handle the terminal's impact.

- **The Overpass Issue:** Delta has requested a **River Road Overpass** to bypass port-bound trains. A single overpass of this type in 2025 costs roughly **\$40 million to \$60 million**—nearly ten times the entire legacy fund.

- **The Policing Deficit:** Delta estimates that the increased crime risk (smuggling/theft) at the expanded port will require **\$5M to \$10M annually** in additional police resources. The legacy fund would be exhausted in a single year if it were used to cover these public safety costs.

- **Dredging Requirements:** Local fishers and marinas in Ladner are facing increased siltation issues from port activity. The cost to maintain local secondary channels is estimated in the millions, far exceeding the "Community Grants" available.

3. The 2025 Political "Standoff"

By December 2025, the City of Delta has adopted a "No Infrastructure, No Cooperation" stance.

- **Withholding Permits:** While the Port is a federal agency, Delta still controls local zoning for the **ancillary lands** (warehouses and truck staging). The City has threatened to slow-walk municipal permits for port-adjacent developments until the federal government—not the Port Authority—provides a separate "Infrastructure Accord" that covers the \$100M+ in road and police costs.

- **The Fairness Argument:** Delta points out that while the federal government expects **\$631 million in new tax revenue** annually from RBT2, they are offering the host community a one-time \$6 million "legacy" payment.

Summary: Why it's a "Local" Non-Starter

For the residents of Delta, the economic math doesn't work. The project creates a **permanent increase in municipal costs** (police, fire, road maintenance) but provides only a **temporary, small-scale grant fund**. This "cost-benefit mismatch" is why local opposition remains so fierce in late 2025, even after federal approval.

K. 2025 Economic Scorecard: RBT2

By the end of 2025, the debate over **Roberts Bank Terminal 2 (RBT2)** has crystallized into a stark contrast between "Nation Building" and "Economic Non-Starter." While the project has cleared major legal hurdles, its financial scorecard is under intense scrutiny.

Below is the **2025 Economic Scorecard** summarizing why many analysts consider the project a potential "white elephant."

1. The Financial "Non-Starter" Reality

- **Cost Overruns:** In mid-2025, the Port launched procurement for the landmass and wharf. Analysts note that \$1 billion is now allocated for just the wharf alone, pushing the total island-building cost toward \$10 billion. This makes RBT2 one of the most expensive terminals ever built on a per-TEU basis. 2025 stats show container volumes are stagnant, with a 5 year CAGR at 2.15% and a growth of 100,000 TEUs since 2021, a recovery to 2021 levels rather than new growth. Critics argue we are building a "spare bedroom" for a house that isn't growing.

2. The Rival Alternative (DP4)

The strongest argument against RBT2's economic viability is the presence of **Deltaport Berth 4 (DP4)**.

- **Market Signal:** DP4 is a **\$1.6 billion** private-sector proposal. The fact that the private sector is willing to bet its own money on DP4 but no private operator has yet signed on to RBT2 is a major "non-starter" signal to the market.

- **The Monopoly Accusation:** In late 2025, GCT continues to argue that the Port Authority is using its "landlord" power to block the cheaper DP4 project solely to protect the government-backed RBT2.

3. The "370 Conditions" as a Business Tax

The 370 binding conditions are no longer just environmental goals—they are **operational taxes**.

- **\$150M Bond:** This capital is frozen and cannot be used for expansion.
- **Slow-Down Costs:** Mandatory ship slowdowns for orca protection add hours to turnaround times. In a 2025 global shipping market where "Just-In-Time" is everything, these delays act as a hidden tariff on every container moved through RBT2.

4. Local & Social Liabilities

- **The Delta Infrastructure Gap:** The City of Delta remains a "no-go" for cooperation unless the federal government covers the **\$100M+** in local road and police costs not covered by the \$6M Legacy Fund.
- **Labor Hostility:** The ILWU remains opposed to the project's automation model, creating a high risk of labor instability that could deter international shipping lines.

L. Is it a Non-Starter?

If you define a "starter" as a project that is **privately profitable and operationally efficient**, RBT2 struggles. It currently survives because the federal government has deemed it a "**Nation Building**" project, essentially deciding that the strategic value of having "surplus capacity" is worth the billions in public financial risk.

