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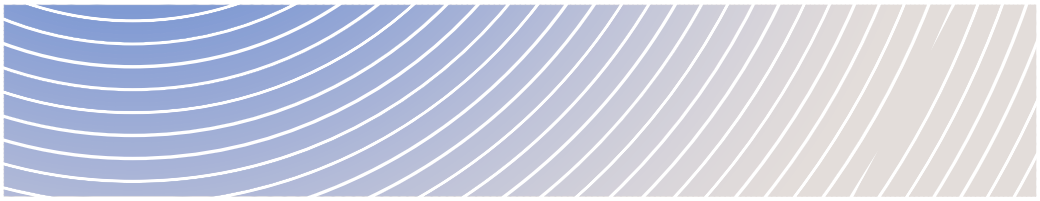
Analysis Report



WHETHER TO DESIGNATE THE PORT OF QUÉBEC INTERNATIONAL CONTAINER TERMINAL PROJECT PURSUANT TO THE IMPACT ASSESSMENT ACT

August 10, 2026

Canada

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Catalogue Number: En106-296/2026E-PDF

ISBN: 978-0-662-39888-2

This document has been issued in French under the title: Demande de désignation du projet du terminal international de conteneurs au Port de Québec conformément à la *Loi sur l'évaluation d'impact*

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Purpose

The Impact Assessment Agency of Canada (IAAC) prepared this report for consideration by the President of IAAC in his response to the request to designate the Port of Québec International Container Terminal Project (the project) proposed by QSL International Ltd. (the proponent) pursuant to section 9 of the *Impact Assessment Act* (the IAA).

Context of request

On April 29, 2026, the Minister of the Environment, Climate Change, and Nature (the Minister) received a request for designation for the Port of Québec International Container Terminal Project submitted by a coalition of organizations (the requester) representing: la Table citoyenne Littoral Est, Accès St-Laurent Beauport, RDV Limoilou, eight neighborhood councils of the City of Québec and l'Association québécoise des médecins pour l'environnement (AQME). In the letter, the requester raises concerns regarding the following adverse effect the project could cause in connection with its road, rail, and maritime transportation activities:

- on air quality (particularly with regard to nitrogen dioxides, particulate matter, nickel, and acetaldehyde) and its cumulative effects; and
- on human health.

The requester also raised concerns over the appearance of a conflict of interest on the grounds that the Québec Port Authority (QPA) would itself conduct the impact assessment under Section 82 of the IAA.

As of July 31, 2026, the QPA is still awaiting the submission of a project notice by the proponent.

On June 3, 2026, IAAC sent a letter to the project proponent informing them of this request for designation and asking for information on the project. In addition, IAAC sought input or comments from the Canada Border Services Agency (CBSA), the Québec Port Authority (QPA), Environment and Climate Change Canada (ECCC), Fisheries and Oceans Canada (DFO), Transport Canada (TC), Health Canada (HC), and the Wendat Nation.

The proponent responded on June 23, 2026, providing information on the project and its design, potential adverse effects, certain proposed mitigation measures, and stated its opinion that the project should not be designated.

IAAC received comments regarding the applicable legislative mechanisms and the project's potential effects from the CBSA, QPA, ECCC, DFO, TC, and HC.

IAAC also received a response from the Wendat Nation, as well as comments from the public and non-governmental organizations.

Project context

Project overview

QSL International Ltd. is proposing to develop and operate an international container terminal at the Port of Québec. The project is located on federal lands in the Beauport sector. It involves the optimized redevelopment, within an industrialized area, of the site already leased and operated by the proponent, with no expansion and no encroachment into the river or work in the aquatic environment. The project includes, among other things, the use of existing wharves and the development of a container storage yard. The work to be carried out as part of the project would primarily include earthworks, road construction, the development of traffic and operating surfaces, electrical installations, and the construction of buildings, all within the boundaries of the existing port terminal. The project, at the end, is intended to support container handling operations with a maximum annual capacity of 200,000 twenty-foot equivalent units (TEUs), with a gradual ramp-up starting at 40,000 TEUs.

