

**February 20, 2014 | Robin Silvester, President and CEO | Address to the Delta
Chamber of Commerce – Delta Town & Country**

Thank you for that introduction.

And thank you to the Delta Chamber of Commerce for hosting today's lunch. It's a pleasure to have this opportunity to speak to you today.

Port Metro Vancouver is the cornerstone of Canada's Asia-Pacific Gateway. As the nation's largest and most diversified port, we trade with more than 160 world economies, and facilitate the movement of \$172 billion dollars in goods, each year.

That's almost half-a-*billion* dollars per day, or *one-fifth* of Canada's international goods trade, passing through our port.

As well, this economic activity generates an estimated 100,000 jobs across the country - 3000 of those right here in Delta.

I have had the privilege of living in some great cities and working with business leaders from all over the world. And in my experience, the business community in this region stands out.

The Delta Chamber of Commerce is a great example: by championing an open economy and a vibrant business sector, this Chamber makes a significant contribution to the success of our Asia-Pacific Gateway.

Business leaders in Delta are not just looking to the next quarter – they are looking to the next *generation*; to the decisions that will secure our prosperity for tomorrow. Because of the foresight of those who built Delta's industrial infrastructure half-a-century ago, our region is routinely ranked as the most livable in the world.

But my address today is not about looking back. It's about looking ahead – and planning for the next 50 years of prosperity.

This afternoon, I want to speak to you about some of the decisions that are before us, to update you on the Port's progress, and to talk about how it all fits with our vision of a sustainable future.

So let me begin by providing an overview of Port Metro Vancouver and a few key facts about its operations.

As the largest *export* port in North America, and the most diversified, we serve 5 business sectors with 28 marine cargo terminals and three Class 1 railroads, we provide a full range of facilities and services to the international shipping community. On the governance side, the Port is a financially self-sufficient corporation established by the Government of Canada and accountable to the federal Minister of Transport.

This means that the Port is responsible for administering land and marine assets on behalf of the federal government. And since the Port is not taxpayer-funded, it means that we use these assets to generate the revenues that support our operations and our development.

Our area of jurisdiction includes more than 600 kilometers of shoreline, and borders 16 municipalities and one treaty First Nation. We manage more than 16,000 hectares of water and nearly 1,000 hectares of land, which we lease to our tenants - including Westshore Terminals and TSI Terminal Systems here in Delta.

And in spite of current global challenges, I am pleased to say that Port Metro Vancouver is performing very well.

We will be releasing our 2013 statistics next week and you will see that we delivered records for both the container and bulk sectors.

Of course, success produces its own set of challenges. Most notably, the challenges associated with growth.

But here, too, I believe we are leading the way - setting a positive example of responsible, sustainable development.

Port Metro Vancouver strives to deliver economic benefits to the region, the province, and the country in a way that minimizes social and environmental impacts. And so we are always looking for opportunities to collaborate with our stakeholders towards achieving this goal.

That's why the Port has invested enormous time and energy in community consultation:

Our three community liaison groups, including the Port Community Liaison Committee here in Delta, bring people together to discuss port-related activities, share concerns, and identify solutions.

We also participate in numerous community events – over 500 just last year – and have introduced new ways for people to interact with the Port, such as our PortTalk.ca forum, our mobile app, and our Facebook page.

And we're walking the walk on sustainability – measuring our progress every year against well-established external benchmarks, and sharing this with the public through our annual Sustainability Report. We are one of only a handful of ports globally to report on our sustainability performance in such a rigorous way.

As well, we are leading numerous initiatives that positively impact local communities – including Delta - such as the Fraser River Improvement Project and the Local Channel Dredging Program.

The Fraser River initiative involves removing derelict vessels and structures that pose a risk to the environment or to public safety, and are also a nuisance to neighbours. Of the 141 sites identified in 2012, thirty-six were in Delta. By the end of 2013, the Port had cleaned-up thirty-four sites, including ten in Delta. And we'll be tackling

additional sites in Gundersen Slough, Deas Slough, and along River Road in the future.

