

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~~

Research	Working Groups
Literature Review	Improving Operations
National Commodity Flow Trade and Traffic Forecasts	Sustainable Development
GPS Based Study of Road Network Performance	Skills Development
Border Infrastructure Study	Labour Relations
Multimodal Freight and Passenger Traffic Flows and Infrastructure Study	Trade Facilitation
Assessment of Road Access To Intermodal Terminals And Distribution/Transload Facilities	Border Related Services
Economic Benefits of the Continental Gateway	Regulatory Issues
	Outreach to U.S

- 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.

Continental Gateway Research Findings

Economic Benefits

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:

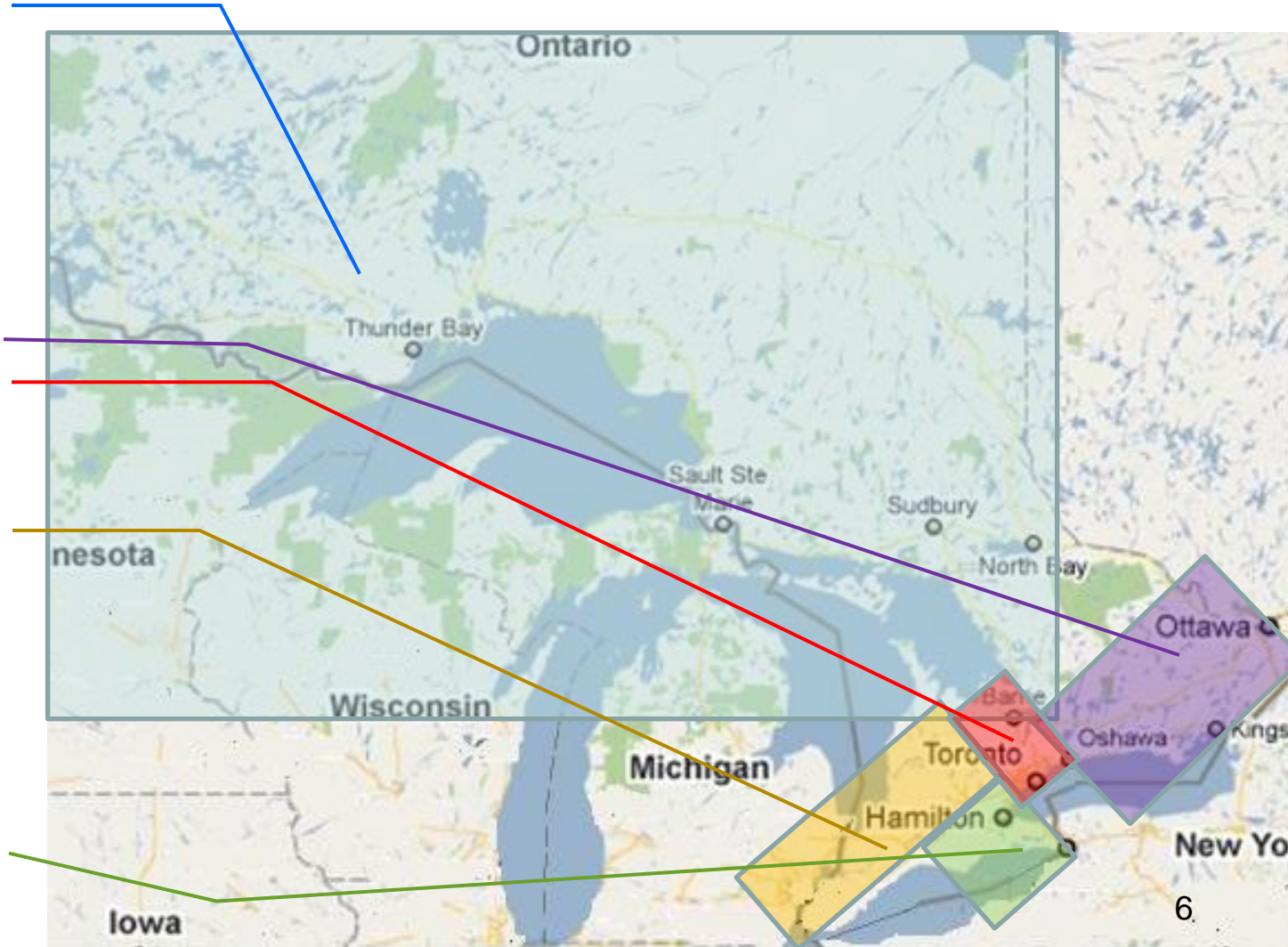
- Nationally significant production, consumption and re-distribution node for international trade.

