Port Governance: A Canadian Perspective

AAPA Finance Seminar
June 11, 2008
About the VFPA

- Formerly 3 Lower Mainland Ports: Fraser River Port Authority, North Fraser Port Authority, Vancouver Port Authority
- Amalgamated on January 01, 2008
- Bordering 16 municipalities – more than 600 km of jurisdiction
- Accountable to the Federal Minister of Transportation
- Ability of Board to approve spending up to $510 million.
- Ability to joint venture.
- 3 Offices in Vancouver, New Westminster, Richmond
  - Office in Beijing, China
  - Virtual office in Chicago, IL
Benefits

- Improved land use planning and coordination
- More effective marketing
- Improved operational efficiencies
- Enhanced financial resources
- Greater influence
- Increased human resource opportunities
- Greater opportunities for communities
Vancouver Fraser Port Authority

Largest Port in Canada.
Largest Port in North America in Total Foreign Exports.

Handled over 127 million tonnes of cargo in 2007
Trade with more than 120 economies
Common Objectives

Federal Government
- Asia-Pacific Gateway & Corridor Initiative

Provincial Government
- Pacific Gateway Strategy
- Gateway Program

VFPA
- Supply Chain Strategy

Common Goals
- Infrastructure expansion
- Expanding system capacity, capability and reliability
- Competitiveness
Governance

- Vancouver Fraser Port Authority (VFPA) is responsible for the operation and development of the assets and jurisdictions of the combined Fraser River Port Authority, North Fraser Port Authority and Vancouver Port Authority.

- VFPA is a non-shareholder, for-profit corporation, established by the Government of Canada in January 2008.

- VFPA is governed by a diverse board of directors representing government and industry, able to make independent and timely decisions on business plans and capital spending, clearly focused on the operational needs of port users, and guided by a vision for long-term growth and competitiveness.
Board of Directors

- Board of Directors consists of 11 members:
  - 7 appointed by the federal government based on recommendation of industry
  - 1 directly appointed by federal government
  - 1 directly appointed by BC provincial government
  - 1 directly appointed by Western provinces (Alberta, Saskatchewan, Manitoba)
  - 1 directly appointed by port’s 16 bordering municipalities
Economic Engine

Port Activities Generate:

- More than 50,000 direct jobs
- More than 70,000 total jobs across Canada
- Over $4.8 billion in total wages
- Over $53 billion in cargo value
Business Sectors
Total Tonnage by Sector

- Bulk: 58%
- Breakbulk: 25%
- Container: 16%
- Auto: 1%

*2007 VFPA data
Bulk Volume

- Chemicals & Petroleum: 15%
- Woodchips: 5%
- Potash: 9%
- Sulphur: 7%
- Other: 15%
- Grain: 16%
- Coal: 33%

*2007 VFPA data
<table>
<thead>
<tr>
<th>Major Bulk Cargoes</th>
<th></th>
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<tbody>
<tr>
<td>Coal</td>
<td>23.8 MT</td>
</tr>
<tr>
<td>Grain</td>
<td>11.5 MT</td>
</tr>
<tr>
<td>Potash</td>
<td>6.4 MT</td>
</tr>
<tr>
<td>Sulphur</td>
<td>5.3 MT</td>
</tr>
</tbody>
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*2007 VFPA data

Vancouver Fraser Port Authority Canada
Breakbulk Volume

- Logs: 75%
- Woodpulp: 7%
- Iron, Steel & Alloys: 8%
- Paper: 5%
- Lumber: 5%

*2007 VFPA data
Automobile Sector

- Largest auto port on North America’s West Coast
- 493,019 vehicles handled in 2007
VFPA Container Traffic

In thousands of TEUs

*1999-2006: VPA data; 2007 VFPA data

2.5M TEUs in 2007
Containerized Traffic

IMPORTS

- Machinery, Vehicles, Construction: 27%
- Chemicals, Metals & Minerals: 11%
- Consumer & Related Goods: 44%
- Forest Products: 7%
- Grain, Specialty Crops & Feed: 1%
- Processed Food Products: 4%
- Animal Products, Dairy & Produce: 6%

*2007 VFPA data
Containerized Traffic

**EXPORTS**

- Machinery, Vehicles, Construction: 3%
- Grain, Specialty Crops & Feed: 24%
- Processed Food Products: 2%
- Consumer & Related Goods: 1%
- Forest Products: 51%
- Chemicals, Metals & Minerals: 13%
- Animal Products, Diary & Produce: 6%
Major Trading Economies

Exports 2007

in thousands of metric tonnes

- Japan
- China
- S. Korea
- U.S.
- Brazil
- India
- Taiwan
- Germany
- Netherl...
- Italy

Vancouver Fraser Port Authority

Exports include:
- Potash
- Coal
- Sulphur
- Grain
- Chemicals and Petroleum Products
Total Trade by Economies 2007

in thousands of metric tonnes

Japan  China  S. Korea  U.S.  Brazil  Taiwan  India  Germany  Netherl...  Italy

Vancouver Fraser Port Authority
Vancouver - Alaska Cruise

in thousands of revenue passengers

960,554 passengers in 2007
VFPA Supply Chain Strategy

- Goal - To develop the most reliable and consistent supply chain in North America.
- How? By undertaking a variety of different and leading-edge initiatives, including:
  - Terminal expansion
  - Trucking program
  - Security initiatives
  - Regulatory initiatives
  - Rail initiatives
  - Measuring & monitoring
Improving Reliability
Container Trucking
Congestion Reduction

One barge carries as much cargo as 65 trucks or 15 jumbo rail cars.
Environmental Sustainability

Air Quality Initiatives - Marine Vessels

Differentiated Harbour Dues Program (April 1, 2007)

- Gold, Silver and Bronze categories
- reward and recognition for ships using cleaner fuels and technologies.
- Introduced measures that ensure air emissions in the Port are minimized.
QUESTIONS?

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