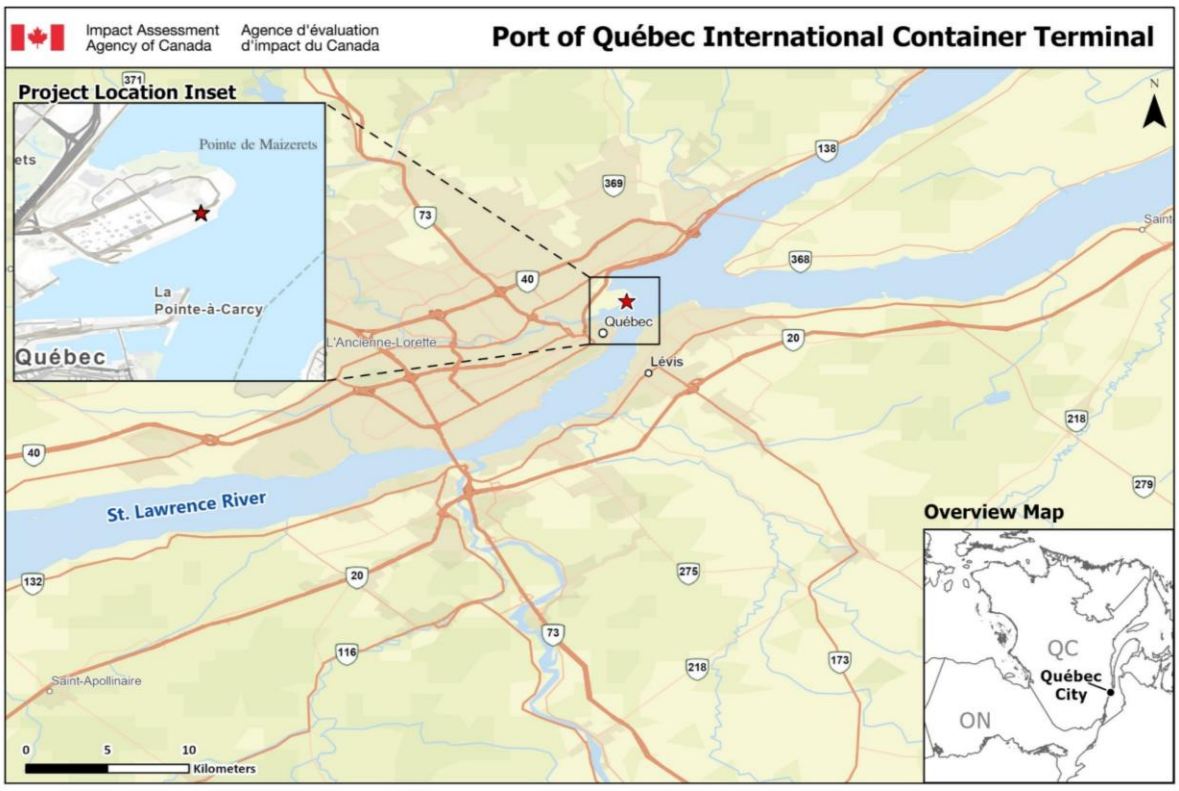

Figure 1: Approximate location of the Port of Québec International Container Terminal Project, identified by the red star.

Source: IAAC July 2026

Project components and activities

According to the proponent, the construction phase of the project, which would last approximately 12 to 18 months, would include the following activities:

- earthwork and site preparation work;
- construction of roadways and internal traffic lanes;
- installation of underground infrastructure (drainage and utilities);
- work related to electrical systems and information technology networks;
- construction of access roads and installation of site access control systems;
- integration of railway infrastructure in collaboration with Canadian National;
- construction or renovation of buildings;
- installation of terminal operational signage;
- management and beneficial reuse of soils;
- demolition or relocation of existing infrastructure, where applicable; and
- back-of-wharf construction activities.

The proponent indicates that, during the operation phase, the equipment required for container handling would primarily include terminal tractors, reach stackers, and switcher locomotives. This equipment would be used to move containers within the site and to load and transfer them between different modes of transportation. Existing cranes and gantry cranes at the terminal would be used. The addition or replacement of gantry cranes could be considered at a later date, depending on operational requirements and future needs.

Clarification on the project context

In June 2021, the Governor in Council issued its decision on the Laurentia Project (Source: https://iaac-aeic.gc.ca/050/documents/p80107/139515E.pdf), a project proposed by the QPA to build a new deep-water wharf for containerized cargo at the Port of Québec. It decided that the significant adverse environmental effects that the project was likely to cause were not justifiable in the circumstances. This decision was based on IAAC's Environmental Assessment Report on the designated project prepared under the *Canadian Environmental Assessment Act, 2012*.

Based on the preliminary information that IAAC received from the proponent, the international container terminal project at the Port of Québec would differ from the Laurentia project in several respects. Among other things, it is distinguished by its smaller scale (maximum annual capacity of 200,000 TEUs compared to an annual volume of 700,000 TEUs for the Laurentia project); exclusively land-based construction; use of a site already occupied by QSL at the port and therefore not involving expansion; and optimization of vessel capacity without increasing the number of vessels. These differences suggest that the potential effects on the various components in the surrounding environment may be of lesser magnitude.

Analysis of the designation request

Authority to designate the project

The *Physical Activities Regulations* (the Project List) of the IAA identify the physical activities that constitute designated projects. The project, as described in the information provided by the proponent, involves the land-based redevelopment of the marine terminal already used by the proponent in order to operate an international container terminal, and as such is not included in the Project List.

Under subsection 9(1) of the IAA the Minister may, by order, designate a physical activity that is not prescribed in the Project List. The Minister may do this, if, in the Minister's opinion, the physical activity may cause adverse effects within federal jurisdiction or direct or incidental adverse effects.

In accordance with subsection 9(2) of the IAA, in deciding whether to make an order, if the Minister is of the opinion that the carrying out of the physical activity may cause adverse effects within federal jurisdiction or direct or incidental adverse effects, the Minister may consider public concerns related to the adverse effects within federal jurisdiction or the direct or incidental adverse effects, adverse impacts that the physical activity may have on the rights of Indigenous Peoples, and whether a means other than an impact assessment exists that would permit a jurisdiction to address the adverse effects within federal jurisdiction and the direct or incidental adverse effects that may be caused by the carrying out of the physical activity.