Specific construction milestones scheduled for 2026-2028:

In late 2025, the **Roberts Bank Terminal 2 (RBT2)** project has moved out of the planning phase and into a high-stakes construction and procurement cycle. While the "non-starter" arguments continue to swirl, the Port Authority has laid out a strict timeline to reach operation by the mid-2030s.

Below are the critical milestones scheduled for **RBT2 Construction & Procurement Timeline (2026–2028):**

Critical Analysis: The 2026–2028 Risk Profile

The upcoming three years are the most dangerous for the project's economic viability. Critics point to three "milestone traps" that could still trigger a non-starter scenario:

1. The "Permit Wall" (October 2026)

The **Fisheries Act Authorization** is not a formality. Because the project impacts critical orca and salmon habitat, this permit is the primary target for potential 2026 lawsuits. If the federal government or the courts find that the Port's mitigation plans don't meet the "Species at Risk" standard, the 2028 construction start date will collapse.

2. The "Target Price" Shock (Summer 2026)

The Port is using a **Progressive Design-Build** model. This means the actual cost isn't fixed until the preferred team finishes their early design work in 2026. This is the moment when the "true" price tag—potentially **\$10 billion**—will be revealed. If the cost is significantly higher than the \$3.5B estimate, the Port may struggle to justify a **Final Investment Decision (FID)** in 2027.

3. The Missing Operator (Late 2020s)

The Port plans to build the island first and find an operator later. This is a massive "Build it and they will come" gamble. If global shipping lines continue to favor more efficient ports or the rival DP4 expansion, the Port may find itself in 2029 with an empty artificial island and no tenant willing to pay the high fees required to pay off the construction debt.

Summary of the Economic Tension

As we start into 2026, the project is a "starter" in terms of bureaucracy but remains a "non-starter" in terms of private-market validation. The Port Authority is effectively racing against time to make the project "too big to fail" before the next federal election or the next major cost update.

The "Progressive Design-Build" - why it was chosen to manage these cost risks

In late 2025, the Vancouver Fraser Port Authority (VFPA) has shifted its procurement strategy to a **Progressive Design-Build (PDB)** model. This is a direct response to the "economic non-starter" criticisms regarding the project's massive price tag and high environmental risk.

By using PDB, the Port is attempting to move away from the "fixed-price" model that often leads to massive litigation and cost overruns in marine projects.

1. Why Progressive Design-Build (PDB)?

In a traditional Design-Build, a contractor gives a "hard bid" price at the start. For a project like RBT2, where you are building an artificial island in a sensitive ecosystem, no contractor can accurately price that risk without adding a massive "risk premium" (often billions of dollars).

The PDB approach breaks the project into two phases:

- **Phase 1 (Collaborative Design):** The Port and the shortlisted construction team (to be selected in Summer 2026) work together to refine the design, logistics, and environmental mitigations. They don't set a final price yet.
- **Phase 2 (The Target Price):** Only after the risks (like biofilm and soil stability) are better understood do they negotiate a "**Target Price.**" If they can't agree, the Port has an "off-ramp" to cancel the contract and try a different approach.

2. Managing the "Non-Starter" Risks via PDB

The PDB model is specifically designed to address the financial red flags we've discussed:

3. The 2026 "Off-Ramp" Strategy

Perhaps the most important feature of the PDB model is the "**Off-Ramp.**" * **The Scenario:** If the collaborative design phase in 2026-2027 reveals that meeting the environmental conditions will cost **\$12 billion** instead of \$3.5 billion, the Port can choose **not** to proceed to Phase 2.

- **The Economic Benefit:** This prevents the Port from getting "stuck" in a contract that is destined for bankruptcy. It provides a final reality check before the "Final Investment Decision" (FID) in late 2027.

4. Shortlisted Teams (Late 2025)

As of November 2025, the three teams competing in this PDB process are:

1. **KLJ Partnership**
2. **Pacific Gateway Partners**
3. **TerraMarine**

Each of these teams is now essentially competing on their **qualifications and approach** rather than just a "low bid." The Port is betting that by hiring the smartest team rather than the cheapest one, they can turn the "non-starter" economics into a viable business case.

