

February 27, 2015 | Robin Silvester, President and Chief Executive Officer | Surrey Board of Trade

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

I've been looking forward to this event because the Surrey Board of Trade brings together so many business leaders and because it's a chance to speak to a broad group of port stakeholders about things that really matter to us all.

Now, if you are thinking you are not a port stakeholder, I ask you to think again. All of you - whether you work for a terminal, are a shipper, an importer or an exporter, a manufacturer, or whether you work in the retail sector, represent government, or simply live in this great port city of ours, or, for that matter you have ever bought anything that plugs into a wall (☺), the port touches you.

Many of you are very familiar with our port. Some of you may have joined us for a tour of the Fraser River alongside other Metro Vancouver chambers last fall. I hope you enjoyed seeing the port from the water - I love that perspective and feel it's a great way to learn about your port and our country! You see the economy in action!

For those of you less familiar with the port, I'll explain a little about us. But, I'll spend most of my time talking about how we are approaching growth in trade, specifically here in Surrey. I want to connect you....your community... with your port and imagine our collective future together. While visiting last week, the Honourable Minister Amarjeet Sohi, our Federal Minister of Infrastructure and Communities, articulated this clearly during some of his speaking engagements. He said: "Infrastructure is what connects Canadians to their community and to the economy." And to me, that is certainly true when we think about the port and port development.

The good news is, the future looks bright, though there are a few challenges to overcome and work through together...

But let me begin with a foundational statement: Surrey is a historical port-city.

This area of the Fraser River located in the traditional territory of the Coast Salish Peoples, was an integral part of complex systems of trade, transportation, and sustenance for thousands of years -- long before European settlers arrived.

Later, activity on the river evolved and expanded. Trading began to range from forest products to grain, to steel and to containerized products.

In fact, Surrey is a **port-pioneer!**

It's a little known bit of history that Surrey hosted a grain elevator as early as 1929. And, in 1975, Fraser Surrey Docks boasted the very first container vessel crane in Western Canada.

Today, Surrey is uniquely positioned with some of the finest transportation infrastructure:

- Four railways connect to the east coast and all the way down to Mexico.

- CN – a major class one railway – and who kindly introduced me today - operate their rail yard **and** intermodal terminal here.
- The new South Fraser Perimeter Road provides excellent connections.
- **And**, of the almost 100 drayage companies serving port tenants and terminals, about one third of them have their operational base here!

Surrey is a big part of the port...and growing. In 2014, about 30 million metric tonnes traded through Surrey terminals. That's 22 per cent of the total trade through the port, moving through this community.

With all this activity, Surrey really has deep historical and practical ties with the port – you are a key and integral part of the port.

On its own, the Fraser River is economically as important to Canada as the St. Lawrence Seaway in eastern Canada. Combined with Roberts Bank and the Vancouver Harbour, Surrey, along with 15 other municipalities, and First Nations asserted and established traditional territories and treaty lands, border what is Canada's largest port...**by far**.

Actually, the Vancouver gateway hosts more trade and port activity than the next six largest ports in Canada – combined!

Later, 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 Surrey's prosperity and community.

I'd like to take a moment to acknowledge you – for being here and for being a part of this conversation today. It is so important that we spend time considering our own future, our region's future, our nation's future, and the role of the port.

Throughout our time together – and beyond - I ask you to contemplate this question:

“How can we work together even more, to create a sustainable gateway ensuring an even brighter future for our country?”

Let me start with some context: Canadian port authorities are different. We are unlike most ports around the world. There are three key differences:

1. First, we are self-sustaining and do not rely on tax dollars.
2. Second, we are federally mandated.
3. Third, we manage **federal** lands and waters in the **national** interest. Most ports have local, rather than national, responsibilities.

As a result, we are able to think and plan long-term.

We are uniquely positioned to lead the creation of a nationally significant legacy impacting generations to come.

Our federal mandate really gives us the ability to plan, facilitate, support, and lead a sustainable future for Canada's largest port.

We are proud to accept these responsibilities. But, the port authority is just one player in our region's future.

We are proud of a strong track record of collaboration and we want, and need, to continue to work together with all our stakeholders.

Take for instance, Surrey's involvement in recent infrastructure projects and the port authority's land use plan, which are helping ensure the Lower Mainland remains livable as we grow.

We've also defined - collectively, with many of you involved - what a sustainable gateway means to our region. We've set out three principles of sustainability:

- Delivering economic prosperity through trade
- Maintaining a healthy environment and
- Enabling thriving communities.

