

Annual General Meeting | May 30, 2017

Robin Silvester, President and Chief Executive Officer

Welcome to you all and thank you for attending this year's annual general meeting of the Vancouver Fraser Port Authority.

I look forward to this event every year as it's a great opportunity for me, the board and the executive team to engage with all of you who are stakeholders in the port. I am particularly struck this year by the significance of the port given Canada's 150th anniversary is just one month away.

As we all know, for thousands of years, the Coast Salish Peoples had complex systems for trade and commerce in the Salish Sea, Burrard Inlet and the Fraser River long before settlers arrived and recognized this area as an ideal trading region.

B.C. joined Confederation in 1871 at the promise of a railroad to the coast; that railroad and the port city that developed at the end of it were the foundation of today's Port of Vancouver – a port that has become Canada's largest by far, and so critical to the economic success of this great country – and of our great port city.

Today, Vancouver is recognized internationally as a global maritime hub, fulfilling the prediction laid out by British merchant and civil servant Robert Burnaby in 1859.

At the time, Mr. Burnaby was prospecting for coal in what is now Coal Harbour, just outside this convention centre. He wrote, 158 years ago: "Our time has been occupied in exploring all the ins and outs of this Inlet, which I prophesy will become one of the greatest naval rendezvous and centres of commerce on this side of the world."

This was before Confederation, before the railway, before the early European settlements on Burrard Inlet in the 1850s and 60s which served as the beginning of modern-day Vancouver, leading to incorporation of our fair port city in 1886.

Sustainability vision

So, that is where we have come from, now where are we going?

Though proud of our history, we must look to the future. Several years ago, we hosted the Port of Vancouver community getting together and contemplating the future of this port through Port 2050.

From that work, we chose to aspire to a Great Transition scenario encompassing a lower carbon economy with a focus on sustainable trade – an ability to accommodate Canada's trade needs, but at the same time maintain a healthy environment and enable thriving communities.

Last year, you may recall we introduced our new vision: to be the world's most sustainable port.

Well, it's been twelve months since then, and you may be wondering how we are doing.

What progress have we made in each of our three pillars of sustainability?

- Economic prosperity through trade
- Healthy environment
- Thriving communities

Our 2016 Sustainability Report – released today - goes into great detail about our approach to sustainability, the actions the port authority and the port community are taking, and how we are evaluating our progress towards our vision.

Today, allow me to provide you with a few highlights of that progress.

Economic prosperity through trade

Considering the first – economic prosperity through trade – we have just released our latest report on the economic impacts of the Port of Vancouver.

The Port of Vancouver supports over 115,000 jobs, more than 80 per cent of them here in B.C.

These are high-paying jobs directly tied to port operations.

And this figure is for supply chain activities only, it does not include all the jobs created by the resource companies and farmers across the western provinces whose livelihoods depend on their ability to export their goods to Asia.

It also doesn't include all the retailers and consumers who import, sell, and buy clothing, furniture, electronics, and other goods from our trading partners to the West.

The port generates almost \$12 billion in GDP for our country and about \$1.3 billion in taxes to all levels of government.

These are substantial figures that continue to grow year over year.

There is no question that the port contributes in a big way to Canada's economic prosperity.

And it's important to note that our success has been achieved through collaboration.

Port stakeholders, including terminals, tenants, governments and industry, have built new roads, overpasses and rail track that have allowed the port to grow.

We have collaborated on programs like truck licensing and real-time data management to strive to be as efficient as possible.

This teamwork is continuing through the work of the Gateway Transportation Collaboration Forum, which includes representation from government, industry, Translink and the port authority who, together, are identifying and prioritizing the next wave of infrastructure investment in our port city.

Earlier this year, the forum developed the Greater Vancouver Gateway 2030, a strategy for smart infrastructure investment guided by the Government of Canada's commitment to strengthen trade corridors to increase access to global markets.

We are very well positioned to submit applications to the federal government's National Trade Corridor Fund, and we expect to see another wave of funding to address the bottlenecks in our communities of which we are all well aware.

We are addressing the concerns around the availability of trains here along the Burrard Inlet.