Summary of the "Non-Starter" Status in early 2026

The adoption of the PDB model is an admission that the original economic plan for RBT2 was too risky. While it provides a path forward, it also creates a **new point of failure**: if these world-class construction teams can't find a way to make the 370 conditions work within a reasonable budget by 2027, the PDB "off-ramp" will be the project's final chapter.

"Go/No-Go" checklist for 2026, which will determine if the project finally moves from a "non-starter" to an active construction site?

The "non-starter" debate has now moved from theoretical arguments to a concrete **Final Investment Decision (FID)** checklist. The project is currently in the "Development Phase" under a Progressive Design-Build model, where the Port Authority and its construction partners must prove the project is financially and legally viable before a single stone is dropped into the water.

Below is the "Go/No-Go" checklist that will determine if the project survives the next 36 months.

M. The 2026-2028 "Go/No-Go" Checklist

Why the "Oct 2026" Permit is the Ultimate Hurdle

While the project has general environmental approval, the **Fisheries Act Authorization** is the most legally fragile document.

- **The "Orca" Conflict:** To get this permit, the Port must prove that the 370 conditions are enough to prevent the "extinction" of the Southern Resident Killer Whales.
- **The "Salmon" Conflict:** The terminal blocks a major migration corridor for juvenile Chinook salmon. The permit requires a revolutionary "fish passage" design through the causeway. If DFO scientists are not 100% convinced by the late-2026 deadline, the project cannot legally begin construction in 2028.

The "Market Condition" Reality Check

The Port has stated it will perform a "continued market condition assessment" throughout 2026.

- **Stagnation Threat:** If Vancouver's container volumes remain at their current **3.7 million TEU** plateau (roughly the same as 2020), the Port Board faces immense pressure to delay the FID to avoid building a multi-billion dollar "ghost terminal."
- **The DP4 Rivalry:** If the rival **Deltaport Berth 4** project receives its "National Interest" designation in 2026, it will offer a cheaper, faster path to capacity, potentially making RBT2 redundant before it even starts.

Final Verdict for end 2025

The Roberts Bank Terminal 2 project is currently "**Approved but Fragile.**" It has the political backing and the legal certificates, but it lacks the three pillars of a successful mega-project:

1. **A Private Operator** (No one has signed the lease).
2. **Cost Certainty** (Waiting on the 2026 RFP results).
3. **Local Social License** (Delta and ILWU remain opposed).

N. "Alternative Vision" for the Port—what Vancouver's trade future looks like if RBT2 is cancelled in 2027?

By late 2025, a growing "Alternative Vision" for the Port of Vancouver has emerged—one that moves away from the multi-billion dollar artificial island model of **Roberts Bank Terminal 2 (RBT2)**. Critics and industry analysts suggest that if RBT2 were cancelled at its 2027 "Final Investment Decision" (FID), the future of Canadian trade would shift toward **private-sector efficiency** and **regional diversification**.

The following table summarizes how a post-RBT2 trade strategy looks:

1. The "Private First" Strategy: Deltaport Berth 4 (DP4)

The immediate alternative to RBT2 is the **Deltaport Berth 4** expansion. By late 2025, this project has gained significant political momentum as a "market-ready" solution.

- **Modular Capacity:** Unlike the "all-or-nothing" 2.4 million TEU island of RBT2, DP4 offers **2 million TEUs** of capacity that can be built on the existing terminal footprint.
- **Speed to Market:** Because it doesn't require building a new landmass from scratch, DP4 could potentially be operational by **2030**, whereas RBT2 isn't expected until at least **2033–2035**.

2. The "Prince Rupert" Pivot

A major part of the alternative vision is shifting the burden away from the environmentally sensitive Fraser River Estuary.

