



Connecting the U.S. to the World: Seizing the Canadian Opportunity

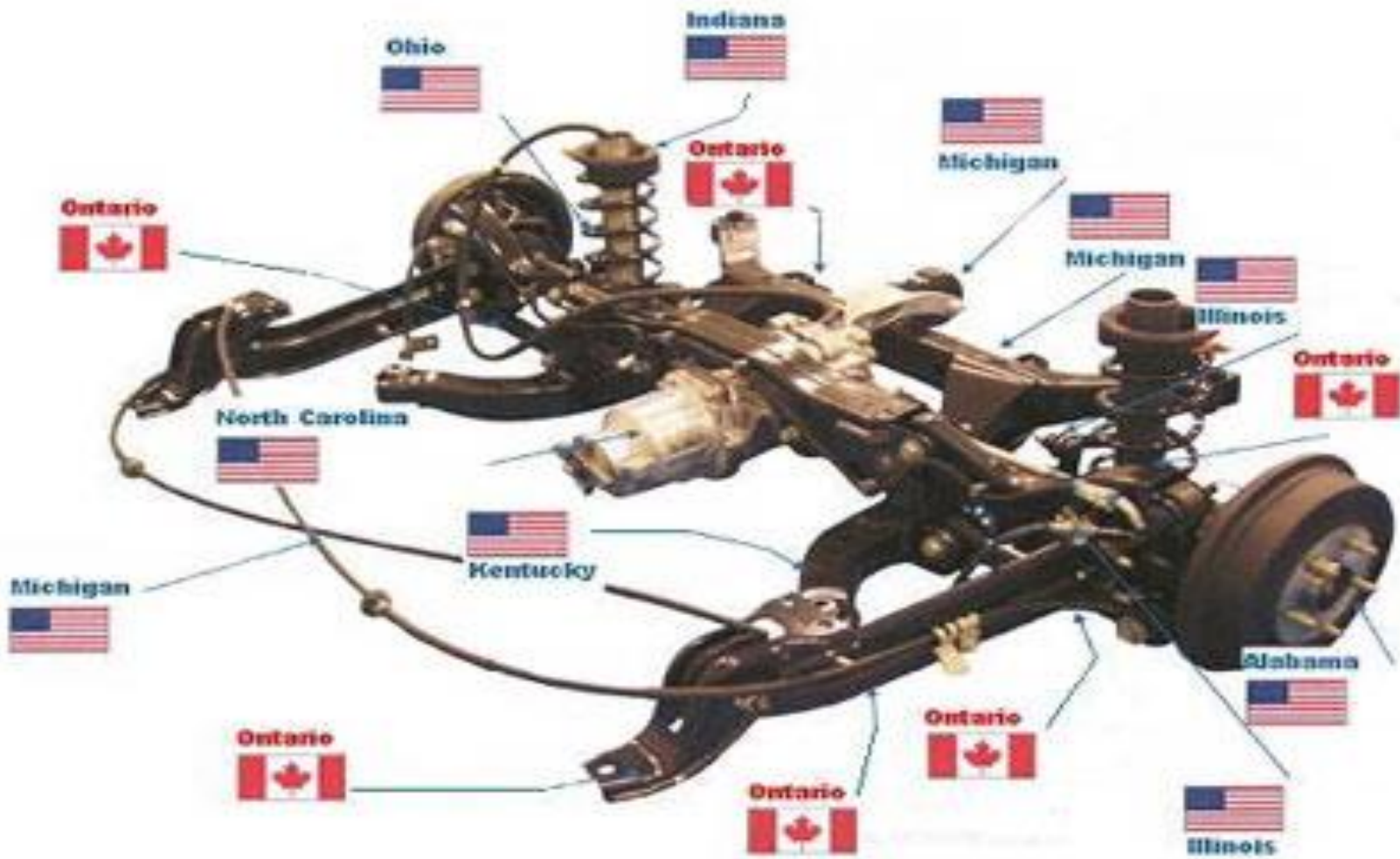
**Presentation by Canadian Consul General Roy Norton
to MAFC/ITTS/KYTC
Louisville, Kentucky March 12, 2013**

