

Berth control: Deltaport expansion adding capacity to drive national economic engine

\$400 million project also a key part of the Tsawwassen First Nation's industrial strategy

ANDREW PETROZZI

It is all about timing.

The new \$400 million third berth project at Deltaport container terminal represents the first of "generational" investments in the Asia-Pacific gateway that will benefit the B.C. and Canadian economy for decades to come, according to **Port Metro Vancouver** president and CEO **Robin Sylvester**.

"It is a very significant strategic step," he told *BIV*. "Our projections for container trade, despite the fact that we suffered a decline in the past 12 months as the world economy suffered a recession, are that container trade will double over the next 10 years or so."

Having the Deltaport expansion come online now, he said, shows the port is committed to increasing capacity to support growth in the national economy.

"Short term we might

have a surplus of capacity in the port, but that means that we can continue to grow in the medium term," said Sylvester. "You just can't switch in capacity in a year. You have to be planning for the medium- and long-term future."

He added that the coordinated approach to investing in the Asia-Pacific Gateway by municipal, provincial and federal governments along with private stakeholders in projects such as the South Fraser Perimeter Road (SFPR) and the North Shore, South Shore and Roberts Bank trade corridors represents a "generational change."

"It really is investment that arguably has been missing for 10 or 20 years. It's now really setting us up to have another generation of infrastructure investment to meet the needs of the Canadian economy for the next 10, 20, 30 years."



At the Deltaport expansion announcement: (l to r): Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway; Michael Moore, president and CEO, Global Container Terminals; Robin Sylvester, president and CEO, Port Metro Vancouver

Michael Moore, president and CEO of **GCT Global Container Terminals Inc.**, which operates Deltaport through its **TSI Terminal Systems Inc.**, believes the third berth expansion investment demonstrates a commitment to the future of British Columbia as a strategic North American west coast shipping destination.

"We have to be prepared sometimes to make investments when others might not."

Moore added that larger container ships are driving the need for larger berths. The third berth is deep enough (52 metres) and long enough (430 metres) to service the world's largest container ships.

It will add an estimated 350 full-time jobs to an annual payroll of more than \$150 million.

Deltaport is the first con-

tainer terminal in North and South America with three dual-hoist quad cranes that will increase capacity by 600,000 TEUs to 1.8 million annually. It also added 20 hectares of container storage facilities. The new technology and extra space allow three ships to be unloaded simultaneously and make it possible for containers to be stacked three high as opposed to the current five, which will increase productivity.

"If it's a couple of years before the economy turns around, we still have to make the investments in good times and bad times," said Moore. "In this business, when the economy turns around it's too late for us to invest."

Moore is comfortable with the rail service Deltaport receives along with its on-dock rail capacity and new access gates for trucks

servicing the expanded facility.

The SFPR, along with rail, will take trucks off local roads and ease congestion.

"In this business, when the economy turns around it's too late for us to invest"

- Michael Moore, president and CEO, GCT Global Container Terminals Inc.

Deltaport's expansion also kick-started development on nearby **Tsawwassen First Nation** lands. The 290-hectare reserve is bordered to the south by the **BC Ferries** causeway and the port authority's container and coal port to the north.

"Tsawwassen First Nation has known about the development of the third berth for quite a few years, and so has been able to project the increased traffic flow into their development plans," said Chief **Kim Baird**.

"Our land-use plan, which was approved by the community in July 2008, targets the north section of Tsawwassen lands for industrial use, intended to support container-related development, including Deltaport."

Tsawwassen is developing what will become Western Canada's prime industrial logistics park, and Baird said the location of the band's lands surrounding Deltaport provides opportunities for efficient container movement, storage and handling.

The area's development officially started last fall with funding from Canada's Economic Action Plan.

According to Baird, the \$9 million project will provide roads and services to the first phase of the industrial lands. The Tsawwassen band plans to issue an RFP for development of the 100-acre Phase 1 area later this year.

Baird said Deltaport's third berth reinforces the strategic transportation and logistics importance of Tsawwassen lands.

"This industrial development is a key component of Tsawwassen's economic development strategy."

Tsawwassen First Nation's industrial lands surround the western end of the SFPR, and the band is working with the province to develop an overpass that will direct traffic onto Tsawwassen lands.

"From Tsawwassen's perspective, the SFPR offers an opportunity to finally integrate into the regional economy in a meaningful manner," said Baird. "The SFPR and the Deltaport expansion projects are perfect complements to the development of Tsawwassen lands." ■
apetrozzi@biv.com

SterlingPlace



**FOR SALE/LEASE
AVAILABLE SPRING 2011**

**120 & 122 WEST 8TH AVE
VANCOUVER, BC**

- Showroom Space
- Warehouse Space
- Office Spaces
- High Ceilings
- Exceptional Downtown Views
- Secured Underground Parking

For further information

604.271.8331

www.pilatusgroup.com



BRIEFS

Catalyst lays off 70 mill workers

Another 70 workers in B.C.'s pulp and paper industry will soon be out of work.

Catalyst Paper Corp. (TSX:CTL) announced January 21 that it plans to indefinitely shutdown its No. 1 Crofton paper machine and paper-recycling facility in Coquitlam.

The company said the closures are due to weak newsprint and directory paper demand.

"There was a steep decline in market demand for the products made at our Crofton paper mill in the past year, and the consumption outlook for these commodity grades remains weak," **Richard Garneau**, Catalyst's president and CEO, said in a release.

According to the company website, the paper machine is one of three at the company's Crofton plant in Vancouver Island's Cowichan Valley and produces 140,000 tonnes of commodity grades annually.

The mill's total annual production is 410,000 tonnes.

On December 23, the company put the machine on temporary idle for the Christmas holiday period.

Thirty-six of the 70 employees to lose their jobs are employed at Crofton.

The Coquitlam recycling facility is a related closure because it supplies de-inked pulp to the Crofton paper machines.

"Reduced recycled pulp requirements,

combined with the higher cost and constrained availability of quality recovered paper are contributing factors in our decision to indefinitely close our paper recycling facility," Garneau said.

Catalyst said that facility would close in mid-February.

The announcement comes a month after the **BC Supreme Court** dismissed Catalyst's attempts to lower its municipal taxes in three Vancouver Island and one Sunshine Coast community.

Catalyst's stock price dropped 3.8% to close at \$0.25 per share on the January 21 news.

jrmckay@biv.com