



Canada's Gateways: Connecting Canada to Global Opportunities

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Presentation Overview

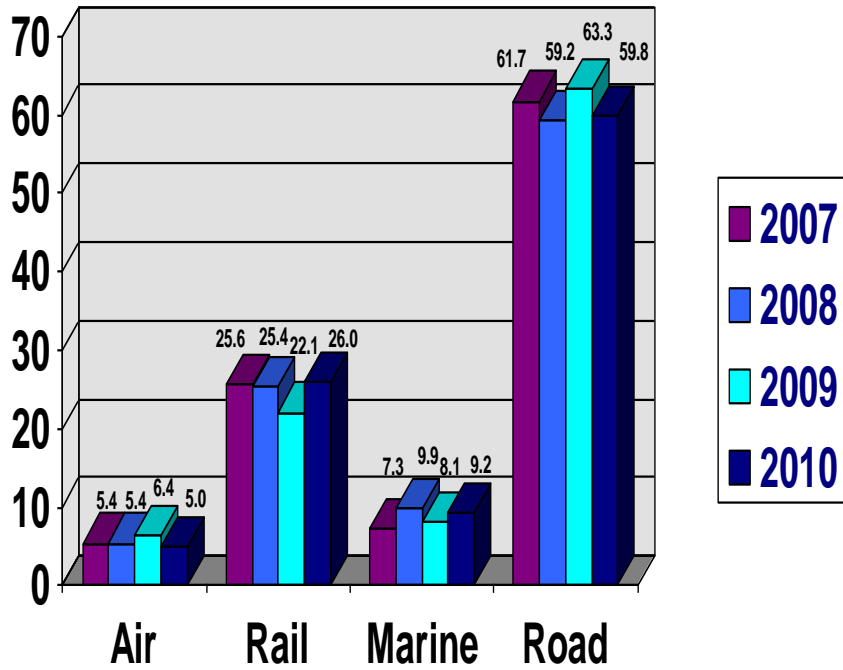
1. **Context – The Canada-U.S. Transportation and Trade Relationship**
2. **Canada's Gateways**
3. **Supply Chain**
4. **Other Imperatives**
 - **Canada-U.S. Border Issues**
 - **Modern Border Infrastructure**
 - **Leveraging Freight Technology Investments**
5. **Canada-U.S. Partnerships**
 - **Shared Vision for Perimeter Security and Economic Competitiveness**
 - **Transportation Border Working Group (TBWG)**
6. **Looking Ahead**

The Canada – U.S. Transportation Relationship

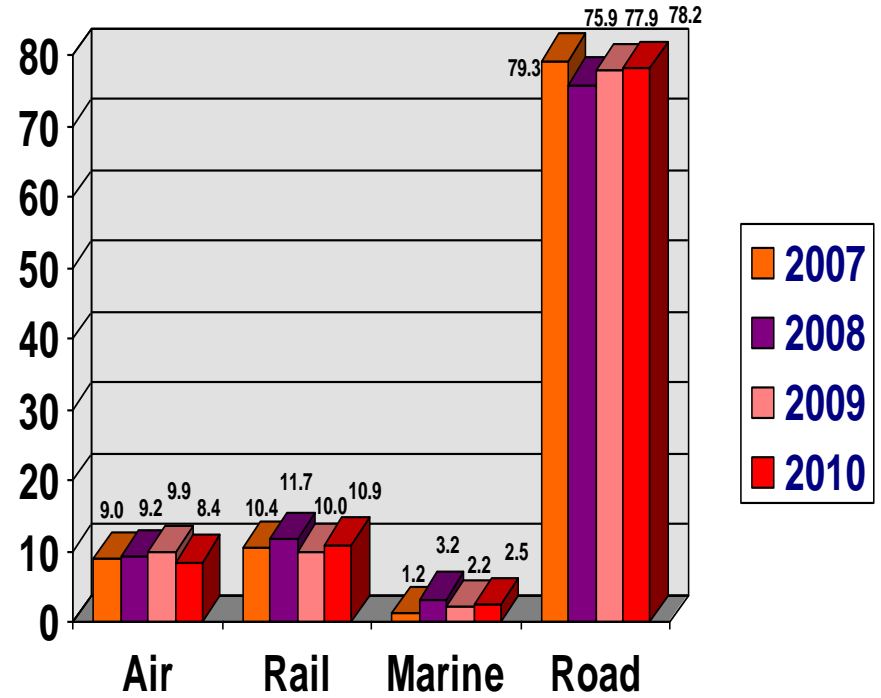
- Integration and close cooperation in all modes
- Innovation, research, safety, security, facilitation, infrastructure, technology, international cooperation
- Foundation for the world's largest bilateral economic relationship
 - In 2010, \$549 billion in trade, an increase of more than 10% over 2009
- Interplay between security, trade, transportation, and communities is complex, border is a key component
- Partnerships/close working relationships at all levels
 - Parliament and Congress
 - Federal governments
 - Provinces and States
 - Municipalities
 - Non-government/Academic
 - Private Sector



