

October 16, 2015 | Robin Silvester, President and Chief Executive Officer | North Vancouver Chamber of Commerce

Hello everyone! It's an honour to be here and speak to you today.

My name is Robin Silvester and I am the President and CEO of Port Metro Vancouver.

It is a pleasure to be here to meet with the North Vancouver business community, and I am so pleased to see so many from our terminals and tenants here on the North Shore, as well as members of our hard working North Shore Waterfront Liaison Committee.

Many of you are very familiar with our port, and I believe some of you may have joined us on a recent harbour tour with members of other Lower Mainland chambers. It's always great to see the port from the vantage point of the water – at least I think so! And we certainly hear that time and time again.

For those of you less familiar with the port, I'll explain a little about us, who we are, and what we do. But I'd like to spend most of my time talking about how we are approaching growth in trade, specifically here on the North Shore.

The good news is, the future looks very bright, and I am going to tell you why I think that is.

The natural Vancouver harbour, much of the lower Fraser River, and terminals in Delta that make up our port, have sustained people through fishing, trade, and transportation for thousands of years.

As you know well in North Vancouver, the Burrard Inlet is in the traditional territory of the Coast Salish Peoples, including the Squamish, the Musqueam and the T'sleil Waututh. The Coast Salish Peoples recognized this area as ideal for trade, transportation, and sustenance, and developed complex systems here long before European settlers arrived.

Our port remains important and growing, here today -- including right here on the North Shore. In fact, the Burrard Inlet, Roberts Bank and Fraser River combined, host Canada's largest port, by far.

In a moment, I'll speak to how our nation's largest port is growing even more and how our unique role as a Canadian port authority can, and does, contribute to the North Shore's prosperity and community.

But first, I'd like to start off with acknowledging you. For being here; for participating; for considering the port. For taking the time to connect with each other. And for considering this ask. With our connected history, and desire for a sustainable future, anchoring my talk today, I ask you to ponder: "How can we further work together to create a sustainable gateway to ensure a bright future for our country?"

The North Shore – which for our purposes, at the port, extends from the southeast area of Ambleside Park in West Vancouver to Cates Park/Whey-ah-Wichen in the District of North Vancouver -- is connected to the global supply chain. From local terminals who move Canadian exports like potash, wheat, lumber, at terminals like Richardson, Western Stevedoring, and Neptune, to imports for your retailers – many arriving at container terminals in Metro Vancouver – global logistics are an integral part of our daily lives.

Only by working together, can we deliver economic prosperity through trade while maintaining a healthy environment, and enabling thriving communities.

Together we are charting a course towards a sustainable gateway.

And, now I'll talk to you about how the port can help do just that.

Canadian port authorities, are unique. We are unlike most ports around the world. In part, because we are arms-length, federal agencies that are financially self-sufficient and we don't receive tax dollars. Also, because we manage federal lands and waters on behalf of Canadians. Most ports around the world do not have federal responsibility and therefore, they are simply not positioned, in the way we are, to lead the creation of a nationally significant legacy.

We are also federally required to provide marine infrastructure and ensure the safe and efficient movement of marine traffic and cargo within the port --- all in support of national trade objectives. We must make sure port operations are competitive, secure, reliable and environmentally responsible, with consideration for the quality of life of our neighbours.

It is this, our federal mandate that really gives us the ability to plan, facilitate, support, and lead generational investments towards a sustainable future.

And we willingly and proudly take this on. The word sustainable is a bit of a buzz word. But we've taken deliberate steps – with many of you involved – to envision a sustainable gateway. To us, a sustainable gateway means:

- Delivering economic prosperity through trade
- Maintaining a healthy environment, and
- Enabling communities to thrive.

This definition is of course woven through our mandate, and our port's vision. It really, anchors our actions and is the foundation of our approach – to everything we do. It underscores the concept of creating a legacy – of creating a future for generations of Canadians yet to come.

