



Atlantic Gateway and Trade Corridor Strategy

Connecting Canada with the World



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FOREWORD

We are very pleased to introduce the Atlantic Gateway and Trade Corridor Strategy, developed jointly by the governments of Canada and the provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

The October 2007 Atlantic Gateway Memorandum of Understanding (MOU) directed the development of an Atlantic Gateway strategy that would benefit the Atlantic region and Canada through economic growth, increasing international trade and enhancing Canada's competitive position in the global economy. We are proud to say that we have achieved this initial objective. The document that follows provides a long term strategy, including both immediate measures and future directions, to achieve our vision of establishing the Atlantic Gateway and Trade Corridor as a strategic, integrated and globally competitive transportation system supporting the movement of international commerce.

At this time, we wish to acknowledge the significant contribution made by private sector stakeholders throughout this strategy development process. Their insight and input have contributed to the development of this Atlantic Gateway and Trade Corridor Strategy.

This Atlantic Gateway and Trade Corridor Strategy provides an action plan that will rely on the continued collaborative efforts of governments and engaged private sector stakeholders in meeting the challenges ahead. As we move forward, our Atlantic Gateway Federal-Provincial Officials Committee will continue to provide leadership in the implementation of this Strategy over the longer term, with a key role for regional private sector stakeholders, led by the Atlantic Gateway Advisory Council. To maintain the momentum created through the MOU process, our governments commit to meet annually to assess and report on developments, measures and progress related to the Strategy and its implementation. Working together, we will strengthen Canada's Atlantic Gateway and Trade Corridor so that new opportunities can be seized, new trade connections developed - fuelling economic growth and boosting Canada's competitiveness in global markets.



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ATLANTIC GATEWAY AND TRADE CORRIDOR



This map is for illustrative purposes only, and does not represent all transportation facilities and assets that contribute to the Atlantic Gateway.



THE ATLANTIC GATEWAY AND TRADE CORRIDOR STRATEGY

The Atlantic Gateway and Trade Corridor Vision:

Canada's Atlantic Gateway and Trade Corridor is a strategic, integrated, and globally competitive transportation system for international commerce to and from North America.

The Atlantic Gateway and Trade Corridor plays a significant role in international commerce. It is a system of major ports, international airports, key border crossings, and road and rail connections between Atlantic Canada and North America's major markets.

The Atlantic Gateway and Trade Corridor Strategy is a balance of immediate measures and longer-term directions to enhance this vital trade and transportation system to take advantage of global commerce opportunities.

The **objectives** of the Strategy are to:

- ▶ **Strengthen** Canada's competitiveness in attracting a larger share of global commerce to and from traditional markets and with emerging international economies;
- ▶ **Advance** a safe, secure, efficient and sustainable multimodal transportation system that contributes to the economic prosperity of the Atlantic provinces and Canada; and
- ▶ **Promote** the Atlantic Gateway and Trade Corridor's transportation system assets, specialized services and niche opportunities to exporters and importers, at home and internationally.

Atlantic Canada has served as a vital gateway to North America for over 400 years, as the first and last points of contact for goods and passengers on the continent's east coast.

Atlantic Canada's unique geographic advantages coupled with its modern,

world-class transportation network have seen the Atlantic Gateway and Trade Corridor grow into an important trade hub. In 2009, exports originating from and imports cleared in Atlantic Canada totalled \$24 billion and \$19 billion, respectively.

The Atlantic Gateway and Trade Corridor Strategy will help position this important trade gateway to meet emerging demands of the next generation of global value chains and shifting world trade patterns.

Canada's Strategic Gateways and Trade Corridors

Canada is a trading nation. By the end of 2008, Canada's exports and imports had both hit record highs, reaching \$490 billion and close to \$443 billion, respectively. It is estimated that in 2008 some 900,000 Canadians were employed in transportation-related jobs. While 2009 saw Canada's total trade decline as much as 21 percent in the wake of the global economic downturn, signs of recovery were evident during the first five months of 2010 with trade levels increasing some 7 percent from the same period in 2009.

The Canada-United States (U.S.) economic trading relationship is the largest single-nation trading relationship in the world – and Canada's most important. North America is an ideal platform from which to secure and expand Canada's trade with traditional markets, as well as with the world's major emerging economies. More than just a trade agreement, the North American Free Trade Agreement (NAFTA) region is home to 444 million people, and generates a combined Gross Domestic Product (GDP) of nearly \$18 trillion.

As Canada fosters more ties and pursues more trade in the Americas and with other emerging economic powerhouses, the Atlantic Gateway and Trade Corridor improves its ability to link Canada to traditional trading partners and emerging markets.

The gateway approach supports Canada as a trading nation, by ensuring the transportation system is ready to facilitate growth in international trade and subsequent rebound of global economic activity. In times of global market downturns, as companies re-evaluate their strategic supply chain decisions, such strategies and competitiveness measures become even more important.

The Atlantic Gateway and Trade Corridor Approach

Positioning to Seize Opportunities

Shifting international trade patterns and evolving supply chains point to a strong future role for Canada's Atlantic Gateway and Trade Corridor. With natural, deep water ports and North America's closest access point to Europe and emerging markets via the Suez Canal, the Atlantic Gateway and Trade Corridor will help Canada capture a larger share of growing trade flows between North America and global markets. It offers international

Building on the success of the 2006 Asia-Pacific Gateway and Corridor Initiative, the Government of Canada launched the **National Policy Framework for Strategic Gateways and Trade Corridors** in 2007.

The Framework guides the development of gateway strategies for Canada's key transportation systems – strategies that are tailored to regional geography, trade and transportation advantages.



Canada has identified three major, interconnected gateway systems:

- the Atlantic Gateway and Trade Corridor;
- the Ontario-Québec Continental Gateway and Trade Corridor; and
- the Asia-Pacific Gateway and Corridor.

The Framework's primary objective is to improve Canada's competitive position in international commerce by linking North America with the world. It emphasizes Canada's geographic advantages, long-term planning, public and private sector collaboration, and integrated approaches to optimize infrastructure as well as related policy, regulatory and operational measures.

shippers/importers/exporters a growing range of competitive transportation opportunities. The region's transportation system assets include infrastructure, specialized distribution, transload and logistics facilities, and expertise in niche capabilities such as refrigerated cargo, dry and liquid bulk shipping, international transshipment operations at airports, and cruise facilities.

FIGURE 1 - Evolving World Maritime Trade

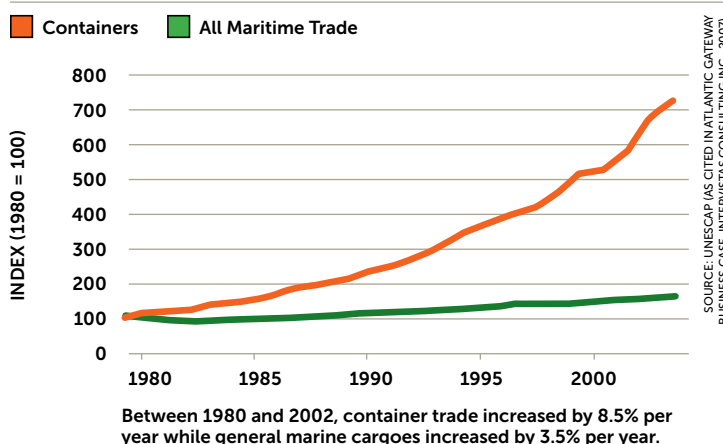
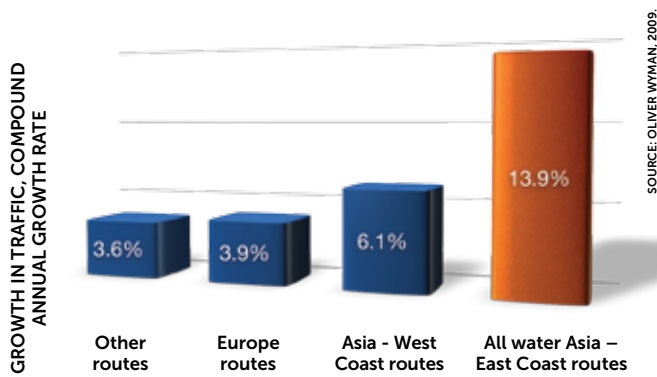


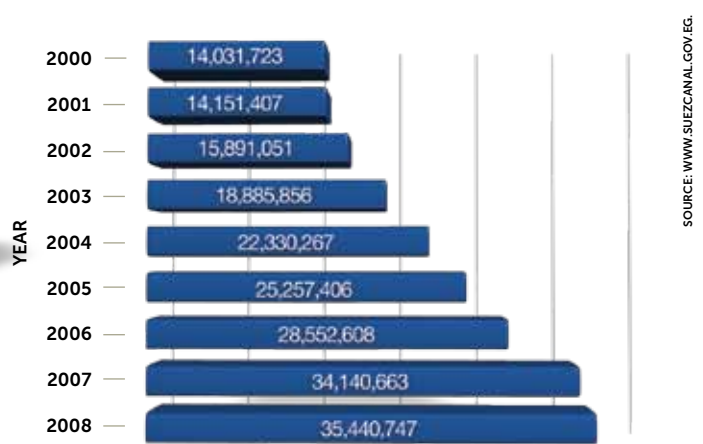
FIGURE 2 - Shifting Trade Patterns



TRAFFIC GROWTH BY ROUTE, NORTH AMERICA, 1999 TO 2008

The increase in all-water routes to the East Coast expands the competition for Heartland volume to/from Asia to East Coast ports

FIGURE 3 - Suez Shift - Container Traffic Growth via Suez Canal



While the Atlantic Gateway and Trade Corridor already has the capacity and infrastructure to meet additional demands created by shifting trade patterns, targeted investments are needed to improve efficiencies in the transportation system. These improvements include better links to the international marketplace for exporting companies.