EXPORTS TO THE U.S. BY MODE
(% of Annual Total)

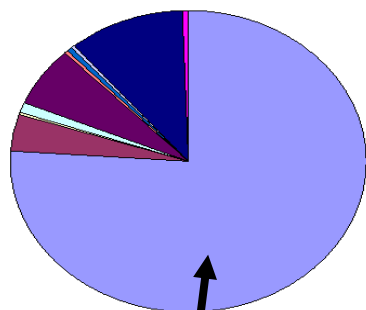


IMPORTS FROM THE U.S. BY MODE
(% of Annual Total)



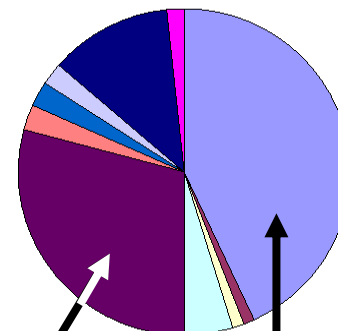
Trade in Ontario and Quebec (2007)

Ontario



USA
\$333,4 B
76,2 %

Quebec



Western Europe
\$34,6 B
29,0 %

USA
\$51,5 B
43,0 %

- We have to prepare for future economic growth.
- Ontario relies on its trade with the United States.
- Les partenaires commerciaux du QC sont diversifiés.
- Quebec's trading partners are diverse.

Canada - U.S. Transportation Highlights

AIR

- Open Skies Agreement (2005)
- 20 million passengers/year
- 8 Canadian airports have U.S. preclearance facilities



MARINE

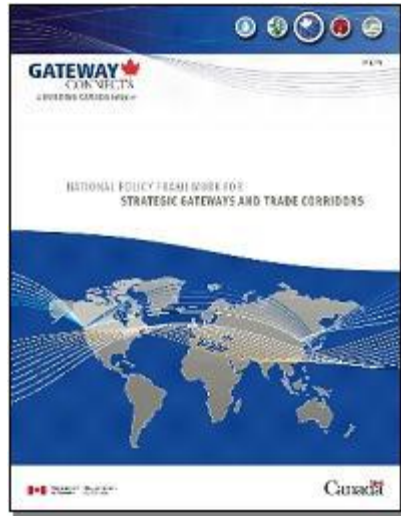
- St. Lawrence Seaway
- Great Lakes

RAIL

- CN & CP are two of the Class 1 freight rail firms in U.S.
- Amtrak serves three Canadian cities
- 26 ports-of-entry

ROAD

- Boundary is 8,891 km (5,525 miles)
- 120 ports-of-entry, including 23 bridges, 1 tunnel
- In 2010:
 - 4.9 million trucks (12,293/day) and
 - 25.8 million cars (65,115/day) entered Canada



National Policy Framework for Strategic Gateways and Trade Corridors (2007) is Canada's response to the evolving dynamics of global trade and transportation

- Developed to advance the competitiveness of the Canadian economy on the rapidly changing playing field of global commerce
- Emphasizes Canada's public-private collaboration, integrated approaches to infrastructure, policy, regulatory and operational measures, and long-term planning

