## U.S. transportation infrastructure competitiveness

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rank*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of roads</td>
<td>8</td>
</tr>
<tr>
<td>Quality of railroad infrastructure</td>
<td>14</td>
</tr>
<tr>
<td>Quality of port infrastructure</td>
<td>11</td>
</tr>
<tr>
<td>Quality of air transport infrastructure</td>
<td>9</td>
</tr>
</tbody>
</table>

* Estimated out of 131 countries.

## Canada transportation infrastructure competitiveness

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Rank*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of roads</td>
<td>11</td>
</tr>
<tr>
<td>Quality of railroad infrastructure</td>
<td>15</td>
</tr>
<tr>
<td>Quality of port infrastructure</td>
<td>14</td>
</tr>
<tr>
<td>Quality of air transport infrastructure</td>
<td>16</td>
</tr>
</tbody>
</table>

* Estimated out of 131 countries.

### U.S. mobility 2005

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congested travel</td>
<td>56% of total travel during peak hours</td>
</tr>
<tr>
<td>Congested system</td>
<td>45% of total lane miles</td>
</tr>
<tr>
<td>Total travel delay</td>
<td>4.2 billion hours</td>
</tr>
<tr>
<td>Travel delay per peak time traveler</td>
<td>38 hours</td>
</tr>
<tr>
<td>Cost generated by the travel delay</td>
<td>$78.1 billion*</td>
</tr>
<tr>
<td>Cost per peak time traveler</td>
<td>$707*</td>
</tr>
</tbody>
</table>

*Nominal

*Source: Texas Transportation Institute.*
Growth: travel vs. population

United States

Sources: U.S. Department of Transportation, U.S. Census Bureau, Milken Institute.
Travel growth vs. road supply

*United States*

Sources: U.S. Department of Transportation, Milken Institute.
U.S. airport freight activity

Source: U.S. Department of Transportation.
U.S. port container traffic

Million TEUs (20-foot-long cargo container)

*Except Canada

U.S. total

Pacific coast*

Atlantic coast

Gulf coast

Source: American Association of Port Authorities.
### U.S. bridge conditions

<table>
<thead>
<tr>
<th>Condition</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>All bridges</td>
<td>597,876</td>
<td>100.0</td>
</tr>
<tr>
<td>Deficient</td>
<td>152,480</td>
<td>25.5</td>
</tr>
<tr>
<td>Structurally deficient</td>
<td>72,033</td>
<td>12.0</td>
</tr>
<tr>
<td>Functionally obsolete</td>
<td>80,447</td>
<td>13.5</td>
</tr>
</tbody>
</table>

*Source: U.S. Department of Transportation.*
U.S. public transit ridership

Billions of passenger trips

Source: American Public Transportation Association.
Bus, 59.7%

Commuter rail, 4.3%

Light rail, 3.9%

Ferryboat, 0.7%

All other, 2.9%

Heavy rail, 28.6%

Source: American Public Transportation Association.
<table>
<thead>
<tr>
<th>Mode</th>
<th>Average trip length (miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>3.7</td>
</tr>
<tr>
<td>Commuter rail</td>
<td>22.4</td>
</tr>
<tr>
<td>Ferryboat</td>
<td>6.0</td>
</tr>
<tr>
<td>Heavy rail</td>
<td>5.1</td>
</tr>
<tr>
<td>Light rail</td>
<td>4.5</td>
</tr>
<tr>
<td>Other rail</td>
<td>1.0</td>
</tr>
<tr>
<td>Paratransit</td>
<td>8.5</td>
</tr>
<tr>
<td>Trolleybus</td>
<td>1.6</td>
</tr>
<tr>
<td>Vanpool</td>
<td>33.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.1</strong></td>
</tr>
</tbody>
</table>

*Source: American Public Transportation Association.*
## Estimated travel time by high-speed train in 2020