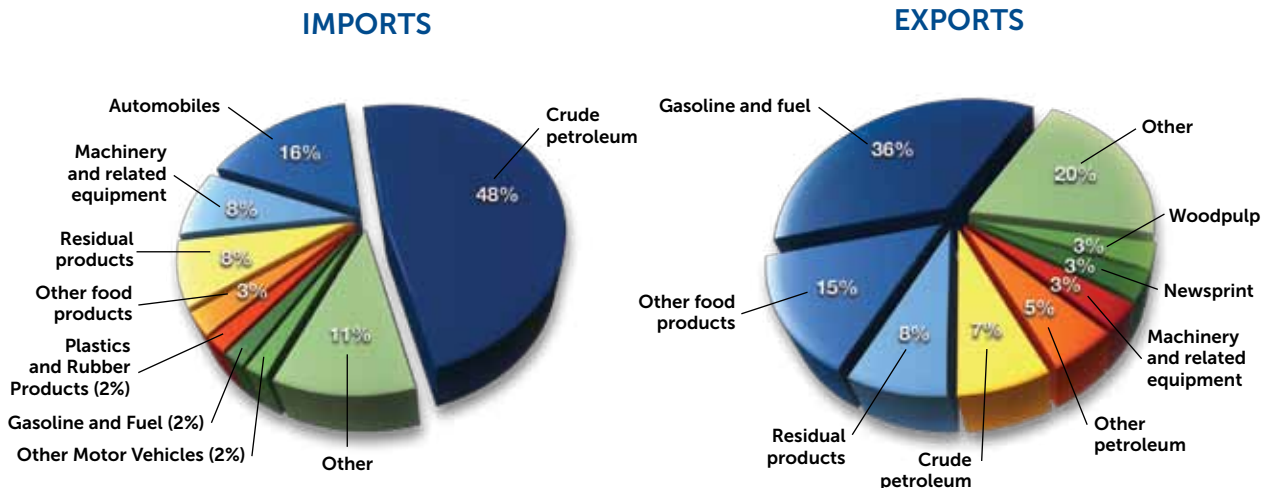
Marketing is a key activity to drive volume and achieve “economies of scale”, helping to address the current untapped capacity in the system.

Efficient trade movements depend on an accessible and reliable trade corridor leading to and from major markets. Here, as elsewhere, policy and regulatory changes are just as important as targeted infrastructure investments.



DRY BULK CARGO CAPABILITY

FIGURE 4 - Imports/Exports of Major Commodities through Atlantic Canada Ports, 2006 (Values)



Rail Services

The rail sector is vital for moving international trade through the Atlantic Gateway and Trade Corridor to North American markets. Canadian National's (CN) main line moves 97 percent of all Atlantic Gateway and Trade Corridor international traffic, with other strategic short lines throughout the region feeding into the CN network.



PORT OF HALIFAX, NOVA SCOTIA

The Government of Canada is committed to ensuring that Canada's rail system remains world-class. It is currently conducting a national rail freight service review that will examine Canada's rail-based logistics chain (including shippers, terminal operators, ports and vessels), focusing on service provided to Canadian shippers and customers.

The rail freight service review is being conducted in two stages. Phase 1 consisted of analytical work to achieve a better understanding of the state of rail service. The second stage is being led by a panel that will develop recommendations and submit a final report to the Minister of Transport, Infrastructure and Communities.

The panel will propose recommendations to address problems and issues with respect to service within the rail-based logistics system. The recommendations will be based on the results of analytical work conducted under Phase 1, consultations with stakeholders, and any other relevant information and findings. The recommendations may include both commercial and, if necessary, regulatory solutions. The recommendations will be aimed at improving the efficiency, effectiveness and reliability of service within the system, facilitating economic growth and trade expansion, and improving accountability among stakeholders. For updates, please visit the Web at www.tc.gc.ca.

Leadership and Effective Partnerships

Implementing the Atlantic Gateway and Trade Corridor Strategy requires public and private sector partners coming together to take the right actions, at the right time, to seize opportunities. Collaboration is key to developing and exploiting a seamless transportation system to attract new business. Private sector stakeholders have a role to play as owners, operators and users of transportation assets within the system, and as investment partners. The roles of governments include owning and operating certain transportation assets, regulation, enforcement and investment partnership.

Governments also play a central role in developing policy frameworks and strategies to foster a safe, secure, efficient, and sustainable national transportation system.

Examples include:

- ▶ National Policy Framework for Strategic Gateways and Trade Corridors (2007);
- ▶ Charting the Course: Atlantic Canada Transportation Strategy 2008-2018; and
- ▶ Atlantic Gateway Business Case (2007).

The Atlantic Gateway and Trade Corridor Strategy is the result of a collaborative partnership formalized with the signing of a Memorandum of Understanding (MOU) on October 14, 2007 between the Governments of Canada, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador. This coordinated approach set the stage for effective engagement with private sector stakeholders, whose efforts toward realizing the Atlantic Gateway and Trade Corridor vision are essential.

Government Investment in Transportation in Atlantic Canada

Since 2006, under the Building Canada Plan, the federal government has invested over \$400 million and leveraged additional funding from other orders of government, for a total of \$1.1 billion in infrastructure investments to improve Atlantic Canada's transportation network. The four Atlantic provinces collectively invest over \$1 billion annually in transportation capital, operations and maintenance. These investments have improved the safety, integration, capacity, efficiency, and overall viability of the Atlantic Gateway and Trade Corridor through strengthened links to inter-provincial and international routes for trade and tourism.



CREDIT: BOB KAWIECKI

CONFEDERATION BRIDGE, LINKING CAPE JOURIMAIN, NEW BRUNSWICK, AND BORDEN-CARLETON, PRINCE EDWARD ISLAND

Private Sector Investment in Transportation in Atlantic Canada

The private sector has shown strong commitment and confidence in the future of Atlantic Canada's transportation network and related industries. Private sector investment in Atlantic Canada's transportation, distribution and warehouse industries has been significant. The following are examples of private sector investments in the region:

- Armour Transportation Systems has invested \$15 million in a logistics warehousing and trans-load facility in Halifax.
- More than \$44 million in recent upgrades have been made at the Port of Halifax.
- Recent infrastructure developments of \$120 million have been made at the St. John's International Airport for air terminal building and safety and security improvements.
- Recent investments totaling nearly \$26 million have been made for a wide range of improvements to the Port of St. John's existing facilities. Oceanex has also made substantial investments in its facilities at the Port, including \$5 million for new cranes.
- Gateway Facilities ULC and the Halifax International Airport Authority jointly invested \$15 million to build and manage a new multi-tenant cargo facility at the Halifax Stanfield International Airport, which opened in June 2010.
- The Port of Corner Brook, in partnership with Oceanex, has invested over \$3 million for a number of improvements to its existing facilities, which include the purchase of a fixed-pedestal crane and upgrades to the surrounding dockside infrastructure.
- CN acquired the New Brunswick East Coast Railway running between Campbellton and Pacific Junction, near Moncton, New Brunswick, which interchanges with CN at Moncton Yard.
- NB Southern Railway's Halifax to New England (Ayer, Massachusetts) Rail Service Initiative is being done in partnership with CN, the Port of Halifax and the Pan Am Railway.
- Charlottetown Airport Authority invested \$1.4 million in 2008 to expand Apron I, the main apron for scheduled operations, and for improvements to the terminal building.
- Strait Crossing Bridge Limited (SCBL) is investing in projects to improve operational efficiencies, reduce energy consumption and improve safety of the travelling public on the Confederation Bridge.

STRATEGY: CORE ELEMENTS

The Atlantic Gateway and Trade Corridor Strategy includes immediate measures, such as new investments and policy and regulatory actions, to improve the efficiency of the Gateway and Trade Corridor system. It also provides longer-term directions to guide ongoing collaboration and future actions defined by a framework of nine core strategic elements.

These Core Elements are:

1. **Strategic Infrastructure**
2. **International Trade Promotion and Marketing**
3. **Economic Growth Opportunities**
4. **Border Efficiency and Security**
5. **Policy and Regulatory Issues**
6. **Technology and Innovation**
7. **Knowledge and Skills**
8. **Environment**
9. **Governance**



PORT OF HALIFAX, NOVA SCOTIA

STRATEGIC INFRASTRUCTURE

A Strategic Network

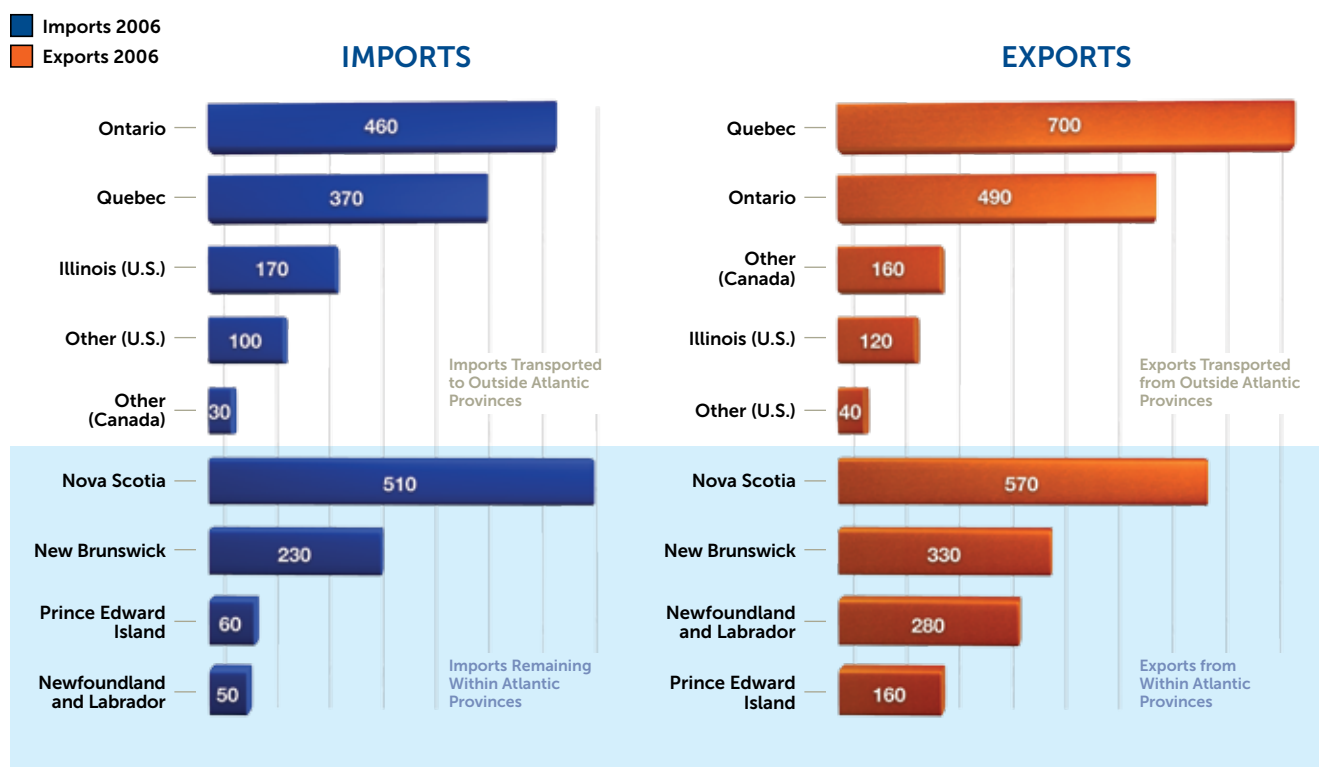
International trade requires an efficient, adaptable and integrated transportation system for the flow of goods. For the Atlantic Gateway and Trade Corridor to achieve its full potential, both public and private sector players must undertake a range of measures. Infrastructure investments must be based on their contribution to Canada's trade competitiveness, as well as support economic opportunities and increase international trade. At the same time, transportation providers must make every possible operational improvement, particularly those that maximize intermodal efficiency to optimize the existing network.

