

Making Biggest Bigger: Port Metro Vancouver's 21st Century Re-Structuring – Global Meets Local at the Asia Pacific Gateway

Kevin Ginnell (Simon Fraser University), Patrick Smith (Simon Fraser University) and H. Peter Oberlander (University of British Columbia)¹

Abstract

Vancouver's Port is Canada's biggest. On January 1, 2008, it got bigger - restructuring the Port of Vancouver, the Fraser River Port Authority and the North Fraser Port Authority, into a single Vancouver Fraser Port Authority, marketed (as of June, 2008) as Port Metro Vancouver.¹ This new entity was the culmination of a process of divestiture, re-organizational adjustment, shift to market orientation and consolidation that has played out over several decades across Canada's ports. This article examines some of this recent history – both in terms of (i) divestiture and increased market orientation and (ii) more recently, major port consolidation - and governmental responses to ensure Vancouver remains Canada's busiest port and a central part of the country's Asia-Pacific Gateway and Corridor Initiative. (APGCI)

I. Past as Prologue: Canada's Ports Divestiture Program²

The early history of Canada's ports was one of public investment, public ownership and public management. From the Atlantic to the Pacific, the Arctic to the Great Lakes, hundreds of ports, large and small were established and came under the purview of the Government of Canada. Authority came from legislation such as the *Government Harbours and Piers Act*, the *National*

¹ Kevin Ginnell and Patrick Smith, Department of Political Science, Simon Fraser University, Burnaby BC, Canada V5A 1S6 kginnell@sfu.ca psmith@sfu.ca. Peter, one of Canada's pre-eminent urbanists, passed away December 27, 2008 and will be greatly missed.

² The majority of this work was funded by the SSHRCC – MCRI project on Multilevel Governance. It forms part of the research in British Columbia on 'Federal Property'. Peter Oberlander was a central part of this work on federal property, and a member of the BC MCRI research team. The maps included may be of interest; they are for Peter.

*Harbour Board Act, 1936, and the 1964 Harbour Commissions Act.*² By the 1980's, there were close to 600 'port sites' under the control of the federal department, Transport Canada.³ These involved ownership/management by port commissions under the aegis of the federal government.

By the 1980's, however, new public management principles had begun to gain ascendancy, challenging this public paradigm. The roots of this re-thinking came in the late 1950's with the MacPherson *Royal Commission on Transportation (Report, 1961)*.⁴ The long term result of this change in philosophy was that a majority of Canadian ports were systematically divested from direct federal management during the 1990's and 2000's and took on more market-oriented forms.⁵ Various Federal Governments (Liberal and Conservative) came to view public ownership and management as stifling commerce and compromising Canada's global competitiveness. The perceived inefficiency of 'public' ports led to a proactive policy of significant federal divestiture.⁶ It also produced parallel pressures to consolidate the largest Canadian ports. With regard to the divestiture program – started in 1996 - by the end of 2006, Canada had 'transferred, de-proclaimed or terminated its interest in 466 of the 549 ports identified for such divestiture'⁷ – under what began as the federal government's National Marine Policy of 1995 and the Ports Divestiture Plan, 1996 and later which became the *National Marine Act (NMA)* of June 1998. By December, 2008, 472 of the 549 Ports Programs facilities "had been transferred, demolished or had had their public harbour status terminated."⁸ For many of the remaining ports across Canada, especially smaller ones, the holdup often has been one of First Nations claims or questions about responsibility for ongoing liabilities – either of these creating a hiatus in finalizing the remainder of the federal port divestiture plans. Port Stanley, on Lake Erie in Ontario is a good example of the latter: in Port Stanley, prior oil/fuel and other contamination of the soil at the port left key questions about who would be responsible for any remediation. The Transport Canada plan had been to divest Port Stanley to the Municipality of Central Elgin – along with any future environmental liability. However, the municipality was told that under tough new Ontario provincial environmental regulations it would be responsible for millions of dollars in cleanup costs related to leachate and drinking water contamination, etc. Indeed a 'full remediation' vs. to less onerous 'industrial standards' would be necessary for any new non-federal owner. Port Stanley remains one of the 'non-divested' ports of Canada as a result.⁹