Pursuant to subsection 9(7) of the IAA, The Minister cannot designate a physical activity if the carrying out of the physical activity has substantially begun, or a federal authority has exercised a power or performed a duty or function that could permit the physical activity to be carried out in whole or in part.

Under subsection 154(1) of the IAA, the Minister may, subject to any terms and conditions that the Minister specifies, delegate to IAAC any powers, duties, or functions that the Minister is authorized to exercise or perform under the IAA. On July 24, 2026, the Minister of Environment delegated the powers under subsections 9(1), 9(2) and 9(4) of IAA designation requests to the President of IAAC. Therefore, pursuant to subsection 9(1) of IAA, the President may respond to a request for the designation of a physical activity that is not prescribed in the Project List.

IAAC is of the view that the President may consider designating the project pursuant to subsection 9(1) of the IAA as the carrying out of the project has not substantially begun and no federal authority has exercised a power or performed a duty or function that would permit the project to be carried out, in whole or in part.

Existing legislative mechanisms

Key federal legislative mechanisms that are or may be relevant to the project are summarized below. Some mechanisms (authorizations, approvals and permits) include Indigenous consultation and public engagement. This is followed by IAAC's analysis of potential adverse effects within federal jurisdiction or direct or incidental adverse effects as outlined in subsection 9(1) of the IAA, and public concerns related to those effects, and potential adverse impacts on the rights of Indigenous Peoples as outlined in subsection 9(2) of the IAA.

Federal legislative mechanisms

Impact Assessment Act

Under section 82 of the IAA, an authority must not carry out a project (that is not a designated project) on federal lands, exercise any power or perform any duty or function conferred on it under any Act of Parliament other than this Act that could permit a project to be carried out, in whole or in part, on federal lands or provide financial assistance to any person for the purpose of enabling that project to be carried out, in whole or in part, on federal lands unless the authority determines that the carrying out of the project is not likely to cause significant adverse environmental effects. For the purposes of section 81 of the IAA, the environmental effects to be considered include any changes to the environment and the impacts of these changes on the Indigenous Peoples of Canada and on health, social and economic conditions.

For the International Container Terminal Project to proceed at the Port of Québec site, the QPA, as the federal authority responsible for the administration of those federal lands, would be required, pursuant to section 82 of the IAA, to determine whether the project is likely to result in significant adverse environmental effects, unless the project is designated, in which case the impact assessment process applicable to designated projects under the IAA would apply.

The QPA has confirmed to IAAC that if the project is not designated under the IAA and, following receipt of a project notice from the proponent, it will apply its Impact Assessment and Mitigation Process (IAMP) (https://www.portquebec.ca/wp-content/uploads/2026/05/PROC-APQ_Procedure-cadre-finale_2026-04-30-en_ca.pdf) to make its decision under section 82 of the IAA. The IAMP provides for consultation with Indigenous Peoples affected and the public.

Fisheries Act

The Fish and Fish Habitat Protection Program of DFO reviews projects for their effects to fish and fish habitat by ensuring compliance with the *Fisheries Act* and *Species at Risk Act* (SARA). Through this program, DFO may provide information to the proponent in order for it to avoid and mitigate the adverse effects of the project on fish and fish habitat.

An authorization under paragraphs 34.4(2)(b) and 35(2)(b) of the *Fisheries Act* is required when a project is likely to result in the death of fish or the harmful alteration, disruption or destruction of fish habitat.

Finally, subsection 36(3) of the *Fisheries Act*, administered by ECCC, prohibits the deposit of deleterious substances into waters frequented by fish, unless authorized by regulations or another federal statute.

Migratory Birds Convention Act, 1994

The *Migratory Birds Convention Act, 1994* (MBCA) protects migratory birds, their eggs, and their nests, wherever they might be found. This Act prohibits the disturbance or destruction of migratory birds' nests and eggs. It also prohibits the discharge of harmful substances into waters or areas frequented by migratory birds, or not any place from which such substances may enter those waters areas.

The *Migratory Birds Regulations (2022)* (MBR 2022) protect migratory birds, their eggs, and their nests by prohibiting activities that may harm them. The MBR 2022 authorizes the issuance of permits for damage or danger, as well as scientific permits, which may apply in certain limited situations.

Although there is no mechanism for issuing permits for activities that, while not directly targeting migratory birds, their nests, and/or their eggs, are likely to harm them, project proponents must comply with the provisions of the MBCA and the MBR 2022 when carrying out activities that could harm them. The MBR 2022 contains provisions that could help prevent or reduce some of the project's effect on migratory birds. ECCC's *Guidelines for Avoiding Harm to Migratory Birds* also provide resources and tools to help project proponents plan their project activities and comply with the MBCA and the MBR 2022.

Species at Risk Act

The *Species at Risk Act* (SARA) aims to prevent the extinction of Canada's wildlife species and to take the necessary measures to recover them.