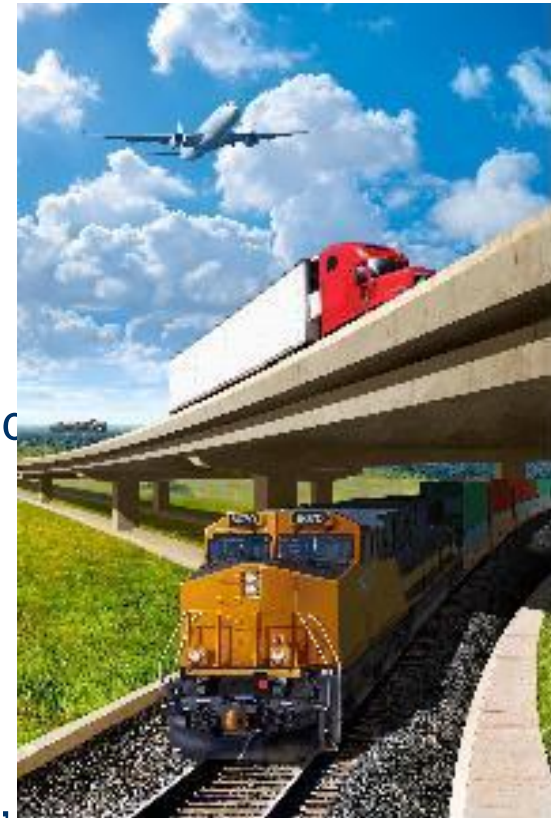
Canada's National Policy Framework guides the implementation of the Asia-Pacific, Continental, and Atlantic Gateway and Trade Corridor initiatives

Horizontal Policy

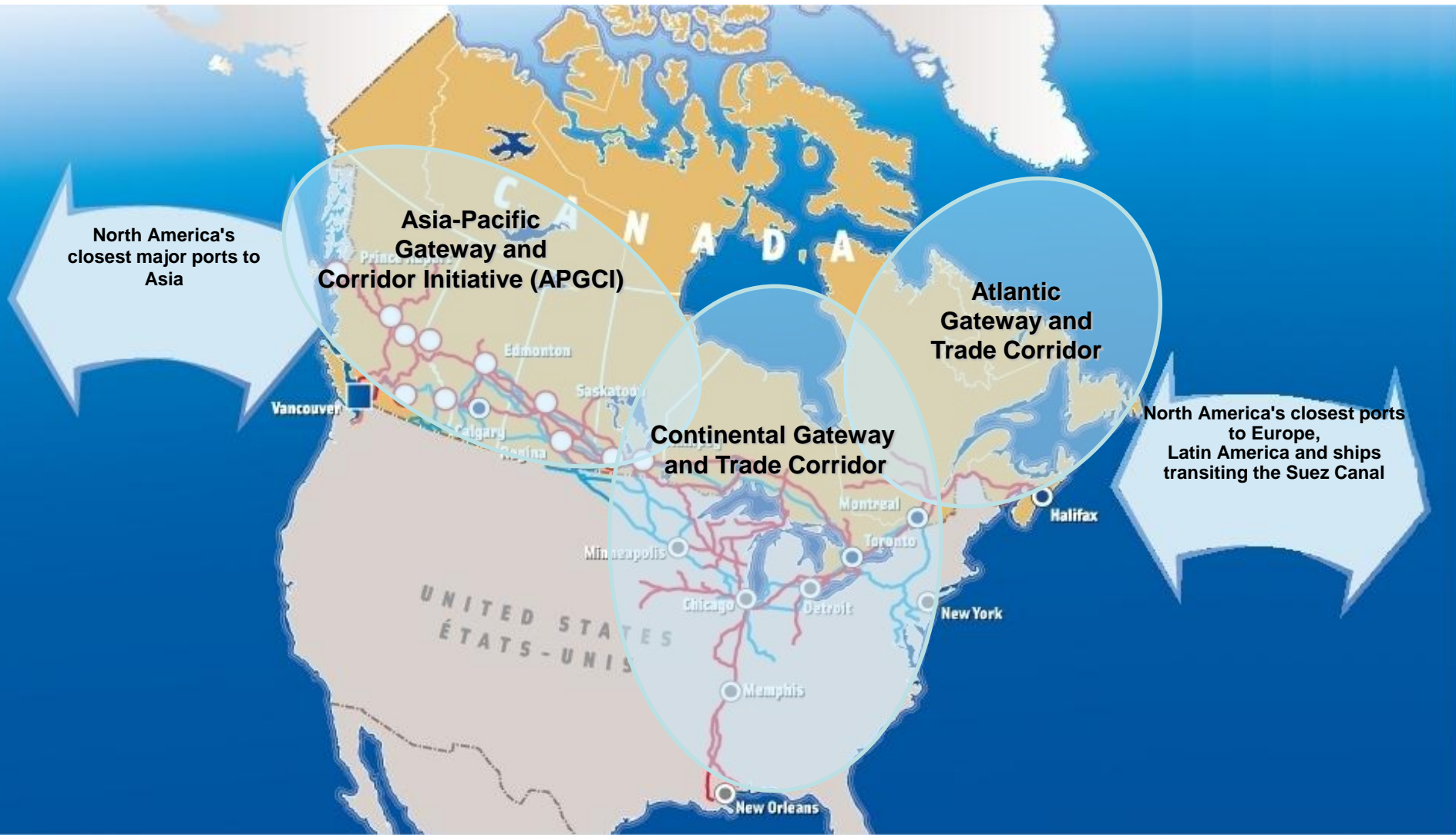
- Extensive consultations, research and analysis from conception in 2005 to formal Cabinet approval and public announcement in 2006-07
- Horizontal effort: implementing partners include Department of Foreign Affairs and International Trade, Canada Border Services Agency, Human Resources and Skills Development Canada