The early roots of the push for more market competition and the National Marine Act can be found in the work of the MacPherson *Royal Commission on Transportation* (1958 - 1961) which considered the government's control over transportation and "industry structure, conduct and performance" and advocated inter-modal competition amongst Canada's transportation systems, systematic de-regulation of rate setting and the use of national transportation infrastructure to further the country's economic success.¹⁰ The Commission's findings ultimately led to the passage of the *National Transportation Act* (1967), which set out a new national transportation policy.¹¹ What MacPherson had recommended was maximizing efficiency across the Canadian transportation system with more competition via market mechanisms:

Public action ... in developing a National Transportation Policy must seek to encourage competitive forces where the structure of industry permits pervasive and effective competition to operate, and to regulate where it does not.¹²

The *National Transportation Act* of 1967 contained this move to market principles. This legislative action was followed in the early 1980's by the *Canada Ports Corporation Act* (1983), moving ports to Crown Corporation – and more arms-length – status.¹³ In 1996, the Chretien Liberal Government initiated the Ports Divestiture Plan. Initially, a six-year program to eliminate federal port responsibilities across much of the system, it was extended in 2002 for an additional year; then extended again – for three years – to 2006; at present, it continues under a third extension by the Harper Conservative government.¹⁴ This program – and the continuing push for a clearer market model for Canada's ports - added legislative form under the *National Marine Act* of 1998 (NMA), another Chretien initiative.

The NMA “sought the modernization of the marine management and regulatory regime, less red tape, and greater efficiency and effectiveness in the marine transportation sector.” The Act called for a shift in the “financial burden of marine transportation to the system users, a reduction in excess infrastructure, and [to] place facility operations in the hands of local users.”¹⁵ Under the NMA, Ports shifted from their federal crown corporation status (under the *Canada Ports Corporation Act*, 1983) to new Canada Ports Authorities (CPA).¹⁶ As part of the *National Marine Act*, the *Canada Ports Corporation Act* of 1983 was replaced, and amendments made to the *National Harbours Board Act of 1936*, the *Government Harbours and Piers Act* and the *1964 Harbour Commissions Act*.¹⁷

Through the NMA, the federal government sought the “achievement of local, regional and national social and economic objectives and (to) promote and safeguard Canada's competitiveness and trade objectives.”¹⁸ The government cited “over-capacity and inefficiencies” in the system as justification for removing the control of the Ports from Canada Ports Corporation to local Boards of Directors under new Port Authorities. At the time, David Collenette, federal Transport Minister stated that the CMA would “make it easier for ports, the Seaway and pilotage services to operate according to business principles and allow more local input into the decision-making process.”¹⁹

The Port Divestiture Program (PDP), begun in April, 1996 was central to the NMA; apart from ending federal involvement in the majority of smaller ports, it created 18 major Port Authorities with their own specific Letters Patent.²⁰ The original six-year Port Divestiture Program has been extended three times to 2009. As noted earlier, the need for extensions was caused by factors such as “issues relating to First Nations land claims, jurisdictional impediments, and environmental concerns” – as in Port Stanley, Ontario, or Tsawwassen, BC.²¹

Ports were categorized in two ways - either they were of major importance to the country and were re-constituted as “Authorities” or they were of local importance or surplus and would be divested, demolished or have their public harbour status terminated. At the end of fiscal year 2004-2005, fully 459 (84 per cent) of the 549 public ports and public port facilities had completed the Port Divestiture Program.²²

The Port Divestiture Program has followed a “land and chattels transfer strategy” to ensure certain federal benefits:

- no offer that leaves the Crown financially worse off as a result of divestiture will be accepted;

- the Crown receives the best value for port land and other assets;
- a new port owner will not enjoy any windfall profits from the subsequent sale of lands, assets and/or chattels; and
- Transport Canada fully upholds its fiduciary responsibility with respect to First Nations.²³

Transport Canada initiates the port divestiture process under this strategy after considering whether there are any other federal departments or provincial government agencies interested in operating the facility. If there is no such interest, a six step procedure is undertaken:

a. Transport Canada regional officials hold public meetings to discuss divestiture with local interests.