Similar objectives are also woven through the port authority's mandate. These principles really, anchor everything we do.

We have ensured we are as ready for the future as we can be by:

- Conducting scenario planning to paint a series of pictures 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.

This sustainable approach is even more important in our world of finite resources and the need to address climate change. When we consider that a million more people are projected to move to our region by 2041 and the fact that Surrey is one of the fastest growing cities in **Canada** - with one in five Metro Vancouver residents projected to live here in the coming decades - a sustainable approach is critically important.

So let me now explore some of the critical things requiring our collective attention if we are to maintain our quality of life and the livability of this region for the long term.

First, we see continued trade growth ahead of us. Here in Vancouver, in the past five years, we have added the equivalent in cargo tonnage of the next largest Canadian port - the Port of Montreal. That's 30 million metric tonnes.

Port-related trade activity has an economic impact of \$9.7 billion in GDP a year and supports about 100,000 supply chain jobs across Canada.

And...all forecasts indicate continued overall growth.

Even as our national economy is softening, the low Canadian dollar is making Canadian commodities more attractive than those from some of our competitors.

Though we see some flattening of Canada's trade in the resource sector for the next two years or so, because the port handles such a diverse range of cargo, we will see long-term growth.

And despite some economic “uncertainty”, Canada is forging ahead with new partnerships. Trade agreements like the Comprehensive Economic and Trade Agreement, with Europe, and the recent signing of the Trans-Pacific Partnership; bode well for long-term prosperity.

By 2020, forecasts suggest the port will grow by **another Port of Montreal** – that’s a big feat in just a few more years! That’s **another** 30 million metric tonnes.

This port-related activity stimulates the economy and creates jobs. According to a 2012 study, of the 45,200 **direct** port-related jobs across Canada, 1,800 of them are here in Surrey, generating about 120 million dollars in wages. There will be as many or more again **indirect** jobs – people providing services to the port related businesses.

Surrey port terminals and tenants also contributed about 3.6 million dollars in municipal taxes.

Surrey is growing. The port is growing. Our region is growing.

The question becomes how do we manage that growth? And, what are the implications for Metro Vancouver and our country?

For our part, we are making current port operations as efficient as possible, working with terminals and tenants to maximize the cargo-handling capability of existing assets and making use of technology to improve operations.

We’ve seen astounding examples of technology in use at ports around the world. And we’ve got some leading examples right here in our gateway too.

That said, there are opportunities for us to do more, and we will.

There is also the potential for participants in the supply chain to share data so that we can plan better and reduce wasted capacity – something we have called for in our submission to the Canada Transportation Act review panel. We look forward to hearing from the federal government the results of that process soon.

In addition to operational efficiencies, we can also find ways to build greater capacity by working with governments, rail lines and others to fund critical, trade-enabling infrastructure.

There are obvious benefits to the results of this type of collaborative and sustainable approach. Recent such investments in road and rail improvements have encouraged private investment in terminals around the port.

You, here in Surrey, are familiar with these types of investments.

Whether you know it or not, your community has contributed to an **unprecedented** model of collaborative infrastructure projects.

Some of you will have heard of the Roberts Bank Rail Corridor – a major global supply chain artery connecting our region to Asia-Pacific and the rest of North America.

Others will know of some of the projects first-hand, driving over new overpasses on 152nd Street, 192nd Street, and 196th Street.

These, and six other overpasses, are the result of close collaboration, 307 million dollars, and twelve partners -- including the City of Surrey – working together.

All told, the Roberts Bank Rail Corridor is truly an exemplary illustration of how working together improves goods movement, grows the economy and benefits our local quality of life.

You've also seen other successful infrastructure projects completed recently, like the Port Mann bridge and South Fraser Perimeter Road.

Now, Metro Vancouver stakeholders are seeking funding for the next round of projects in support of continued gateway growth. The Gateway Transportation Collaboration Forum – a multi-stakeholder group - has been working together to more effectively determine, prioritize, propose and pursue funding for strategic projects.

We, as the port authority, are also leading the Terminal 2 project development programme to provide growth in Canadian container trade.

In all, we estimate that between 2009 and 2025, over 17 billion dollars will be invested in trade-related infrastructure and construction in the Lower Mainland – again, a staggering number. Seven billion dollars of this has already been invested.

These projects also enable thriving communities and improve our quality of life through improved connectivity and access to goods.