For aquatic species listed in Schedule 1 of SARA as extirpated, endangered, or threatened, an authorization under paragraphs 34.4(2)(b) and 35(2)(b) of the *Fisheries Act*, which also serves as a permit under SARA, may be required by DFO for activities that could have an effect on these species.

For non-aquatic species listed in Schedule 1 of SARA as extirpated, endangered, or threatened, a permit may be required from ECCC (i.e. under section 73 of SARA) for activities that affect a listed terrestrial wildlife species, any part of its critical habitat, or the residences of its individuals, where those prohibitions are in place. Such permits may only be issued if: all reasonable alternatives to the activity that would reduce the effect on the species have been considered and the best solution has been adopted; all feasible measures will be taken to minimize the effect of the activity on the species or its critical habitat or the residences of its individuals; and, if the activity will not jeopardize the survival or recovery of the species.

ECCC considers it unlikely that the issuance of a SARA permit for this project would be required, explaining that prohibitions are in place regarding individuals and residences of birds protected under the MBCA wherever they may be found, as well as for other non-aquatic species on federal

lands. Permits are also required for persons carrying out activities that contravene the prohibitions against the destruction of critical habitat, as provided for in subsection 58(1) of SARA.

Potential adverse effects within federal jurisdiction

IAAC's analysis identified that the carrying out of the project may cause potential adverse effects within federal jurisdiction and direct or incidental adverse effects, as defined in section 2 of the IAA. Taking into account input received from the requester, proponent, federal authorities, the Wendat Nation and the public. As outlined below, IAAC is of the view that the existing legislative mechanisms provide a framework for addressing these potential adverse effects within federal jurisdiction or direct or incidental effects. The federal legislative mechanisms applicable to the project were taken into account in IAAC's analysis.

Fish and fish habitat

The proponent states that the project does not involve any encroachment into the aquatic environment, and all planned activities would be carried out outside the shoreline boundary. In light of this, DFO is of the view that the project is unlikely to result in effects on fish and fish habitat and that the project does not require authorization under the *Fisheries Act*. If any potential direct or indirect effects are anticipated, the project could require authorization under paragraphs 34.4(2)(b) and 35(2)(b) of the *Fisheries Act*, which can also serve as a SARA permit for aquatic species at risk. In this case, DFO can provide the proponent with the necessary expertise to assess its project's effects on fish and fish habitat.

ECCC is of the opinion that construction activities—including concrete pouring, the use and refueling of machinery, and the storage of materials—could have effects on water quality and thus affect fish and their habitat. Surface water management during the construction and operation phases is also likely to affect water quality and, indirectly, fish and their habitat thereby potentially contravening subsection 36(3) of the *Fisheries Act*, which prohibits the deposit of deleterious substances into waters frequented by fish.

The potential adverse effects that the project may have on fish and fish habitat, including aquatic species at risk, are consistent with the effects assessed as part of an environmental effects determination process pursuant to section 82 of the IAA. The IAMP is a process developed by the QPA to meet the requirements of section 82 of the IAA.

IAAC is of the opinion that the project may have adverse effect on fish and their habitat, because although no work in aquatic environments is anticipated, onshore construction activities could result in the discharge of harmful substances into the St. Lawrence River. IAAC considers that existing federal legislative mechanisms administered by other authorities—notably the *Fisheries Act* and the environmental effects assessment under section 82 of the IAA—provide a framework for addressing the potential adverse effects the project is likely to have on fish and their habitat, including aquatic species at risk.

Migratory birds

According to ECCC, site preparation activities such as vegetation removal and site development are likely to have adverse effects on migratory birds (including those at risk) and their habitat, such as the destruction, disturbance, and avoidance of habitat (e.g., foraging, nesting, or wintering habitat), as well as the destruction and disturbance of nests and eggs of migratory birds (including those at risk). Habitat destruction or disturbance may also lead to changes in their migration or movements. Migratory birds, including those at risk, may also be affected by sensory disturbances (noise and light) during the construction, operation, and decommissioning phases, particularly during the nesting season. The attractant effect of lights at night or in low-visibility conditions can cause birds to collide with structures, resulting in injury or death. Sensory disturbance can render adjacent habitats unsuitable for wildlife use and cause avoidance behavior in many species. Although direct adverse effects on migratory birds and their nests are generally managed through appropriate scheduling of activities outside the breeding season, collisions with vehicles and with project-related infrastructure can result in direct mortality.

The proponent states that the area is frequented by certain bird species, particularly shorebirds. It should be noted that most shorebirds are migratory birds as defined by the MBCA. The proponent's current operations at the terminal site already take into account potential effects on these species, which have been identified and will continue to be addressed through mitigation measures as containerized activities expand, notably through lighting controls and the installation of a vegetated screen embankment. The proponent does not anticipate any additional effects on migratory birds resulting from the project. He also notes that the presence of the bank swallow, a species of bird at risk with a threatened status under Schedule 1 of SARA, has been documented, and that artificial nesting boxes are already in place as a compensatory measure for ongoing activities. According to the proponent, the project would not result in changes to the habitats suitable for this species, as it is part of an already established operational context.