Some of the many related actions include:

- Conducting scenario planning to paint a picture of what the port may look like in the year 2050 and what we need to do to ensure the brightest future

- Introducing thoughtful, meaningful environmental initiatives
- Involving stakeholders and all levels of government
- Planning for the best combination of infrastructure development to manage growth
- Collaborating on our land use plan and working with government and others to ensure the Lower Mainland remains livable as we grow.

In our world of finite resources, our sustainable approach will be even more important as we prepare for future generations.

This demand on our resources as well as demand for trade is important to acknowledge, understand, and plan for. Long-term demand for Canadian trade still looks strong. Preparing well for that growth can reduce proximity challenges, environmental impacts, improve communities' quality of life, and set us up for ongoing prosperity.

Beyond a steady underlying demand, even in slightly weaker economic times in some export markets, the low Canadian dollar is making Canadian commodities more attractive than those from some of our competitors.

Trade through our port has steadily climbed since 2009 - with consecutive record-breaking years.

Last year, our terminals moved 140 million tonnes of cargo.

To put this in context, imagine a typical one-tonne pick-up truck, like a Ford F-350, that can carry one tonne of cargo. If you lined up the trucks, bumper-to-bumper, 140 million tonnes would go around the earth about 23 times. That's a lot of volume, a lot of trucks! It's a good thing it's moving in ships!

By 2020, forecasts suggest a 29 per cent increase. Our mid-year update this August reflected this trend showing 1.5 per cent growth over the same period last year.

To give you a good visual on that, we have growth in the last five years the equivalent of the entire Port of Montreal, Canada's next largest port. And we anticipate growing by another Port of Montreal in the next five years. Sometimes it is quite challenging just to contemplate!

This port-related trade activity has an economic impact of \$9.7 billion in GDPⁱ a year. And port-activity supports about 100,000 jobs across Canada. All forecasts indicate continued overall growth.

At a local level, in 2014, 33,387,627 metric tonnes traded through the North Shore. That's 24 per cent of the total trade through our port, moving through this community.

This port-related activity acts as a significant employment and economic generator. According to a 2012 study, of the 45,200 direct port-related jobs across Canada, 4,700 on them are on the North Shore, generating about \$320 million in wages.

North Shore port terminals and tenants also contributed about \$10.3 million dollars in municipal taxes.

We know, with absolute confidence that our gateway is continuing to grow and requires not only the investments we've made improving capacity, but further investments.

Even in what we're hearing may be a recession for Canada, we're seeing some strong growth through the port, particularly in those commodities handled on the North Shore like grain and potash.

And with recent trade agreements like the Comprehensive Economic and Trade Agreement (with Europe), and the announcement of the agreement in principle for the Trans-Pacific Partnership, the growth predictions are even greater.

We have evidence that our collective investments over the last few years in our port are also paying dividends. In spite of the ups and downs in the economy, we are an increasingly competitive gateway in North America. Our port is growing.

The question is, how do we manage that growth? How do we prepare for the future and support future generations – who will be relying on ever-more scarce resources, and land, as populations increase? How do we effectively manage and plan growth sustainably?

Our very first steps must always be to maximize our existing footprint through efficiencies -- which are key to creating sustainable capacity. Many of our tenants, terminals, and stakeholders are optimizing their operations in support of this. Collectively we are collaborating, improving transparency, and implementing supply chain performance initiatives.

In fact, one of our main recommendations to the review of the *Canada Transportation Act* currently underway, is that we find a way for supply chain participants to share strategic data so we can collectively make the supply chain as efficient as possible. We think there is great merit to more collaboration and information sharing, and would certainly much prefer this approach to having government regulate one part of the supply chain to the potential detriment of the rest, as we saw when rail lines were forced to carry grain quotas several months ago.

In addition to pursuing operational efficiencies on existing land, we can also find ways to build greater capacity.

Let's talk about how we do this. And I'll briefly illustrate this through a case study that's close to home here in the North Shore. Many of you know about the Low Level road project. It really is story of sustainability and working together. It showcases our sustainable approach -- in action. And to top it off, it is award-winning.