Strategic infrastructure enhancements require knowledge of system dynamics, such as:

- ▶ The capacity of its essential components and connections;
- ▶ The current and future flow of goods over the system; and
- ▶ Known and anticipated system impediments.

Private sector stakeholders have identified the competitiveness of the trade corridor as a critical element for success. It is also important that all points in the region have reliable and efficient connections to the corridor.

FIGURE 5 - Atlantic Gateway Flow of Containerized Imports and Exports, 2006 (in '000 tonnes)



SOURCE: MULTIMODAL FREIGHT AND PASSENGER TRAFFIC FLOWS AND INFRASTRUCTURE STUDY, CPC'S TRANSCOM LIMITED, 2009.

The Atlantic Gateway Serves North American Heartland Markets (Ontario, Quebec, and the U.S. Midwest)

The Atlantic Gateway Strategic Transportation Network

Understanding the dynamics of Atlantic Canada's transportation system has been key to developing the Atlantic Gateway and Trade Corridor Strategy. The Atlantic Gateway partners commissioned studies to identify and examine the regional strategic transportation network that supports international trade. These studies reported on the current state of the network, its strengths and weaknesses, its freight traffic (both current and anticipated), and its potential for supporting future Atlantic Gateway and Trade Corridor opportunities.

Three key Atlantic Gateway studies were completed in 2009:

- ▶ *Multimodal Freight and Passenger Traffic Flows and Infrastructure Study*;
- ▶ *Border Traffic and Infrastructure Study*; and
- ▶ *Study of Road Access to Intermodal Terminals and Distribution/Transload Centres in Atlantic Canada*.

The Atlantic Gateway partners also supported specialized studies on specific regional opportunities:

- ▶ *Strategic Cruise Market and Infrastructure Assessment Study (2009)*; and
- ▶ *Study on Potential Hub and Spoke Container Transshipment Operations in Eastern Canada for Marine Movements of Freight (Shortsea Shipping) (2008)*.

The Hub-and-Spoke Study identified promising shortsea shipping and transshipment opportunities in support of international trade. This laid the foundation for a one-day Working Session on Shortsea Shipping in Atlantic Canada, hosted by Transport Canada in collaboration with the four Atlantic provincial governments, in Halifax, Nova Scotia, on November 27, 2008. At this Working Session, a broad cross section of marine industry participants identified promising shortsea shipping services, related analytical work and other supporting actions, in addition to outlining next steps that public and private sector stakeholders could take to move shortsea shipping forward in Atlantic Canada.

Shortsea shipping

Shortsea shipping is a multimodal activity that incorporates marine movement of cargo or passengers between points that are relatively close to one another without crossing an ocean. This includes domestic and international maritime transport along coastlines, to and from nearby islands or within lakes and river systems. It may also include crossborder traffic with the United States, Mexico and the Caribbean.

Atlantic Canada is already the home of Oceanex, regarded as among the most successful of all shortsea shipping companies in Canada.

Increased shortsea shipping in Atlantic Canada provides opportunities to:

- facilitate international trade;
- support economic development by improving access to key markets; and
- increase usage of existing transportation assets.



CREDIT: CORNER BROOK PORT CORPORATION

OCEANEX AVALON IN PORT AT CORNER BROOK, NEWFOUNDLAND AND LABRADOR

National studies on freight demand forecasting and on the future transportation needs of the North American heartland also contributed to understanding the dynamics and future opportunities of the Atlantic Gateway and Trade Corridor.

The analytical work built upon a considerable body of recent work on gateway-related subjects. A wide and representative group of regional stakeholders and officials contributed both information and ideas to the studies.

As broadly defined by trade and trade logistics, the Atlantic Gateway and Trade Corridor transportation network consists of the strategic road and rail *corridors* that connect the high-volume gateway ports, airports and border crossings with the regional transportation hubs and distribution centres, together with the feeder routes that contribute to system volumes.

The analytical work included forecasts out to 2026. These forecasts project a steady volume of marine imports and exports for the region and a recovery and subsequent increase in surface trade with the U.S. that can, for the most part, be handled within existing capacity. However, the analytical work also identified a number of specific areas where strategic investments and other measures could contribute to improving the efficiency of the system. Three of these areas are pan-regional:

- ▶ *Improving modal interconnections and network access, particularly at gateway ports and hubs;*
- ▶ *Fostering new transportation opportunities and innovation such as shortsea shipping to strengthen the network; and*
- ▶ *Optimizing core road and rail corridor efficiency and responsiveness in the region upon which the whole network depends.*

Moving Forward

Governments and private sector investments in Gateway-related infrastructure projects were made before and during the development of the Strategy. The federal government and the provinces have agreed to a number of significant such projects, with the federal contribution coming from one of several federal infrastructure funding mechanisms, including some early strategic investments from the Gateways and Border Crossings Fund.

The analytical work identified other potential opportunities to improve and optimize the Atlantic transportation system in support of current and future trade.

The Atlantic Gateway governments also recognize an ongoing need to build on the analytical work over the longer term to ensure that the Gateway strategic transportation network continues to allow the region to maintain a competitive position in North American and global supply chains and to validate the results of the Strategy.

Through the Strategy, the Atlantic Gateway governments are making this longer-term commitment to maintain a focus on the efficiency of the strategic network.



Immediate Measures

Burnside Connector Phase 1 (NS) – to connect Highway 102 and Highway 107 and a major industrial park and transshipment facility.

Port of Halifax, South Terminal Expansion (NS) – to accommodate the next generation of container ships.

Port of Halifax, Richmond Terminals Multipurpose Gateway Extension (NS) – to upgrade and expand value-added cargo handling services.

Truro High Speed Interchange (NS) – to upgrade the interchange ramps at a vital highway junction through which high volumes of Nova Scotian trade moves.

Route 344 Highway Upgrades (NS) – to support development and operation of the proposed Melford Container Terminal.

Completion of Route 1 Twinning and Rehabilitation in New Brunswick (NB) – to ensure more efficient movement of people and goods along this important trade corridor that connects Atlantic Canada with the U.S. New England region.

Port of Belledune Modular Fabrication and Multimodal Transshipment Facility (NB) – to support shortsea shipping operations on the eastern seaboard in Canada and the United States

Fredericton International Airport Runway and Lighting Upgrades (NB) – to maintain safe and efficient airport operations.

Improvements to Trans-Canada Highway (Route 1) (PEI) – to realign traffic flow and improve safety and efficiency along the main trade route for PEI.

Port of Argentea New Roll-On Roll-Off Ramp (NL) – to complement shortsea shipping capabilities.

Gander International Airport Runway Upgrade (NL) – to support increased trade and traffic.

Fluidity and Reliability Study – to measure system fluidity and reliability along the Atlantic Gateway and Trade Corridor with the objective of improving supply chain logistics.



ATLANTIC GATEWAY MISSION TO VIETNAM, NOVEMBER 2009

INTERNATIONAL TRADE PROMOTION AND MARKETING

Recent trade missions confirm that even Canada's closest trading partners are keenly interested in hearing the benefits the Atlantic Gateway and Trade Corridor can bring them. Targeted, strategic marketing and trade promotion is key to communicating the Atlantic Gateway and Trade Corridor's advantages and value proposition to potential business partners in existing and emerging markets.

India Mission 2008

New and emerging markets are at the core of Atlantic Gateway and Trade Corridor opportunities.

In February 2008, the Hon. Peter MacKay, then Minister of National Defence and Minister of the Atlantic Canada Opportunities Agency, led an Atlantic Gateway and Trade Corridor Mission to India. Seventeen senior executives from key transportation interests related to the Atlantic Gateway and Trade Corridor transportation network joined the Minister on the mission, which was one of the first examples of government and private sectors coming together to promote the Atlantic Gateway and Trade Corridor's value proposition.

The Hon. Denis Landry, Minister of Transportation, New Brunswick, the Hon. Angus MacIsaac, Minister of Economic Development, Nova Scotia, the Hon. Ron W. MacKinley, Minister of Transportation and Public Works, Prince Edward Island, and the Hon. Paul Oram, Minister of Business, Newfoundland and Labrador, were also members of the official delegation.

Reciprocal missions of representatives from Indian government, shipping industries, and business associations to Atlantic Canada are ongoing, to better understand what the region offers as a gateway to North American markets and as a place to do business.

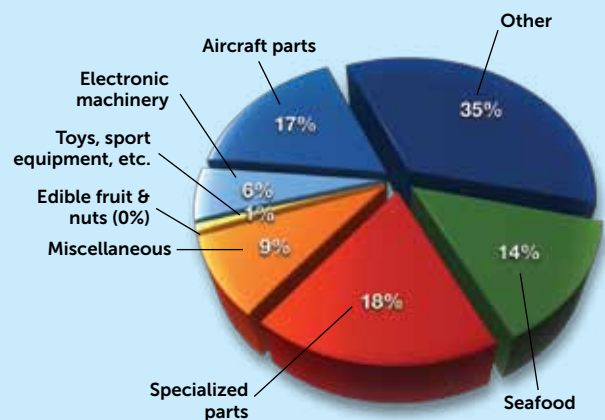
Such missions are essential for promoting Canada's Atlantic Gateway and Trade Corridor and raising awareness among foreign business people and shipping companies. Similar missions are being planned to other markets.

Collaborative Marketing at Work – Air Cargo

Strategically located Atlantic Canada airports (in Halifax, Moncton, St. John's and Gander) participate in the Cargo Canada marketing campaign developed by 15 cargo airports of the Canadian Airports Council. With support from the Government of Canada, they promote Canada as a fast, reliable and cost-effective option for air cargo between North America and the rest of the world. Developing markets for air cargo include Europe, the U.S. and Asia, in particular for time-sensitive products like seafood.

