



TP 14681

GATEWAY 
CONNECTS
A **BUILDING CANADA** Initiative

NATIONAL POLICY FRAMEWORK FOR
STRATEGIC GATEWAYS AND TRADE CORRIDORS



Government of Canada
Gouvernement du Canada

Canada 

National Policy Framework for Strategic Gateways and Trade Corridors.

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A message from the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities

Canada is a successful trading nation. Our economic growth and standard of living depend on the export and import of products and resources as part of global supply chains. Transportation systems that enable us to move goods and people with world-class efficiency are therefore essential to our future prosperity.



That is why we are moving forward decisively with our gateway and corridor approach. It's a new policy direction, more aligned with the way business operates in today's global economy. It promotes coherent planning among governments and partnerships between public and private sectors.

This national policy framework builds on the direction launched in October 2006, with the Asia-Pacific Gateway and Corridor Initiative. The Framework will guide investment and policy measures that respond to unique geographic, trade and transportation opportunities in key regions, and enhance infrastructure at key locations, such as major border crossings between Canada and the United States, and the Atlantic gateway.

Gateway and corridor strategies will be coherent frameworks for prudent, long-term investment, optimization of existing infrastructure, environmental stewardship and continued excellence in security.

This approach promises real benefits for Canadians and Canadian companies as we build upon our country's competitive advantages and strengthen our position in international commerce. Our success in this endeavour will help ensure a strong Canada and a strong economy for future generations.

National Policy Framework for Strategic Gateways and Trade Corridors

The *National Policy Framework for Strategic Gateways and Trade Corridors* has been developed to advance the competitiveness of the Canadian economy on the rapidly changing playing field of global commerce. It will do so by providing focus and direction for strategies that foster further development and exploitation of the transportation systems that are key to Canada's most important opportunities and challenges in international trade.

Strategies advanced under this Framework will enhance multimodal integration of major transportation systems, as well as their efficiency, safety, security, and sustainability. They also could address other, interconnected issues that impact on how well those systems work and how well Canada takes advantage of them. The Framework and the strategies it will support are instruments of national policy tailored to geographic, trade and transportation opportunities in different regions of Canada. This national approach emphasizes rigorous analysis and long-term planning in partnerships among governments and between public and private sectors.

The *National Policy Framework for Strategic Gateways and Trade Corridors* will also help guide investment decisions for the new \$2.1 billion fund for gateways and border crossings established by Budget 2007 as part of Building Canada, the federal government's long-term infrastructure plan.

"No country in the world is better positioned than Canada to prosper in the emerging global economy... The Gateway Initiative is obviously critical to realizing our potential as a country."

~Prime Minister Stephen Harper, May 2007

The **GATEWAY AND CORRIDOR** Approach:

Transportation in the global economy

In the last five years the world economy has grown more than during any other five-year period since World War II. As one of the most trade-reliant nations in the G-8, Canada is benefiting from this global growth. By the end of 2006, exports and imports of merchandise had both hit record highs, reaching \$458 billion and \$404.5 billion, respectively.

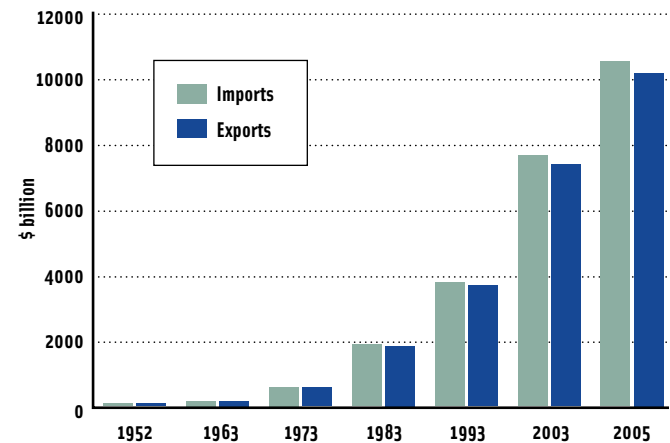
At the same time, the global economy is changing significantly. The North American Free Trade Agreement (NAFTA) and the European Union (EU) gave rise to new trading blocs that have underpinned the new integrated global marketplace. Coupled with the emergence of new economic powers such as China and India, global marketplace integration is driving the distribution of economic activity, as well as the expansion of world trade.