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

Let me share how some organizations are leveraging these infrastructure and port-related opportunities for prosperity.

Surrey's board of trade, the city, and port tenants and terminals are busy! Transportation, warehousing, logistics, businesses in the room – take note - there are projects you can leverage and position yourselves for your growth.

I mentioned earlier that Surrey is, truly, a port-city. But it's worth repeating. With world-class port, rail, and road infrastructure, your ready connections to the global supply chain support businesses exporting and importing products through the port and trading with 160 economies. It also positions Surrey as a key logistics hub and player in supporting traditional industry and trade.

I see representatives of our partners at Fraser Surrey Docks here today. Since 1962, they've been connecting Canada to global markets – helping partners trade a diverse range of products; from granite for our counter tops, to coffee, steel, vehicle parts, to pharmaceuticals, to flowers, to housing construction materials, to dried peas and soybeans. With such a range, it's clear why Fraser Surrey Docks is the largest multi-purpose marine terminal on the west coast of North America. And, they are expanding their portfolio.

Another success story is Wesgroup. Understanding Surrey's key role in the global supply chain, they've developed container transload and distribution centres near critical infrastructure – like Fraser Surrey Docks and South Fraser Perimeter Road.

With manufacturing facilities in Surrey, Endurance Wind Power is generating clean energy for the world. According to Amir Alagheband, the company's senior vice president, global operations, being located along a trade corridor is critical to their success...and growth.

They rely on the port for imported production materials, and nearly all of their growth has come from outside Canada.

And, while not on port lands and not in Surrey, but nearby and worth highlighting, Fortis is expanding its Tilbury Island liquefied natural gas storage facility in Delta to meet the long-term projected growth for LNG. As a communities, industry and the marketplace demand cleaner transportation fuel, this is becoming an important energy source.

Finally, against this back-drop of growth, and particularly of container growth, the port authority has proposed a new container terminal in Delta. The project would provide 2.4 million twenty-foot equivalent units of container capacity – a doubling of current capacity at Roberts Bank.

International forecasts suggest all that and more is needed to meet Canada's long-term demand for trade of goods in containers. This is a privately-funded project that will not require tax dollars, but it will certainly grow the economy. We expect the terminal to create 12,000 ongoing jobs once it is fully operational.

Should the terminal be approved, Surrey will be in an even better position to take advantage of the jobs, economic activity and transportation needs associated with such growth.

But what about environmental implications?

More trade means more cargo, more ships, more trains and more trucks. It means more warehouses and distribution centres. What about the air emissions and traffic? What about the impact of shipping on our working-river and salmon habitat?

I'll share a few ways of how the port authority is addressing some of these important questions.

I've just mentioned some of what we are doing on the trade and infrastructure front to ensure prosperity through trade.

I mentioned our balanced mandate and the Sustainable Gateway Definition earlier. As a reminder, to us, sustainability means delivering prosperity, maintaining a healthy environment, enabling thriving communities.

Here are a couple of examples of what we are doing to maintain a healthy environment:

You may have read recently about our Fraser River Improvement Initiative – that targets neglected vessels and structures that pose an environmental, public safety, or navigational risk, and can lessen the quality of life in local communities. Since launching in 2013, 119 of 151 sites, have been addressed by working with our neighbouring communities, tenants, and stakeholders; ultimately removing derelict vessels and structures and restoring habitat.

Or you may know we led the development of Clear Seas, the Centre for Responsible Marine Shipping, which was launched in July and will provide an independent and objective source of fact-based information on safe marine shipping.

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.

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

Second, from a goods movement perspective, trade-enabling 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.

In fact, just recently, Home Depot – unable to source a suitable, cost-effective, location large enough for their expanding business here in Metro Vancouver - relocated a distribution hub to Calgary. This has directly impacted local jobs. There is demand for space here. Household brands, like Home Depot, Lululemon, and Amazon are looking to grow. But, faced with limited industrial real estate supply, they are unable to grow – **here**. This statistic may shed light on what we are facing. The level of investment in distribution facilities in Alberta is **double** that of B.C. – and **we** are the port city!

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 is protected for industrial use to serve our economy and community for generations to come.

I encourage you to speak up on this issue, to ensure the right discussions, and actions, take place to protect this critical economic resource.

This draws me to the end of my allotted time, but before I conclude today, I want to again, acknowledge you for your interest in our region, your country, and your port. 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 in Surrey 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.

Thank you.