



SLIDE 1: PORT 2050

Good afternoon, and thank you, Mayor [Dianne] Watts, for your kind introduction.

On behalf of the Board, executive team and employees of Port Metro Vancouver, thank you for inviting me to be here today to share thoughts on our [Port 2050 initiative](#).

As a brief overview, “Port 2050” is the name we gave to the year-long strategic visioning exercise we embarked on in 2010.

Throughout the process, we gathered feedback from representative parties with a stake in the future of the Gateway to create a strategic vision for the Port. The contributions of our participants, together with in-depth analysis of the outcomes, helped us understand where we are today, and where we are going – as a Port, and as an industry.

The 2050 initiative was an eye-opener for the Port, and for all the stakeholders who took part in it. They included small and big business. Unions. Farmers. First Nations. Railways. Truckers. Environmentalists. Shipping companies. Federal, provincial, and municipal officials.

The outcomes of the Port 2050 process will guide future business priorities, shape new initiatives and ultimately transform every aspect of Port Metro Vancouver’s operations.

The Port 2050 process has helped ensure we move forward with a unified vision that reflects our diverse needs and aspirations. We look forward to identifying new areas of cooperation as we move forward together.

To get started, I’d like to show you a brief video that outlines the Port 2050 process and findings.



[CLICK ON IMAGE TO PLAY VIDEO IN YOUTUBE – RUNS 03:49]

While the video provides a good overview of Port 2050, I thought I'd go into a few more details on the process and outcomes, then hopefully lead into a discussion with you about what this means for the future of the Port, the Gateway and the region.



SLIDE: SCENARIO PLANNING

Over the past 40 years, scenario planning has emerged as a tool to help organizations make flexible long-term plans.

These questions highlights a major challenge for large organizations the world over, from corporations to governments, who have to make large bets for the future.

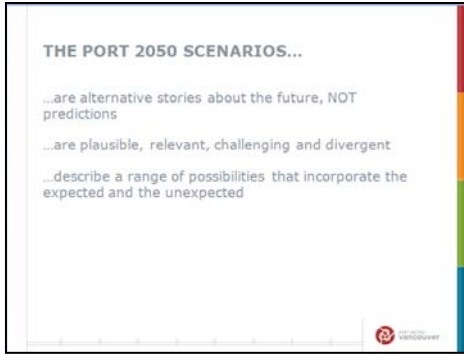


SLIDE: THE PORT 2050 PROCESS

Our goal was to create a strategic vision for the future of the Gateway by exploring these two questions:

What is good growth for the Gateway and its stakeholders?

What will the Port look like in the next 20 and 40 years?



SLIDE: THE PORT 2050 SCENARIOS

Through a series of engagements with our stakeholders (including some of you in this room), we developed four scenarios to help us tell alternative stories about the future of the Port and the Gateway.

The scenarios that emerged are challenging, feasible and describe some inevitable changes to the way we – and our industry partners – do business.



SLIDE: KEY DRIVERS OF CHANGE

The building blocks of scenarios are known as the “key drivers of change.” These represent important trends, forecasts and uncertainties facing the Gateway.

These seven factors were ranked on their importance and degree of uncertainty. The intersection of these critical issues forms the basis for the Port 2050 scenarios.

Capacity to Grow

How will pressures from population growth, climate change and industrial, residential, and agricultural land use be resolved?

Demographics and Shifting Social Values

What global and local population shifts will happen, and how will these shifts impact goods production and consumption? How will social views of globalization and trade evolve, here and around the world?

Energy Transition

What are the implications of ‘peak oil’ for global goods transport? What alternatives to hydrocarbons will develop, and how quickly?

Gateway competitiveness

How attractive and productive will the Gateway be for business, labour, investors, and trade?

Geopolitical Stability

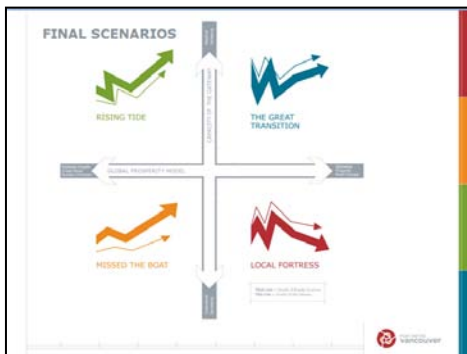
How volatile will the geopolitical environment be, and how will the rise of new political actors affect the Gateway?

Patterns of Production and Consumption

How will changing locations of consumers and goods producers impact trade flows? How will demand for key Gateway commodities shift over time?

Technological Innovation

How will technology improve goods movement and handling? Or alternatively, what innovations could disrupt the transportation and logistics industries?



SLIDE: FINAL SCENARIOS

To develop our scenarios, we used a matrix approach.

Horizontal Axis: Global Prosperity Model (status quo, economic growth-driven model vs. alternative prosperity model)

Vertical Axis: The Capacity of the Gateway

(Constrained/decreasing vs. adaptive/increasing)

This approach created four separate future environments.

You will have seen these four scenarios in the video, so I will just quickly run through them at a very high level.