Proponents must comply with the provisions of the MBCA and the MBR when carrying out activities that could harm migratory birds, their eggs, or their nests. ECCC's *Guidelines to Avoid Harm to Migratory Birds* provides methods and tools to help proponents plan project activities and comply with the MBCA and the MBR 2022. SARA also protects migratory bird species at risk and provides additional protection for individuals of these species and their nests.

The potential adverse effects that the project may have on migratory birds (including species at risk), their eggs, and their nests are among the effects assessed as part of an environmental effects determination conducted pursuant to section 82 of the IAA. The IAMP is a process developed by the QPA to meet the requirements of section 82 of the IAA.

In light of this information, IAAC is of the opinion that the project may have adverse effects on migratory birds and considers that existing federal legislative mechanisms administered by other authorities—notably the MBAC, the MBR 2022, SARA, and the environmental effects determination under section 82 of the IAA, provide a framework for addressing the potential adverse effects the project is likely to have on migratory birds, including those at risk.

Indigenous Peoples

Given the nature and location of the proposed activities and considering that any potential adverse effects within federal jurisdiction would be limited in extent and localized in nature, IAAC engaged with the Wendat Nation regarding the potential effects of the project on the Nation and its rights. The Wendat confirmed that they do not wish to submit comments on the project at this stage but would like to be kept informed and involved by IAAC should it proceed with an environmental impact assessment of the project.

The proponent met with the Wendat Nation in August 2024 and April 2025. The parties agreed to resume discussions once the project notice is published. The proponent intends to consult potentially affected Indigenous Peoples and consider their concerns as part of an environmental effects determination conducted in accordance with the QPA's IAMP, which will support the QPA determination under section 82 of IAA.

The QPA specifies that the IAMP provides opportunities for consultation with Indigenous Peoples to gather their concerns and comments regarding the project, its potential effects, and the proposed mitigation measures. The IAMP also provides that the notice regarding the decision to be made under Section 82 of the IAA may be accompanied by conditions tailored to the nature of the project and the identified effects, which would relate to the implementation of mitigation measures and a monitoring and follow-up program when required.

Based on the information about the project presented in the preceding sections, given that the site is already disturbed by human activities and that the project does not involve any in-water works, IAAC considers it unlikely that the project would result in adverse effects on natural and cultural heritage, the customary use of lands and resources for traditional purposes, or on structures, sites, or objects of historical, archaeological, paleontological, or architectural significance to Indigenous Peoples.

According to information provided by ECCC, due to the project's potential contribution to the deterioration of air quality in the area, potential adverse effects could arise on the health conditions of Indigenous Peoples who occupy or use the territory near the project area. In this regard, IAAC considers that existing legislative mechanisms—including the environmental effects assessment under Section 82 of the IAA provide a framework for addressing potential effects on the health conditions of Indigenous Peoples.

Federal lands

Under the IAA, adverse effects on federal lands include changes that may be caused to the environment and the effects of those changes on Canada's Indigenous Peoples and on health,

social, or economic conditions. These changes also include those that could be caused outside federal lands as a result of activities carried out on federal lands.

In light of the information collected, the other potential effects that the project may cause, other than those described in the preceding sections, are outlined below.

Human Health

The proponent raised concerns about the project's potential effects on human health related to air quality (specifically regarding nitrogen dioxides, particulate matter, nickel, and acetaldehyde) and the project's activities involving road, rail, and maritime transportation.

The proponent states that the project's potential effects on air quality will be assessed and compared to existing data and applicable standards as part of the IAMP, which will enable the QPA to make a decision under section 82 of the IAA. He also states that it will comply with all applicable laws and regulations governing its operations, in collaboration with provincial environmental authorities. He adds that the project aims to optimize an existing port site while helping to reduce pressure on the road network, support the decarbonization of freight transport, and strengthen the resilience of supply chains.

The QPA is aware of the concerns raised with IAAC, particularly regarding air quality, atmospheric emissions, and potential effects on human health. Should a project notice be filed, these issues would be part of the elements that would have to be assessed in the IAMP, which will enable the QPA to make its decision under section 82 of the IAA. External experts specializing in these fields could also be consulted.

ECCC is the opinion that, during its construction phase, the project could result in emissions of particulate matter, dust, and air contaminants from fuel combustion, particularly due to earthworks, demolition activities, heavy vehicle traffic, the use of construction equipment, and the transport of materials. ECCC also believes that during the operational phase, the project is likely to result in air emissions stemming primarily from container handling activities, heavy vehicle traffic, material-handling equipment, locomotives, and ships using the terminal. These emissions could include, among others, nitrogen oxides, particulate matter, volatile organic compounds, acetaldehyde, and other atmospheric contaminants.

ECCC does not have a federal permitting regime specifically targeting air emissions associated with the operation of a container terminal of this nature, but notes that the Air Quality Management System (AQMS), implemented jointly with the provinces and territories, includes the Canadian Ambient Air Quality Standards (CAAQS) for several atmospheric pollutants, including nitrogen dioxide and fine particulate matter. These standards can serve as a comparison tool to assess the effects of the project on air quality and human health and to identify the mitigation

measures required to protect human health during the determination of environmental effects under section 82 of the IAA.