U.S. – Canada Economic Relationship

- World's largest 2-way trade relationship
- \$689 billion (goods & services) in 2011
- \$1.9 billion crosses the border every day
- Canada is USA's biggest supplier of imported energy
 - Oil (>25%); natural gas (>80%); electricity (~100%); uranium (approx. one-third)
- > 8 million U.S. jobs depend on trade with Canada
- >400,000 crossings of U.S.-Canada border every day

Canada-MAFC Coalition States Economic Relationship

- two way (goods) trade of \$248 billion in 2012
- MAFC states' exports to Canada grew 5%
- Canada is best customer for all MAFC states
- 1.7 million jobs in MAFC states depend on trade with Canada
- 123,200 workers in MAFC states are employed by firms owned by Canadians
- 7.1 million Canadians visited MAFC states in 2011



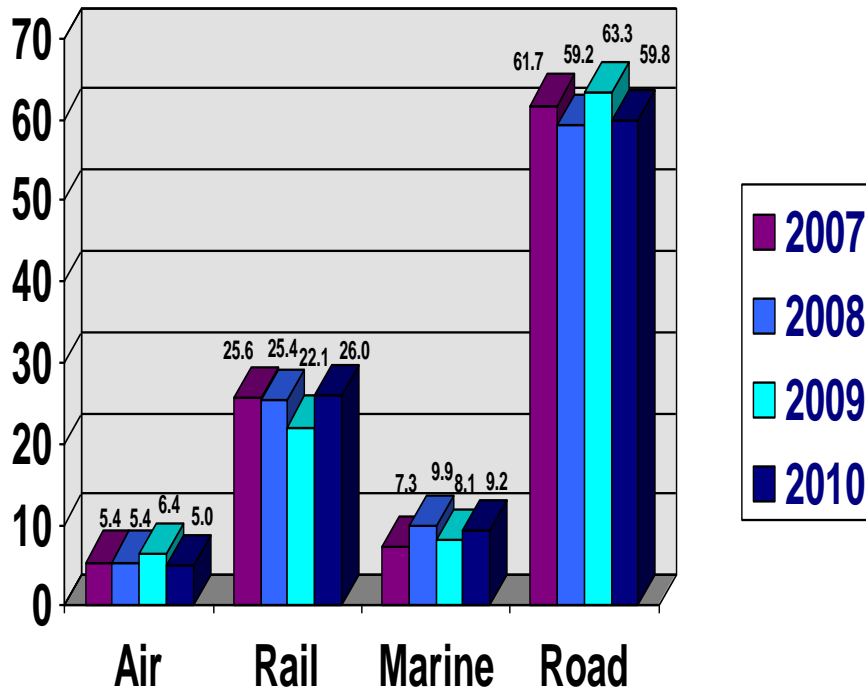
The Canada – U.S. Transportation Relationship

- 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
- 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 and Metropolitan Planning Organizations
 - Non-government/Academic
 - Private Sector