At the May 2009 Air Cargo Europe Transportation and Logistics Forum in Munich, Germany, participating Atlantic Canada airports (Halifax, Moncton, Fredericton and Gander) worked in partnership to expand air cargo traffic in Atlantic Canada. With assistance from the Atlantic Canada Opportunities Agency, the Atlantic Canada Airports Association coordinated the project, conducted research, explored business opportunities and raised the region's visibility. This integrated approach features Atlantic Canada as an efficient and cost-effective gateway for air cargo to North America.

FIGURE 6 - Breakdown of Exports by Commodity, 2006 (Values)



SOURCE: MULTIMODAL FREIGHT AND PASSENGER TRAFFIC FLOWS AND INFRASTRUCTURE STUDY, CPSC TRANSCOM LIMITED, 2009.

Canada's Atlantic Gateway and Trade Corridor public and private sector partners have initiated a series of targeted marketing and promotional activities aimed at travellers, as well as container, bulk and air cargo companies in the U.S., Europe and Asia. Current efforts and new measures will give even more momentum to Canada's Atlantic Gateway and Trade Corridor international marketing and trade promotion campaign.

FIGURE 7 - Production Shifts



AIR CARGO OPERATIONS AT NIGHT, GREATER MONCTON INTERNATIONAL AIRPORT, NEW BRUNSWICK



JAWAHARLAL NEHRU PORT TRUST SHIPPING TERMINAL NEAR THE CITY OF MUMBAI, INDIA

CREDIT: PAUL SANDHAR-CRUZ, TRANSPORT CANADA

Immediate Measures

Market Research Activities:

Public and private sector partners will support the Atlantic Gateway and Trade Corridor through market research and analysis. Research activity may include:

- ▶ Assessing existing trade activities and trade potential in key geographic areas;
- ▶ Analyzing sector-specific trade and investments; and
- ▶ Developing specific marketing strategies.

Trade Missions and Promotion Activities:

Canada's Atlantic Gateway and Trade Corridor's public and private sector partners have already begun collaborative marketing activities targeting travellers,

containers, bulk and air freight companies in the U.S., Europe and Asia. Promotional communications products in support of these activities are being developed.

Atlantic Gateway and Trade Corridor International Marketing Program

Recognizing targeted marketing as a valuable way to attract new international commerce opportunities to the Atlantic Gateway and Trade Corridor, the Government of Canada is committing up to \$5 million to support strategic, pan-Atlantic Canada marketing projects and activities that promote competitive advantages and niche market strengths of Canada's Atlantic Gateway and Trade Corridor.



CRUISE SHIPS AT PORT OF SAINT JOHN, NEW BRUNSWICK

ECONOMIC GROWTH OPPORTUNITIES

International trade fuels economic growth. Each \$1 billion in exports generates as many as 11,000 new jobs. The Atlantic Gateway and Trade Corridor strategy will build on the region's existing businesses and technologies, its natural assets and resources, its skilled labour, its reliable transportation infrastructure and its wide market reach to facilitate international trade and value-added services.

International Trade

The Atlantic region currently handles significant levels of international trade, with some \$43 billion worth of goods moving through the system in 2009. Of this, exports contribute to approximately one third of the region's GDP. Regional businesses have strong export markets in refrigerated (reefer) cargo, agricultural, forestry and energy products, minerals, and in defined manufacturing sectors. The Atlantic Gateway and Trade Corridor Strategy will help these exporters increase their global reach and competitiveness and generate back haul opportunities for international shippers using Canada's east coast ports.

The Atlantic Gateway and Trade Corridor strategy will also enhance export capacity in the region by helping export-ready businesses enter international markets. Trade promotion activities will leverage existing export activity by opening new markets and strengthening links with key existing markets such as the United States. Planned activities will:

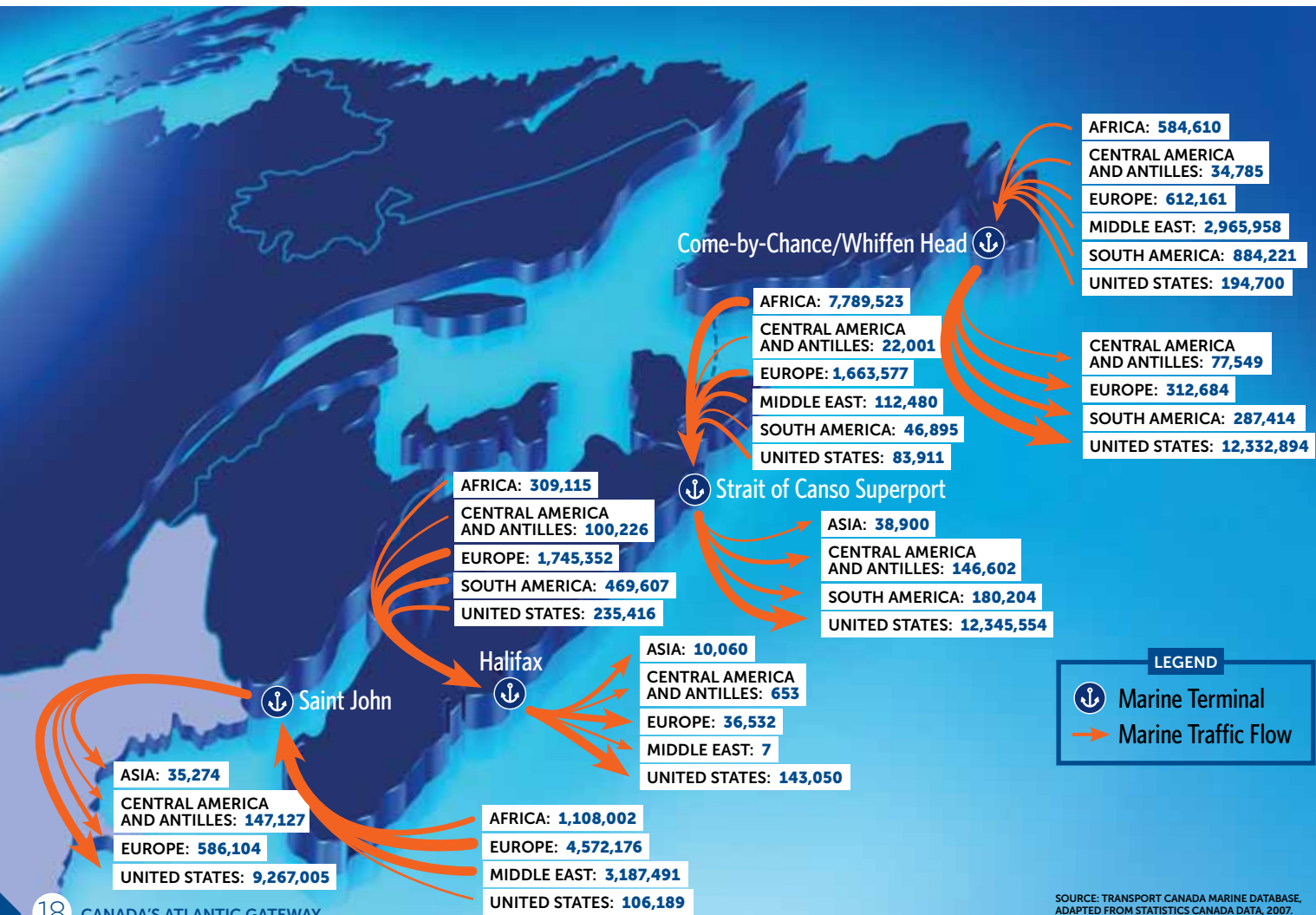
- ▶ support integrated trade missions;
- ▶ develop and implement sector export strategies; and
- ▶ provide export counseling and mentoring programs and services to enhance export preparedness.

Significant quantities of energy products move to and from the Atlantic region. Over 90 percent of Atlantic Canada's energy exports go to the United States. In 2008, these exports totalled \$19.2 billion. In the future, the demand for transporting crude and refined petroleum products is expected to grow because of:

- ▶ increased domestic production off the coast of Newfoundland and Labrador;
- ▶ increases in refining capacity in Saint John and Placentia Bay; and
- ▶ liquefied natural gas operations.

FIGURE 8 - Volumes of Petroleum and Petroleum Products* at Select Marine Ports in Atlantic Canada - 2007 (Volumes in Tonnes)

*Includes crude petroleum, gasoline and aviation turbine fuel, fuel oils and other refined petroleum products.



There is also a current thrust to grow the energy sector by focusing on generating and exporting electricity from renewable sources, including hydro, wind, tidal, nuclear and biofuels.

The Atlantic Gateway and Trade Corridor Strategy will help further develop an energy sector in the region through stronger transportation and logistics systems, improved export capacity and a skilled, knowledgeable and innovative workforce.

Value-added services

Nearly 44,500 Atlantic Canadians are directly or indirectly employed by transportation and logistics businesses, generating \$6.2 billion in economic output (Atlantic Gateway Business Case, *InterVistas*, 2007). Many of these businesses add value to products along the Atlantic transportation corridor by handling, processing, screening, sorting, warehousing and transporting cargo. Private businesses and regional port and airport authorities have state-of-the-art transload, distribution and warehousing centres. These value-added services connect the region's transportation network to global supply chains, ensuring that business is done in the region rather than simply through the region.

Within the Atlantic Gateway and Trade Corridor Strategy, governments and the private sector will identify sector-based opportunities to provide value-added services within the region. For example, given its proximity to existing shipping lanes and air access capabilities, Newfoundland and Labrador businesses may be positioned to support transload, offshore supply and service, and other commercial activities in the North.



NB SOUTHERN RAILWAY

Value-added Initiatives

- Consolidated Fastrate Inc.'s \$10 million distribution and warehouse facility in Burnside, N.S.
- PF Collins International Trade Solutions has invested \$9 million of warehouse and office space and 8 acres of laydown area in St. John's, Newfoundland and Labrador.
- N.B. Southern Railway operates three facilities, serviced by both rail and truck, including a 9500 square foot distribution centre and a 12,000 square foot facility in Saint John, N.B. and a cross dock facility in McAdam, N.B.
- The Province of Nova Scotia, the Halifax Port Authority, and International Transportation and Logistics specialists, Kuehne + Nagel Ltd. have partnered to offer a "Less than Container Load" Consolidation Service with more efficient and cost-effective access to European markets for exporters in the Atlantic region. The service will allow exporters and local forwarders to consolidate their shipments of dry freight on a guaranteed weekly service bound for Bremen, Germany, a hub to continental Europe and beyond.