We are planning improvements to clogged interchanges and rail crossings that hold up goods movement and commuters.

Through this collaborative work, we are doing our part to ensure the economic sustainability of the port and of Canada.

We expect funding criteria from the federal government very soon, and there are already more than 30 projects identified throughout the Lower Mainland that we expect will be put forward.

These projects are of national significance and will go a long way to ensuring the port's future competitiveness for years to come, as well as the mobility of all of us travelling around the Lower Mainland.

As the public sector has worked to open this gateway to growing trade, the private sector has responded, demonstrating its confidence in the gateway with substantial investments. In 2016, the port authority approved projects worth well over \$700 million, led by the G3 project on the north shore to build the first new grain terminal in the port in decades.

The port authority is also the proponent on two container terminal projects, both of which are undergoing environmental reviews.

The Centerm Expansion Project proposes a series of changes to increase the number of containers that can be handled at that terminal by more than 60 per cent – by increasing the terminal footprint by only about 15 per cent – and includes works to improve the off-dock rail and road system.

The federal review of the Roberts Bank Terminal 2 Project continues and we hope to see it enter into the panel hearing phase very soon.

Until then, we continue to respond to information requests from the appointed panel and remain confident that this important project will proceed based on years of scientific study and evidence.

However, while the economic piece of our sustainability mandate appears well in hand, I must again caution that the trade-enabling industrial land situation is not getting any better.

In fact it continues to get significantly worse. Companies that need warehouses and distribution centres are struggling to find suitable land in the Lower Mainland and are being forced to locate elsewhere, far away from the port.

This makes the port less attractive because it adds the kind of complexity that shippers aim to avoid.

It also increases adverse environmental effects because it puts more vehicles on the roads moving goods longer distances between the port and these far away distribution and trans-loading centres.

For our part, we are going to continue to focus on intensifying the use of our federal lands.

We are also going to keep talking about this issue, particularly with the provincial and federal governments. Other major port cities have identified and protected what many of them call their employment lands, and our region needs to do the same if we want to preserve our economic prosperity.

Healthy Environment

Moving on to the second pillar of our sustainability definition – healthy environment - we have always had a mandate to protect the environment and we are intent to do so.

We continue to seek meaningful new ways to mitigate the impacts of trade on our beautiful port city through many programs, and I am proud to tell you about just a few of them.

We are all well aware of the struggling population of southern resident killer whales.

The challenges for this population are known, but not well understood, which is why we established and are leading the ECHO Program.

ECHO is a collaboration that includes government, industry and science, and its purpose is to study the impact of marine vessels on sensitive marine mammal populations.

The program seeks to understand what impact cargo ships, ferries and pleasure craft are having, and what can be done about it.

I'd like to show you a brief video that highlights the placement of an underwater listening station as part of the program in 2015.

[CUE VIDEO]

This year, the ECHO program will run a trial in late summer that will see ships slow down as they travel over an underwater listening station. The station will record vessel noise changes and the sounds of whales to see if slowing ships down makes a difference.

That's just one study, and there are others, and we are very pleased to see the commitment of the shipping and marine industry to participate in this important work.

Directly linked to this work, we were the first port in the world to offer discounts for underwater noise reduction technologies in commercial vessels.

Our EcoAction program already offered discounts to ships that used low emission fuels.

Now, quieter vessels can qualify for discounts too.

Another recent initiative in our environmental programme was our collaboration with the City of Vancouver parks board to restore the shoreline of New Brighton Park so that it could once again become habitat for aquatic species.

The site, which was historically filled to create industrial land, was selected for restoration based on its potential to provide high-value habitat for a broad range of fish, birds, and other wildlife species.

I am very pleased to say that juvenile chum salmon have already started to use the new salt marsh as they move through Burrard Inlet, even before the project has been completed.

I would also like to provide an update on our project to clean up the Fraser River.

We have now completed the cleanup of 136 of the 151 sites that were identified and are on track to complete this \$2 million, five-year program this year.

We are the federal permitting authority for any work on port lands and waters, and in 2016, we completed over 230 project reviews.