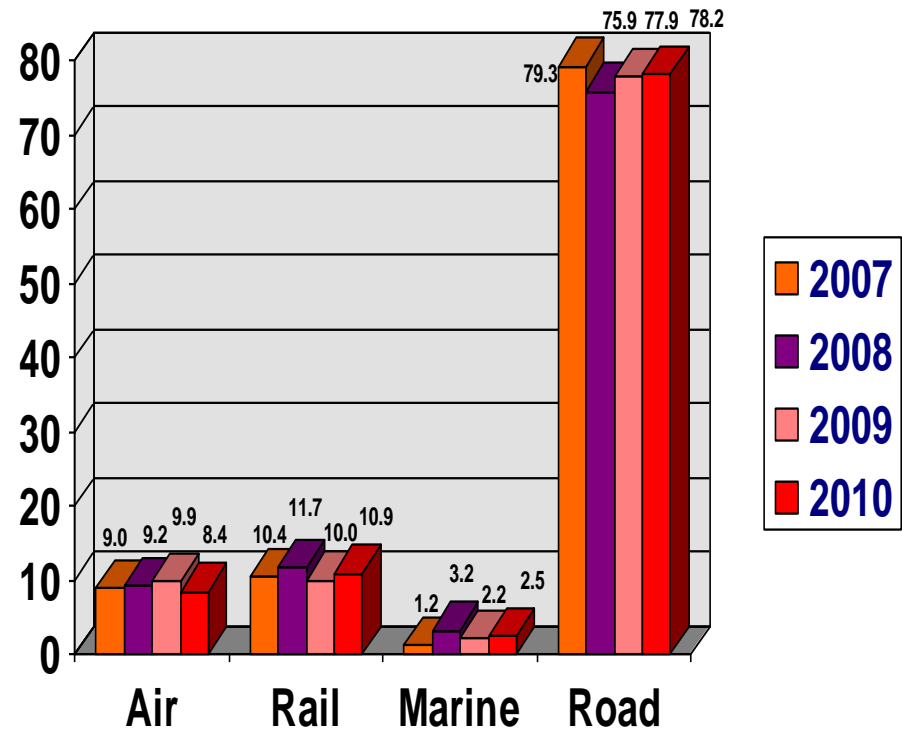


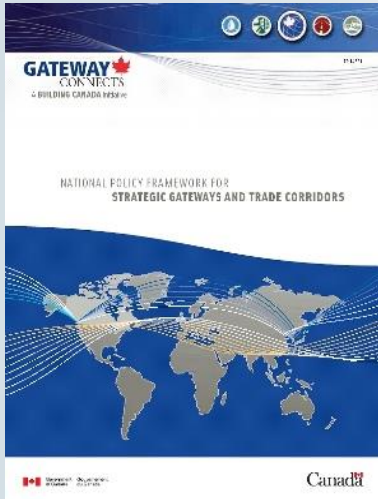
The Canada – U.S. Transportation Relationship

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



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



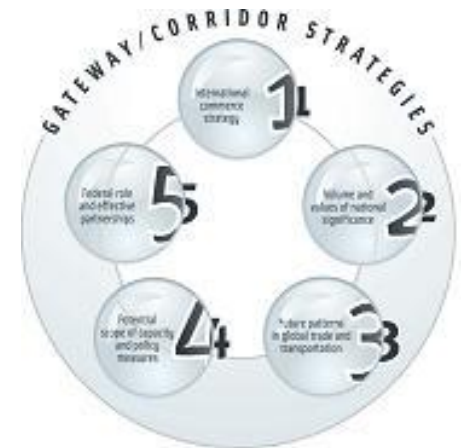


National Policy Framework for Strategic Gateways and Trade Corridors: federal response to the evolving dynamics of global trade and transportation

- Developed to advance the competitiveness of the Canadian economy in the rapidly changing global environment
- Tool to keep focus on national priority issues for trade and transportation
- Emphasizes Canada's geographic advantages, global commerce strategy, public-private collaboration, and integrated approaches to infrastructure improvements, policy, regulatory and operational measures

The Framework uses Five Policy Lenses

1. Align transportation system with international commerce strategy
2. Focus on nationally significant volumes and values of trade
3. Forward-looking plans based on system analysis
4. Address interconnected issues that directly impact system performance
5. Respect the federal role and foster effective partnerships



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



Each gateway has its own characteristics, challenges and opportunities; connections among the three gateways reflect inter-provincial and international supply chains

Thinking Globally, Acting Regionally

Different imperatives for the three gateway strategies:

Asia-Pacific Gateway

- Congestion
- Capacity Constraints
- Reliability Concerns
- North and South Shore Initiatives

Continental Gateway

- Congestion
- Bottlenecks
- Integrated transportation system between Canada and the United States (U.S.) Heartland

Atlantic Gateway

- Untapped port and rail capacity
- Exploiting geographic advantages
- Niche capabilities

But they are interconnected and present similar opportunities and challenges:

- Extensive collaboration between governments, port authorities, industry and organized labour
- Require a “whole of government” approach and broad stakeholder buy-in for building necessary partnerships to address key policy, regulatory and operational issues
- Require holistic “system-based” approaches to identify and define the current and future responsibilities for all partners