b. Local interests then form a legal entity, which signs a non-binding Letter of Intent to negotiate the port transfer and a legally binding Disclosure of Information Agreement with Transport Canada to protect third – party information.

c. Transport Canada provides the local entity with financial data, traffic or tonnage statistics, and any other relevant information concerning environmental, technical, engineering, and property or leasing issues.

d. The local entity conducts a due diligence process, usually with funding from Transport Canada.

e. Transport Canada and the local entity negotiate financial and other conditions of transfer.

f. Both parties sign the transfer agreement.²⁴

As part of Transport Canada's evaluation of the divestiture program in 2003, a savings of \$110 million had been realized by the department based on a reduction of expenditures by \$284 million in ports operations and maintenance, plus proceeds of \$8.4 million resulting from ports being sold outright minus \$182 million disbursement as part of the Ports Divestiture Fund which was intended to improve ports infrastructure prior to divestiture.²⁵

The NMA underwent a mandatory five year review in 2003; this resulted in a set of recommendations encompassed in Bill C-61 which was introduced in Parliament (by the Martin Liberal Government) in June 2005, in order to “fine-tune the existing provisions and provide Canada Port Authorities (CPAs) with access to federal funding for certain infrastructure projects (to a capped amount) and national security.” This Act died on the order paper in November, 2005 with the federal election ‘call’.²⁶

Canadian governments – both Liberal and Conservative - undertook this systematic divestiture program of Canada's ports beginning in the mid-1990's passing off ownership and/or operational responsibilities of ports to a variety of provincial, municipal and non-government entities. Operational authority over the Port of Vancouver was shifted from the Vancouver Port

Corporation (VPC) to an even more “arms length” agency, the Vancouver Port Authority (VPA). The Port remains under the ownership of the Crown; while operations have been divested, ownership has not.

The VPA was an interesting example of the shift to New Public Management whereby an appointed Board of Directors became responsible for the overall management and long term development of the Port with a goal of economic maximization; the federal government - through Transport Canada - maintains a “hands-off” approach and does not exercise any day to day operational control.

If Fewer Is Better, Bigger Is Too: Port Consolidation in Vancouver

The Port of Vancouver has been Canada’s biggest and busiest for many years.

Map 1: PORT OF VANCOUVER (prior to 2008)



It has been one of the busiest in the Americas.²⁷ Up to its January 2008 'consolidation' with the two other major regional (Fraser River) ports, the Port of Vancouver consisted of 247 kilometres of coastline ranging from Roberts Bank at the U.S.-Canada border, along the south shore of Burrard Inlet, up Indian Arm and the north shore of Burrard Inlet. The Authority oversaw 6,000 hectares of water and 460 hectares of land occupied primarily by cargo terminals. Imports/Exports through the port totaled 76.5 million tonnes in 2005 with a value of approximately \$43 billion. The Port was the highest volume exporter in North America, and on the West Coast of North America. It also ranked number one in total cargo volume. In Canada, it ranked number one in total cargo handled and number one in total container throughput.²⁸

The Port was comprised of "25 major marine cargo terminals that collectively offered 56 berths, super post-Panamax capacity and extensive on-dock rail facilities."²⁹ Port activities generated \$4 billion in total Gross Domestic Product (GDP), \$8.9 billion in total economic output and more than \$763 million in tax contributions to all levels of government.³⁰

The Port Authority had three wholly-owned subsidiaries –

1. Canada Place Corporation (CPC) - overseeing the Canada Place tourism/business/convention space
2. Port Vancouver Ventures Ltd. (PVV) - the Port's investment arm
3. Port Vancouver Holdings Ltd. – the Port's property holding company

Employing over 62,000 people directly, the Port consisted of 17 bulk, 3 container, 2 cruise ship and 3 general cargo terminals that were serviced by the Canadian National, Canadian Pacific and Burlington Northern Railways. In 2005, the Port handled 1,767,379 containers and hosted 2,677 foreign vessel arrivals. The majority of exports from the Port emanated from the Western/Prairie provinces and – consistent with the Asia Pacific Gateway Initiative – overwhelmingly went to Asia (66%), as well as to Latin/South America (13%) and Europe (11%). These exports primarily consisted of natural resources including coal (25 million tonnes), grains (8.4 million tonnes), wood pulp (4.3 million tonnes), sulphur (6.1 million tonnes), potash (5.9 million tonnes), chemicals (2.2 million tonnes), and petroleum (1.2 million tonnes).³¹