In July of 2015, we launched our new Project and Environmental Review Process, designed to strengthen robust, evidence-based decisions that are timely and transparent.

For the most part, we believe we have achieved that, but we continue to improve and fine tune the process in response to feedback and experience.

I would like to give a "Thank you" to our terminals and tenants who have provided such valuable input to the new process.

Getting it right is really important.

I also want to take a moment to commend the federal government for its commitment to healthy ecosystems. They are funding partners in the ECHO Program, among other initiatives.

And the announcement of their Oceans Protection Plan is providing appropriate important attention and momentum to marine environmental issues on our west coast and focus how best to protect this complex and critical environment.

I also want to acknowledge the work that government has undertaken to review how environmental permitting is done in this country.

We agree that trust in project reviews is necessary to Canada's success, and we support appropriate improvements that address the legitimate concerns of proponents and the general public while also providing an objective, transparent and robust decision making process.

We have provided government with our perspective, and we look forward to hearing how government intends to address the recommendations put forward by the panel charged with the review.

Thriving communities

Now, moving to our third pillar of sustainability – thriving communities.

To us, this means being a good neighbour, connecting with communities, maintaining our relationships with Aboriginal Peoples, and ensuring safety and security.

In 2016, we continued to work closely with our 16 bordering municipalities to address mutual areas of concern and opportunity.

We led a delegation of nine mayors and municipal staff to the Worldwide Network of Port Cities conference in Rotterdam to learn about the relationship between ports and cities and how other port cities are addressing common challenges around the world.

The new Port Moody Designated Anchorage Area is an example of how ports and cities can work together.

We collaborated with the city on a program to reduce unauthorized, long-term moorage of uninsured vessels and related safety issues.

The program is protecting the environment, and gives the city more control over local waterways while ensuring we maintain authority over the shipping channel.

When operations or developments have the potential to adversely impact asserted or established Aboriginal or treaty rights, consultation with Aboriginal groups is required.

Our approach to consultation is guided by the Government of Canada's Guidelines for Federal Officials to Fulfill the Duty to Consult.

In 2016 we consulted with Aboriginal groups on 19 proposed projects and interacted with Aboriginal groups on a variety of other initiatives.

We continue to promote our Aboriginal Business Directory, which now has 45 Aboriginal-owned businesses that are interested in working with us and others in the port community.

Through our community investment program, we supported environmental, community enrichment and educational endeavors of local Aboriginal communities. And we celebrated Aboriginal culture and history during our annual National Aboriginal Day celebration at Canada Place.

With respect to safety and security, there are far too many operational activities to go into any full detail, but we are particularly proud of the role we play in bringing together the 45 member agencies of the Marine Emergency Response Coordination Committee, or MERCC, to rehearse emergency scenarios.

In 2016, the group successfully tested a new plan on how first responders, supplies and equipment could move around the region by water in the event that bridges and roads were structurally compromised.

This has been an outstanding collaboration that increases our port city's emergency readiness with every passing year.

Conclusion

I've just given you some very brief highlights of the work we have been doing across our three pillars of sustainability: economic prosperity through trade, healthy ecosystems and thriving communities.

There is much more to what we do, and I want to give sincere and heartfelt thanks to all those who contribute, including Minister Garneau and our federal government, our provincial and municipal partners, our terminal and tenant partners, our shippers and other customers, our board of directors and to the hard working team at the port authority.

The work we do is challenging because we must balance the often potentially conflicting parts of our mandate.

I am so proud to work alongside all of you as we pursue what we believe to be in the best interests of our port city and to the benefit of Canada.

I can't imagine that Robert Burnaby envisioned quite what we have here today when he imagined "one of the greatest naval rendezvous and centres of commerce on this side of the world" back in 1859.

But here we are, and will continue to be, provided we all keep working together to embed sustainability in all we do, and to keep our beautiful port city thriving.

As we prepare to celebrate Canada's 150th anniversary, please join us at Canada Place for the incredible community events we have planned throughout the year. More information is available in our Canada 150 brochure available in the foyer.