National strategy implemented through partnerships

- Memoranda of Understanding negotiated with the Provinces
- Private sector engagement: railways, truckers, shippers, freight forwarders, port and airport authorities, etc.
- Open call for proposals for merit-based infrastructure fund: Provinces Municipalities, Public-Private Partnerships (P3s)



Three Strategic Gateways and Corridors



To respond to the changing marketplace, our objective is to ensure a harmonized, efficient, reliable and sustainable system that supports Canada's competitiveness

- **Optimize** the use of existing infrastructure
- **Adapt** the transportation system to meet future demands of freight flows and changes in supply chains and logistics
- Improve **integration** between modes

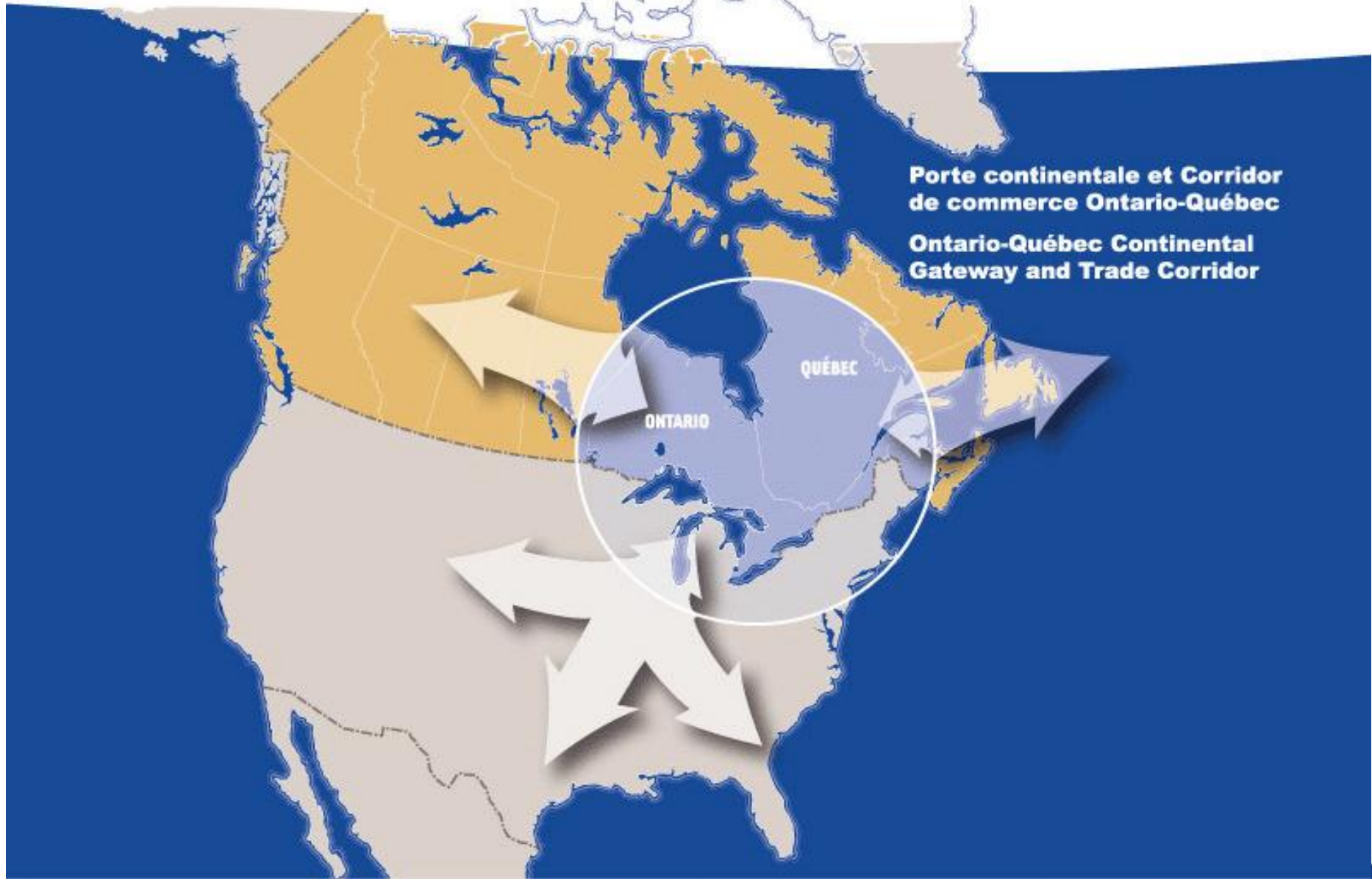
Optimizing, adapting, and integrating all modes of Canada's strategic transportation system provides the necessary conditions for long-term sustained economic growth and the creation of new jobs and wealth

