



# **Canadian Transportation Sector: Canada's Gateway Approach**

Helena Borges  
Director General, Surface Policy  
Transport Canada

CILTNA  
May 12, 2008



# Overview

- **Trade and Policy Context**
- **National Policy Framework for Strategic Gateways and Trade Corridors**
- **Canada's Gateways**
- **Research and Analytical Initiatives**
- **Conclusion**





# The Changing Global Trade Context

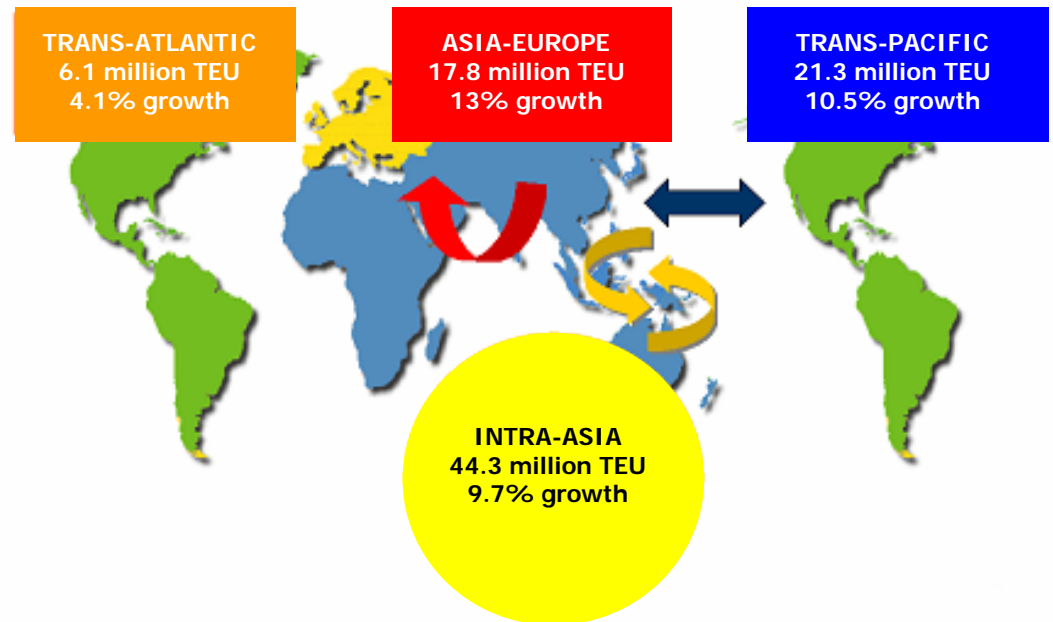
## *Global Supply Chains*

Global **marketplace integration** is driving the distribution of economic activity, as well as the expansion of world trade

The emergence of new economic powers such as **China and India** is forcing all trading nations to adjust, or be left behind

In an increasingly connected world through global supply chains, the key for governments will be an integrated approach to *physical and policy infrastructure*

### World Container Trade Flow 2006



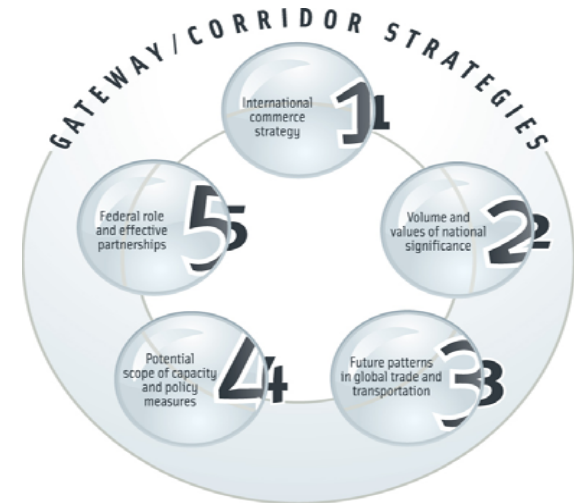
Source: OOCL



# National Policy Framework for Strategic Gateways and Trade Corridors

Why was it developed:

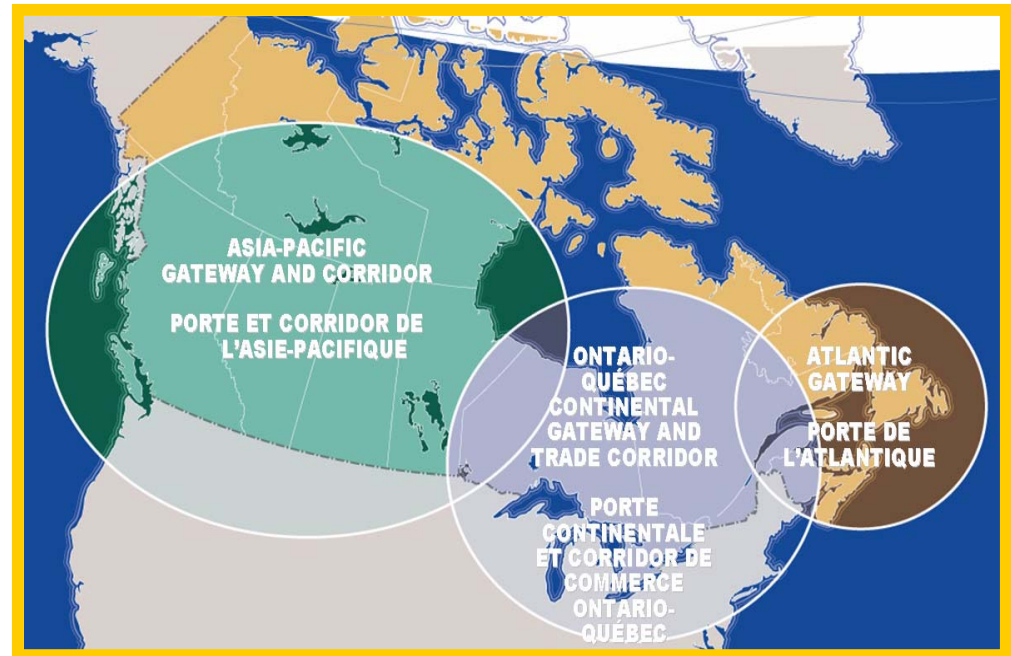
- To advance competitiveness of Canadian economy in global environment.
- Strategies required to enhance multimodal integration of major transportation systems, as well as safety, security, efficiency and sustainability
- Five Lens:
  - International commerce strategy
  - Volumes and values of national significance
  - Future patterns in global trade and transportation
  - Potential scope of capacity and policy measures
  - Federal role and effective partnerships





# National Gateways and Corridors

- Three National Strategic Gateways/Trade Corridors identified for integrated federal “gateway” approach:
  - Asia-Pacific Gateway and Corridor Initiative (APGCI);
  - Ontario-Québec Continental Gateway and Trade Corridor; and
  - Atlantic Gateway
- Each gateway/corridor has its own characteristics, challenges and opportunities related to international trade movements.
- Interconnectivity exists between each gateway/corridor given inter-provincial and international trade movements.
  - For instance, around 55% of container imports through the Port of Vancouver and 50% of container rail traffic coming through the Port of Halifax have destinations in the Ontario-Québec region.





# Canada's Gateways: *A Concept Whose Time Has Come*

## 1. A Powerful Concept:

- By exploiting its advantages in geography, transportation and commerce, Canada can connect North America to the world.

## 2. Political Commitment:

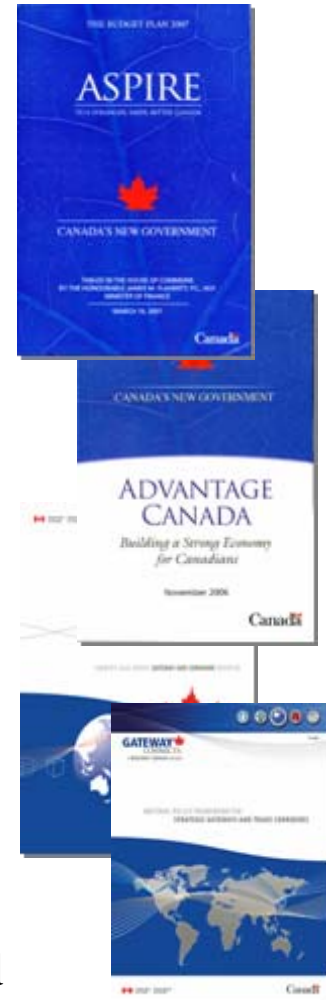
- Federal and provincial governments have identified gateways and trade as a priority.