Canada's Gateways lay the groundwork to ensure a successful transportation system that supports international commerce and the new demands posed by global supply chains and expansion of global trade

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

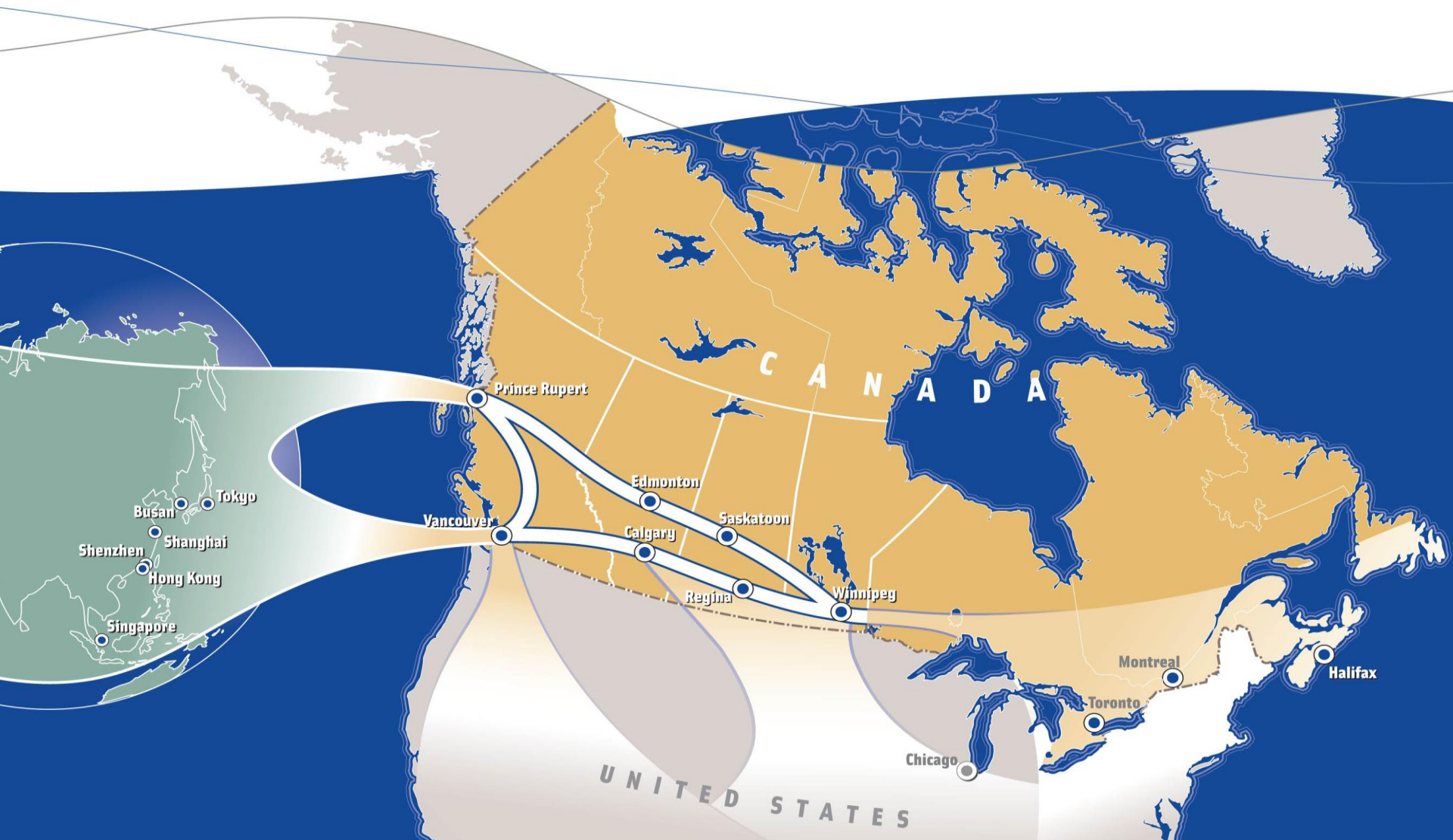
Optimizing, adapting, and integrating all modes of Canada's strategic transportation system provides the necessary conditions for long-term sustained economic growth and the creation of new jobs and wealth