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

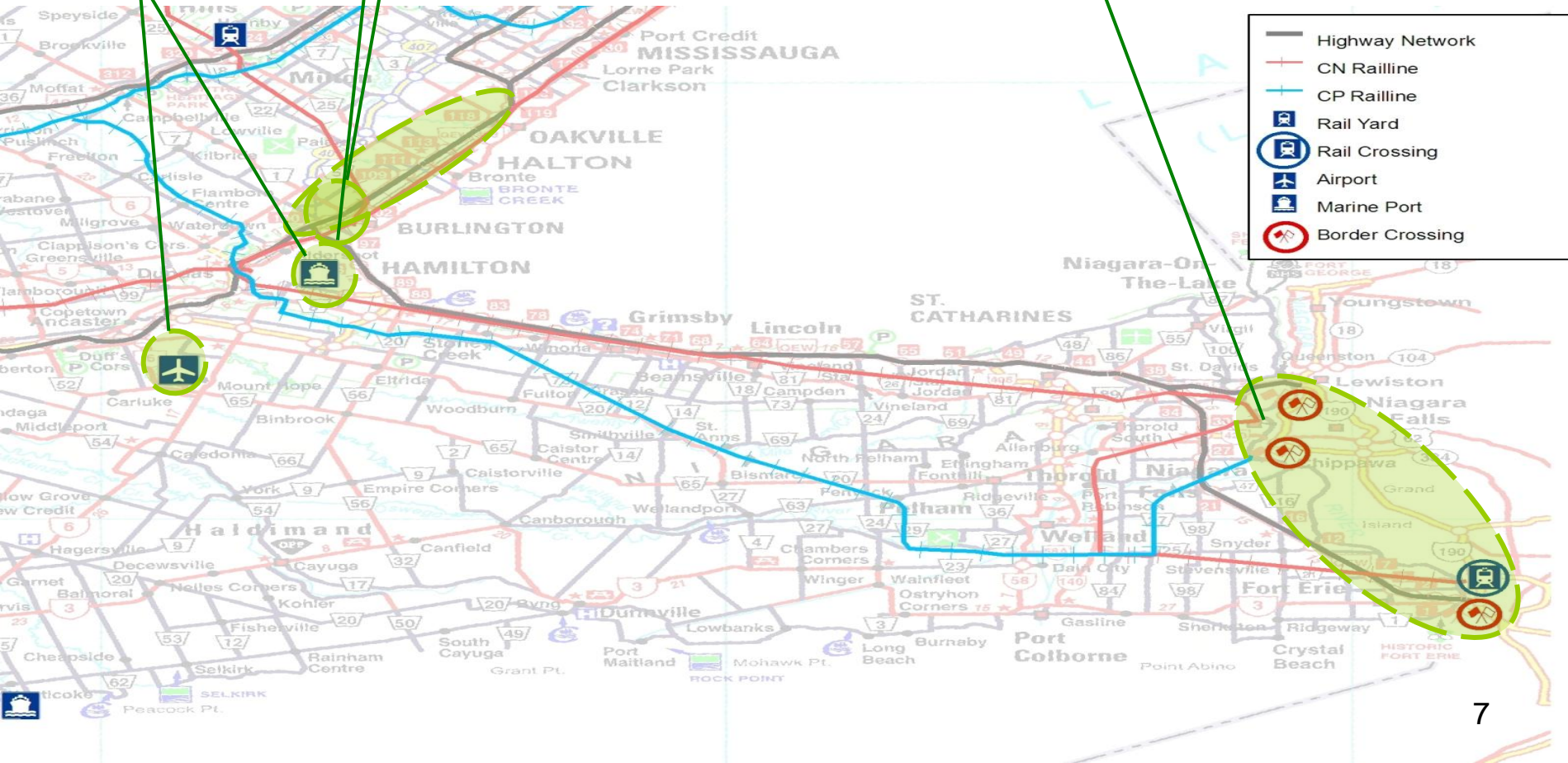
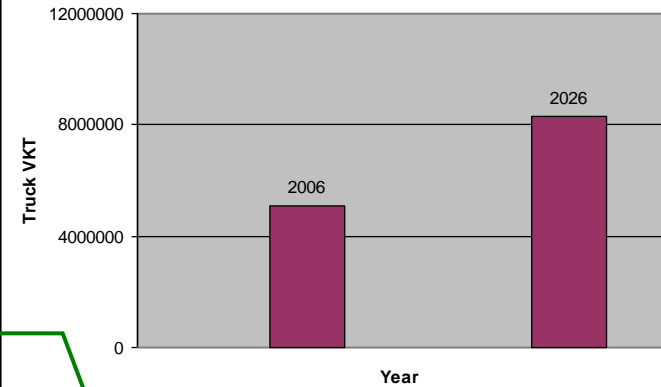
Port and Airport Expansion Plans