It is not just about '**bricks and mortar**' but also about **efficient supply chains** — managing the movement of goods and services that build our economy



An integrated, system-based approach to Canada's Gateways situates crucial considerations such as the roles of technology, environmental stewardship and security — all of which transcend traditional mode-specific approaches

Canada's Continental Gateway and Trade Corridor



Canada's economic heartland: Ontario and Quebec have a fully integrated transportation system, providing a net competitive advantage for Canada-U.S. and international trade

- Within a 1,000 kilometres radius, direct access to over 135 million (M) consumers in less than a one-day trip
- The Port of Montreal is Canada's second busiest container port, and it is open year-round
- Well-developed and integrated highway and Class 1 rail network to the rest of North America

The Continental Gateway initiative is focused on maintaining and building upon central Canada's world-class transportation system so that it remains a key driver of international trade and economic growth for the future

- A unique partnership between the government of Canada and the provinces of Ontario and Quebec to develop a strategy for immediate and longer-term supply chain improvements
 - Significant participation from the private sector
- Efficient and secure movement of goods is a key element of the Continental Gateway
 - Optimize the multi-modal network by strategic infrastructure investments, policy and regulatory streamlining and other measures
 - Joint planning of additional capacity at Canada-U.S. land border crossings
 - Ongoing and sustained dialogue with the U.S. Maritime Administration on potential shortsea shipping operations on the Great Lakes



Since 2006, Canada has made unprecedented commitments to infrastructure, with funding to improve the core National Highway System, ports, airports, and major border crossings

- \$33B Building Canada Plan
 - \$8.8B Building Canada Fund
 - \$2.275B Provincial/Territorial Base funding
 - \$2.1B Gateways and Border Crossings Fund (GBCF)
 - \$1B APGCI Transportation Infrastructure Fund

Canada's Economic Action Plan responded to the downturn with \$12B for infrastructure stimulus (2009-2011), including

- \$4B Infrastructure Stimulus Fund
- \$716M for federal assets



System analysis informs investment choices, targeting key transportation assets that support international and inter-provincial commerce to advance Gateways objectives

Moving Beyond Bricks and Mortar

Building upon infrastructure, outreach and partnership activities, competitiveness measures address interconnected issues related to gateway and corridor development.

Common Competitiveness Measures

- **Adding value to the Gateways**
- **Governance changes**
- **Policy/regulatory harmonization**
- **System-based measures of gateway performance**
- **Expanding the knowledge foundation: National and continental studies with regional application**
- **International marketing, outreach and engagement**

Gateway-specific Competitiveness Measures

APGCI

- Gateway Performance Table
- Asia-Pacific Gateway and Corridor Skills Table
- Pro-active public engagement strategy
- Trade logistics cooperation with China

Continental Gateway

- Analytical studies to define transportation network and current and future freight flows
- Extensive consultation with private sector on infrastructure and non-infrastructure issues

Atlantic Gateway

- Analytical studies to define transportation network and current and future freight flows
- Streamline regulations on inter-provincial truck movements
- Active consultation with Atlantic Gateway Advisory Council as well as regional Gateway Councils

Holistic “system-based” approaches identify and define the current and future responsibilities for all Gateways partners

- The objective of supply chain analysis is to better understand the factors that impact key supply chains and identify potential options for optimizing, adapting and improving the transportation system that supports them
- Future work includes analysis based on the direction of international trade flow: Export Supply Chain Analysis and Import Supply Chain Analysis
- Analysis will focus on the following issues:
 - Identification of hot spots and key infrastructure
 - Cost of the supply chain (including total transportation costs)
 - “Time cost” of the supply chain
 - Areas of congestion
 - Supply chain reliability and fluidity
 - Availability of resources
 - Utilization rates
 - Seasonal variations



System-based analysis feeds the development Gateways and Corridors performance metrics. These indicators support goal alignment and service standards agreements.