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

Asia-Pacific Gateway and Corridor Initiative



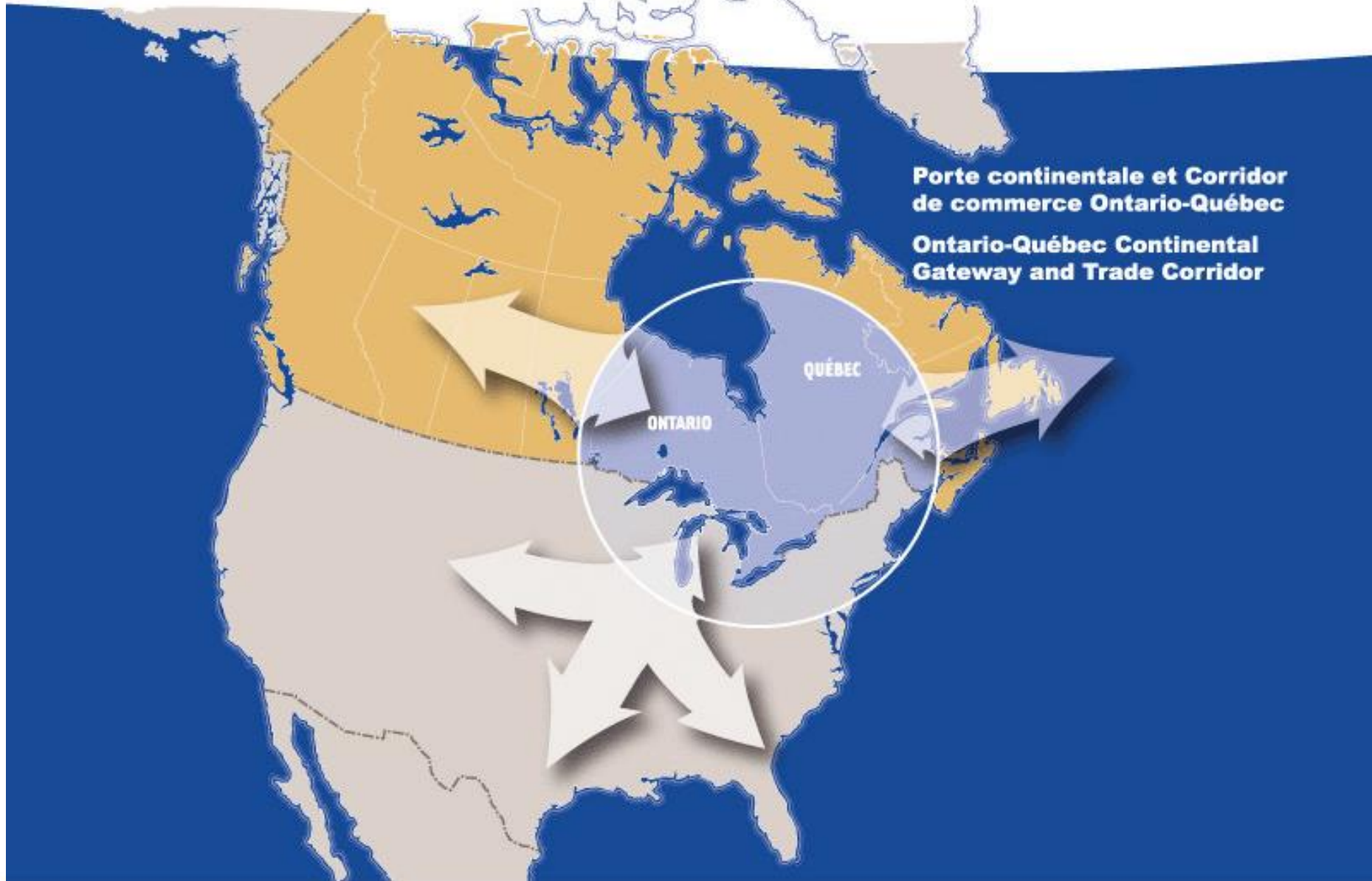
ATLANTIC GATEWAY AND TRADE CORRIDOR



Canada's Atlantic Gateway and Trade Corridor provides a quick, reliable and secure transportation network between North American markets and Europe, the Caribbean, Latin America and Asia via the Suez Canal