The emergence of global supply chains as the preeminent business model is a key factor in global economic changes. Propelled by dramatic advances in information and transportation technology, leading-edge production strategies now feature deeper integration of research, design, sourcing, manufacturing, marketing, distribution and service dispersed across the globe. Commonly referred to as “integrative trade”, this new international business model uses lower trade barriers to

Advancing Transportation System Productivity

Market-oriented federal transportation policies of the last 25 years contributed to productivity gains in the sector that far outstripped those in the economy overall. Over the period 1991–2003, productivity in the transport sector increased 35% versus 23% in the overall business sector. However, these gains have tailed off in recent years. While the policies (commercialization, privatization and deregulation of transportation infrastructure and services) were mode-specific, the next generation of productivity gains will require a considerably greater degree of integration across the elements of the national transportation system.

Figure 1 – World Merchandise Imports and Exports



Source: World Trade Organization, *International Trade Statistics 2006*

distribute production around the world through out-sourcing and off-shoring to maximize efficiency and reduce costs of each component – taking advantage of global supply chains.

These changes in how businesses operate have significant implications for transportation. Intensifying competition within the global marketplace among supply chains, major cities and major integrated regional trading blocs has increased the pressure to achieve greater scale and efficiency in the infrastructure systems that support major trade flows, and that move international passengers.

With businesses increasingly relying on seamless, secure and efficient multi-modal transportation systems as keys to their success, transportation is being recognized as more crucial than ever to Canada's competitiveness. For example, the Conference Board of Canada states that “Private industry and all levels of government need to be relentless in pursuing the modernization and coordination of trade, transportation and border infrastructure, including security, as a national priority.”¹ The Canadian Manufacturers and Exporters Association states that, “Canada's transportation infrastructure must develop the capacity to meet the growing volume of goods traded within

¹ Conference Board of Canada, *Mission Possible: Stellar Canadian Performance in the Global Economy*, 2007 (page 65)



Port of Halifax

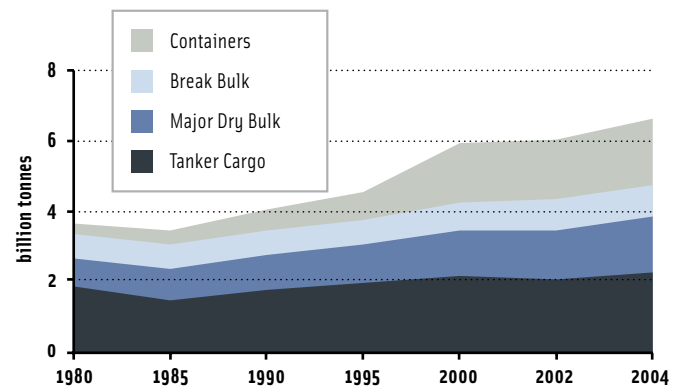
North America as well as with Asia and Europe. We must put in place the infrastructure and logistics systems that will enable Canada to become the logistics hub of North America – the preferred point of entry and exit for trade between North America and the growing Asian market.”²

While Canada’s new government has committed unprecedented levels of federal investment for infrastructure priorities³, meeting these challenges will take more than public funds. A new emphasis on the transportation *system*, rather than any particular mode or element, is necessary to maximize the contribution of Canadian transportation to global supply chains.

In an increasingly connected world, the key will be an integrated approach to *physical and policy infrastructure*. This approach places transportation infrastructure at its core, but goes further to encompass other interconnected issues of public policy, regulation, and operational practice that directly impact how well the infrastructure works and how well Canada takes advantage of it. As for investment, the crucial role of *private* investment will be highlighted, along with a commitment to policies that foster a positive climate for it to increase, while safeguarding the public interest.

This integrated, system-based perspective helps situate crucial considerations such as the roles of technology, environmental stewardship and security – all of which transcend traditional mode-specific approaches.

Figure 2 – World Seaborne Cargo Trade by Type of Cargo, 1980-2004



Note: Major dry bulk includes iron ore, grain, coal, bauxite/alumina and phosphate; Break bulk includes minor bulks (forest, steel, fertilizers, agricultural products); Containers includes general cargo.