NB SOUTHERN RAILWAY SAINT JOHN TERMINAL

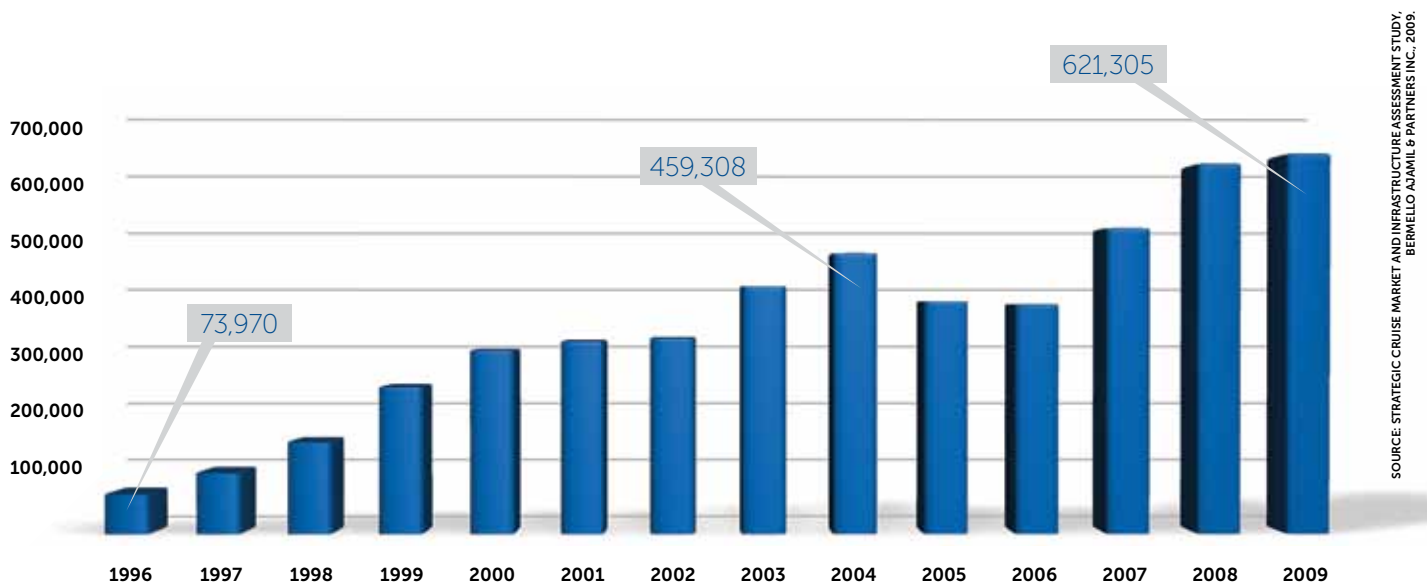
CREDIT: NEW BRUNSWICK SOUTHERN RAILWAY

Cruise

In Atlantic Canada, the cruise industry is a major contributor to the region's economy, particularly the tourism sector, with an estimated total economic impact of \$175 million in 2008. Overall, the region has seen strong growth as its share of the North American cruise market has risen from 1.54 percent in 2005 to 2.11 percent in 2008. Passenger throughput has risen 128 percent over the last ten years. Looking to the future, Atlantic Canada stands to benefit from positive forecasts for the international cruise market (for example, growth in passenger levels and vessel size) generating new homeporting and port-of-call opportunities. Cruise passenger visits typically generate further economic opportunities for the tourism industry through extended stays and follow-up visits to the region.

Planning within the cruise industry of specific itineraries takes place well in advance of implementation with consideration given to how a system of ports in a specific region can offer an attractive destination for potential cruise passengers while maximizing economic returns. The availability of shore side infrastructure, comprehensive shore excursion packages and support for other land based tourist activities play a large role in influencing planning decisions within the industry. Consequently, competing effectively for cruise business requires an ongoing collective approach from key players in the region.

FIGURE 9 - Growth in Cruise Passengers to Atlantic Canada



Immediate Measures

Halifax Stanfield International Airport Runway Extension (NS) – to extend runway to accommodate larger cargo planes and enhance safe operations.

Greater Moncton International Airport Runway Extension (NB) – to extend runway to accommodate larger cargo planes and enhance safe operations.

Port of Saint John Cruise Expansion (NB) – to expand cruise berth and passenger handling capacity.

Charlottetown Airport Terminal Expansion (PEI) – to capitalize on economic growth and facilitate increased traffic.



INTERNATIONAL BORDER CROSSING BETWEEN CALAIS, MAINE AND ST. STEPHEN, NEW BRUNSWICK, PRIOR TO OPENING OF FACILITY TO TRAFFIC

BORDER EFFICIENCY AND SECURITY

Continuing to enhance border efficiency and security is critical to the Atlantic Gateway and Trade Corridor. The region's extensive transportation system carries international freight and passengers across international borders by sea, rail, air and road.

In particular, as a gateway to North America, an efficient and secure Canada-U.S. border is crucial for the success of the Atlantic Gateway and Trade Corridor. Of the 16 international highway border crossings between New Brunswick and Maine, St. Stephen/Calais and Woodstock/Houlton serve as key commercial processing centres for the region's road-based trade.

Over the past several years, Canada and the United States have worked to develop, implement and expand a number of trusted trade and travel programs such as:

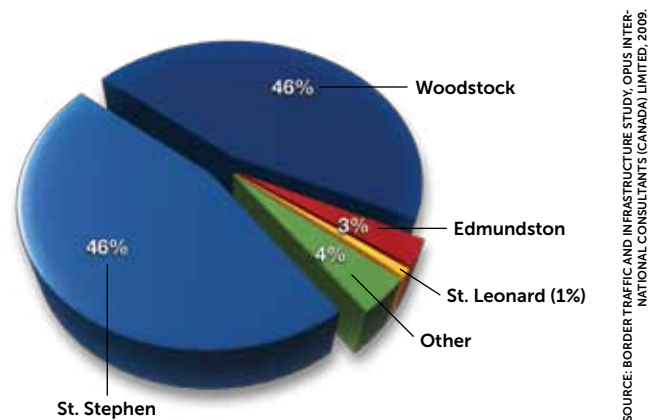
- ▶ U.S. preclearance services, offered to passengers at the Halifax Robert L. Stanfield International Airport;
- ▶ Free and Secure Trade Program (FAST) - a joint Canada - U.S. program for the expedited movement of low-risk goods and truck drivers;
- ▶ NEXUS - a joint program to facilitate the movement of low-risk, pre-approved individuals who frequently cross the border; and
- ▶ Advance notification requirements that expedite the movement of goods being shipped into Canada and the United States by all modes.

To ensure the border infrastructure keeps pace with the ever-changing dimensions of international trade and travel patterns, as well as security requirements,

the governments of Canada and New Brunswick have committed approximately \$400 million in highway and border-related projects along the New Brunswick-U.S. border to increase capacity and support new processes, at Andover, Woodstock and St. Stephen, since 2001.

Border-related initiatives, combined with improvements (both completed and planned) to the region's marine, rail and airport facilities, generate increased trade opportunities and efficiency gains that benefit all Atlantic Gateway and Trade Corridor partners.

FIGURE 10 - Distribution of Atlantic Gateway Road Exports to United States by Border Crossing, 1998 - 2007



COMMERCIAL INSPECTION FACILITY IN CALAIS, MAINE



EDMUNDSTON, NEW BRUNSWICK AND MADAWASKA, MAINE INTERNATIONAL BRIDGE

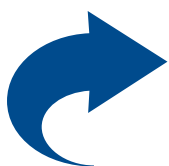
New International Bridge: St. Stephen / Calais



CREDIT: KEVIN RICHARD, NEW BRUNSWICK
DEPARTMENT OF TRANSPORTATION

The new international border crossing between Calais, Maine and St. Stephen, New Brunswick is the first international bridge to be built between Canada and the United States in over 30 years. Opened to cross-border traffic on November 16, 2009, this cooperative project includes investments of over \$366 million to a new international bridge, new Port-of-Entry commercial and travellers facilities and related improvements to New Brunswick Route 1, cost-shared by the Governments of Canada and New Brunswick. It will result in greater efficiency and security at the 8th busiest commercial crossing along the Canada-United States border, and the busiest border crossing in the Atlantic Gateway and Trade Corridor.

COMMODITIES	2008 Total Value to/from United States (CAD)	\$2.8 billion
COMMERCIAL VEHICLES	2008 Total Volume to/from United States	95,607
PASSENGER VEHICLES	2008 Total volume to/from United States	1,604,530



Immediate Measures

New International Bridge: St. Stephen, New Brunswick/Calais, Maine

The first international bridge to be built between Canada and the United States in over thirty years opened to cross-border traffic on November 16, 2009.

Assessing Gateway and Trade Corridor Security

The Government of Canada will assess the security of key elements of the supply chain of the Atlantic Gateway

and Trade Corridor to identify strengths and opportunities for improvements. Key stakeholders will be engaged to identify priorities and participate in the security assessment process.

Engage U.S. Partners

Advance discussions aimed at achieving a secure but "thin" border.



HALIFAX STANFIELD INTERNATIONAL AIRPORT, NOVA SCOTIA

POLICY AND REGULATORY ISSUES

The gateway approach goes beyond investing in transportation infrastructure. To optimize and maximize the efficiency of the entire transportation system, governments and the private sector must work together to identify and address policy and regulatory issues that impact the Atlantic Gateway and Trade Corridor.

These include, but are not limited to:

- ▶ building on Canada's Blue Sky Policy to help Canada's air industry continue to make significant contributions to this country's growth and prosperity;
- ▶ collaborating and progressing on issues common to all three of Canada's gateways at the national level, such as ensuring the secure and efficient passage of goods and people across the Canada-U.S. border;
- ▶ advancing Canada's trade policy agenda through trade and other international agreements; and
- ▶ implementing, harmonizing and enforcing regulations, standards and practices to promote a safe, secure, efficient and environmentally responsible transportation system.

Amendments to the *Canada Marine Act*

The *Canada Marine Act* governs aspects of the marine sector in Canada, a key component of the integrated supply chain. According to a 2009 United States Maritime Administration Report, over 90 percent of world trade by volume is seaborne.

- The August 2008 amendments to the *Canada Marine Act* and related policy initiatives modernize the National Ports Policy to reflect the current role of Canada Port Authorities in the national transportation system, including providing additional options related to borrowing limits and enhancing flexibility in the management of port lands.
- Specifically, these amendments established a modernized framework for Canada Port Authorities that promotes the development of essential infrastructure, maximizes operating efficiencies, and fosters a more flexible, commercially based financial environment with increased accountability.

These measures will allow Canada Port Authorities to better respond to future market demands, encourage investment in port infrastructure and thus contribute to building a stronger Canadian economy.