Health Canada notes that if a human health risk assessment were to be conducted—for example, under section 82 of the IAA—Health Canada's programs could provide expertise related to these concerns. Health Canada has developed guides for assessing human health effects intended for project proponents and their consultants, including one on air quality and another on the methodology for assessing human health risks.

In light of this information, IAAC is of the opinion that the project may result in adverse effects on human health and considers that existing federal legislative mechanisms administered by other authorities—notably the determination of environmental effects under Section 82 of the IAA—provide a framework for addressing the potential adverse effects the project is likely to cause on human health.

Other Species at Risk

This section deals with the species at risk listed in Schedule 1 to SARA other than fish and migratory bird species at risk, which were addressed in the previous sections.

ECCC believes that the removal of vegetation, increased road traffic, and noise associated with workers and machinery could have an effect on species at risk due to habitat alteration and disturbance. Habitat destruction or disturbance can have significant effects on species at risk, their residences and their critical habitat, potentially resulting in changes to predator-prey dynamics, loss of food resources, loss of breeding areas, changes in movement patterns, and an increased risk of mortality. In some species, noise can cause stress and displacement, and influence activities for which natural sound signals are important (communication, hunting, and predator avoidance). During construction, invasive alien species could be introduced, and during all phases of the project, harmful substances could be accidentally released into the receiving environment, which could harm wildlife or result in its mortality.

The prohibitions under SARA are intended to protect species listed in Schedule 1 that are found on federal lands. The potential adverse effects that the project may have on these species at risk correspond to effects that are assessed as part of an environmental effects determination conducted under section 82 of the IAA. The QPA developed the IAMP to meet the requirements of section 82 of the IAA.

Given that the project would be carried out in an industrialized area, on land, and at an operational terminal, IAAC considers it unlikely that the project would result in adverse effects on other species at risk. Nevertheless, IAAC is of the opinion that existing federal legislative mechanisms administered by other authorities—notably SARA and the environmental effects

assessment under section 82 of the IAA—provide a framework for addressing the potential adverse effects the project is likely to have on other species at risk.

Federal work or undertaking

A work or undertaking operated for or in connection with navigation and shipping is considered to be a federal work or undertaking and is within the legislative authority of Parliament under subsection 3(1) of the *Canadian Environmental Protection Act, 1999*. Therefore, the project would be considered a federal work or undertaking. Adverse effects related to a federal work or undertaking are effects within federal jurisdiction and were addressed in the previous sections.

Direct or incidental adverse effects

Direct or incidental adverse effects means non-negligible adverse effects that are directly linked or necessarily incidental (indirect) to a federal authority's exercise of a power or performance of a duty or function (e.g., a permit or authorization) that would permit the carrying out, in whole or in part, of a physical activity or designated project, or to a federal authority's provision of financial assistance to a person for the purpose of enabling that activity or the project to be carried out, in whole or in part.

According to information received from the CBSA, the project would require the following authorizations: a license under the *Customs Sufferance Warehouses Regulations*, pursuant to the *Customs Act*, to allow the Port of Québec, as the first port of arrival, to receive international containerized goods and store them temporarily for health and safety inspections prior to customs clearance, as well as a reopening of a lease between the project proponent and the QPA to add the new use of a container terminal. Five-year funding beginning in 2026–2027 under the *Financial Administration Act* has been announced by the federal government to enable the CBSA to provide the Port of Québec with the customs services required for the project. Although there is a low probability that authorizations under the MBR 2022 and SARA will be required, they remain a possibility throughout the project's lifespan.

No direct or incidental adverse effects other than those discussed in the preceding sections are anticipated in connection with the exercise of these powers or the provision of financial assistance.

Public concerns

In addition to the concerns raised by the requester and described at the beginning of this report, IAAC has received comments and information from the public and non-governmental organizations that have expressed concerns regarding the project. These concerns relate to air quality, safety, and human health. During pre-consultations held since 2024 including Indigenous

Peoples, the proponent identified four categories of concerns: air quality, road and rail transportation, noise levels, and coexistence with recreational activities in Beauport Bay. All of the concerns expressed relate to adverse effects falling under federal jurisdiction or to direct or incidental adverse effects. Concerns related to safety, noise levels and coexistence with recreational activities can be taken into consideration in the environmental effects determination pursuant to section 82 of the IAA. Air quality, human health and road and rail transportation can also be taken into account and have been addressed in the human health section of this report. The QPA developed the IAMP to meet the requirements of section 82 of the IAA. The IAMP includes a process for engaging with Indigenous Peoples and the public, as well as for taking their input into account in the assessment of a project.

IAAC is of the view that standard mitigation measures and existing legislative mechanisms—notably the determination of environmental effects under section 82 of the IAA—provide a framework to address the concerns.

With respect to the appearance of a conflict of interest mentioned by the applicant, section 82 of the IAA indicates that the QPA has a statutory duty to complete an environmental effects determination if it exercises any power or performs any duty or function conferred on it under any Act of Parliament or if an authority provides financial assistance for the purpose of enabling the implementation of the project.