Measuring Supply Chain Performance and Reliability

Evidence-based information on Canadian supply chain reliability and efficiency

- Development of a **Fluidity Indicator** to measure total end-to-end transit times for commodities on strategic origin-destination markets
- Phased approach in partnership with industry and Texas Transportation Institute
- Uses transit time data for all transportation modes from a variety sources
- Benefits of clear metrics
 - Support policy of Gateways (e.g., identify bottlenecks)
 - Measure return on investment
 - Address (perception of) reliability issue with objective facts: Marketing value
 - Benchmark performance of Canadian supply chains
- Challenges and risks
 - Obtaining data: voluntary participation, international sources, may be proprietary
 - Maintaining partnerships: demonstrate good will and benefits of participation
 - Developing internal expertise to create and refine metrics

High-quality performance metrics support national Gateways policy and programming decisions and help address common misperceptions on reliability of Canadian system

Concerns on border efficiency and security remain top of mind

- Capacity, security and document requirements, processing efficiency, border wait times, preclearance, technologies needs and enrollment issues for NEXUS and FAST trusted traveler & trader programs

Response: New investments in infrastructure and technology

- New infrastructure capacity
- Intelligent Transportation Systems (ITS): new solutions for congestion
 - Accurate information in real time, better traffic flows, and advance wait time information helps optimize existing infrastructure capacity
- Freight Technology Investments
 - Remote ID of vehicles, trailers and containers, virtual safety inspections, and online licensing and permit systems
 - eManifest: paperless process that starts before shipments reach the border



Modern Border Infrastructure

- Post 9/11, the Government of Canada has invested heavily in land border infrastructure, specifically approach roads & customs plazas
- Over \$4.5 billion to date

Map Includes:

- 34 project descriptions
- List of busiest crossings, including NEXUS/FAST capability
- Canada's major gateways and trade corridors



For example, the “Smart Corridor” Strategy

- A holistic approach to optimize network efficiency, safety, security, sustainability
- Federal, provincial, regional governments partner with ports, private firms and universities to identify priorities and gaps, coordinate plans, integrate systems
- Maximizing existing capacity while minimizing need for new infrastructure
- Connecting components together with Intelligent Transportation Systems (ITS)
 - Regional Transportation Management Centre will monitor and manage system
 - Regional Traffic Data System will generate real-time traffic speed information
 - Advanced systems will optimize movements of trucks and containers
- Important new systems include:
 - Remote identification of vehicles, trailers, and containers
 - Virtual safety inspections
 - Online licencing and permit systems



Canada-U.S. Perimeter Security and Economic Competitiveness

- Joint declaration on a Shared Vision for Perimeter Security and Economic Competitiveness, February 4, 2011
 - “The Canada-U.S. partnership on security and economic competitiveness must evolve continually if we are to stay strong and address future security and commercial concerns. This declaration sets the stage for more effective, long-term collaboration in these areas. It also respects the sovereignty of both countries and the privacy of our citizens.”
– Prime Minister Stephen Harper
 - “Our focus has been on how we increase jobs and economic growth on both sides of the border. (...) So today we’ve agreed to several important steps to increase trade, improve our competitiveness, and create jobs for both our people.”
– U.S. President Barack Obama
- Key commitment:
 - a Joint Action Plan with specific initiatives to address the areas of work identified in the Declaration
 - the Action Plan is being developed by a Beyond the Border Working Group (BBWG), established under the Declaration

Transportation Border Working Group

- Established in 2001
- Coordinates transportation planning, policy, and border infrastructure investments
- Co-chaired by Transport Canada and U.S. Federal Highway Administration
- Also includes representatives from:
 - Canada Border Services Agency
 - U.S. Customs and Border Protection
 - DFAIT and State Department
 - Provinces and States
 - Other border stakeholders
- On-line Border Infrastructure Compendium – searchable database of land border crossings
- www.thetbwg.org



Looking Ahead

Challenges:

- Changes in global trade patterns & supply chains
- Continued economic uncertainty
- Enhanced security requirements
- Need for greener systems

Solutions:

- Strategic Approach
- Research & Technology
- Partnerships



Questions?

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