<table>
<thead>
<tr>
<th>City pairs</th>
<th>High-speed train Express times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles to San Francisco</td>
<td>3h 30m</td>
</tr>
<tr>
<td>Fresno to Los Angeles</td>
<td>2h 33m</td>
</tr>
<tr>
<td>San Diego to Los Angeles</td>
<td>2h 16m</td>
</tr>
<tr>
<td>Burbank to San Jose</td>
<td>3h 02m</td>
</tr>
<tr>
<td>Sacramento to San Jose</td>
<td>1h 53m</td>
</tr>
</tbody>
</table>

*Source: California High-Speed Rail Authority.*
High-speed train ridership

Japan vs. Europe

Billions of passenger-kilometers

Source: California High-Speed Rail Authority.
In January 2006, Governor Mitch Daniels announced the lease of the Indiana Toll Road to toll road companies from Spain and Australia for $3.85 billion for the 75-year concession.

“Indiana Treasurer Richard Mourdock announced that in 2007 the state earned more than $287 million in interest from its investment of proceeds from the $3.8 billion lease of the Indiana Toll Road.”

---------Indystar.com
Privatization: Chicago Midway Airport

• Privatization plan was announced in 2006.

• The airport’s seven carriers, representing 95% of the field’s traffic, have given preliminary approval of such a plan.

• The city expects to raise up to $3 billion for Chicago’s underfunded public pension plan and long-term infrastructure needs.

Source: American Society of Civil Engineers.
The Changing Global 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, the key for governments will be an integrated approach to **physical and policy infrastructure**.
Long-term Commitment to Infrastructure

BUILDING CANADA
$33 Billion (over 7 years)

National Policy Framework for Strategic Gateways and Trade Corridors

Asia-Pacific Gateway and Corridor Initiative
$1 Billion

Gateways and Border Crossing Fund
$2.1 Billion

“…the largest infrastructure development program in this country in over half a century”

– Prime Minister Stephen Harper
Canada’s Emerging Gateway Strategies

**Ontario-Québec Continental Gateway and Trade Corridor**
- System of road, rail, air and marine transportation assets, including the Port of Montreal, Saint Lawrence Seaway, Great Lakes and major border crossings.
- Essential to support Canada’s current and future commerce relationship with the U.S. and other trade partners.

**Canada’s Atlantic Gateway**
- Well established transportation system with untapped capacity.
- Major shippers are increasingly considering North America’s east coast to balance inbound and outbound logistical flows.

Minister Cannon signs Memorandum of Understanding with Ministers, Donna Cansfield (Ontario) and Julie Boulet (Quebec) on July 30, 2007.

Minister MacKay signs Memorandum of Understanding with Ministers Michael Baker (Nova Scotia), Denis Landry (New Brunswick), Ron MacKinley (Prince Edward Island) and Trevor Taylor (Newfoundland) on October 14, 2007.
Canada’s Asia-Pacific Gateway and Corridor Initiative
The Changing Global Context

The Weight Of China

Value of Goods Traded Between Canada and China

- Canadian Imports: $34.5B
- Canadian Exports: $7.7B
Container Traffic Forecast at Canada’s West Coast Ports

Source: APGCI launch booklet 2006; based on BC Ports Strategy 2005
Canada’s Intermodal System:
*Reaching into North America’s Heartland*
The Asia-Pacific Gateway and Corridor serves North America

It is a system of transportation infrastructure, including BC Lower Mainland and Prince Rupert ports, their principal rail and road connections reaching across Western Canada and into North America’s economic heartlands, as well as major airports and border crossings.
The Asia-Pacific Gateway and Corridor Initiative is...

... an integrated set of investment and policy measures that will enhance the efficiency of the Gateway and Corridor, and better equip Canada to take maximum advantage of it. A careful balance of immediate action and long-term direction, it is based on five core elements:

**Private Investment and Innovation:** to create a positive climate for private investment, while safeguarding the broad public interest

**Strategic Infrastructure:** to cement the reputation of the Gateway and Corridor as a reliable, efficient and secure connection between North America and Asia

**21st Century Governance:** to ensure that the most efficient use is made of existing assets, and maximum value and accountability are obtained for taxpayers’ investments

**Policy Renewal:** to address a focused agenda of policy issues that directly impact the efficiency and use of the Gateway and Corridor