The Port also developed a cruise ship business as the home port for the Vancouver-Alaska cruise route. In 2005, just under one million (910,172) passengers on 33 cruise ships from 16 cruise lines used the Port on 272 sailings to/from the Port generating \$1.4 billion in economic input and \$2 million per sailing to the local and regional economies of British Columbia.³²

Historically, the Port of Vancouver has represented Canada's Pacific Gateway: in 1987, for example, five of the top ten destinations of Port of Vancouver exports were to Asia Pacific nations; this represented fully 83.6% (34 million metric tons) of such exports.³³ By 2006, the Port of Vancouver was now 'North America's gateway for Asia Pacific trade', the busiest in North America in total foreign exports – '\$43 billion in trade with more than 90 trading economies' and 'ranked #2 in total cargo volume – 73.6 million tonnes, and the busiest on the west coast of the Americas.'³⁴

Globalization and competitiveness concerns, as noted in Section I above, had pushed federal authorities and the Port to conclude that as big as the Port of Vancouver was, market advantage would improve if it was made even bigger. This occurred in January, 2008, when the Port of Vancouver was amalgamated with the two other significant regional river Ports of Fraser and North Fraser.³⁵ Collectively, this new Port Authority of Vancouver Fraser is now marketed as Port Metro Vancouver.

In economic terms, a major November, 2008 study by *InterVISTAS* identified the recent impacts of Port Metro Vancouver on the local, BC and Canadian economies:

132,700 total jobs across Canada

Port-related activities generate \$10.5Billion in GDP, \$22Billion in economic output and \$6.1Billion in wages

Port Metro Vancouver borders on 16 *Metro Vancouver* municipalities

Port Metro Vancouver covers 600 kms. of shoreline

Port Metro Vancouver hosts 28 major marine terminals, plus several domestic intermodal terminals

Port Metro Vancouver's main sectors include maritime cargo (generating \$2.2Billion in wages) and the cruise ship industry (providing 5,700 direct jobs and @ \$200Million in payroll. Cargo value annually is now at \$75Billion

Port Metro Vancouver provides 45,000 regional jobs in Greater Vancouver (3,000 in Delta, 5,600 on the North Shore and over 20,000 in Vancouver)

Port Metro Vancouver generates just under a \$1billion (\$970Million) in tax revenues to all levels of government annually - including \$657Million to the Feds

The Port also anticipates \$4.5Billion in new infrastructure/building over the next 10 years – and capital spending of \$95Million annually plus Port partner/user partner spending

Port Metro Vancouver is Canada's largest and North America's most diversified port, trading \$75 billion in goods with more than 130 trading economies annually.³⁶

Map 2: Port Metro Vancouver: Former Jurisdictions, Now Combined



There are a number of intersects between the federal Ports Divestiture program, the policy push to more market orientation and the Port Metro Vancouver consolidations. The Vancouver Port Authority (and now Port Metro Vancouver) remains responsible to the Government of Canada through Transport Canada and exists under Letters Patent issued by the Governor-in-Council on behalf of Treasury Board and Transport Canada. The Vancouver Port Authority's (VPA) Board of Directors was comprised of nine members serving three year terms appointed by the municipal, provincial and federal governments and approved by the Minister of Transport. The VPA's Board first met on March 1, 1999, on a day the VPA called an "auspicious and promising beginning."³⁷ The Authority was a non-shareholder, for-profit corporation governed by the Board which appoints a President to oversee day to day operations. The Board of Directors also formed three standing committees – Audit Committee, Human Resources and Compensation Committee, and Governance Committee.³⁸

