

October 19th, 2018

To: Our Valued Customers and Stakeholders of Fraser Surrey Docks

RE: Fraser Surrey Docks Update

We would like to take this opportunity to offer an update and provide an overview of the progress from our efforts to overcome the challenges that we described in our last communication on October 12th, 2018. We remain focused and committed to resolving the issues quickly.

As an update, we are starting to see some positive improvements with respect to container handler equipment availability. We continue to monitor things closely and remain focused on full implementation of our plan that involves integrating newly arrived equipment into our existing fleet, pushing to expedite the delivery of remaining new equipment and utilizing more machines towards the container truck gate operation. As a result, our truck turn times have significantly improved this week and we have avoided long truck line ups/wait times. We acknowledge that this is a small sample size but a positive step to recovery none the less.

To create more consistency in our communication, we will be sending out a weekly status updates for the next few weeks to keep you informed of our progress. We are setting up the following standards for communication regarding reservations and our container truck gate. Your cooperation in following these guidelines will help us to manage all of the incoming requests:

1. Communication

- We recognize that during this challenging time, we have had communication gaps and we are addressing that with an immediate effect.
- FSD will prioritize to manage and respond to the main inbox for the FSD container truck gate. All inquiries sent to fsdres@fsd.bc.ca will be reviewed and at minimum acknowledged within 2 hours of receipt.
- Resending your inquiry will only cause flooding the mailbox and delay in the handling of yours and other requests.
- Considering that each inquiry will have a different level of urgency and have a different internal requirement for FSD to be able to action, actionable responses and solutions may take longer than 2 hours.

2. Reservation Requests:

- Reservations are to be booked 2 business days in advance through our pre-booking procedures, consistent with the current practice at FSD.
- If you are unable to obtain the required amount of reservations that you need for confirmed business at FSD, please email fsdres@fsd.bc.ca a minimum of 24 hours in advance with the booking number, vessel name and truck carrier information.
- Please note that requests such as reservation allotment increases will be assessed on a weekly basis based only on confirmed business with FSD. We ask that each trucking company sending an allotment increase to include their forecasted volume and all related booking information. Please keep in mind that allotment increases are still contingent on equipment availability at this time.
- Please note that our current amount of allotted reservations is sufficient to service our volumes on a daily basis. However, this remains contingent on the FSD equipment availability. In the situation of a shortfall in availability of reservations, we will coordinate additional container gate shifts for the priority reservations.



- We will require your cooperation in providing us any changes in your business to help us manage capacity and fluidity at the terminal.

We will continue taking steps towards our full recovery and we sincerely appreciate your patience and cooperation as we move forward. We trust that the results this week have been evident to our customers and stakeholders that progress is being made. We appreciate your continued support and understanding. Please contact our management team if you have questions or require any clarification on the above.

Sincerely,



Jeff Scott
Fraser Surrey Docks LP
President & CEO