**Security and Border Efficiency:** to explore opportunities to break new ground and keep the Gateway at the forefront of secure and efficient movement of goods and people
Since October 2006, more than $2.3 billion in projects announced by the governments of Canada, British Columbia, Alberta, Saskatchewan and Manitoba, including over $860 million in federal contributions.
APGCI: System-Based Action
Roberts Bank Rail Corridor: Delivering Local and National Benefits
Prince Rupert’s Fairview Container Terminal

*New Entry and Exit to North America for Container Traffic*

- Located two sailing days closer to major Asian ports than southern U.S. ports
- Partnership between Government of Canada, Government of B.C., Prince Rupert Port Authority, Maher Terminals and CN Rail
- State-of-the-art container security equipment and measures in place
- Sept 12 – opening of the Fairview Terminal
- October 31 – *COSCO Antwerp* maiden call
  - The first train from Prince Rupert to Chicago completed the trip in a record transit time of 92 hours, only twelve days after the containers left Asia.
- Border management is key to Prince Rupert’s success...
Canada-US Relations in the Context of the APGCI
The Importance of the Canada-US Border

- Security and border management critical to success of continental gateway

- Canada-US bilateral trade, 2006: CDN$ 533B
  - CDN$ 1.6 billion in goods crossing border every day
  - 3000 two-way cross-border truck movements daily
  - Largest bilateral air market in the world

- The border in supply chain context:
  - Importance of intermediate goods trade
    - over 1/3 of US-Canada trade is intra-company shipments
The Challenge of a ‘Thickening Border’

- Inefficiencies at border = inefficiencies in supply chains
  - Impeding supply chain velocity
  - Creating sub-optimal business practices

- Joint Canada-US Chambers of Commerce 2008 report:
  - ‘Sense of frustration’ exists within the Canadian and US business communities
  - Collection of industry’s top recommendations
  - 25 recommendations

- Conference Board of Canada 2007 study:
  - Thickening of border is undermining benefits achieved through NAFTA.
  - Business having to absorb compliance costs
  - Lack of predictability at border forcing changes in business practices and driving down efficiency
  - Thickening border may eventually erode Canada’s attractiveness as foreign investment location
Addressing the Challenge

*Joint Canada-US Cargo Security Initiatives*

- **Marine and Port Security:**
  - Canada-U.S. Joint In-Transit Container Targeting at Seaports Initiative (2005)
  - Prince Rupert: CBSA officers screening on behalf of US CBP
  - Canada’s Marine Security Contribution Program:
    - 2006: **$42 million** over 386 projects to 101 ports and marine facilities across Canada aimed at enhancing security
    - 2007: **$12.5 million** over 115 projects to 22 ports and domestic ferry services across Canada aimed at enhancing security

- **Smart Border Action Plan**

- **Free and Secure Trade (FAST)**

- **Security and Prosperity Partnership**
  - Canada to invest $431.6 million over 5 years in the ‘smart, secure borders’ program under SPP (2007-12)
Moving Forward

from Volume to Value…

• Canada’s Gateway policy recognizes the complexity of global supply chains and adopts a systems approach to their development and exploitation.

• Successful gateways will attract value-adding services, foreign investment, bring new jobs and skilled workers.

• Next phase of APGCI offers opportunity to explore value-added potential.
The Value-Added Opportunity

Major Players

Enterprise strategic management, banks, equity markets, universities...

Enterprise operational management, insurance firms, brokers, legal services...

IT providers, 4PLs, light manufacturers, green logistics firms...

Warehousing, 3PLs, container repairs, freight forwarders, customs service providers...

Railways, terminals, distribution centers...

CPAs, Airport Authorities, terminal operators, labour...

Provinces and cities, trucking enterprises

Value-added logistics

Tier 2

Value-added logistics

Tier 1

Ports / Airports

Rail & inland ports

Roads & Highways
Canada’s Asia-Pacific Gateway and Corridor Initiative

efficient
secure
reliable
Gateway to North America
Thank you!

www.apgci.gc.ca