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

Truck VKT Growth MTO Central Region



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)

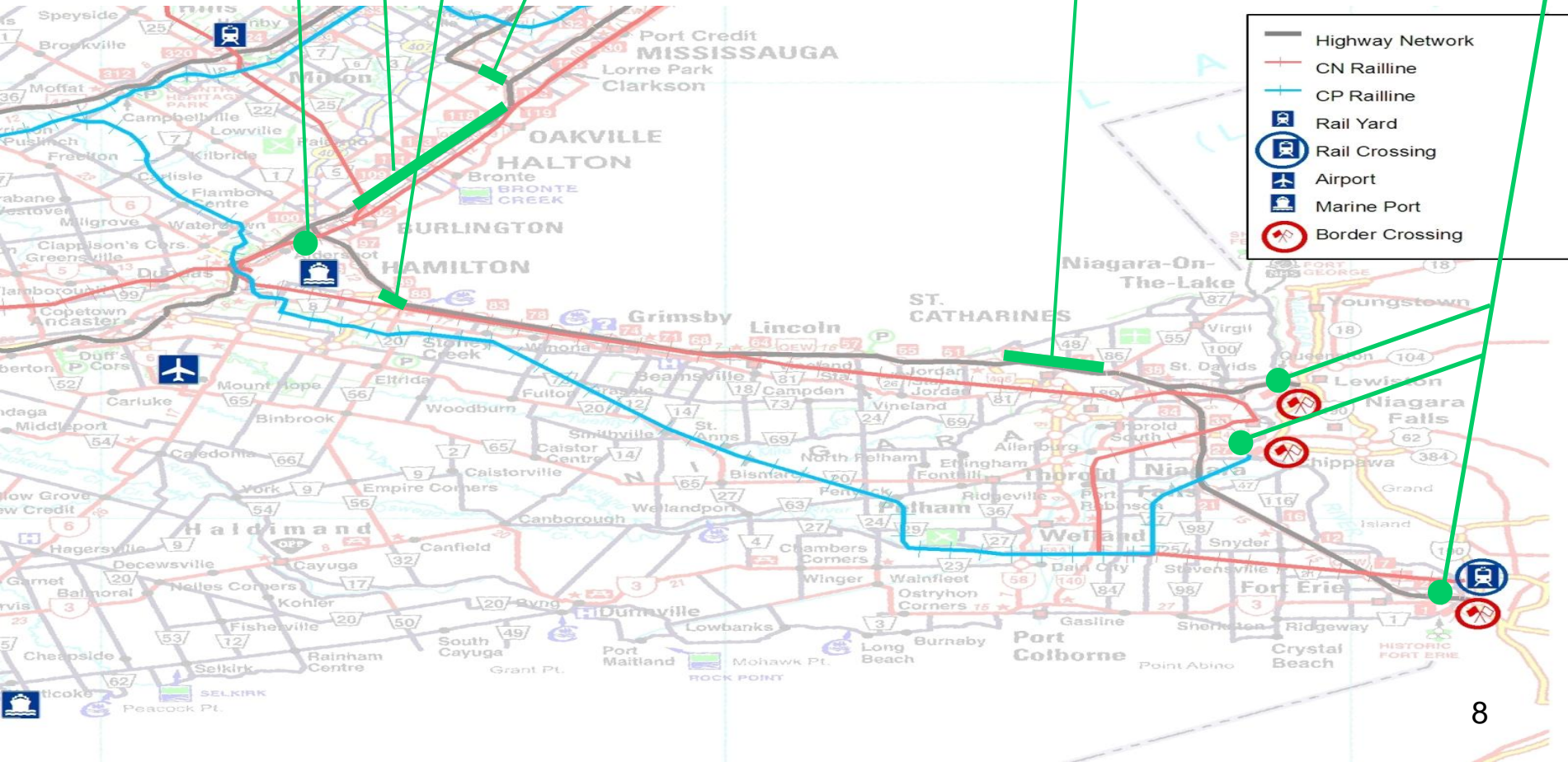
QEW: New interchange & widening, Red Hill Valley Parkway interchange (2009)

