



PORT of
vancouver

Vancouver Fraser
Port Authority

Submission to the House of Commons Standing Committee on Finance

Pre-budget consultation in advance of the 2022 federal budget

Vancouver Fraser Port Authority

August 06, 2021

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Introduction

The Vancouver Fraser Port Authority is pleased to submit recommendations for consideration in the Government of Canada's 2022 federal budget.

As Canada's largest port, the Port of Vancouver acts as an economic engine for the nation as a whole, and the Vancouver Fraser Port Authority is committed to building reliable and world-class infrastructure and operations needed to facilitate Canada's international commerce through the Port of Vancouver. The recommendations above are offered to help strengthen our country's ability to act as a trading nation, and in particular, as a gateway to the Asia-Pacific market. Our recommendations also align with other government priorities, including the protection of our environment.

Overview of the Vancouver Fraser Port Authority and the Port of Vancouver

The Vancouver Fraser Port Authority is responsible for the stewardship of federal port lands and waters of the Port of Vancouver on behalf of Canadians and in support of national trade objectives. As a non-shareholder corporation established by the Government of Canada in January 2008, pursuant to the Canada Marine Act, we are accountable to the federal minister of transport.

Like all Canada Port Authorities, the Vancouver Fraser Port Authority's mandate is to contribute to the economic growth, competitiveness, and prosperity of Canada, while providing a high level of safety, protecting the environment, and considering local communities.

The Port of Vancouver is Canada's largest port, and third largest in North America in terms of annual tonnes of cargo. As the country's gateway to over 170 world economies, the port handles about \$1 in every \$3 of Canada's trade in goods outside North America. Enabling the trade of approximately \$240 billion in goods annually, port activities sustain:

- \$24.2 billion in economic output
- \$11.9 billion in gross domestic product (GDP)
- \$7 billion in wages
- 115,300 jobs in Canada
- \$1.4 billion per year in tax revenues

The port operates across five business sectors: automobiles, breakbulk, bulk, container, and cruise. Operators include cargo and cruise terminals, industries requiring tidewater access, shipyards, tugboats, railways, trucks, shipping agents, freight forwarders, suppliers, builders, and administrative agencies.

The port's lands and waters border 16 municipalities and intersect the asserted and established traditional territories and treaty lands of several Coast Salish First Nations. We recognize the rich history and contemporary interests of Indigenous peoples and work to establish and maintain productive relationships through Indigenous consultation, regular communication, and a desire to engage in mutually beneficial opportunities to enhance the Asia-Pacific Gateway.

Summary of recommendations

- **Recommendation 1:** Expedite approvals and facilitate the required borrowing limit changes necessary for the development of the Roberts Bank Terminal 2 Project—a proposed new marine container terminal in Delta, British Columbia—critical to meeting Canada’s future increasing trade demands through the Port of Vancouver
- **Recommendation 2:** Develop a national transportation strategy— in collaboration with provincial, municipal, and Indigenous governments, as well as key industry stakeholders—that identifies and protects national transportation corridors, including land suitable for trade-related business and infrastructure
- **Recommendation 3:** Implement a secretariat to oversee and prioritize joint funding opportunities for common infrastructure projects on Canada’s west coast
- **Recommendation 4:** Commit to the decarbonization and reduction of air pollutants in Canada’s trade-enabling infrastructure at marine terminals and across the supply chain by:
 - Facilitating industry testing and adoption of low carbon and zero emission technology
 - Supporting the creation of infrastructure needed for the transition to low carbon and zero emissions
- **Recommendation 5:** Invest in and support marine gateways in becoming more efficient, environmentally friendly, and quiet. This includes:
 - Supporting the use of liquefied natural gas (LNG) as a marine fuel and the port’s journey to becoming in delivering alternative marine fuels
 - Matching the \$1.5 million contribution to the Clean Technology Initiative made by the Province of British Columbia and the port authority

Background on recommendations

Roberts Bank Terminal 2

Roberts Bank Terminal 2 (RBT2) Project is a proposed container terminal in Delta, B.C. that is needed to ensure Canada is able to meet its trade objectives through to the mid-to-late 2030s.

In 2013, the project underwent a federal environmental assessment under the *Canadian Environmental Assessment Act, 2012*. The location and terminal orientation were selected to minimize the impact on the environment and local communities as best as possible. The project requires approval by the federal Minister of Environment and Climate Change, as well as completion of other permits before it can proceed.

If approved, the project is expected to provide substantial benefits locally, provincially, and nationally by accommodating the increasing demand for trade, supporting economic recovery and growth, creating employment opportunities during project construction and terminal operation, and providing benefits to Indigenous groups and neighbouring communities that are in line with Canada’s reconciliation goals.

During construction, the project would provide approximately 18,050 person-years of employment over a six-year construction period. Once operational, on-terminal and off-terminal activities would support more than 17,000 well-paying, full-time jobs annually.

The construction of the project would add \$3 billion in GDP to the Canadian economy, while its operations, including on-terminal and off-terminal activities, would add \$1.2 billion in GDP each year.

Now more than ever, investment into the Canadian economy is critical, and the Roberts Bank Terminal 2 Project will play an important role in Canada’s economic recovery.