## 3. Funding:

- Canada is making an unprecedented, long-term investment in infrastructure – total of \$33 B over seven years.
- \$2.1 B available under the Gateways and Border Crossings Fund.

## 4. Integrated Strategies:

- Based on strong analytical foundation, including national and gateway-specific analysis
- Integrated set of investment, policy, regulatory, operational and governance measures to enhance efficiency of national gateways and corridors





# National Commodity Flow, Trade and Traffic Forecasts

- Overall objective is to develop:
  - Comprehensive multimodal national forecasts of domestic, Canada / US, other international and in-transit commodity flows and trade, and
  - Selected site-specific and corridor forecasts of modal and intermodal traffic
- Led by a Steering Committee comprised of members from all regions of Canada (Atlantic Region, Quebec, Ontario, Western Canada)
- Four specific aspects to the forecasting exercise:
  - Modeling and quantitative aspects to be completed by Global Insight;
  - A challenge function which consists of eleven Canadian experts preparing independent outlook papers on their specific areas of expertise;
  - Four Freight Forecast Validation Workshops across the country where both Global Insight and the experts present their forecasts and outlook papers to invited industry experts for their comments; and
  - Once the forecasts are finalized, TC will host four conferences during October, November and early December 2008
- Workshops and conferences key mechanisms for stakeholder engagement



# National Commodity Flow, Trade and Traffic Forecasts (cont.)

## Outputs:

- Origin / Destination Forecasts:
  - Domestic
  - Between NAFTA countries
  - Between Canada and all other international countries
- Particular attention will be paid to understanding trade with the Asia-Pacific region, in particular the emerging economies such as China, India, Vietnam, Indonesia, Malaysia and the Philippines
- In-transit flows to / from US via Canadian facilities
- Considering Canada's increased focus on the importance of establishing increased trade relationships with the Americas, special attention will also be placed on determining the drivers of future commodity flows and trade to / from countries in South America, in particular Brazil, Columbia and Peru
- Additional site specific and major corridor traffic forecasts



# National Commodity Flow, Trade and Traffic Forecasts (cont.)

- Freight Forecasts Validation Workshops:
  - Independent experts will present their outlook papers in addition to the quantitative results presented by Global Insight
  - Industry officials invited to each workshop to provide their comments
  - Objective is to reach a consensus on national and regional forecasts, at commodity and modal level
- National Freight Forecasts Conferences
  - Open to the public
  - Global Insight to present agreed economic and multimodal freight forecasts
  - Interactive panel / public discussions where industry officials can discuss their views for the future in terms of supply and demand for commodities, infrastructure requirements, and other improvements that can be facilitated by government
- Final Report will be made available to all participants and to others on request



# North American Heartland Infrastructure Requirements

- All North American marine gateways compete with one another to supply transportation services to inland markets, especially those located in the centre of Canada and the U.S. Mid-West
- TC must be prepared to proceed with due diligence concerning infrastructure investments over the next twenty years related to the projected movement of freight to / from the North American Heartland
- Study to be completed in three phases:
  - Criteria of choice
    - What criteria do shipping lines and shippers use to choose marine gateways?
    - What are the triggers that influence them to change the gateways they use?
  - Demand versus Capacity:
    - Is there an overlap between demand driving expansion plans of NA gateways?
    - How will super Post-Panamax vessels [ $>8,000$  TEU] impact NA gateways?
  - Validation of Heartland demand / future Canadian infrastructure needs
    - Is additional infrastructure warranted?