Harmonization to Improve Efficiencies in the Trucking Industry



CREDIT: SUNBURY TRANSPORT

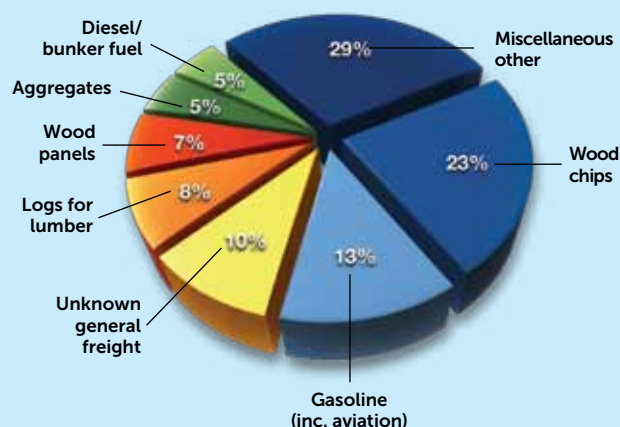
LONG COMBINATION VEHICLE

Long Combination Vehicles (LCVs) are twin semi-trailer combinations with an overall length of 40 metres. LCVs may operate under special permit on four lane highways in New Brunswick. Under a pilot project, Nova Scotia is issuing special permits that allow LCVs to operate on four lane divided highways.

Under the February 26, 2009 Partnership Agreement on Regulation and the Economy (PARE), New Brunswick and Nova Scotia will:

- harmonize permit conditions for operating LCVs in both provinces;
- undertake a pilot project that coordinates commercial vehicle enforcement between the Amherst and Salisbury scales; and
- develop a harmonized regional permitting system.

FIGURE 11 - Atlantic Canada National Highway System Truck Traffic By Volume, By Commodity, 2006



SOURCE: MULTIMODAL FREIGHT AND PASSENGER TRAFFIC FLOWS AND INFRASTRUCTURE STUDY, CPIC TRANSCOM LIMITED, 2009.

Air Transport and the Gateway

In December 2009, Canada and the European Union (EU) signed a comprehensive air transport agreement. Signature allows for the agreement, which was concluded in 2008, to be applied administratively and for airlines to take advantage of new operational flexibilities immediately. Supported by Canadian airlines and airports across Canada, the agreement opens access to all 27 EU Member States for Canadian carriers and all points in Canada for EU carriers. To the extent that carriers use this new flexibility, the agreement is expected to deliver positive results to travellers and shippers by providing more choices in destinations, flights and routes, more direct services, increased flexibility for cargo and the potential for lower fares. Situated on major flight paths to Europe, Atlantic Canada airports now have even more flexibility than before to market themselves to EU and Canadian carriers for the establishment of new passenger and all-cargo services.

In 2008, Transport Canada approved the Greater Moncton International Airport and the Halifax Stanfield International Airport for participation in the International Transshipment Program. These two airports, along with Gander International Airport (approved in 2000), are seeking new market opportunities and to further develop air cargo transshipment activities as a result. The program authorizes Canadian and foreign carriers to carry international cargo transshipments coming from, and going to, points outside Canada via approved Canadian airports - even if the rights are not provided in Canada's bilateral air transport agreements.

In 2006, Halifax Stanfield International Airport implemented approved U.S. border preclearance for passengers travelling to U.S. destinations, allowing shorter and easier connections to other U.S. cities and direct access to U.S. airports with no customs and immigration inspection facilities.

In 2009, the Canada Border Services Agency expanded the core hours of customs service at Deer Lake International Airport, and at Moncton, Fredericton and Charlottetown international airports in 2008. Extended hours of customs and immigration services allow these airports to be more competitive and are of benefit to attract and retain more international flights, which contribute to the economic development of the region. In an interconnected world with global supply chains, work is ongoing between federal departments and the industry to facilitate the efficient movement of people and goods through Canada's airports.



Immediate Measures

Air Cargo: Policy, Logistics and Competitiveness Initiative

Transport Canada is working with airlines, freight forwarders, shippers and other interested parties on an air cargo mapping initiative, to address significant knowledge gaps related to air cargo flows to and from Canada. This initiative will increase understanding of the air cargo industry and guide policy efforts to remove obstacles to air cargo development.

Customs Tariffs on Marine Containers –

The Government of Canada amended the Customs Tariff regulations to facilitate container movements within Canada and to harmonize the treatment of imported containers with that of the United States. The changes, which took effect on December 15, 2009, increase the period of time a temporarily imported container can stay in Canada duty-free from 30 to 365 days and remove the restriction that such containers may only be used for one point-to-point transport of goods within Canada.



CREDIT: DEPARTMENT OF INNOVATION, TRADE AND RURAL DEVELOPMENT, GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

CENTRE FOR MARINE SIMULATION (CMS), FISHERIES AND MARINE INSTITUTE OF MEMORIAL UNIVERSITY OF NEWFOUNDLAND

TECHNOLOGY AND INNOVATION

Innovative business models, processes and technologies are essential to optimizing the safety, security, and efficiency of the transportation system, and can serve to:

- ▶ improve accessibility;
- ▶ ease traffic congestion; and
- ▶ limit the impacts of transportation activities on the environment, making the transportation sector more sustainable.

Over the past 20 years, productivity gains in the transportation sector have significantly

outpaced overall economic growth. These gains were largely driven by mode-specific, market-oriented policy and regulatory measures (commercialization, privatization, deregulation), and have allowed carriers to offset price increases to their customers. Many predict the next generation of productivity gains will be based on efficiencies realized through strategic integration across the transportation system. Innovation, particularly the application of new technologies, will be key to achieving this goal.

SmartBay Project – Placentia Bay, Newfoundland and Labrador

Placentia Bay is second only to the Port of Vancouver in terms of the annual value of goods shipped. It is busy with industrial marine traffic, a shipyard, a ferry route, wildlife reserves, tourism ventures and an active fishery – all operating in a very harsh weather environment. SmartBay is the largest ocean observation project in eastern Canada and an example of industry, government and the applied research arm of the Marine Institute of Memorial University working together to position the province as a leader in this aspect of ocean technology.

Originally funded by a \$2 million investment from Canada's Ocean Action Plan, SmartBay has received additional funding of \$1.1 million from the province of Newfoundland and Labrador to further increase the system's capacities. Increasing the capacity of ocean observation projects in Newfoundland and Labrador was identified as a key priority in *Oceans of Opportunity*, the Provincial Government's five-year, \$28 million strategy focused on accelerating growth of the local ocean technology sector. The combined funding has enabled the project to become fully operational and has resulted in improved weather and environmental monitoring and observation of ocean conditions.



A BUOY IN PLACENTIA BAY, NEWFOUNDLAND AND LABRADOR, USES SENSORS IN THE OCEAN TO COLLECT DATA ON WATER QUALITY AND SEA CONDITIONS. THE SMARTBAY SYSTEM PROVIDES REAL-TIME INFORMATION TO SCIENTISTS, COMMERCIAL FISHERS, ENVIRONMENTAL MONITORING AGENCIES AND THE GENERAL PUBLIC.

CREDIT: DEPARTMENT OF INNOVATION, TRADE AND RURAL DEVELOPMENT, GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Intelligent Transportation Systems (ITS)

Intelligent Transportation Systems (ITS) mean *smart* transportation across all modes. Technologies that support ITS include telecommunications, computer hardware and software, sensors and database management.

ITS applications benefit and enhance commercial vehicle operations, intermodal connections, border crossings, traffic management and traveller information. While many of these technologies are already at work throughout the Atlantic region's transportation network, building on and supporting interoperability among them can greatly advance Gateway objectives.



SOLAR POWERED LOW-COST WARNING SYSTEM FOR A PASSIVE RAIL CROSSING IN NEW BRUNSWICK, A RESEARCH PROJECT OF THE UNIVERSITY OF NEW BRUNSWICK, THE NEW BRUNSWICK DEPARTMENT OF TRANSPORTATION AND TRANSPORT CANADA.

CREDIT: UNIVERSITY OF NEW BRUNSWICK TRANSPORTATION GROUP

Regional ITS deployments are contributing to the efficiency, effectiveness and safety of the Atlantic Gateway:

- The Road Weather Information Systems network in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador provides weather and road forecasts for winter maintenance activities.
- Weigh-in-Motion (WIM) technology in Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador provides a vehicle classification and/or sorting tool for further commercial vehicle credentialing or weigh scale by-pass.
- A 511 traveller information system in Nova Scotia and New Brunswick and provincial participation in a national effort to secure the 511 telephone number for weather and traveller information in Canada.
- The National Rural ITS Research Centre (at the University of New Brunswick) focuses on ITS technology research and development and ITS skills development.



LONGS CREEK WEIGH-IN-MOTION SITE ON TRANS-CANADA HIGHWAY ROUTE 2, NEW BRUNSWICK

CREDIT: DIANE NASH, NEW BRUNSWICK DEPARTMENT OF TRANSPORTATION

Immediate Measures

Atlantic Gateway and Trade Corridor ITS Strategy

The ITS Strategy will set out technology priorities and deployment strategies throughout the four Atlantic provinces. It will reflect the present context and help foster synergies for integrative ITS projects involving Atlantic Gateway and Trade Corridor stakeholders. The ITS Strategy will include a technology framework to help guide long-term investments in technology and support other Gateway objectives. This will ensure that technologies deployed by all stakeholders will be fully integrated and interoperable across transport modes and among jurisdictions.

ITS Projects

In recognition of the fundamental role that ITS plays in a safe, secure, and efficient transportation system, support will be provided for ITS projects:

- ▶ **Confederation Bridge (linking PEI and NB)** – to install technologies to enhance monitoring of hazardous conditions and improve traffic management.
- ▶ **St. John's International Airport Category III Instrument Landing System (NL)** – to enhance

the safety and efficiency of operations in poor weather conditions.

- ▶ **SmartBay Project Expansion (NL)** – to provide additional buoys and sensors to enhance traffic management and maintain safe operations in this high traffic area.

511 Traveller Information Service Launched in New Brunswick

The Government of Canada and the Province of New Brunswick have together invested approximately \$83,500 to implement the 511 system, joining Nova Scotia, which was the first Canadian province to implement the 511 Traveller Information Service in January 2008. 511 is a designated number to help travellers get information on road and weather conditions, as well as road construction reports, by telephone and through its online services. Operational as of December 11, 2009, the new system will also allow district staff to report more quickly about changes in road openings and closures, along with ferry operations.