Long-term government leadership on strategic infrastructure spending

The port authority commends the government for its commitment to infrastructure spending through the National Trade Corridors Fund, which has provided over \$300 million supporting 11 port authority-led projects that will improve Canada's competitiveness and ability to trade. As the government decides on the future of the fund, the port authority strongly urges that trade-enabling common-user infrastructure to be at the forefront of investment, given its direct support of capacity enhancement at the port and trade corridor functionality.

The Gateway Transportation Collaboration Forum, established in 2014, is a collaborative effort to ensure the Vancouver gateway is ready to manage Canada's growing trade. Its members include Transport Canada, the B.C. Ministry of Transportation and Infrastructure, the port authority, TransLink, and the Greater Vancouver Gateway Council. This collaboration has been working to identify and seek federal funding for projects that will improve our trade and transportation network to meet growth anticipated by 2030.

The port authority is forecasting that an additional 33 million tonnes of cargo will move through the port annually. Long-term forecasts are robust, particularly in light of agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. This will translate directly into increased Canadian economic growth.

To accommodate that growth and remain competitive, the port authority and others are delivering projects and identifying future projects for trade-enabling infrastructure that will improve road and rail access, efficiency, capacity, employment, tax revenues, public safety, and security, while reducing operating costs and congestion due to road and rail conflicts.

Trade-enabling lands

According to Metro Vancouver, operations on industrial land generate roughly one in every four jobs in the region and contribute 40% of the regional GDP. With the industrial land supply dwindling, opportunities for well-paid jobs will begin to diminish as it becomes increasingly more difficult for businesses to locate here.

Large parcels of industrial land are particularly scarce, which is especially critical given the region's importance to Canada's future trade opportunities. The Port of Vancouver facilitates trade with about 170 world economies, and Canada continues to negotiate trade agreements beyond North America. As a country, we have come to realize that reliance on one trading partner—the U.S.—is not a good, long-term strategy for prosperity. Canada's largest port will be essential in accessing new trading partners in Asia.

We continue to advocate at all levels of government for the preservation of lands most suited to trade-enabling purposes, such as lands best served by the regional road, rail, and marine goods movement corridors.

Decarbonization of Canada's trade-enabling infrastructure

There is a generational investment opportunity to decarbonize Canada's largest port and major transportation corridors across Canada. Government can view major ports as strategic starting point for an ambitious and bold investment strategy to facilitate de-carbonization of transportation activities across the country.

The port authority leads a suite of programs and initiatives focused on reducing port-related emissions, such as the EcoAction Program, which encourages voluntary best practices to reduce emissions and

other environmental impacts, and the Clean Trucking Initiative, designed to reduce air emissions through the implementation of environmental requirements for container trucks.

In collaboration with the ports of Seattle, Tacoma and the Northwest Seaport Alliance, we have also developed the new 2020 to 2030 Northwest Ports Clean Air Strategy, which sets our bold vision to phase-out emissions from seaport-related activities by 2050, supporting cleaner air for local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5°C. Our port-wide air emissions inventory and air quality monitoring initiatives are the foundational programs we use to measure our overall progress to reduce emissions.

The port authority also launched the Clean Technology Initiative, in partnership with the Province of British Columbia, to support port users to test low and zero emission technologies such as 100% biodiesel in a short-sea vessel, 100% renewable diesel in tugs and terminal locomotives, and battery electric terminal tractors and drayage trucks.

We recommend that the Government of Canada commits to the decarbonization and reduction of air pollutants in Canada's trade-enabling infrastructure at marine terminals and across the supply chain by:

- Facilitating industry testing and adoption of low carbon and zero emission technology
- Supporting the creation of infrastructure needed for the transition to low carbon and zero emissions

The Blue Economy

Sustainability has always been a part of our legislated mandate, and our vision is for the Port of Vancouver to be the world's most sustainable port. We define a sustainable port as one that delivers economic prosperity through trade, maintains a healthy environment, and enables thriving communities through collective accountability, meaningful dialogue, and shared aspirations.

There are significant environmental impacts from trade activities on communities in the Lower Mainland, specifically in the form of air pollutants, GHG emissions, and noise. These arguably require disproportionate levels of government policy and investment to mitigate and respond to these community concerns and generate public support for continued growth in trade. Federal participation and financial support is needed to grow these initiatives and have a meaningful impact in decarbonizing the supply chain.

Generational investment is necessary to help evolve maritime gateways to be more efficient, environmentally friendly, and quiet. This type of investment can help drive the bold changes that will need to happen for Canada to meet its commitment to net zero emissions by 2050.

Furthermore, integrated planning across government departments, with strong coordinated leadership to champion and support the maritime sector will help to ensure our transition to net zero is successful and timely.

Conclusion

The Port of Vancouver is recognized as a world-class trade gateway -- largely due to the federal government's vision and support in implementing strategic and nation-building infrastructure improvements that have created capacity and allowed the gateway to facilitate tremendous trade growth.

Global trade is a fundamental economic engine for Canada, and the port authority enables Canadian trade through the Port of Vancouver. Expanding Canada's major trade and transportation corridors and supporting the efficient movement of goods through strategic infrastructure and innovation is vital to maintaining and enhancing economic growth.