## Other Analytical Initiatives

- TC and partners are undertaking specific Continental Gateway and Atlantic Gateway studies:
  - Analytical work on system mapping, intermodal access and border requirements (Summer-Fall 2008)
  - Subsequently, the results of commodity flow project will be used to refine this work (Late 2008 into 2009) to evaluate the capacity to accommodate future growth
  - These are the analytical building blocks of the strategies for each gateway (next slide)
- APCGI is more advanced, with analytical work focused on specific issues under the umbrella of the Western Canada Transportation System Analysis Table
- Among other analytical work undertaken by TC and its partners of interest to this conference is container use in Western Canada, completed in November 2007
- Gateway timelines are tight – strong pressures for investment decisions



# Ontario-Quebec Continental Gateway Analytical Framework

**Geographic Scope**  
 Delineate geographic area and transportation infrastructure to be studied

**Literature Review**

**Non-Infrastructure Working Groups**  
 Improving Operations  
 Regulatory  
 Labour Relations  
 Skills Development  
 Trade Facilitation and Opportunities in a Global Environment  
 Outreach to the United States  
 Border Related Services  
 Long-Term Sustainability

**GPS Based Study of Continental Gateway Highway Performance**  
 Using truck based GPS data – illustrate current travel time, speed and bottlenecks for roads

**National Commodity Flow, Trade and Traffic Forecasts**  
 Current and future freight flows into, from and throughout the continent over the forecast period by mode

**Border Technical Paper**  
 Current and future freight and passenger flows; infrastructure issues; solutions

**Multimodal Freight and Passenger Traffic Flows and Infrastructure Study**  
 Assess impact of current and future freight and passenger flows on transportation system capacity and performance (by mode)

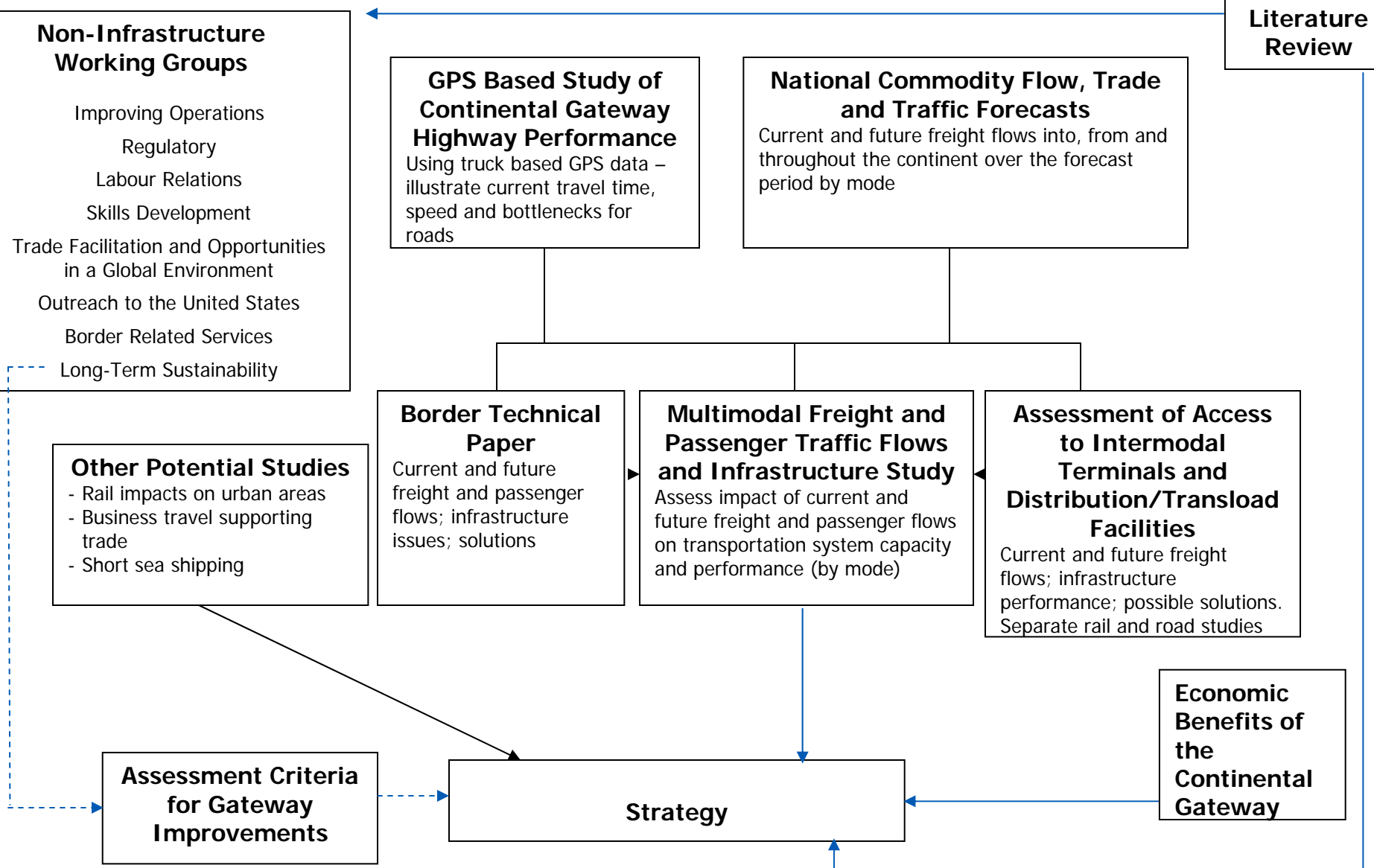
**Assessment of Access to Intermodal Terminals and Distribution/Transload Facilities**  
 Current and future freight flows; infrastructure performance; possible solutions. Separate rail and road studies

