

Speaking notes

Vancouver Fraser Port Authority AGM

Speaker: Robin Silvester
Date: June 9, 2020
Event: Vancouver Fraser Port Authority AGM
Event time: 3:15 – 4:15 p.m.
Location: Virtual event (Webex event)

Welcome remarks

Good afternoon, everyone, and welcome.

My name is Robin Silvester, and I'm president and CEO of the Vancouver Fraser Port Authority.

Thank you for joining us for our first-ever virtual AGM.

Should you have any technical difficulties, you'll find call-in numbers on the event invitation.

Today's event is based at our offices at Canada Place.

Our executive leadership team and board chair are with me in the office today, following social distancing and health protocols, and the rest of our board is joining us remotely.

I'd like to start by acknowledging that we're gathered on the ancestral lands of the Musqueam, Squamish and Tsleil-Waututh Peoples, and to extend our thanks to them.

We've moved to our virtual format today to comply with Transport Canada guidelines as well as physical distancing health requirements amidst COVID-19.

Under the Canada Marine Act, Canada Port Authorities are required to hold an AGM every year that's open to the public, and held in the municipality where the port is situated.

At these meetings, port authorities are to release audited financial statements; announce an auditor for the current year; and have their CEO and leadership available to answer questions.

This year, as the country responds to COVID-19, Transport Canada has asked port authorities make every effort to fulfill these AGM requirements through appropriate formats.

We plan to do just that, so we'll proceed much as usual, albeit virtually

We'll start with some remarks from the port authority's chair, Judy Rogers; then, I'll provide year-in-review comments; next, the port authority's CFO, Victor Pang, will speak about our 2019 financial results; then, I'll announce this year's Blue Circle Award winners; and finally, we'll move into our Q and A session.

We'll answer questions that have been submitted ahead of time or that we receive in the course of this meeting, and we'll answer as many as we can. You can submit written questions through the Webex Events question period function.

Now, it's my pleasure to invite Judy Rogers, chair of the Vancouver Fraser Port Authority's Board of Directors, to make some remarks.

CEO's year-in-review speech

I'll now take you through some year-in-review highlights.

I hope you'll take away two things: first, the port's strong and resilient 2019 performance has allowed the port authority to invest in Canada's trade infrastructure and advance port sustainability; and second, we're

taking that work forward in 2020, to help power the economic recovery ahead, locally and nationally.

I'll start with a brief overview of the port's 2019 performance; then I'll highlight some of our key work last year; and finally, I'll touch on this year's COVID-19 response and what's ahead.

2019 port performance

In 2019, despite some global trade challenges, cargo volumes through the Port of Vancouver were the second highest in its history.

This reflects two of the port's core strengths: the Port of Vancouver has the most diversified cargo-handling capacity of any port in North America; and it has diverse and extensive trading links, with more than 170 countries trading through the port.

Because of these strengths, sectors that saw challenges in 2019 were largely offset by growth in other areas, including record-setting potash, grain and container volumes.

The port's strength in 2019 is also a testament to the very capable companies that operate in the port and in its supply chain, including terminal operators, marine carriers and shippers—and to the to the port's workforce—who enable Canada's trade every day, and of course it's testament to our customers, the many companies who choose to use our port. We know you always have choices about how you ship your cargo and we appreciate you choosing the Port of Vancouver—thank you.

To everyone joining us today from industry and labour—thank you for the tremendous strength you bring to this port.

2019 port authority work

Turning to the port authority's key work in 2019, I'm proud to say we achieved a great deal.

We were able to do so because of the port's performance and our strong financial results, which Victor will speak about shortly.

Let me mention some of our top-level 2019 achievements, under the three pillars of our vision to be the world's most sustainable port.

Pillar #1: Trade

Starting with work to deliver economic prosperity through trade, our central focus was on building trade infrastructure.

Within that, last year we advanced a major program of road and rail projects across the Lower Mainland.

These projects remove trade bottlenecks and open up new capacity for Canada's trade growth, and they also mitigate community challenges like traffic congestion and emissions.

In 2019, we launched engagement on the Pitt Meadows Road and Rail Improvements Project; we began working closely with stakeholders on the Burnaby Rail Improvements Project, Portside/Blundell Road Improvements Projects, and several others; we undertook construction on the Deltaport Truck Staging Facility, the South Shore Access Project, and the Commissioner Street Road and Rail Improvements Project; and we completed construction on the Tsawwassen Container Examination Facility.

This year, despite the challenges of COVID-19, we've taken all those projects forward.

We've held and will be hosting virtual public engagement processes for the Burnaby Rail Corridor Improvements Project and the Pitt Meadows

Road and Rail Improvements Project; and we've continued engagement virtually with key stakeholders for the Coquitlam Rail Corridor Improvements Project and the Portside/Blundell Road Improvements Project.

We're very proud of all that progress.

Moving to our waterfront infrastructure, in 2019, we made significant strides on two container terminal projects, which are of paramount importance to this sector in the coming years.

Last summer, we started construction on the Centerm Expansion Project, which we believe may be the most technically-complex construction project in B.C. right now, and that work continues to advance.

Also in 2019, our proposed new terminal project, Roberts Bank Terminal 2, completed public hearings, as part of the federal environmental assessment process.

That was a major milestone for us.

It was followed this year with the panel's report, which was released in late March.

We've welcomed that report, which we see as a roadmap as to how, on top of our existing proposed mitigation measures, we can further mitigate project-related effects, and we're committed to doing that.

We were also pleased to see that after a full day of the hearing dedicated to alternative means, the panel agreed that our assessment of alternative means of carrying out the project, through which we concluded that the Roberts Bank Terminal 2 project was the right alternative, was appropriate.