The Board of Directors had significant local authority and responsibilities for the operation and development of the Port, however, it was subject to federal government restrictions on the sale of property, the amount of money it could borrow and on governance issues. Under Letters Patent, the Authority paid the federal government a stipend based on a percentage of its gross revenue, in 2005 this amounted to close to \$4 million.³⁹ Supplementary Letters Patent were routinely granted in order to facilitate Port expansion, changes in governance, borrowing limit increases, etc. The Port of Vancouver, between 1999 and 2006, received 15 Supplementary

Letters Patent in order to acquire property, increase borrowing limits and change the length of terms for directors.⁴⁰

The Board of Directors has exerted considerable control over the Port since divestiture; however, the Board identified several issues that remained to be improved concerning the relationship between the Federal Government and the Authority. The Authority specifically argued for changes in the following areas as part of the CMA five year review in 2003:

1. Lowering borrowing costs – the VPA suggested that through utilization of private sector investment, using such tools as tax-exempt bonds, port authorities would have the ability to lower borrowing costs.
2. Retention of Proceeds from the Sale of Port Lands – the VPA argued for the setting up of an investment trust derived from the sale of port lands for use in the future for “land acquisition and infrastructure development.”
3. Ending payments-in-lieu-of-taxes to municipalities – the VPA sought to have the federal government reconsider the fees that port authorities pay to municipalities arguing that it is the federal government that usually makes such payments.
4. Removal of Annual Stipend Payments to the Federal Government – the VPA suggested that increased investment at the local level would occur if user fees collected by the Port were allowed to be re-invested locally rather than port authorities having to remunerate a percentage of fees collected by the port to the federal government.⁴¹

The VPA was largely supportive of the findings emanating from the five year review (released June 4, 2003) viewing them as “extremely positive.” Many of the wholesale changes to the Canada Marine Act called for by the VPA have not occurred because the initial enabling legislation (Bill C-61) died on the order paper in November, 2005. The VPA has continued to lobby for legislative action to implement the recommendations of the review panel.⁴² Despite the lack of wholesale legislative action, specific VPA initiatives regarding financing have been undertaken through the Supplementary Letters Patent process, however, the current Harper government is still reviewing the CMA as it considers the future of marine transportation in Canada.⁴³ In the interim, completing the Port Divestiture plan continues as the policy norm into 2009.

In the VPA’s *1999 Annual Report* David Stowe, the first Chairman of the Vancouver Port Authority, called the divestiture of the Port of Vancouver “seamless,” however, there were issues raised particularly by the City of Vancouver and other local stakeholders throughout divestiture that needed to be addressed and/or are still being addressed on an ongoing basis.

Specifically, the City of Vancouver had reservations about divestiture in four main areas:

- Policing – Council was concerned over the types of policing services that would be in place under the new Authority, who would provide such services to the Port, and what would be the source of their funding..

- Taxation Revenue – City council was opposed to the port paying fees for service rather than grants-in-lieu of property taxes. Council feared a loss of revenue and questioned whether an appropriate fee structure could be determined and ultimately collected under the new system. Framing this area of concern was the Port’s historic lack of promptness in the annual payment of grants-in-lieu of property taxes.
- Local Representation on and Accountability of the Port’s Board of Directors - City council was apprehensive that the new governance structure of the Port consisted of only one municipal representative and argued that in order to maintain community input and local accountability a minimum of five municipal representatives should be in place on the Board.
- Land Use and Development – Council recognized the historical cooperation on land use issues between the Ports Corporation and the City and urged the federal government to require the new Authority to seek federal approval prior to encroaching on municipal land use processes and to allow authorities to enter into binding land use agreements with municipalities recognizing federal constitutional prerogative.⁴⁴

Former City Manager (and subsequent Deputy to the BC Premier) Ken Dobell, in a report to Vancouver Council, labeled the relationship between the Port and City of Vancouver as “varied”, identifying land use issues as being an ongoing source of friction. Dobell supported the idea of formalizing the relationship between the City and Port in a manner that recognized the independence of each jurisdiction and responsibilities of both entities.⁴⁵ The desire to enter into a more formal relationship between the Port and City resulted in the signing of the Port of Vancouver/City of Vancouver Charter which sought to identify areas of common interest, to improve communication, set up a dispute resolution mechanism and simplify the legal relationship between the two bodies.⁴⁶ Specifically, the Charter sought to address the following Port/City issues:

- a) promotion of the business of the Port
- b) enhancement of the marine environment
- c) provision of access to the waterfront and activities of the Port for citizens where this is consistent with the work of the Port
- d) effective management of the use of the harbour, including recreational use where this is consistent with the work of the Port
- e) provision of effective road and rail access and utility services for the efficient operation of the Port
- f) provision of access to water for necessary city utility services
- g) provision of effective policing and emergency services in the Port and adjacent area of the City, including emergency planning and disaster response⁴⁷

The City of Vancouver/Vancouver Port Authority Charter formed the backbone of the City/Authority relationship since divestiture and has resulted in consultative processes such as those currently surrounding East Vancouver Port lands development. Several other bordering municipalities have also entered into Charter arrangements with the Port with the overarching intention of mitigating any possibility of negative relationships developing between the Port Authority and its neighbours.⁴⁸ In many cases, municipal – and public – access to the waterfront is a central local concern.⁴⁹ This often ran counter to Port development plans.

Under the CMA, the Port has the “authority and responsibility to approve development proposals for its lands”, while under provincial law the City has “authority to approve development applications on any lands located within its municipal boundaries that are not subject to Provincial or Federal jurisdictions.”⁵⁰ The process of solving municipal/port issues since divestiture would have been much more difficult without the understandings contained in such Port/City Charter.

In multilevel governance terms, there have been a broad range of entities involved – both governmental and non-governmental. These include the following (see Table 1):

Table 1: Government Agencies

Federal Government	Provincial Government	Municipal Government = 16	Other Entities/Social Actors
Cabinet Treasury Board Ministry of Transport, Infrastructure and Communities Transport Canada Director General Port Programs and Divestiture Divestiture Secretariat/HQ Regional Directors General Regional Divestiture Teams Canada Ports Corporation Public Works and Government Services Canada (PWGSC) Department of Finance Department of Justice Department of Environment Department of Fisheries and Oceans Department of Intergovernmental Affairs Department of Indian and Northern Affairs	Cabinet Treasury Board Department of Transportation Ministry of Environment Ministry of Intergovernmental Affairs Ministry of Aboriginal Relations and Reconciliation	City of Vancouver City of Burnaby City of Port Moody Port Coquitlam Village of Anmore Village of Belcarra District of North Vancouver City of North Vancouver District of West Vancouver Corporation of Delta City of Richmond City of Surrey etc	First Nations – several – including those with new Treaty relationships such as Tsawwassen Vancouver Port Corporation Governments of Alberta, Saskatchewan, Manitoba Greater Vancouver Regional District (Metro Vancouver) Vancouver Board of Trade Port User Groups Port Unions Canada Wheat Board etc.

Multilevel Governing Lessons

The Asia Pacific Gateway and Corridor Initiative, the Ports Divestiture Program, and Port Metro Vancouver consolidation, each represent good examples of multilevel governance. On the ground locally, in Greater Vancouver, part of the Gateway project involves major roads/rail (and port links) construction. In Metro Vancouver this has not been without controversy: the GVRD's Livable Region Strategic Plan (LRSP) of the 1990's and its successor Sustainable Region Initiative (SRI), have been premised on lessening the region's dependence on internal combustion engine uses to "get around".⁵¹ Meanwhile, well before the late 2008 economic "correction", the provincial government, together with the feds, had been working to counter this regional sustainability theme with major highway construction and bridge/highway/rail twinings – all under the rubric of 'Gateway'. As recently as mid January, 2009, Prime Minister Stephen Harper and BC Premier Gordon Campbell met at the Fraser Surrey Docks (now part of the consolidated Port Metro Vancouver) to announce \$1Billion in federal-provincial funding for one piece of the regional Gateway road construction. (\$635Million from BC/\$365Million from the feds) for the 40 km. 'South Fraser Perimeter Road – linking the Fraser Valley and the rest of BC/Canada with the Fraser/Delta dock facilities (by road as well as expanded rail service).⁵² For the BC Premier, this 11-year construction project (2010-2021) was to "build BC's economic competitiveness by streamlining the movement of goods and people and ensuring that we can tap into the trade opportunities with the Asia-Pacific.... (It is) part of BC's Gateway Program and the Government of Canada's Asia-Pacific Gateway and Corridor Initiative."⁵³