**Other Potential Studies**  
 - Rail impacts on urban areas  
 - Business travel supporting trade  
 - Short sea shipping

**Assessment Criteria for Gateway Improvements**

**Strategy**

**Economic Benefits of the Continental Gateway**





## Atlantic Canada Analytical Working Group

### Future Trade Flows

#### (1) National Commodity Flow, Trade and Traffic Forecasts

Outcome: Future (2011-2026) picture of trade, freight and passenger flows and traffic between Canada/Atlantic region and the United States, Mexico and other international regions.

*Consultant – Global Insight*

### Overview of Atlantic Multimodal Transportation System

#### Multimodal Freight and Passenger, Traffic Flows and Infrastructure Study

**(2a) Phase I Outcome:** Mapping of freight and passenger flows to/from/within key components of multimodal transportation system and identification of major challenges in this system, as well as options to address these challenges and improve efficiency.

**(2b) Phase II Outcome:** Mapping of future freight flows to/from/within key components of multimodal transportation system and identification of major challenges in this system, as well as options to address these challenges and improve efficiency.

*Consultant – TBD*

#### Stakeholder Input

- Data
- Consultants
- Workshops
- Conferences

### Specific Focus on Atlantic Multimodal Transportation System

#### (3) Border Traffic and Infrastructure Study

Outcome: Assessment of border traffic, infrastructure and operations, as well as options to address challenges and improve efficiency.

*Consultant – TBD*

#### (4) Road Access to Intermodal Terminals and Distribution/Transload Centers in Atlantic Canada

Outcome: Assessment of local road access to/from intermodal and similar facilities, as well as options to address challenges and improve efficiency.

*Consultant – TBD*

Other Related Analytical Work

Short Sea Shipping

Commercial Vehicle GPS Data Analysis

Heartland Infrastructure Study



**Analytical Consolidation & Recommendation to Officials Committee**

# Other Analytical Initiatives (APCGI)

## Significant APCGI studies

- The 2006-2007 Roberts Bank Rail Corridor study led to \$360 M investment cost-shared by twelve stakeholders, in road and rail improvements involving nine grade separations
- The on-going North and South Shore Trade Area studies focus on:
  - Local rail issues (e.g. rail and rail yard reconfigurations and how they affect terminal access and road/rail interfaces)
  - Road-related issues (e.g. road corridor mobility, truck access, transit, cycling, pedestrian provisions)
  - Road/rail interface issues (e.g. road access for reconfigured rail and terminal operations, and potential grade separations)
  - Security, safety and community issues (e.g. environmental impacts)



# Conclusions

## Canada's Gateway Approach

- ✓ **Strong national policy direction**
- ✓ **Unprecedented level of infrastructure funding**
- ✓ **Concrete actions**
- ✓ **Strong partnerships**

