Continental Gateway Goods Movement System Analysis

Implications for Goods Movement in Ontario

Presentation to Binational Coordinating Group Meeting
Aug 29, 2011
Outline

• Continental Gateway Strategy Development Process
• Key Continental Gateway Research Findings
  – Economic Benefits of Goods Movement
  – Key Capacity Issues
  – Competitiveness Issues
• Continental Gateway Status
Overview – Continental Gateway Process

• Continental Gateway Strategy is a partnership between Ontario, Quebec, and the Federal government to improve the multimodal transportation system in Ontario and Quebec so that it can remain a driver of economic growth.

• Goal is a comprehensive strategy for all modes with Infrastructure, policy, regulatory and operational improvements.

• The scope and scale of the initiative required new analysis to inform strategy decisions:
  • Infrastructure research projects: comparable, shared information on traffic demand infrastructure needs for all modes of transportation and their intermodal connections.
  • Ontario/Federal/Quebec government working groups: policy, regulatory, and operational issues that affect the efficiency and competitiveness of the corridor.
  • Stakeholder input: identification of the most significant impediments to trade across all modes, and what system changes will be most important over the long term.
## Analysis and Consultation Process

<table>
<thead>
<tr>
<th>Research</th>
<th>Working Groups</th>
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<tbody>
<tr>
<td>Literature Review</td>
<td>Improving Operations</td>
</tr>
<tr>
<td>National Commodity Flow Trade and Traffic Forecasts</td>
<td>Sustainable Development</td>
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<td>GPS Based Study of Road Network Performance</td>
<td>Skills Development</td>
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<td>Border Infrastructure Study</td>
<td>Labour Relations</td>
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<td>Multimodal Freight and Passenger Traffic Flows and Infrastructure Study</td>
<td>Trade Facilitation</td>
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<td>Assessment of Road Access To Intermodal Terminals And Distribution/Transload Facilities</td>
<td>Border Related Services</td>
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<td>Economic Benefits of the Continental Gateway</td>
<td>Regulatory Issues</td>
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<td>Outreach to U.S</td>
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- **Stakeholder Consultations:**
  - Regular meetings with 40-member Private Sector Advisory Committee and 3 Private Sector Strategic Advisors.
  - Over 200 individual meetings with Stakeholders through infrastructure research programs.
  - Request for Stakeholder Briefs sent to 668 organizations,
  - Open call for comments on Continental Gateway Website.
International trade via Ontario: $206B exports, $233B imports
• Benefits to Ontario
  – Exports: $131.7B GDP (22.5% of total), 1.7M jobs (25.5%)
  – Imports: $15.0B GDP (2.6%), 254,000 jobs (3.8%)
• Benefits to Canada, exports only
  – $175B GDP (11.4%), 2.3M jobs (13.9%)

Importance of Corridor Approach:
• $23.4B of Quebec exports via Ontario
  – $23.4B GDP (7.9%), 401,000 jobs (10.4%)

Potential Areas for Future Research
  – Economic Benefits of Domestic trade - International trade is only 37% of the $1.2 trillion in goods moved on Ontario’s highways annually.
  – Economic benefits of Trade with key U.S. partners (e.g. NY).
Goods Movement Nodes and Corridors

- Ontario is a nationally significant and strategic hub for goods movement.
- Five distinct nodes and corridors can be identified for International Trade

**Northern:**
- Connections to Western Canada and Asia-Pacific Gateway
- Hub for Mining, Forestry and Agricultural exports

**Eastern:**
- Connections to Montreal and Atlantic Gateway
- Strategic border connections to New York.

**GTA:**
- Nationally significant production, consumption and re-distribution node for international trade.

**Southwestern:**
- Strategic connections for road and rail trade with the U.S. Midwest.
- Strategic point automotive sector, and petrochemicals

**Niagara:**
- Strategic connections for road trade with New York and Eastern Seaboard.
- Strategic point for steel and manufacturing production inputs.
Capacity Issues in the Niagara Region