As the same Vancouver-area announcement, Canada's Prime Minister emphasized the increased "efficiency through Canada's Asia-Pacific Gateway and Corridor" – an initiative started by the feds in October, 2006.⁵⁴ The Prime Minister noted that the BC's contribution to various components of this Gateway was \$3Billion.⁵⁵ The APGCI is to "bring together infrastructure, policy, governance and operational issues in an integrated, intermodal, public-private strategy to strengthen Canada's competitive position in international commerce with the Asia Pacific region. To establish Canada's Pacific Gateway as the best transportation network facilitating global supply chains between North America and Asia, Canada is exploring ...innovative ways to deepen trade and transportation links with emerging economies in the Asia Pacific region."⁵⁶

Vancouver-area municipalities have remained more ambivalent players; some, such as inner cities like Vancouver, Burnaby and New Westminster, oppose the road expanding aspects of Gateway; and it continues to run counter to official GVRD policy. Other, generally outer – and south of Fraser River - municipalities such as the Langleys, and Surrey are more in favour, seeing a solution – however short-term - to their commuting nightmares.

Map 3. Metro Vancouver



Private actors – such as truck haulers associations and local Boards of Trade, and quasi-public/private entities such as the Port also have been strong Gateway – and port consolidation – advocates.

Collectively, the linkages between the Asia Pacific Initiative, Divestiture and Consolidation, offer multilevel governing lessons. In constitutional terms, the province has primary responsibility for most infrastructure; such investment generally involves municipal or regional partners. Generally – as with the South Fraser Perimeter Road - considerable federal \$-funds are needed to move such programs forward, and major Ports remain under federal oversight and ultimate ownership. In terms of 'social forces', in British Columbia, few such major projects do not raise questions about First Nation relations, even claims to ownership/title. The influence of actual and potential land claims and treaty negotiations during the ongoing implementation of Port divestiture and consolidation in Vancouver is a case in point.

A local example of First Nation influence is the current relationship between Port Metro Vancouver and Tsawwassen First Nation (TFN). The Port's Roberts Bank facility lies within the traditional land claimed by the TFN – in the Vancouver suburb of Delta. (See GVRD Map 3) The TFN had taken the Government of Canada, the Government of British Columbia and Vancouver

Port Authority to court seeking compensation for development of Roberts Bank and planned future expansion of the container facility. In 2004, the then-VPA and Tsawwassen signed a Memorandum of Agreement which compensated for “past infringements on the TFN’s claimed land and sought “compensation and mitigation” for any VPA future expansion that affected TFN land which effectively settled the court cases.⁵⁷ In December, 2007, the Tsawwassen First Nation, the Government of British Columbia and the Government of Canada signed a final treaty agreement covering taxation, financial compensation, natural resources, fishery, certainty, governance and (most importantly re: Gateway) lands. As the FN lands are adjacent to Port Metro Vancouver’s Deltaport – the terminus of the South Fraser Perimeter Road (+ rail) expansion - AND much of this same land has been subject to development limits via the provincial Agricultural Land Reserve, it has produced its own set of provincial and local/Delta controversies. The TFN wish to enter into a Port agreement to develop some of their lands for port-related activity and local jobs. They will do so, as provided for in their new treaty and under their title, but not without considerable political contestation around the Port, the Agricultural Land Commission, the treaty process and their neighbouring municipality.

Have the various actors collaborated with each other? The nature of the collaboration among the various actors is largely related to the stage of the process. There was little impetus for the federal government to collaborate much with other actors aside from the Vancouver Ports Corporation in the planning and decision-making and initial aspects of the implementation stages of the process of divestiture to consolidation. The macro-goal of divestiture (and subsequently major port consolidation) in order to maximize economic benefit was a policy developed over several federal governments since the MacPherson Commission in 1961.