SLIDE: LOCAL FORTRESS

In this scenario, global economic crises continue, depressing household incomes, lowering consumption. Economic slowdowns around the world impact Gateway trade significantly.

Locally, Metro Vancouver is no longer seen as an emerging global region and becomes less relevant

nationally and internationally. The region is less resilient, and ongoing crises lead to cracks in our communities.

The benefits of globalization are questioned; as a result, regional protectionism increases.

The Gateway is downsized with lower demand & lack of support. Activity – and jobs – shift away from the region.

Vancouver becomes a "lifestyle bubble", a place to vacation and retire, ethnically diverse but lacking vitality and global connectivity.

MISSED THE BOAT

WORLD CONTEXT

- Emerging markets drive growth
- Geopolitical shift to Asia, Middle East, South America
- South-to-south trade routes dominate
- Focus of manufacturing shifts (Africa)

GATEWAY CONTEXT

- Local challenges; Gateway falls short of expectations
- Disconnect with communities; can't attract talent
- Gateway can't adapt to shifts in global supply chains
- Changing trade patterns lead to sustained drop in West Coast port activity

PORT VANCOUVER

SLIDE: MISSED THE BOAT

In this scenario, emerging markets drive strong growth, but Gateway capacity is unable to adapt to demands for both internal and external reasons.

The focus of manufacturing shifts, and as a result, trade patterns shift more south-south.

These trade route changes ultimately mean the Gateway is less relevant, losing out to competitors and other corridors, and showing only incremental growth.

Again, jobs are lost. At the same time, community support for the Port wanes because of land use issues, poor coordination and congestion.

RISING TIDE

WORLD CONTEXT

- Current trends continue: Globalization, Growth
- "Resource wars" emerge
- Increasing volatility in global markets
- Climate change gathers momentum

GATEWAY CONTEXT

- Challenges from volatility initially
- Canada/BC benefits - valuable resources & more stable
- Land use tensions; focus → success
- Greater collaboration between West Coast ports
- Climate change → technology
- Resources running out?

PORT VANCOUVER

SLIDE: RISING TIDE

This scenario looks very much like our current reality. There is continuing economic growth and globalization, albeit with market volatility and global uncertainty.

B.C. benefits from this instability given global resource demands, and the Gateway is able to facilitate this. The region is increasingly prosperous, a go-to-place for immigrants.

Land use remains a challenge. But tensions are managed with innovative planning and cutting-edge urban design.

All in all, this is a high risk/ high reward world. However, as population growth puts pressure on our natural resources and climate change gathers momentum, we know it’s not a sustainable future.

A possible trajectory: this scenario is a precursor to the “Great Transition.”



SLIDE: THE GREAT TRANSITION

This is a scenario where we see a paradigm shift — the rapid transition to a post-carbon model happens faster and more profoundly than expected.

In this future, we see a new generation of global leadership emerge, as well as the successful institutionalization of triple bottom line metrics. This creates new, more sustainable consumption and production patterns.

While there are many losers, the Gateway becomes a global winner. A key factor is far-sighted, bold and collaborative leadership at multiple levels — from municipalities and First Nations to industry and all levels of government.

The Lower Mainland is resilient; early investments in sustainability in the region pay off.

The Port industry focuses on carbon-neutral innovation to make the supply chain sustainable, leading to improved relationships with neighbouring communities while gaining significant competitive advantage.



SLIDE: OUR ANTICIPATED FUTURE

When we looked at these four scenarios, we asked ourselves “where do we think we are now?” and “where would we like to see ourselves in 40 years?”

The “Local Fortress” and “Missed the Boat” scenarios describe worlds with decreased adaptability and

capacity in the Gateway. As an organization with a mandate to facilitate trade in the best interest of all Canadians, these scenarios are difficult for us to embrace.

“Rising Tide” and “The Great Transition”, on the other hand, illustrate a future with increasing capacity and, ultimately, more sustainable production and consumption patterns.

What emerged is what we call our Anticipated Future. This is an outlook that involves considerable growth across cargo sectors, while eventually transitioning to a business environment where a triple bottom line approach becomes the accepted and expected measure of success.

With this in mind, we determined that our Anticipated Future begins in the Rising Tide scenario. While this is the most familiar outlook, there are many aspects of Rising Tide that are not desirable, namely the potential for resource scarcity and economic turbulence.

Therefore, we also felt that The Great Transition is a plausible outcome from a longer and broader view. Many aspects of The Great Transition are preferable to the other three scenarios, as long as progress occurs in a manageable way and key risks are mitigated.



SLIDE: PORT 2050

We are confident that the outcomes of the Port 2050 process will help guide our business priorities, shape new initiatives and ultimately permeate every aspect of Port Metro Vancouver’s operations.

As you can imagine, during a process like Port 2050, there were diverse opinions and wide-ranging views.

Yet, we all emerged from the visioning effort in agreement that while we can’t accurately predict the future, we can certainly plan to be ready for it.

Since the project concluded, however, we’ve seen some remarkable developments. Developments that seem to indicate that some of the changes and volatility that we collectively envisaged in the scenarios process is closer than we perhaps thought. The crises in Europe. Monetary and market upheavals. The Occupy movement.