CONSTRUCTION OF AN OVERPASS ON ROUTE 1 FOUR LANE HIGHWAY, NEW BRUNSWICK

KNOWLEDGE AND SKILLS

The Canadian transportation sector is a knowledge-based sector where innovation, research and development, and science and technology are strategic drivers. A highly mobile, skilled, productive, adaptable and reliable workforce will be essential for the efficient and effective operation of the Gateway. Labour market studies conducted by governments and transportation organizations point to serious labour and skills shortages in the transportation sector in the foreseeable future. For example, the Canadian Trucking Human Resources Council noted, in a 2006 survey, that 61 percent of sector employers identified driver shortages as one of their two top challenges.

The Atlantic Gateway and Trade Corridor Strategy will provide a coordinated approach among management, labour organizations and higher educational institutions to make transportation skills, logistics training and supply chain management a priority. Post-secondary institutions are already increasing the amount and quality of training options in the fields of transportation, logistics, and supply chain management. Community colleges are working to incorporate logistics and supply chain management into their curricula. Future innovations could include transportation training simulation programs. Continuing to build academic capacity is important to ensure that innovative ideas and products are generated to support and train the transportation labour force.



CREDIT: OCEANEX INC

Skills

Gateway-related skills development and enhancement activities are clearly evident across the region, as educational institutions align with private sector needs. For example:

- Dalhousie University's Centre for International Trade and Transportation course curriculum blends trade and logistics into a credit-based university course. Its research institute is an informal network of economists, engineers, geographers, policy and management academics that maps out useful Gateway research projects.
- Memorial University and its Marine Institute set the standard in education, training, innovation and research in ocean science, engineering, and technology development and transfer. With world-class facilities that include North America's most comprehensive suite of marine simulation capabilities and the world's largest flume tank, Newfoundland and Labrador is a global leader in the ocean and marine sectors.
- The University of New Brunswick Transportation Group is a research group in the Department of Civil Engineering for post-graduate studies in transportation. The program offered by the Transportation Group is multidisciplinary and multimodal in nature. The primary objective is to produce well-rounded transportation professionals. A further objective is to provide for educational and research opportunities in support of regional and national transportation requirements.

The four Atlantic provinces and the federal government are also advancing a skills and human resources strategy designed to attract, develop and retain a highly specialized, adaptable and skilled workforce. The Atlantic Population Initiative's pan-Atlantic approach supports a sustainable pool of skilled workers that contributes to an effective Gateway system.



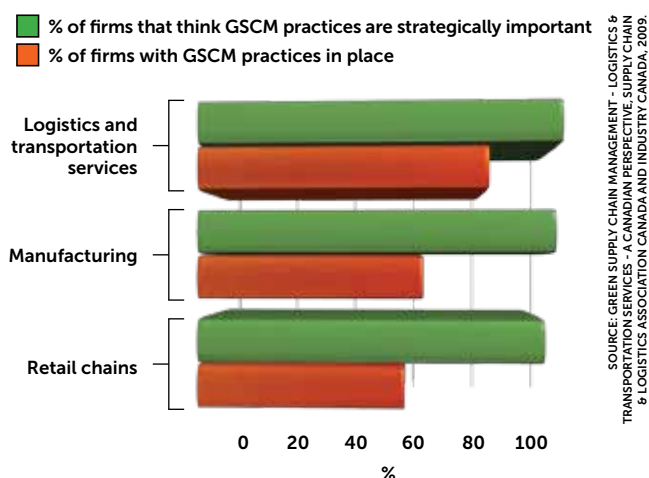
SHORTSEA OPERATIONS AT THE PORT OF SAINT JOHN, NEW BRUNSWICK

ENVIRONMENT

The gateway approach promotes environmental sustainability in transportation. Developing its intermodal system in a holistic manner addresses bottlenecks and congestion and can reduce greenhouse gases, other emissions and noise, particularly in areas through which trade must travel. A more efficient trade and transportation system that optimizes existing footprints will better manage its impacts on communities. Fuel consumption and its various associated impacts are also moderated in a more fluid, efficient intermodal system.

As green supply chains and responsible corporate citizenship on environmental and quality of life issues become more important, Atlantic Canada's geographic advantages make it a strategic choice. That is why the public and private sectors will continue to enhance the greening of the Atlantic Gateway and Trade Corridor.

FIGURE 12 - Business Perspectives On and Use of Green Supply Chain Management (GSCM) Practices in Distribution Activities



Greening of the Atlantic Gateway and Trade Corridor

Shortsea shipping improves the efficiency and sustainability of Atlantic Canada's transportation system through better use of North America's coastal and inland waterways. This maximizes the use of existing transportation assets and footprint. Shortsea shipping offers air quality improvement by reducing greenhouse gas emissions, reduces traffic congestion and mitigates noise pollution. A ship can move a tonne of freight 800 kilometres on 4 litres of fuel.

Trucking operators in Atlantic Canada have initiated a number of actions to improve their environmental impacts. For example, Sunbury Transport has partnered with the province of New Brunswick to install:

- auxiliary power units on its owner-operated fleet to eliminate engine idling; and
- aerodynamic skirting on its van trailers to reduce air drag.

Studies show that trains use less fuel and produce fewer emissions than trucks on a tonne-kilometre basis.

- Transport Canada's ecoFreight program and related studies have shown how using intermodal freight services (primarily truck to rail) to ship food grade chemicals reduces greenhouse gas (GHG) emissions.
- NB Southern Railway currently operates a dual locomotive unit (mother-daughter) that provides more tonnage capacity with a lower operating cost. The first locomotive (mother unit) has additional hardware to allow the transfer of electrical power to the second locomotive (daughter unit), which has no engine. This results in emission, fuel and maintenance savings.



Immediate Measures

"Evaluation of Environmental and Social Impacts and Benefits of Shortsea Shipping in Canada" Study (Genivar Limited, 2008)

Transport Canada commissioned a study to evaluate the environmental and social effects of shortsea shipping in Canada and develop a model capable of quantifying and comparing these effects with other transportation modes. Early model outputs point to potential social and environmental benefits from the better integration of the marine mode into Canada's transportation system.



GOVERNANCE

The success of the gateway approach to planning, policy development, and investment depends upon partnerships and collaboration, across modes of transportation as well as across the public and private sectors. Actions should complement current market-oriented transportation policies, with governments creating a positive climate for private investment in gateway infrastructure, while safeguarding the public interest.

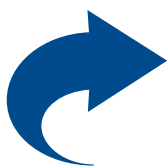
While the release of this Strategy provides focus and direction for collaborative action on positioning the Atlantic Gateway and Trade Corridor to capitalize on potential future trade opportunities, the success of the Atlantic Gateway and Trade Corridor over the longer term will require sustained commitments to ongoing policy coordination and integration within and among the federal and provincial governments, public and private sectors.

Implementing this Strategy will require continued commitment and formalization of collaborative mechanisms and structures, to build on the positive working relationships established among stakeholders throughout the MOU process. This will be a dynamic process, with governments and engaged private sector stakeholders working together to develop creative and innovative ways to respond to the challenges and opportunities facing the Atlantic Gateway and Trade Corridor, today and into the future. To maintain momentum, measures and progress related to the Strategy over the coming months and years need to be transparent and reported on annually.

Partnership With The Atlantic Gateway Advisory Council

A collaborative approach between business leaders and senior government officials is a key aspect of the Gateway approach. It ensures that direction taken and decisions made on Gateway initiatives are informed by in-depth industry knowledge from the private sector perspective and that, where appropriate, actions are coordinated for maximum impact. The formalization of a partnership between the Atlantic Gateway Advisory Council and the Atlantic Gateway Federal-Provincial Officials Committee is an important example of this approach.

The Atlantic Gateway Advisory Council is a private sector organization comprised of 13 CEO-level representatives from transportation providers and system users from across Atlantic Canada. With extensive knowledge of global markets and experience in gateway-related industries and sectors, the Council is uniquely positioned to provide advice to both the federal and provincial governments on the implementation of the Atlantic Gateway and Trade Corridor Strategy. The Council will work with governments to identify and address the range of issues impacting the competitiveness of the Atlantic Gateway and Trade Corridor. An important part of fulfilling this regional level mandate will be in connecting and communicating with other gateway councils and related organizations in the region.



Immediate Measures

Implementation

The Atlantic Gateway Federal-Provincial Officials Committee will be established as the ongoing forum for implementation of the Atlantic Gateway and Trade Corridor Strategy.

Partnership with the Private Sector

The Atlantic Gateway Advisory Council will provide a leadership role in advising governments on the implementation of this Atlantic Gateway and Trade Corridor Strategy going forward.

Annual Progress Report

A progress report will be issued on an annual basis highlighting measures and progress in implementation of the Strategy.

Other forums for collaboration

Other forums will be established under the leadership of the Atlantic Gateway Federal-Provincial Officials Committee as needed.

CONCLUSION



The Atlantic Gateway and Trade Corridor Strategy is a balance of immediate measures and longer-term directions that serve as a foundation for ongoing efforts by all public and private sector partners to keep this vital trade and transportation system at the forefront of existing and emerging global opportunities.

The Atlantic Gateway and Trade Corridor Strategy acknowledges that no single government or firm can effectively tackle the range of interconnected issues that will determine the Atlantic Gateway and Trade Corridor's long-term success. The approach, as defined by this Atlantic Gateway and Trade Corridor Strategy, is based on actions and real partnerships, among levels of government and public and private sector stakeholders, with the intent to position the Atlantic Gateway and Trade Corridor to capitalize on potential opportunities presented by future forecasted shifts in global trade patterns.

ANNEX 1

The Atlantic Gateway and Trade Corridor Intermodal Transportation Network

The Atlantic Gateway and Trade Corridor Intermodal Transportation Network includes:

- ▶ Canada's third largest container port (Halifax); three of the five busiest Canadian ports by total tonnage (Come-By-Chance/Whiffen Head, NL, Strait of Canso Superport, NS, Saint John, NB); and two of the four busiest Canadian cruise ports (Halifax, Saint John).
- ▶ International shortsea shipping.
- ▶ North America's most efficient Class 1 rail carrier with daily double-stacked container service to major U.S. and Canadian markets. Short-line railroads provide feeder service to mainlines and the United States.
- ▶ 64,000 kilometres of highways, of which over 4,700 kilometres have been designated part of the National Highway System.
- ▶ Three main truck corridors, one linking to key markets in Ontario and Quebec, and two to the Northeast United States.
- ▶ Transload facilities that currently support supply chain logistics for major Canadian national retailers.
- ▶ In addition to border rail crossings, two main commercial border crossings with the United States moving goods cross-border in as little as 15 minutes (St. Stephen, NB/Calais, Maine and Woodstock, NB/Houlton, Maine).
- ▶ Major international airports with growing air cargo operations.