The Local Channel Dredging Program is part of Port Metro Vancouver's long-term dredging strategy for the Fraser River, and is the first program in Canada to fund dredging of waterways that are not primary shipping channels. In fact, as I speak, work is underway in both Ladner Harbour and Deas Slough.

Announced in December 2012, this \$10 million dollar commitment by Port Metro Vancouver, the Department of Fisheries and Oceans, the B.C. Ministry of Transportation and Infrastructure, the Corporation of Delta, and the City of Richmond, will promote economic and environmental revitalization of the harbour and waterfront.

I'd like to acknowledge the leadership of Mayor Lois Jackson and the key role she played, along with the Ladner Sediment Group, in making this collaborative initiative a reality.

Port Metro Vancouver is also committed to supporting community organizations, such as the Delta Farmland and Wildlife Trust, the Delta Hospital Foundation, and Delta Secondary School.

Ten years ago, we partnered with Delta Secondary to deliver the Port's Leadership Program, which gives students in grades 10 and 11 an opportunity develop leadership skills through volunteerism. Since that time, 36 Delta students have participated.

And for the past fourteen years, the Port and its terminal partners – DP World, Fraser Surrey Docks, Global Container Terminals and Western Stevedoring - has been hosting the annual Port Community Fundraising Gala, which has raised \$1.3 million dollars for local charities.

Last year, \$60,000 dollars was awarded to the Reach Child and Youth Development Society toward the cost of building a new facility in Ladner for children and youth with special needs.

Port Metro Vancouver is listening, learning, and collaborating - *those* are the touchstones for sustainable growth.

And if we are to meet the growing demand for Canadian products, we need increased container capacity on the West Coast, including - and beyond - what is planned for Prince Rupert.

That is why Port Metro Vancouver is proposing the Roberts Bank Terminal 2 Project, which will enable us to meet forecast demand for the next 15 years.

But this project will not be undertaken in isolation. Rather, it's the final stage in a long process – one marked by a tremendous amount of research, planning, and hard work - of ensuring that our Gateway is ready for the future.

A number of years ago, we introduced the Container Capacity Improvement Program, also known by its acronym: C-CIP.

The program uses a three-pronged approach to ensure that we are getting the most utility out of existing facilities before we begin developing new ones.

First, we introduced operational efficiencies and technological improvements to increase capacity. Centerm, on Vancouver's South Shore, increased its capacity by 200,000 containers a year - an impressive 50 per cent – through this approach. Next, we invested in infrastructure that would increase capacity within a terminal's existing footprint. The \$280 million dollar Deltaport Terminal Road and Rail Improvement Project, which is taking shape and expected to be complete in 2016, will increase Deltaport's capacity by 600,000 containers annually.

Finally, we explored the need for new terminal infrastructure – and in order to meet the forecasted demand for container trade and to maintain our Gateway's competitive advantage, we have proposed Roberts Bank Terminal 2.

Located just northwest of the existing Roberts Bank terminals, this new container terminal will provide capacity for 2.4 million containers each year.

This \$2-3 billion dollar project will also generate 18,000 jobs - and is as important to the Canadian economy in this century as Roberts Bank development was in the last. To see it through, we will need to work harder than ever before.

As you may know, last month the Canadian Environmental Assessment Agency referred the Roberts Bank Terminal 2 Project to an independent review panel for an environmental assessment.

As part of this assessment, the Port will study the project's potential effects not only on the environment, but also on communities, the economy, heritage and human health. And wherever necessary, we will develop appropriate mitigation strategies. Throughout this process, there will be many opportunities for stakeholder engagement, which will build upon the comprehensive consultation that Port Metro Vancouver has been undertaking for nearly three years.

And as we move forward with the Roberts Bank Terminal 2 Project, we are making sure that supporting transportation infrastructure is in place.

Eight years ago, our Federal and Provincial government partners set out a vision for the Asia-Pacific Gateway and its critical role in our economy.

That vision, supported by their investment – as well as partnerships with municipalities and transportation supply chain partners - has resulted in over \$9 billion dollars of infrastructure improvements.

Allow me to put that number in perspective:
For several years, people have been marveling at the size of the Panama Canal expansion. If ever there was an example of a nation-building project, the Panama Canal would be it.