The panel also agreed that the purpose of the project is consistent with Canada's role as a trading nation.

Right now, we're continuing to advance permitting and procurement activities for the project, and we look forward to a government decision on the project in late fall.

Pillar #2: Environment

Moving to the pillar of a healthy environment, last spring, we signed a first-of-its-kind Conservation Agreement under the *Species at Risk Act* with the federal government and marine industry associations, which effectively ensures the continuation of the ECHO Program for the next five years.

For those that don't know it, the ECHO Program is the flagship collaborative environmental program that we lead to better understand and help reduce the cumulative impacts of commercial shipping on whales, including southern resident killer whales of which only 73 remain.

This agreement is great news because it confirms the commitment of the signatories and emphasizes the importance of the ongoing collaborative work of the ECHO Program.

That includes the valuable advice provided by conservation and environmental groups and indigenous community members.

Moving to another first, 2019 was our first year working with 12 global ports on the World Ports Climate Action Program, which is a landmark initiative to accelerate climate action in ports and shipping.

Our involvement in this work highlights the way we're sharing Canada's environmental expertise internationally, and learning from other ports, as we collaborate to drive positive industry practices globally.

Moving to a couple records that were achieved last year, we saw a record number of ships—nearly 1,000 ships or 40% of vessel calls at

the Port of Vancouver—participating in our EcoAction Program, which provides incentives for ships with lower environmental impacts, including quieter ships. We also saw a record number of shore power connections, with 81 cruise ships connecting and 27 connections at container terminals in their first year with that capacity.

It's great to see those successes, and we really value industry's collaboration in achieving those.

Pillar #3: Communities

Turning to our work to enable thriving communities, a key way we're able to support local communities is through the infrastructure projects that we lead.

We design our projects to create trade capacity, but also, to offset trade impacts in local communities, and meet community needs.

A project that really exemplifies this approach is our Low Level Road Project on the North Shore, which we completed a few years ago, and which won an Envision Platinum Award from the Institute for Sustainable Infrastructure.

The project increased trade capacity, but also delivered a new pedestrian overpass, improved bike lands, and enabled the extension of the Spirit Trail, which is a valued community recreation area.

That's the kind of approach we're looking to take with our current slate of road and rail projects, and we've been engaging on a number of those in 2019 and now 2020 to understand what that can look like.

In 2019, we also provided funding to 18 community organizations through the Centerm Community Fund, and in 2020 we're providing funding to a further 11 organizations.

These investments are part of a broader \$2-million fund that we've set up to support community initiatives in the Centerm project area.

2020 COVID-19 response

That's a snapshot of our 2019 highlights.

Now, given the strange year we're having with COVID-19, let me make a few comments about that, and our outlook for 2020.

With the onset of the pandemic, in early March, we launched a COVID-19 Task Force to guide our response, both at our offices, and throughout the port.

We're focused on three priorities: health and safety; keeping the port open; and keeping economic activity going.

I'm pleased to say that, to date, the port is functioning well and showing resilience, which reflects the hard work and resourcefulness of companies and labour across this port at this challenging time.

As of end of April, our strength in diversity of trade meant our year-to-date total cargo volumes were actually 1% above 2019 levels.

That said, we are seeing impacts to some sectors, and in particular to the cruise sector, where the full 2020 season has been effectively cancelled.

We recognize what a difficult time this is for the cruise industry and we are working closely with them as we look forwards, towards the 2021 season.

More broadly, looking ahead, we know from past economic downturns that trade rebounds strongly.

We remain confident in Canada's trade growth through this gateway, post-pandemic, and we're working to ensure we can continue to enable that.

As the port authority, we're continuing to advance and build more than \$1 billion worth of infrastructure projects, with partners, across the Lower Mainland right now

We believe these projects, together with on-going trade through the port, will be a major engine for economic recovery in the coming months, by supporting jobs, the companies we contract with, and investment in this region.

Conclusion

To pull all this together, the port's strong performance in 2019 not only supported the many aspects of our work last year, but it has positioned us to play a real role in the economic recovery ahead, and we're proud to be a part of that

Thank you.

Blue Circle Awards

It's now my pleasure to announce this year's Blue Circle Award recipients.

Each year, we recognize marine carriers and terminal operators who have reduced their environmental impacts, as recognized by our EcoAction and Energy Action programs.

We have 30 award recipients this year, which is outstanding!

I'll now recognize award recipients in four different categories, starting with shipping lines.

You can see on screen that we have 18 recipients this year, which is terrific!

Special kudos to:

- “K” Line and Westwood Shipping Lines, who have received this award every year since the inaugural awards in 2009;
- Hapag-Lloyd, who have been recognized ten times;
- CMA CGM, HMM, and Mediterranean Shipping Company, who have won this award for seven consecutive years since 2013; and
- Evergreen Line has won this award for five consecutive years since 2016.

We commend these companies for their leadership and commitment—and again, congratulations to all our winners in this category!

Turning to cruise lines, I’d like to congratulate our six winners this year.

Of special note:

- Princess Cruises has been awarded every year since the inaugural awards in 2009
- Disney Cruise Line has received an award for every year it has homeported in Vancouver

Those are terrific accomplishments—and again, congratulations to everyone in this category!

Moving on to coastal marine operators, congratulations to the four recipients in this category:

- BC Ferries
- North Arm Transportation
- SAAM Towage Canada

- Seaspan

Finally, congratulations to the two terminal operators, Cascadia Port Management Corporation and Viterra Pacific Elevators.

To all Blue Circle Award recipients, congratulations and thank you.

We strongly value industry's partnership, as we work together to make the Port of Vancouver the world's most sustainable port.

Thank you.