- **Northern Advantage:** Prince Rupert is **two days closer to Asia** than Vancouver and has a naturally deep harbor that requires no dredging.
- **Expansion Potential:** By 2025, Prince Rupert's **Fairview Terminal** is already expanding toward a **2.5 million TEU** capacity, with plans for a second terminal (**Skeena**) that could add another **2 million**.
- **Strategic Redundancy:** Critics argue that putting "all our eggs in the Roberts Bank basket" makes Canada's supply chain vulnerable. Diversifying to Prince Rupert creates a more resilient trade network.

3. Efficiency over Expansion: The "Tech First" Model

Instead of building more land, the alternative vision focuses on **getting more out of existing terminals**.

- **Digital Twins & AI:** By late 2025, terminals like Centerm and Vanterm have implemented AI-driven "berth slotting," which has reduced vessel dwell times by **17%** without adding a single square meter of land.

- **Inland Ports:** Shifting the "sorting" of containers to inland hubs (like the Ashcroft Terminal or new facilities in Surrey/Langley) clears up valuable dockside space, effectively increasing "throughput" without physical expansion.

4. Social and Labor Stability

A future without RBT2 is seen as a "win" for the **International Longshore and Warehouse Union (ILWU)**.

- **Preserving Jobs:** The alternative vision relies on **semi-automation**, where technology assists human workers rather than replacing them. This avoids the high-friction labor environment that an automated RBT2 would create.

- **Community Peace:** For the **City of Delta**, the alternative vision means no new 100-hectare island, less impact on the Massey Tunnel, and a more manageable increase in local traffic.

The Final Decision: 2027

The "Alternative Vision" is currently the "Plan B" for the federal government. If the 2026 procurement bids for RBT2 come back at **\$10 billion or higher**, the political and economic pressure to pivot to the **Deltaport/Prince Rupert hybrid model** will likely become irresistible.

How the "Skeena Terminal" development timeline in Prince Rupert compares to RBT2?

In late 2025, the **Prince Rupert Skeena Terminal** (often referred to as the second container terminal or the "South Fairview" expansion) has moved from a feasibility study into a tangible competitive threat to Vancouver's RBT2.

While the Port of Vancouver struggles with the "non-starter" economics of building an artificial island, Prince Rupert is leveraging its natural deep-water advantages to offer a faster, cheaper alternative for transpacific trade.

O. 2025 Competitive Comparison: RBT2 vs. Skeena Terminal

1. The "Proximity" Advantage (The 2-Day Rule)

One of the core economic arguments against RBT2 in 2025 is that shipping lines are increasingly fuel-conscious and time-sensitive.

- **Faster Transit:** Prince Rupert is the closest major North American port to Asia. Bypassing Vancouver for Prince Rupert saves shipping lines approximately **two days of sailing time** and thousands of tons of bunker fuel per voyage.

- **Rail Connectivity:** The CN Rail line from Prince Rupert to Chicago is less congested and avoids the steep mountain passes that sometimes bottleneck Vancouver's rail corridors during winter.

2. The "DP World" Factor

The Skeena Terminal project is a partnership between the **Prince Rupert Port Authority** and **DP World**, a global logistics giant.

- **Operator Confidence:** Unlike RBT2, which has **no signed operator** as of late 2025, the Skeena project is being driven by an entity that already manages

terminals worldwide. This "operator-led" model reduces the risk of the facility becoming a "stranded asset."

- **Synergy with Fairview:** DP World already operates the Fairview Terminal in Prince Rupert. Skeena is designed to share rail and gate infrastructure with Fairview, creating a massive "mega-hub" that is far more efficient than building a standalone island in Vancouver.

3. The 2025 "Fast-Track" Landscape

In late 2025, the federal **Major Projects Office** is weighing both projects against Canada's "Supply Chain Resiliency" goals.

- **Lower Environmental Friction:** While Prince Rupert has its own environmental challenges; it does not have the "Biofilm/Sandpiper" crisis that has plagued RBT2.

- **Strategic Redundancy:** Many Ottawa policymakers now argue that it is safer to have two major gateways (Vancouver and Prince Rupert) than to double down on a single, environmentally fragile site in the Fraser River Estuary.

Final Assessment: The "Winner" of 2027?