While we were the lead delivery agent, we could not have done this project without our partners – including many of you here in this room – to deliver a community-building, economic-supporting piece of infrastructure.

Design started four years ago in 2011, the project was completed in March this year, and now, just at the end of September, it was presented a prestigious award. The Low Level Road project received the Institute for Sustainable Infrastructure Envision Platinum Award. It is the first transportation project to receive this award.

I personally, have cycled the Spirit Trail and the cycle lanes along the road, and it's a fantastic piece of infrastructure. I may be a little biased, but I'm really proud of it!

And, while it is now award-winning and considered a beautiful engineering feat, the problems of the old Low Level road touched every aspect of sustainability. Here's how:

First, congestion, the inability to create capacity, and the inability to increase rail shipments impacted the economy – locally, as expressed by many including the B.C. Chamber of Commerce, - as well as nationally. The configuration of the previous road also caused environmental concerns such as emissions from idling, congestion and noise. Many of us are familiar with some of the community concerns – from proximity to safety concerns for cars, bikes, and pedestrians. Effective use of land, capacity, and design were essential to create a sustainable solution.

And at first, it did not succeed. The design was rejected.

Did you know, that when a sapphire or emerald has a flaw, the jeweler uses another precious stone to polish it?

It's only through friction with one another, with different ideas and thoughts, and ways, that we can bring ourselves, and our projects, to the next level.

And that's exactly how we, collectively, improved the Low Level road project.

We put a lot of time into consulting with the community and incorporating feedback. We actually completely altered the design. Together, we hashed it out, selected the design criteria and worked through our friction. Together, as a community, we selected the final, and now award-winning, design. Just like the jeweler, we refined our work and delivered a polished jewel.

There are obvious benefits to the results of this collaborative and sustainable approach. In this case, the outcome improves economic prosperity, improves terminal access, and adds cargo capacity.

We've maintained a healthier environment – reducing noise, though barriers, but also eliminating almost 60 train whistles a day using strategic overpasses. Not to mention the considerations made for eagle's nests and removing invasive species.

There are ample community at benefits too -- with 2.5 kilometres of New Spirit Trail, artwork, improved road safety, and a long-term solution for slope stabilization.

I'd like to take a moment now to, again, thank all of you who contributed to the discussion, consultation, and debate, that ultimately brought the Low Level Road project to award-winning, fruition. Many of you are here in this room.

By working together, we exceeded expectations. Thank you.

And now, we have an exceptional model of HOW to work together. And I am excited for the prospects I see on the North Shore!

So with this infrastructure enabling growth, let's look to the future.

The chamber, city, community, port tenants and terminals are busy on the North Shore!

And we can expect more activity. While, I'll summarize a few projects here, this is by no means exhaustive. But, these give an indication of the growth you'll see. For our partners operating terminals, we know you are committed to the continued approach of working together to seize opportunities and accommodate growth. For other local businesses in the room, there are projects and resources you can tap into to take advantage of this growth.

I'll start with just a couple of the exciting news happening at some of the North Shore terminals.

The projects also show how infrastructure, leveraging and building capacity, and good land use planning, spur private sector investments – and these are critical to success.

Our friends at Seaspan are hard at work on 17 non-combat vessels valued at \$8.3 billion over the next 25 years. This is expected to create 5,000 direct and indirect jobs, and generate \$500 million per year.

That's exciting – certainly worth noting!

Although metallurgical coal exports, which go through Neptune Terminals, were down slightly in August and Teck resources has implemented some rolling closures of its B.C. and Alberta mines, capacity plans are still in the works to grow to meet future demand.

Neptune is in the latter stages of a process to nearly double its coal handling and export capacity. It is expected the demand will return. The investment will still progress; it just might take place over a longer period of time. This is a fantastic example of that critical principle I talked about earlier – maximizing the capacity of our assets, in this case a major terminal investing to handle twice the volume on the same land base.