- Road/rail level crossing in Burlington impedes GO train operations
- QEW: Peel west to Hamilton, segments with TW-CDI above 75th and 90th percentile
- Border crossings frequently congested

Port and Airport Expansion Plans
**Current & Planned Expansion Projects in the Niagara Region on Major Freight Corridors**

- **QEW: 6 – 8 Lane widening, HOV lanes, Trafalgar Rd to Guelph Line (2011)**
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- **QEW: New interchange & widening, Seventh St. to Garden City Skyway (2011)**
- **King Rd Grade Separation (Burlington, CN, and GO Transit)**
- **Hwy 403: Waterdown Rd. interchange (2010)**
- **ITS Improvements**
Continental Gateway Research Findings
Competitiveness Barriers

- Policy and regulatory competitiveness barriers exist in each mode, some within Ontario control, some require partnership with other Governments.

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<th>Stakeholder Input – Competitiveness Concerns</th>
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<td><strong>Priority</strong></td>
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<td>Maintaining a focus on both current and <em>long term</em> economic competitiveness</td>
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</tbody>
</table>
| Targeting strategic infrastructure investments to meet current and future needs  | • Major borders and road systems in Toronto and Montreal areas  
|                                                                                  | • Improved access to Toronto and Montreal intermodal facilities and the Port of Montreal  
|                                                                                  | • The major ports and state of good repair of shortline railways                        |
| Making regulatory and operational changes that will improve short-term and long-term competitiveness | • Partnership with the US on border and regulatory issues  
|                                                                                  | • Transportation fees and taxation issues for all modes  
|                                                                                  | • Streamlined and harmonized truck regulations between Ontario and Quebec  
|                                                                                  | • Canada-U.S. ballast water regulatory harmonization.  
|                                                                                  | • Improved operations at intermodal facilities and ports                                  |
| Addressing critical horizontal issues                                            | Addressing areas such as:  
|                                                                                  | • Sustainability of the system  
|                                                                                  | • Environmental assessment process  
|                                                                                  | • Skills development issues                                                           |
**Vision:** The Ontario-Quebec Continental Gateway and Trade Corridor: an efficient, secure and sustainable transportation system that drives our international competitiveness by seamlessly connecting markets in North America and to the world.

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<th>Strategic Objective</th>
<th>Examples of Potential Actions</th>
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<td>Enhancing efficiency and reliability in the system</td>
<td>• Harmonize regulations and reduce regulatory overlap</td>
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<td>• Ensure adequate labour supply and skills development</td>
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<td>• Deploy technological innovations</td>
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<td>Integrating the system</td>
<td>• Improve access to ports, airports and intermodal facilities</td>
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<td>• Support freight hubs</td>
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<td>Relieving congestion and improving capacity</td>
<td>• Address key bottlenecks in all modes</td>
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<td>• Facilitate goods movement through metropolitan areas</td>
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<td>• Coordinate border infrastructure planning with the US</td>
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<td>Incorporating sustainability into system planning</td>
<td>• Encourage energy efficiency and reduce emissions of fleets</td>
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<td>• Integrate land use planning and transportation</td>
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<td>Facilitating secure and safe trade</td>
<td>• Align Canada-US security requirements</td>
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<td>• Ensure cargo security throughout the supply chain</td>
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<td>Potential long-term system transformations</td>
<td>• Express commerce lanes</td>
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<td>• High speed rail between Windsor and Québec City</td>
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<td>• Smart corridor with leading-edge technology</td>
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Next Steps

• Continental Gateway strategy is currently stalled and there is no guarantee of release any time in the near term.

• Ontario upcoming Ontario election means release of any strategy before 2012 is highly unlikely.

• Ontario, and Ontario Stakeholders remain committed to the Continental Gateway concept.

• In the meantime, Ontario will continue to deliver elements of the Continental Gateway as a key part of Ontario’s goods movement agenda.