- **COMPETITIVE:** Deep-water ports with ability to handle post-panamax ships, proximity to major North American markets, labour stability, and readily available capacity in all modes of transportation
- **VERSATILE:** Leading supply chain capabilities established across a broad range of industries; responsive to unique needs with niche capabilities such as moving refrigerated cargo by ship, air, truck or rail; handling bulk and break-bulk shipping of dry, liquid and energy products; international transshipment operations and world-class cruise facilities
- **INNOVATIVE:** Innovative business models, processes and technologies in operation across the Canada's Atlantic Gateway and Trade Corridor make it efficient, reliable, secure, and sustainable
- **INTEGRATED:** Collaboration between governments and the private sector ensures that Canada's Atlantic Gateway and Trade Corridor is an integrated system of airports, seaports, rail and highways that reach into key markets in the U.S. and Canada

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



Ports of Montreal and Halifax are Gateways to International Trade

Moving forward, Canada can offer more than a strong bilateral trade relationship – we can connect MAFC States to the world.

Port of Halifax:

- Deep water port with super post-panamax capability
- Open year-round
- Class 1 rail service
- Core highway connections
- Shortest all-water route to Europe, Brazil and S. Asia via Suez Canal



Port of Montreal:

- Inland container marine port with multiple point-to-point trade routes
- Open year-round
- Service by two Class 1 railways
- Core highway connections
- Direct access to St. Lawrence Seaway and Great Lakes system



Windsor-Detroit: The busiest border crossing in North America

- \$130B in surface trade (28% total Canada-U.S. trade)
- 13.5M trucks (> 8,000/day) & 25M travelers/year (over 68,000/day) cross at Windsor-Detroit)
- 2 million US jobs currently depend on the efficient carriage of traffic across the Ambassador Bridge
- + Windsor-Detroit tunnel, truck ferry (hazardous goods), & and Canadian Pacific Railway tunnel



Artist's rendering of Canadian Plaza using a cable stay bridge concept

New Detroit River International Crossing:

The largest Gateway infrastructure project in Canadian history

- Estimated project value at \$4.0B, with significant private sector involvement expected
- Goal is to provide a safe, efficient and secure border crossing system, directly connecting Highway 401 in Windsor and Interstate 75 in Detroit
- New crossing to be owned by Canada and Michigan and constructed, designed, financed and operated by P3.

Continental Rail Tunnel Proposal

- Would replace CP Windsor-Detroit rail tunnel, allowing double-stacked container trains and tri-level auto carriers from Montreal to US Midwest



Policy: Canada-Michigan Crossing Agreement, June 2012

- Framework for each party's roles and responsibilities
- Project funded and delivered by Canada—no cost to Michigan
 - US responsible for its customs plaza
- Buy America waiver to use only Canadian & American iron and steel
- Requires U.S. Presidential permit to become effective in U.S.

“an investment in the future of the North American economy”
—Prime Minister Harper



Leverage Canada-U.S. Perimeter Security and Economic Competitiveness

- In December, 2011, President Obama and Prime Minister Harper agreed on '*Beyond the Border*' - a Joint Action Plan for Perimeter Security and Economic Competitiveness
- Four key areas of co-operation
 - Addressing threats early
 - Trade facilitation, economic growth and jobs
 - Integrated cross-border law enforcement
 - Critical infrastructure and cyber-security
- Key deliverables
 - On the enforcement/cooperation/regulatory sides, by 2015
- This will build on Canada's many investments at the border:
 - New infrastructure capacity (over \$4.5 billion since 9/11)
 - Intelligent Transportation Systems (ITS): new solutions for congestion and efficiency
 - Freight technology investments