Adverse impacts on the rights of Indigenous Peoples

The proponent does not anticipate any impact on the rights of Indigenous Peoples, but notes that a detailed analysis will be conducted as part of the IAMP and that mitigation or accommodation measures will be implemented as needed.

The QPA has information regarding Indigenous Peoples who may be affected by projects carried out within the port territory, including information on their interests, land claims, and the exercise of ancestral or treaty rights protected under section 35 of the *Constitution Act, 1982*.

In accordance with its IAMP, which it applies when making a decision under section 82 of the IAA or for a project designated under the IAA, the QPA takes into account Indigenous Peoples who may be affected by a project, in particular to assess whether the project could have an impact on their interests or on the exercise of their rights. The IAMP also provides for mechanisms to promote their participation in the assessment process.

To this end, the QPA consults, in particular, the following communities as part of the implementation of its IAMP:

- the Wolastoqiyik Wahsipekuk First Nation (Maliseet of Viger First Nation);
- the Wendat Nation;

- the Innu First Nations, including notably the communities of Pessamit, Essipit, and Mashteuiatsh;
- the Mohawk communities of Kahnawake, Kanesatake, and Akwesasne.

Should a project notice be submitted under the IAMP, the affected Indigenous Peoples would be informed at the earliest stages of the process in accordance with the mechanisms set forth in the IAMP. They would have the opportunity to express their concerns, share their knowledge, and provide comments regarding the project, its potential impacts, and the proposed mitigation measures.

Based on the information currently available regarding the project, its assessment would take into account, among other things, the potential impacts on the interests of the affected Indigenous Peoples as well as on the exercise of any ancestral or treaty rights that may be affected. Comments and information provided as part of the affected Indigenous Peoples' participation would be taken into consideration in the assessment conducted by the QPA in accordance with the IAMP.

The QPA also ensures that its efforts are coordinated with applicable federal consultation processes to promote consistency in communications and avoid duplication when consultation with the Crown is required.

Based on the information presented in the preceding sections, IAAC considers it unlikely that the project could result in adverse impacts on the rights of Indigenous Peoples. Nevertheless, IAAC believes that existing legislative mechanisms administered by other authorities—notably the environmental effects determination under section 82 of the IAA—provide a framework for addressing any adverse impacts the project may have on their rights.

Other factors considered

Cumulative effects

Cumulative effects are defined as changes to the environment and to health, social, and economic conditions, as well as the positive and adverse effects of these changes resulting from the residual effects of a project combined with those of other past, existing, or future projects or activities.

The requester raised concerns about cumulative effects, noting that pollutants released by the project would add to emissions from other nearby sources, including other ongoing port activities, the two rail yards, a paper mill, wood-burning heating, a scrap metal yard, an incinerator, and the presence of two highways that encircle the industrial zone.

According to the proponent, rail and road transportation modes will be reorganized without a significant increase in volume, and goods will continue to use existing networks, but over generally shorter distances, at the provincial level. Container trucks will travel to distribution

centers rather than local businesses along the routes leading to the highways. According to the proponent, once operating at full capacity, the terminal is expected to handle approximately 200,000 TEUs per year, of which 80% would be transported by rail and 20% by truck.

The proponent notes that the project does not aim to increase the number of ships on the river, but rather to optimize their capacity. The project is based on the LU-TU (lighten-up / pop-ups) logistics model, under which ships currently transiting the St. Lawrence River will be able to optimize their cargo by making an additional stop in the City of Québec. Ships currently serving the Port of Montreal will be able to sail at full capacity as far as the City of Québec, lighten their loads at the Port of Québec—the last deep-water port on the St. Lawrence River—and then continue to Montreal.

According to the proponent, the project's contribution to the anticipated cumulative effects is expected to remain limited. Nevertheless, as mentioned in the human health section of the report, the project's potential effects—including cumulative effects—will be assessed as part of the IAMP to enable the QPA to make its decision under section 82 of the IAA. The proponent noted that it will take into account all existing laws and regulations applicable to its operations, in cooperation with the provincial environmental authorities.

The QPA is aware of the concerns raised with IAAC regarding cumulative effects and their potential effects on human health. Should a project notice be filed, these issues would be among the elements to be assessed in the IAMP to enable the QPA to make its decision under section 82 of the IAA. QPA mentions that external experts specializing in these fields could also be consulted.

ECCC notes that, depending on the scale of emissions and their dispersion during the construction and operation phases, the project could contribute to a deterioration in ambient air quality and to the exposure of nearby populations to air contaminants. Ambient air quality could affect members of Indigenous groups who occupy or use the land near the project area. The potential effects could also add pressures already exerted by industrial, port, and transportation activities in the region and contribute to cumulative effects on air quality.