Then there's grain -- a fundamentally important product for people around the world, and really important for Canada and the North Shore.

You'll have heard in the news that the international demand for Canada's grain is growing – a lot. And, you, here in the North Shore, play host to strategic grain terminals that serve that demand.

Richardson's new grain elevators are expected to be online in 2016. Their capacity investments alone are upwards of \$120,000,000.

Western Stevedoring has partnered with G3 Global Holdings to explore building a new 180,000-tonne grain elevator at the Lynnterm West Gate facility at the foot of Brooksbank Avenue.

They are progressing with the pre-application process robustly. It looks really exciting and it's another example of just the sort of thing we've been creating road and rail capacity for.

Should the project go ahead, Western Stevedoring may need more land in order to continue its break bulk business...and collectively, we'll need to look at what can be done to facilitate that.

Those are just a few samples of some significant projects – which spur local businesses through increased jobs, work, and populations. The North Shore is set to benefit greatly from port-related activities and Canada's trade policies.

The City of North Vancouver and the North Vancouver Chamber of Commerce understand this and are here to help. Two programs just launched to help you take advantage of the growing prosperity here.

First, the City of North Vancouver has outlined a strategy for providing a positive environment that supports local business, creates new opportunities and enhances quality of life in the community. Through their Economic Development Strategy they are identifying a range of opportunities for both new and existing businesses to grow. By taking a proactive approach, helping ensure that costs remain competitive, and helping deliver high quality infrastructure, the North Shore has the right framework to support investment, employment and partnerships.

I also appreciate the city's and district's integrated approach that mirrors ours – they weave social, economic and environmental interests are into their strategies. This approach sets the North Shore up for long-term success.

The second program is the North Vancouver Chamber of Commerce' economic development program.

Called "the Economic Partnership North Vancouver", it received \$420,000 in funding to assist businesses – such as yourselves, and encourage future development here. Louise, I am sure will touch on this and update you on the program and progress. But for our part, we see the need to help connect local businesses to take advantage of Canada's largest port and to capitalize on the rapidly growing local economy, and we are thrilled to participate as a stakeholder and on the board of the partnership.

Based on our collaborative approach and our leadership in building a sustainable gateway, we are positioned well to support your businesses, connect you with opportunities, and help you connect to local supply chains.

Switching gears here for a moment, I do want to finally touch on an incredibly important foundation for future growth – for your businesses, for populations, and for trade.

The regional supply of developable industrial land is under threat of extinction – through redevelopment - largely to residential communities. This poses a real threat to the region's economy for two main reasons.

Frist, the population is continuing to grow, and industrial land is needed for job creation and prosperity.

Second, from a goods movement perspective, industrial land is needed to locate warehouses and distribution centres strategically and efficiently. The more these facilities are forced to spread out far from port lands, the more traffic arrives on our roads, causing congestion, air emissions and other consequences.

When we consider the needs of the North Shore to continue participating in serving Canada's trade, and as we grow, there's a real need to take a hard look at industrial land.

There is only one remaining vacant parcel of land on the North Shore! It is near the Old Dollarton Highway.

While, recent projects have freed up more capacity for increased rail service and terminal expansion, it is not enough to support your growth. Collectively we need to make sure our industrial land remains for industrial use to serve our economy and community for generations to come.

We need to raise our collective voice on this issue – all of us in this room - and ensure the right discussions, and actions, take place to protect this critical economic resource.

So with that, I will conclude my remarks. I hope you have learned something new about the port that perhaps you did not know, and that you are as optimistic as I am that we can, together, continue to be a success story on the North Shore and throughout the Lower Mainland. You are doing a great job of positioning yourselves as a community to take advantage of this growth, and we look forward to working with you to that end.

And finally, let me share a very local episode of our very popular YouTube series, Port Pop Quiz. I am sure you will recognize the setting here, and I hope you enjoy it.

[Video]

[Port Pop Quiz Spirit Trail](#) episode. (Recently launched in August 2015).

A lucky winner will receive a Harbour tour for ten people.