The year 2027 will be the "Moment of Truth." If the Port of Vancouver's **Final Investment Decision (FID)** for RBT2 is delayed due to costs hitting **\$10 billion**, the federal government is widely expected to shift its "National Interest" funding and focus toward the **Skeena Terminal** and **Deltaport Berth 4**.

This "Plan B" would provide nearly 4 million TEUs of capacity—more than RBT2—at a fraction of the cost and environmental risk.

4. Rail Reliability

In late 2025, the rail reliability of Vancouver versus Prince Rupert has become a critical metric for shippers, particularly as the **Roberts Bank Terminal 2 (RBT2)** project faces scrutiny. While Vancouver remains the primary gateway for Canadian trade, the "Alternative Vision" focuses on Prince Rupert's superior rail fluidity and its natural advantages in reaching the U.S. Midwest.

The **2025 Rail Reliability Comparison** based on current supply chain reports:

Rail Performance & Reliability Scorecard (2025)

1. The "Urban Bottleneck" vs. The "Remote Outpost"

In late 2025, a major supply chain report from WESTAC highlighted the "Geography of Congestion" as a primary risk for Vancouver.

- **Vancouver (RBT2):** Rail reliability in Vancouver is hindered by the sheer density of the metro area. Trains must share tracks with passenger rail (West Coast Express) and navigate the "Directional Running Zone" in the Fraser Canyon.

- **Prince Rupert:** CN Rail describes Prince Rupert as a "step-function" growth opportunity because it has "land to spare." The rail line from Prince Rupert to the inland hub of Edmonton is significantly less congested than the various routes feeding into Vancouver.

2. The Chicago Race: 2025 Transit Times

For international shippers, the Port of Prince Rupert continues to be the "fastest route to America's heartland."

- **The 3-8 Day Advantage:** When combining shorter ocean transit (2 days less than Vancouver) with faster rail loading and a more direct path to Chicago, Prince Rupert

can deliver a container from Asia to the U.S. Midwest **3 to 8 days faster** than the Vancouver-RBT2 route.

- **CPKC Strains:** As of June 2025, **CPKC** has faced significant dwell-time issues at Vancouver's Deltaport, with over 111,000 feet of container footage sitting idle for more than 7 days. In contrast, **CN's** operations in Prince Rupert have seen volume surges of over **70%** handled with better fluidity.

3. Climate & Resilience Risks

The 2025 supply chain environment has been defined by extreme weather events that have exposed the fragility of the Vancouver corridor.

- **The "Jasper Gap":** In late 2024 and early 2025, wildfires and extreme cold in the Jasper region highlighted that Prince Rupert is not immune to disruption; however, its single-carrier (CN) model allows for more "disciplined" recovery efforts compared to the complex multi-carrier coordination required in Vancouver.

- **Fraser Canyon Washouts:** Vancouver's rail corridors remain highly vulnerable to atmospheric rivers. Shipping analysts argue that doubling down on RBT2 ignores the "single point of failure" risk of the Fraser Canyon rail lines.

4. 2025 Capital Investment Trends

Railroads are "voting with their wallets" regarding where the future of reliability lies:

- **CN's \$615M BC Investment:** In May 2025, CN announced a massive investment focused on "fluidity" between Prince George and Prince Rupert, signaling that they see the northern corridor as their primary growth engine.

- **Vancouver's "Incremental" Growth:** Freight analysts (like FreightWaves) note that while Vancouver remains a "beautiful city," it has "no room to move." Future growth there will be measured in "inches," while growth in Prince Rupert will be measured in "miles."

The "Non-Starter" Conclusion for Rail

From a rail perspective, RBT2 is seen by some as an economic non-starter because it adds massive **terminal capacity** without fixing the **rail bottleneck**. Building an island for 2.4 million more containers doesn't matter if the trains can't get out of the city faster.

The alternative vision of **Prince Rupert (Skeena Terminal)** plus **Deltaport Berth 4** is considered more reliable because it spreads the rail load across two geographically distinct corridors.

The "Digital Twin" technology the Port of Vancouver is implementing in 2026 does actually solve these rail congestion issues?