1 - CRUISE SHIPS AT THE PORT OF CHARLOTTETOWN, PRINCE EDWARD ISLAND
CREDIT: CHARLOTTETOWN HARBOUR AUTHORITY INC

2 - DISCHARGING WIND TURBINE COMPONENTS AT THE PORT OF BELLEDUNE, NEW BRUNSWICK
CREDIT: BELLEDUNE PORT AUTHORITY

3 - RAIL OPERATIONS AT THE PORT OF HALIFAX, NOVA SCOTIA

4 - VERY LARGE CRUDE CARRIER OF MORE THAN 317,000 DEADWEIGHT TONNES FROM A FOREIGN PORT DISCHARGING AT MONOBUOY IN SAINT JOHN, NEW BRUNSWICK
CREDIT: SAINT JOHN PORT AUTHORITY

5 - BULK FUEL TANKER AT NEWFOUNDLAND TRANSSHIPMENT LIMITED (NTL) FACILITY AT WHIFFEN HEAD, PLACENTIA BAY, NEWFOUNDLAND AND LABRADOR
CREDIT: DEPARTMENT OF NATURAL RESOURCES, GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

6 - CANADA BORDER SERVICES AGENCY (CBSA) FACILITY AT WOODSTOCK, NEW BRUNSWICK
CREDIT: DOUG JOHNSON, NEW BRUNSWICK DEPARTMENT OF TRANSPORTATION

ANNEX 2

Action Plan - Immediate Measures and Future Directions

Core Elements	Immediate Measures	Future Directions
Strategic Infrastructure	<p>Burnside Connector Phase 1 (NS) – to connect Highway 102 and Highway 107 and a major industrial park and transshipment facility.</p> <p>Port of Halifax, South Terminal Expansion (NS) – to accommodate the next generation of container ships.</p> <p>Port of Halifax, Richmond Terminals Multipurpose Gateway Extension (NS) – to upgrade and expand value-added cargo handling services.</p> <p>Truro High Speed Interchange (NS) – to upgrade the interchange ramps at a vital highway junction through which high volumes of Nova Scotian trade moves.</p> <p>Route 344 Highway Upgrades (NS) – to support development and operation of the proposed Melford Container Terminal.</p> <p>Completion of Route 1 Twinning and Rehabilitation (NB) – to ensure more efficient movement of people and goods along this important trade corridor that connects Atlantic Canada with the U.S. New England region.</p> <p>Port of Belledune Modular Fabrication and Multimodal Transshipment Facility (NB) – to support shortsea shipping operations on the eastern seaboard in Canada and the United States.</p> <p>Fredericton International Airport Runway and Lighting Upgrades (NB) – to maintain safe and efficient airport operations.</p> <p>Improvements to Trans-Canada Highway (Route 1) (PEI) – to realign traffic flow and improve safety and efficiency along the main trade route for PEI.</p> <p>Port of Argentia New Roll-On Roll-Off Ramp (NL) – to complement shortsea shipping capabilities.</p> <p>Gander International Airport Runway Upgrade (NL) – to support increased trade and traffic.</p> <p>Fluidity and Reliability Study – to measure system fluidity and reliability along the Atlantic Gateway and Trade Corridor with the objective of improving supply chain logistics.</p>	<p>Through the Strategy, the Atlantic Gateway governments are making a longer-term commitment to maintain a focus on the efficiency of the strategic network, informed by ongoing analysis.</p>

Core Elements	Immediate Measures	Future Directions
International Trade Promotion and Marketing	<p>Market Research Activities – Public and private sector partners will support the Atlantic Gateway and Trade Corridor through market research and analysis. Research activity may include:</p> <ul style="list-style-type: none"> ▶ Assessing existing trade activities and trade potential in key geographic areas; ▶ Analyzing sector-specific trade and investments; and ▶ Developing specific marketing strategies. <p>Trade Missions and Promotion Activities – Canada’s Atlantic Gateway and Trade Corridor’s public and private sector partners have already begun collaborative marketing activities targeting travellers, containers, bulk and air freight companies in the United States, Europe and Asia. Promotional communications products in support of these activities are being developed.</p> <p>Atlantic Gateway and Trade Corridor International Marketing Program – Recognizing targeted marketing as a valuable way to attract new international commerce opportunities, the Government of Canada is committing up to \$5 million to support strategic, pan-Atlantic Canada marketing projects and activities that promote competitive advantages and niche market strengths of Canada’s Atlantic Gateway and Trade Corridor.</p>	<p>Ongoing collaboration with partners to promote the Atlantic Gateway and Trade Corridor, as well as Canada’s Gateways and Trade Corridors.</p>
Economic Growth Opportunities	<p>Halifax Stanfield International Airport Runway Extension (NS) – to extend runway to accommodate larger cargo planes and enhance safe operations.</p> <p>Greater Moncton International Airport Runway Extension (NB) – to extend runway to accommodate larger cargo planes and enhance safe operations.</p> <p>Port of Saint John Cruise Expansion (NB) – to expand cruise berth and passenger handling capacity.</p> <p>Charlottetown Airport Terminal Expansion (PEI) – to capitalize on economic growth and facilitate increased traffic.</p>	<p>Build on the region’s existing businesses and technologies, its natural assets and resources, skilled labour, reliable transportation infrastructure and wide market reach to facilitate international trade and value-added services.</p>

Core Elements	Immediate Measures	Future Directions
<p>Border Efficiency and Security</p>	<p>New International Bridge: St. Stephen, New Brunswick / Calais, Maine – The first international bridge to be built between Canada and the United States in over thirty years opened to cross-border traffic on November 16, 2009.</p> <p>Assessing Gateway and Trade Corridor Security – The Government of Canada will assess the security of key elements of the supply chain within the Atlantic Gateway and Trade Corridor to identify strengths and opportunities for improvements. Key stakeholders will be engaged to identify priorities and participate in the security assessment process.</p> <p>Engage U.S. Partners – Advance discussions aimed at achieving a secure but “thin” border.</p>	<p>Continuing to enhance border efficiency and security is critical to the Atlantic Gateway and Trade Corridor.</p>
<p>Policy and Regulatory Issues</p>	<p>Air Cargo: Policy, Logistics and Competitiveness Initiative – Transport Canada is working with airlines, freight forwarders, shippers and other interested parties on an air cargo mapping initiative to address significant knowledge gaps related to air cargo flows to and from Canada. This initiative will increase understanding of the air cargo industry and guide policy efforts to remove obstacles to air cargo development.</p> <p>Customs Tariffs on Marine Containers – The Government of Canada amended the Customs Tariff regulations to facilitate container movements within Canada and to harmonize the treatment of imported containers with that of the United States. The changes, which took effect on December 15, 2009, increase the period of time a temporarily imported container can stay in Canada duty-free from 30 to 365 days and remove the restriction that such containers may only be used for one point-to-point transport of goods within Canada.</p>	<p>Ongoing government leadership and private sector cooperation to identify and address policy and regulatory issues that impact the Atlantic Gateway and Trade Corridor.</p>

Core Elements	Immediate Measures	Future Directions
<p>Technology and Innovation</p>	<p>Atlantic Gateway and Trade Corridor Intelligent Transportation Systems (ITS) Strategy – The ITS Strategy will set out technology priorities and deployment strategies throughout the four Atlantic provinces. It will reflect the present context and help foster synergies for integrative ITS projects involving Atlantic Gateway and Trade Corridor stakeholders. The ITS Strategy will include a technology framework to help guide long-term investments in technology and support other Gateway objectives. This will ensure that technologies deployed by all stakeholders will be fully integrated and interoperable across transport modes and among jurisdictions.</p> <p>ITS Projects – In recognition of the fundamental role that ITS plays in a safe, secure, and efficient transportation system, support will be provided for ITS Projects:</p> <ul style="list-style-type: none"> ▶ Confederation Bridge (linking PEI and NB) – to install technologies to enhance monitoring of hazardous conditions and improve traffic management. ▶ St. John's International Airport Category III Instrument Landing System (NL) – to enhance the safety and efficiency of operations in poor weather conditions. ▶ SmartBay Project Expansion (NL) – to provide additional buoys and sensors to enhance traffic management and maintain safe operations in this high traffic area. <p>511 Traveller Information Service Launched in New Brunswick - The Government of Canada and the Province of New Brunswick have together invested approximately \$83,500 to implement the 511 system, joining Nova Scotia, which was the first Canadian province to implement the 511 Traveller Information Service in January 2008. 511 is a designated number to help travellers get information on road and weather conditions, as well as road construction reports, by telephone and through its online services. Operational as of December 11, 2009, the new system will also allow district staff to report more quickly about changes in road openings and closures, along with ferry operations.</p>	<p>Innovative approaches and technologies are essential to optimizing the safety, security, sustainability and efficiency of the transportation system.</p>

Core Elements	Immediate Measures	Future Directions
Knowledge and Skills		Provide a coordinated approach among management, labour organizations and higher educational institutions to make transportation skills, logistics training and supply chain management a priority.
Environment	<p>“Evaluation of Environmental and Social Impacts and Benefits of Shortsea Shipping in Canada” Study (Genivar Limited, 2008) – Transport Canada commissioned a study to evaluate the environmental and social effects of shortsea shipping in Canada and develop a model capable of quantifying and comparing these effects with other transportation modes. Early model outputs point to potential social and environmental benefits from the better integration of the marine mode into Canada’s transportation system.</p>	<p>Gateway approach offers inherent benefits for environmental sustainability.</p> <p>Will be a strategic consideration going forward.</p>
Governance	<p>Implementation – The Atlantic Gateway Federal-Provincial Officials Committee will be established as the ongoing forum for implementation of the Atlantic Gateway and Trade Corridor Strategy.</p> <p>Partnership with the Private Sector – The Atlantic Gateway Advisory Council will provide a leadership role in advising governments on the implementation of this Atlantic Gateway and Trade Corridor Strategy going forward.</p> <p>Annual Progress Report – A progress report will be issued on an annual basis highlighting measures and progress in implementation of the Strategy.</p> <p>Other forums for collaboration – Other forums will be established under the leadership of the Atlantic Gateway Federal-Provincial Officials Committee as needed.</p>	<p>The success of the Atlantic Gateway over the longer term will require enhanced commitments to ongoing policy coordination and integration within and among the federal and provincial governments, public and private sectors.</p>