But as the head of one of the world's largest shipping companies reminded me, the Panama Canal expansion may be big – but the Pacific Gateway is bigger. 50 per cent *more* is being invested in the Pacific Gateway than in the Panama Canal. *This* is what modern-day nation-building looks like.

And the investment is paying off, making Port Metro Vancouver the gateway of choice for shipping lines and their customers – and laying the foundation for the next generation of Gateway expansion.

This includes projects like the Roberts Bank Rail Corridor Improvements, which will eliminate nine at-grade rail crossings between Langley and Tsawwassen, and so increase the safety and efficiency of the supply chain.

...And the South Fraser Perimeter Road, which will facilitate the efficient movement of goods for decades to come.

...And the Massey Tunnel replacement, which will greatly improve the flow of goods on the Fraser River, as well as regional commuter and goods traffic.

But as we reflect on these generational investments, and the economic activity that will take place in Delta as a result, we have to address the issue of land use. In my view, land is *the* defining issue for the Port and, indeed, for the entire Lower Mainland.

Why is that? Well, it's quite simple.

Land is a finite resource. And it's disappearing faster than ever before.

Currently, 2.6 million people - 60 per cent of BC's population - live on a relatively small piece of land surrounded by ocean, mountains, and an international border. And one million *more* are expected to join us in just the next 25 years.

We ask a lot of the land. And sometimes that results in friction, which can lead to economic uncertainty.

So that's why, two years ago, I put forward a proposal that I believe will help steer us in the right direction.

An Industrial Land Reserve.

Land that is set aside for industrial use. Not piece by piece, municipality by municipality - but on a provincial basis, with the broader public and economic interest in mind.

Just as the ALR protects BC farmland and agriculture workers, an ILR will protect BC industry and the jobs it creates.

Because industrial land is where jobs - *good* jobs - are nurtured and grow.

It's also where billions of dollars of goods are housed as they're moved to and from our shores.

And it generates billions more in tax revenue for government, supporting vital social amenities and programs.

Metro Vancouver already has the most expensive industrial land, with some of the lowest vacancy rates, on the continent.
And the problem is getting worse.

In the last thirty years, some 3000 hectares of industrial land have been lost, costing us untold billions in economic opportunity.

So what's the solution?

We can't just push industrial land further and further from the Port.

It's neither logistically feasible nor cost-efficient for shippers to operate terminals hundreds of kilometers from the waterfront. They will simply take their cargo to the most efficient trade routes.

What we need is a plan.

Metro Vancouver's Regional Growth Strategy is a start. I applaud their efforts.

But I don't believe that we can solve this problem simply through zoning. And the strategy does nothing to undo the damage already done – it doesn't create *new* industrial land.

And as long as the preservation of industrial land is left to financially constrained municipal governments, it will continue disappear when other uses - residential or commercial – yield a higher return.

When you think about it, the problem we have today is similar to a problem identified by a previous generation – concerning *agricultural* land.

Back then, people looked to the future and recognized that if action was not taken, then the Lower Mainland would lose its capacity to grow food.

And so the Agricultural Land Reserve was born.

In the same way, an Industrial Land Reserve would protect the land we have – but it would also look at innovative ways to create and incentivize the creation of new land to serve a growing province.

Most importantly, an Industrial Land Reserve would set out clear rules for everyone to follow. And clear rules are the foundation of economic certainty and stability.

I firmly believe that now is the time to apply the same principles to industrial land as we do to agricultural land.

There's no time to waste.

We need to take this idea into the communities around Metro Vancouver and engage in a constructive and meaningful conversation.

So let me invite you, and all British Columbians who care about land use issues, to make their voices heard.

This is an unprecedented opportunity to create a solution that will guarantee sustainable prosperity for generations.

So I am asking all of you in this room – and Gateway stakeholders across the province – to engage on this issue.

Engage with your elected representatives, and the Provincial government as it undertakes the Core Review.

Engage especially with those who oppose growth and development.

If we are going to support trade and create jobs...

...if we are going to build a future where a strong economy, a clean environment and healthy communities go hand-in-hand...

Then we have to work together to find solutions to shared problems...

And to lay the groundwork for sustainable prosperity.

Thank you.