ECCC also informed IAAC that, as part of the Air Quality Management System (AQMS) and according to the 2023 Progress Report on the CAAQS from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP) (https://www.environnement.gouv.qc.ca/air/rapports-qualite-air/normes-canadiennes/rapport2023.pdf, French only), the project is located in an area where certain air contaminants are already at levels of concern. For example, the "Québec – École Les primevères" and "Québec – Vieux-Limoilou" monitoring stations show a red level and an orange level, respectively, for fine particulate matter according to the indicators of the Air Quality Management Framework (AQMF). The AQMF, developed by the Canadian Council of Ministers of the Environment (CCME), uses four management levels (green, yellow, orange, red) to implement pollutant reduction measures and aims to promote the achievement of the AQMS, the continuous improvement of air quality, and the protection of regions less affected by air pollution. The red and orange management levels indicate, respectively, the need to implement advanced

measures to reduce emissions below the AQMS and active management measures to improve air quality and prevent the standards from being exceeded.

The CAAQS may be used as a benchmark to assess the project's contribution to cumulative effects on air quality and to identify the mitigation measures required to protect human health when determining environmental effects under section 82 of the IAA.

Health Canada notes the existence of public information demonstrating that municipal and provincial authorities have developed recommendations and published reports that have led to concrete actions addressing the concerns raised (e.g., regulatory amendments to the *Règlement sur les appareils de chauffage à combustible solide*, the creation of an advisory committee on air quality (https://www.ville.quebec.qc.ca/citoyens/participation-citoyenne/commissions-consultatives/qualite-air/index.aspx, French only) aimed at optimizing the implementation of activities outlined in the 2023–2027 Action Plan for Healthy Outdoor Air Quality).

IAAC also notes that municipal and provincial authorities and other organizations have produced reports and developed recommendations regarding air quality in the area surrounding the project. These include:

- The *2023–2027 Action Plan for Healthy Outdoor Air Quality* (City of Québec, 2023): https://www.ville.quebec.qc.ca/apropos/planification-orientations/environnement/air/docs/plan-action-qualite-air-exterieur_2023-2027.pdf, French only.
- The two reports (2023) from the “My Environment, My Health (MEMH)” project (https://www.ciusss-capitalenationale.gouv.qc.ca/sante-publique/sante-environnement/monenvironnementmasante/documentation, French only) prepared by the Capitale-Nationale Public Health Department (DSP) and the Institut national de santé publique du Québec. The MEMH project aimed to determine the extent to which residents’ health problems were attributable to outdoor air quality in the Limoilou, Vanier, and Basse-Ville districts.
- The *Report on the Air Quality Profile of the Limoilou-Basse-Ville Sector, Proposed Mitigation Measures, and Recommendations* (Working Group on Air Contaminants, 2023): https://www.environnement.gouv.qc.ca/air/rapports-qualite-air/quebec-qualite-air-basse-ville-gtca.pdf, French only.

According to information provided to IAAC, as soon as the project notice is officially filed with the QPA by the project proponent, the Capitale-Nationale DSP will undertake a rigorous analysis of the available data and the project. This analysis will focus in particular on key health determinants, such as air quality, transportation and road safety, nuisances, and quality of life. The DSP notes that the evidence from the MEMH project, along with its recommendations, is available to decision-makers and the public as a reference to guide their choices regarding actions and projects, with the goal of improving air quality.

The information and recommendations from the various reports and the action plan cited above may be relevant to the assessment of the cumulative effects of the project on air quality and

human health and to the identification of the mitigation measures required to protect human health in the determination of environmental effects under section 82 of the IAA.

IAAC notes that the project is located in an area where several activities can have an effect on air quality and human health. These activities include, in particular, port operations, road, rail, and maritime transportation, wood heating, and other industrial activities such as an incinerator and a paper mill. The residual effects of the project, combined with the effects of these activities, are likely to result in cumulative effects on air quality and the human health of nearby populations.

In light of the information gathered, IAAC is of the opinion that existing federal legislative mechanisms—including the determination of environmental effects under Section 82 of the IAA, provide a framework for addressing effects falling within federal jurisdiction that the project may cause, thereby limiting the potential for residual effects and, consequently, the project's potential contributions to cumulative effects.

Regional and strategic assessments

There are no regional or strategic assessments pursuant to sections 92, 93 or 95 of the IAA that are relevant to the project.

Conclusion

IAAC considered the information it received as part of the designation request process for the project to inform its analysis. Input was solicited and received from the proponent, federal authorities, and the Wendat Nation.

The project has the potential to cause adverse effects in federal jurisdiction and direct or incidental adverse effects.

IAAC considered the factors in subsection 9(2) of the IAA and is of the view that:

a) the requirements set out under the legislative mechanisms identified in paragraph (b), some of which include consultation with Indigenous Peoples and public engagement, provide a framework for addressing public concerns related to the potential adverse effects within federal jurisdiction and the direct or incidental adverse effects that may result from the carrying out of the project, as well as any adverse impacts that the project may have on the Aboriginal and treaty rights of Indigenous Peoples recognized and affirmed by section 35 of the *Constitution Act, 1982*; and
b) there are means other than an impact assessment including existing federal legislative mechanisms, such as the determination of environmental effects under section 82 of the IAA, the *Fisheries Act*, the *Migratory Birds Convention Act, 1994*, the *Migratory Birds Regulations, 2022*, and the *Species at Risk Act*, which also provide a framework for

addressing potential adverse effects within federal jurisdiction and direct or incidental adverse effects, as described in subsection 9(1) of the IAA.