The message from all of these developments is that planning processes are important, and what’s more important is the individual and collaborative action required to advance them. Not action decades from today, but action now.

We know that the frightening ‘Missed the Boat’ and ‘Local Fortress’ scenarios will be realized if we don’t all collaborate within the Gateway supply chain and throughout the Lower Mainland.

Given the speed and implications of situations in some countries in Europe, for example, ‘The Great Transition’ scenario doesn’t seem so futuristic at all. The triggers may be more economic and societal – like the Occupy movement – rather than the climate change and environmental triggers we perhaps imagined when preparing the 2050 scenarios. But the effect is the same, and it seems like it could already be beginning.

Yet we as a region are positioned to emerge through this rough and risky period as a global success that sees us institutionalize a triple-bottom-line involving the economy, the environment, and the services that sustain our society.

But Port 2050 isn’t just about the Port and port communities. We can’t do it alone. Neither can your municipalities do it by yourselves. It will take all of us to drive a collaborative effort, and ensure that we have the leadership that has the will to turn that collaboration into the action and the results needed to meet these challenges.

How we meet change will determine if all of us in this room, our neighbours, the people of this region, this province, this country, and the next generation, will prosper.

Fundamentally, to ensure this, we need to start acting on job creation today.

We need to start taking the actions that will allow us to preserve and increase the jobs that produce our standard of living and support the services – municipal, provincial and federal – we need and rely on.

Today, Port Metro Vancouver is Canada’s most important asset in the growth and prosperity of our Pacific Gateway, a driving force in delivering and leveraging supply chain value for industry, communities, and our nation.

This port is Canada’s largest and busiest, trading \$75 billion in goods annually. That’s \$200 million every day.

We have facilities and operations in 16 of your communities, intersecting the traditional territories of several First Nations, with benefits that flow to dozens of other communities right across the region and the country.

Port-related activities across Canada account for 129,000 jobs in the Port’s supply chain alone. More than 80,000 of those jobs are based right here in the Lower Mainland. There are tens of thousands —hundreds of thousands — more jobs, in the heart of communities

throughout our nation, that depend on the Port to get their goods to market or bring their goods from overseas.

But what's more important than the jobs, is the people who are depending on them.

It's the family in Delta, who depend on employment in a company that maintains port cranes.

The family on the North Shore who depend on employment as an engineer designing new machinery to load grain.

The family in Richmond who grow blueberries for a living, and depend on the Port to ship their produce to places like Japan and Australia.

The family in Surrey, who operate a container truck that services port facilities.

Those 129,000 jobs provide the revenue that municipalities, provinces and the federal government need to provide the services everyone requires. All of those jobs depend on a competitive and efficient supply chain that may begin or end in towns and cities across the land, but ultimately depend on the jobs and the services that we've created here.

How do we get ready for change, big and small, and how do we protect and grow jobs, when we don't yet know the effects of change? In our case, we began by talking. And through that, we quickly learned that we need to collaborate, to be fearless in our discussions, and be willing to take action.

Having gone through our Port 2050 visioning process — I think we all could be surprised at what we can agree and work on together.

What sorts of things need to be examined? Each of you will likely have an idea of what's important. And so does the Port.

For example, it may be time to seriously re-think land-use planning, so that the facilities and infrastructure required by our own inevitable population growth and a changing world will be accommodated without sudden or unexpected impact. Perhaps it's not just an Agricultural Land Reserve that's needed in British Columbia, but a Jobs Land Reserve. A reserve where land that is critical to the jobs we have, and the new jobs we will require over the next 30 to 40 years, allows them to grow and flourish in a sustainable way.

For our part, next week Port Metro Vancouver is launching a two-year process to update our Land Use Plan. The new Plan will provide a framework to guide the physical

development of Port Metro Vancouver over the next 15 to 20 years. This update represents our first major initiative since completion of Port 2050, and it provides a tangible opportunity to implement the new strategic vision that emerged from that process.

But land use is just one piece of the puzzle.

All of us in this room need to think fast and hard about the future in a way that balances the needs of our communities, our environment, and our economy. But we need to be bold, too. We need take on issues and forge links that preference or easy practice has put off limits in the past. And before they can be accepted, or rejected, they need to be openly and honestly discussed.

Political parties may have differing views on many things, but fundamentally I think everyone agrees that a healthy economy, with good jobs and good paycheques, is absolutely necessary to support what a government needs to do, or wants to do, over the long term.

The message from Port 2050 is to seriously consider what needs to be done to ensure our collective future is bright, to keep and create the jobs and the services we depend on, in a world where the only constant is more change.

Protecting and improving upon the things that have positioned our region successfully, both as a growing economy and as one of the best places in the world to live and raise a family, is going to be fundamental to the future of all of our organizations and the future of everyone who lives in the Lower Mainland.

We need to work together ever more closely to build a sustainable future, for the port, for our communities, our Province, our Nation.

For all of us.

Thank you for your time this afternoon, and I would be happy to answer any questions you might have.