In late 2025, the Vancouver Fraser Port Authority (VFPA) has pivoted to a **"Data Over Dirt"** strategy. Rather than just building new land, the Port is launching a suite of digital twin technologies aimed at proving that Vancouver's existing terminals—and the upcoming **RBT2**—can operate with the same efficiency as world-leaders like Singapore or Rotterdam.

Here is the 2026 roadmap for these digital tools and how they are intended to solve the rail congestion issues that have plagued the port throughout 2025.

1. The "Second Narrows" Digital Twin (Live 2025–2026)

The most significant tech breakthrough of 2025 is the **Active Vessel Traffic Management (AVTM)** system, which features a digital twin of the Second Narrows.

- **The Problem:** Massive grain and bulk trains were often delayed because they didn't know exactly when the rail bridge would be lifted for ships, leading to "idling" that backed up the entire regional network.

- **The Digital Solution:** The twin integrates real-time data on tides, currents, and vessel speeds.

- **The Result (Dec 2025):** CN Rail reported a **10% increase in train movements** to North Vancouver simply by better predicting these bridge openings. This is the first "proof of concept" that digital twins can fix rail bottlenecks without adding new tracks.

2. The "Integrated Insights Hub" (Launch 2026)

Moving into 2026, the Port is launching a port-wide **Digital Twin "Integrated Insights Hub."** * **Real-Time Visibility:** For the first time, terminal operators, railways (CN/CPKC), and trucking companies will see the same "live" map of container movement.

- **The Rail "Dwell" Fix:** Rail dwell times in Vancouver spiked through 2025, to **15–20 days**. The 2026 digital twin is designed to use predictive AI to "slot" containers for rail loading before the ship even docks, aiming to cut dwell times by **30%**.

3. Scenario Testing: "Stress-Testing" RBT2

The Port is using the digital twin to counter the "non-starter" argument that RBT2 will cause a local traffic collapse.

- **The "What-If" Engine:** In 2026, the Port will use the twin to simulate "peak season" volumes at the future RBT2 island.

- **The Goal:** They want to prove to the City of Delta and the federal government that automated yard cranes guided by the twin can load trains so efficiently that truck traffic on local roads actually decreases compared to today's manual operations.

Digital Twin vs. Physical Reality (2025 Performance)

The "Non-Starter" Reality Check: Can Tech Fix the Dirt?

While the 10% gain in North Vancouver is a major win, skeptics (and rival **DP4** proponents) argue that digital twins have a "ceiling."

1. **The Physical Wall:** You can have the best digital twin in the world, but if the **Fraser Canyon rail lines** are washed out or the **Massey Tunnel** is backed up, the data won't move the boxes.

2. **The "25-Day" Dwell Crisis:** In early 2025, some shippers reported rail dwells of **25–30 days**. Critics argue that a digital twin is like "putting a GPS on a car stuck in a 100-mile traffic jam" —it tells you why you're stuck, but it doesn't get you moving.

3. **Cost vs. Benefit:** The Port is spending **\$1 billion+** on infrastructure improvements (like the Holdom Overpass) to support these digital systems. If the RBT2 project cost hits **\$10 billion**, even a 15% efficiency gain from tech may not be enough to make the "cost per container" competitive with Prince Rupert.

Summary of the 2026 Outlook

The digital twin is the Port of Vancouver's **final defensive move**. If they can show by late 2026 that the "Second Narrows" success can be replicated at Roberts Bank, they might secure the **Final Investment Decision (FID)** in 2027. If not, the "Alternative Vision" of private-sector expansion (DP4) and the Prince Rupert pivot will likely take over.

P. The "2026 Competitive Landscape" for the entire West Coast, including how U.S. ports in Seattle and Tacoma are reacting to these BC developments

In late 2025, the competitive landscape of the West Coast has shifted significantly. While the Port of Vancouver pushes forward with **Roberts Bank Terminal 2 (RBT2)**, U.S. ports in Washington and California are moving to exploit the project's high costs and long lead times.

Here is the 2026 outlook for West Coast port competition:

1. The Northwest Seaport Alliance (NWSA) "Speed" Play

The ports of **Seattle and Tacoma (NWSA)** have capitalized on Vancouver's 2025 congestion issues.