QEW: 4 – 6 lane 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



Planning for the Future – Niagara Region

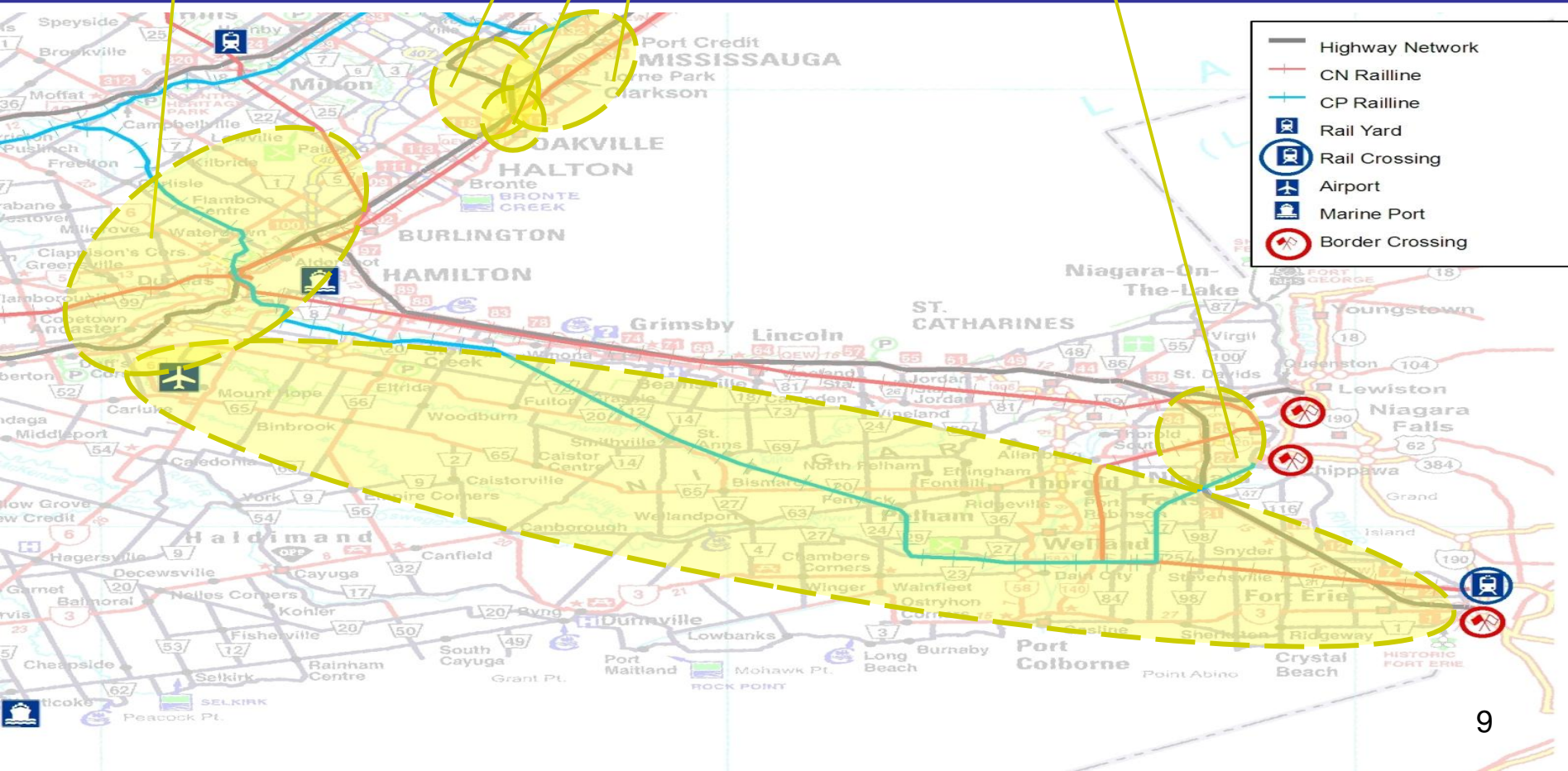
Niagara-GTA Corridor Study

QEW: Garden City Skyway
McLeod Rd to Mountain Rd

Hwy 403: QEW to Highway 407

QEW: Hwy 403 Interchange

QEW: Hwy 403 to Hwy 427



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.

Stakeholder Input – Competitiveness Concerns	
Priority	Key Elements Of Concern
Maintaining a focus on both current and <i>long term</i> economic competitiveness	<ul style="list-style-type: none"> • Taking early action to address current economic challenges, while aggressively planning for longer-term goods movement needs.
Targeting strategic infrastructure investments to meet current and future needs	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<p>Addressing areas such as:</p> <ul style="list-style-type: none"> • Sustainability of the system • Environmental assessment process • Skills development issues

Draft Continental Gateway Strategy

Vision and Strategic Objectives

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.*

Strategic Objective	Examples of Potential Actions
Enhancing efficiency and reliability in the system	<ul style="list-style-type: none">• Harmonize regulations and reduce regulatory overlap• Ensure adequate labour supply and skills development• Deploy technological innovations
Integrating the system	<ul style="list-style-type: none">• Improve access to ports, airports and intermodal facilities• Support freight hubs
Relieving congestion and improving capacity	<ul style="list-style-type: none">• Address key bottlenecks in all modes• Facilitate goods movement through metropolitan areas• Coordinate border infrastructure planning with the US
Incorporating sustainability into system planning	<ul style="list-style-type: none">• Encourage energy efficiency and reduce emissions of fleets• Integrate land use planning and transportation
Facilitating secure and safe trade	<ul style="list-style-type: none">• Align Canada-US security requirements• Ensure cargo security throughout the supply chain
Potential long-term system transformations	<ul style="list-style-type: none">• Express commerce lanes• High speed rail between Windsor and Québec City• Smart corridor with leading-edge technology

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.