The Federal government, the Provincial government, the City of Vancouver (and related municipalities) and the port authority worked together, out of necessity, to facilitate the expansion of the port as part of the Pacific Gateway Initiative during the implementation phase.⁵⁸ In 2005, the Province provided \$2.5 million in property tax relief for port terminal operators to encourage expansion efforts, \$400 million in road infrastructure in support of the port and other regional transportation modes and \$2.5 million in funding for further development of the port’s cruise ship business.⁵⁹ Along with the feds, BC continues to contribute several \$billion for Gateway

The collaboration between municipal officials and port officials has also been heightened since the shift to an Authority model. Prior to divestiture, municipal officials were collaborating with Ports corporation officials that directly reported to the federal bureaucracy/Minister. Since divestiture there has been enhanced collaboration between municipalities and the Port mostly concerning future land use plans and provision of infrastructure in support of Port operations.⁶⁰

The nature of the multilevel collaboration has changed as a result of changes to the Port form - as the Port Authority is not required to seek Transport Canada intervention/assistance in most decision-making, implementation of strategy and future development initiatives. The ability to directly act without seeking permission from department higher-ups on every issue lessens bureaucratic entanglements and enhances the ability of the Port to act quickly in situations and many local actors (governmental and non-governmental) feel better able to conduct business with the Port “face to face.”

To implement its new mandate, in late November, 2008, Port Metro Vancouver advertised for a President and Chief Executive Officer. Amongst the new CEO's duties are to "continue the pursuit of the Pacific Gateway Strategy, collaborate with governmental officials at all levels and promote a broader commitment to building relations with neighbouring communities."⁶¹ That collaboration seems central to Port Metro Vancouver's current vision. In an 8-page insert into Vancouver's major newspaper, *The Vancouver Sun*, the Port's insert title was simply: "Collaboration is key for Canada's Pacific Gateway" – and an extensive description of what each of the three amalgamating ports brought to the table with consolidation.

Port Metro Vancouver remains Canada's biggest and busiest port. It is a central part of the country's Asia-Pacific outreach. As Evans argues elsewhere in this volume, it is likely to remain a major component of Vancouver, BC and Canada's position into the second decade of the 21st century.

Endnotes

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- ¹ Port Metro Vancouver now encompasses 16 municipalities and over 600kms of waterfront with 28 major marine terminals and several domestic intermodal terminals in Greater Vancouver. It trades \$75billion in goods with over 130 countries annually. It represents \$10.5billion in GDP and \$22.2billion in economic output; it also 'supports' 132,700 jobs across Canada, and \$6.1billion in wages (\$200million locally). See InterVistas Consulting Final Report: *2008 Port Metro Vancouver Economic Impact Study*, (Vancouver: Port Metro Vancouver, November 25, 2008).
 - ² Government of Canada Department of Transport, "Transport Minister Introduces Canada Marine Act, October 2, 1997, <http://www.tc.gc.ca/mediaroom/releases/nat/1996/96_h081E.HTM>bid. (Accessed, July 3, 2008)
 - ³ Information provided to authors by Transport Canada, December 10, 2008.
 - ⁴ For some early discussion of transportation aspects of this see John Baldwin, "The Evolution of Transportation Policy in Canada", *Canadian Public Administration*, vol.20, no.4, 1977, pp.600-31.
 - ⁵ See, for example, Rexford Sherman, *Seaport Governance In the United States and Canada*, (Alexandra, VA.: American Association of Port Authorities, 2006).
 - ⁶ Vancouver Port Authority, Annual Report, 2004-2005, <<http://www.tc.gc.ca/programs/ports/annualreport0405.htm>> February 11, 2007.
 - ⁷ See *Press Release: Canadian Port Industry*, (Alexandra, VA.: American Association of Port Authorities, 2006). By December, 2008, fully 472 of this list have been divested. (Information provided to authors by Transport Canada. December 11, 2008.
 - ⁸ Information provided to authors by Transport Canada, December 10, 2008
 - ⁹ On Port Stanley's ongoing issues with port divestiture and Transport Canada see Francie Dennison, "Answers from Transport Canada", *Port Stanley News*, December 9, 2008.
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