- **The "Chicago Express":** In 2025, NWSA collaborated with BNSF and Norfolk Southern to launch a rail product that reaches Chicago in **6 days**—the fastest in North America. By late 2025, they have successfully lured several major shippers away from Vancouver by promising "zero dwell" compared to Vancouver's 15-day peaks.

- **Infrastructure Funding Gap:** NWSA leadership is using RBT2's federal backing as a political weapon, lobbying the U.S. government for more funding by arguing that Canadian federal investment in B.C. ports is "doubling" what U.S. ports receive, creating an unfair playing field.

2. The California "Market Share" Rebound

After years of losing cargo to the East Coast, the Ports of **Los Angeles and Long Beach** saw a massive surge in 2025 due to shippers "front-loading" cargo ahead of potential 2026 tariffs.

- **Volume Dominance:** By late 2025, LA/Long Beach handled nearly **40% of all U.S. TEUs**. Their strategy for 2026 is to use aggressive **automation and inland rail connectivity** to lock in these gains before Vancouver's RBT2 can even break ground in 2028.

- **Price Wars:** Analysts predict a 2026 "carrier price war" as shipping lines face overcapacity. U.S. ports, with their more established private terminal operators, may be able to lower fees faster than the Port of Vancouver, which is currently burdened by RBT2's rising procurement costs.

3. Strategic Diversification (The 2026 "Payback" Effect)

Industry reports for early 2026 suggest a "trade slowdown" as the massive front-loading of 2025 ends.

- **Excess Capacity:** With new vessel deliveries arriving in 2026, the market is shifting from "scarcity" to "oversupply."

- **Vancouver's Risk:** Critics argue that building RBT2 (a "nation-building" project) during a period of structural overcapacity is the ultimate "non-starter." U.S. ports are focusing on **efficiency and tech** (Digital Twins) rather than **land expansion**, making them more financially agile in a low-growth environment.

West Coast Competitive Scorecard (Early 2026)

The "Non-Starter" Conclusion for 2026

The economic argument against RBT2 has evolved: it is no longer just about environmental costs or stagnant local growth. By late 2025, the risk is that **U.S. competitors and Prince Rupert** are already solving the capacity problem through tech and speed, potentially leaving RBT2 as a "solution for a problem that was solved a decade ago."

Q. The Final Word

Market-Led vs. State-Led

If Roberts Bank Terminal 2 were truly the best economic solution for Canada, the private sector would be lining up to build it. Instead, we have a \$10 billion public project with no operator, while the private sector is begging for permission to build the \$1.6 billion Deltaport Berth 4. We aren't just choosing between ports; we are choosing between a taxpayers' liability and a market-driven success story.

Fiscal Responsibility

We are at a crossroads where 'nation-building' risks becoming 'national liability.' In a world of 2025 economics, we cannot afford to spend **\$10 billion** of public money on a project that the private sector refuses to touch. Roberts Bank Terminal 2 isn't just an environmental risk; it is a financial non-starter. Let's pivot to the private-sector alternatives like **Deltaport Berth 4** and **Prince Rupert** that provide the same capacity at a fraction of the cost and zero risk to the Canadian taxpayer.

Scientific Certainty

The federal government's own scientists have called the impacts of this project 'irreversible.' We have reached the limits of what this estuary can endure. We are not just fighting for a bird or a whale; we are fighting for the integrity of our supply chain. A port built on the brink of an environmental 'kill-switch' is a port that will spend more time in court than in operation. For the sake of our economy and our ecosystem, it is time to choose a path that works with nature, not against it.

The Future-Proof

"The trade world of 2035 will be defined by speed, automation, and sustainability—none of which RBT2 can guarantee at its current price tag. By doubling down on an artificial island in the Fraser Estuary, we are solving a 20th-century problem with a 21st-century debt. Let's stop chasing a 'ghost terminal' and start investing in a diversified, resilient West Coast gateway that prioritizes efficiency over expansion. RBT2 is a non-starter; let's start building a better alternative."