Source: UNCTAD, *Review of Maritime Transport, 2005 and other issues*.

² Canadian Manufacturers and Exporters, *The Future of Manufacturing in Canada*, February 2005.

³ The 2006 and 2007 Federal Budgets commit a total of \$33 billion to Building Canada, the federal government’s new long-term plan for infrastructure.



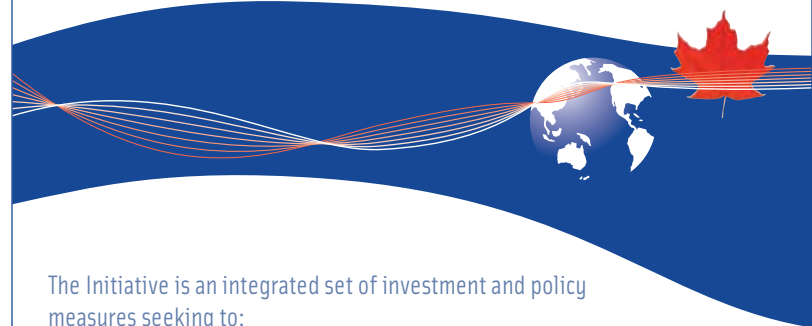
Gateways are first and foremost, multi-modal, and the air industry has an important role to play. Airports serve as primary ports of entry for international business travellers and tourists to Canada. The roles of air carriers and airports are also significant in the import, export and distribution of high value, time sensitive goods.

However, air transport does not operate in isolation. As with all other modes, planning and action must be multi-modal to maximize economic potential. Links with road transportation are particularly crucial, and warrant the attention of all parties as part of a systems approach.

Canada's Asia-Pacific Gateway and Corridor Initiative (APGCI) was the first application of this new approach. The purpose of the Initiative is to strengthen Canada's competitive position in international commerce by more effectively linking Asia and North America.

When Prime Minister Stephen Harper launched the APGCI in October 2006, the Government indicated that a select number of other regions are also potential targets for an integrated "gateway and corridor" approach based on international trade and commerce volumes of national significance and transportation policy considerations. The next step was identified to be this National Policy Framework. The direction was reinforced in November 2006 by *Advantage Canada*, the Government's economic plan. It noted that high-quality, modern public infrastructure that allows people and goods to move freely and efficiently is essential to Canada's long-term prosperity, with the infrastructure that underpins gateways to foreign markets being especially important. *Advantage Canada* promised a new fund for gateways and border crossings, to be guided by the National Policy Framework.

CANADA'S ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE



The Initiative is an integrated set of investment and policy measures seeking to:

- boost Canada's commerce with the Asia-Pacific region;
- increase the share of North America bound container imports from Asia; and
- improve the reliability of the Gateway and Corridor for Canadian and North American exports.

The Asia-Pacific Gateway and Corridor is a network of transportation infrastructure including British Columbia's Lower Mainland and Prince Rupert ports, their principal road and rail connections stretching across Western Canada and south to the United States, key border crossings, and major Canadian airports.

With \$1 billion committed by the federal government, the APGCI brings together several major thrusts:

- Strategic infrastructure investments across Western Canada, justified especially by international trade and system efficiency considerations, and cost-shared with provincial governments, cities, regional transportation bodies, the Vancouver Port Authority, Canadian National (CN) and Canadian Pacific Railway (CPR).
- Innovation in the application of Intelligent Transportation Systems (ITS) technology to improve traffic flow and safety where international trade is contributing to congestion.
- Security and efficient border management, including a new container screening program at Prince Rupert's Fairview Terminal, set to open in Fall 2007.
- Governance and policy renewal, including amalgamation of three adjacent port authorities, legislative modernization, international marketing, "Blue Sky" international air policy liberalization and a focus on skills issues.

Canada is ideally situated to prosper by connecting North America and growing Asian economies. Canada's new government will continue to act strategically through sound investments and policy measures to achieve this goal.

The National Policy Framework's **FIVE LENSES**

Gateway and corridor strategies are about the convergence of opportunities in geography, transportation and trade. Therefore, they may differ considerably, while reflecting consistency in overall concept, and delivering on key government objectives.

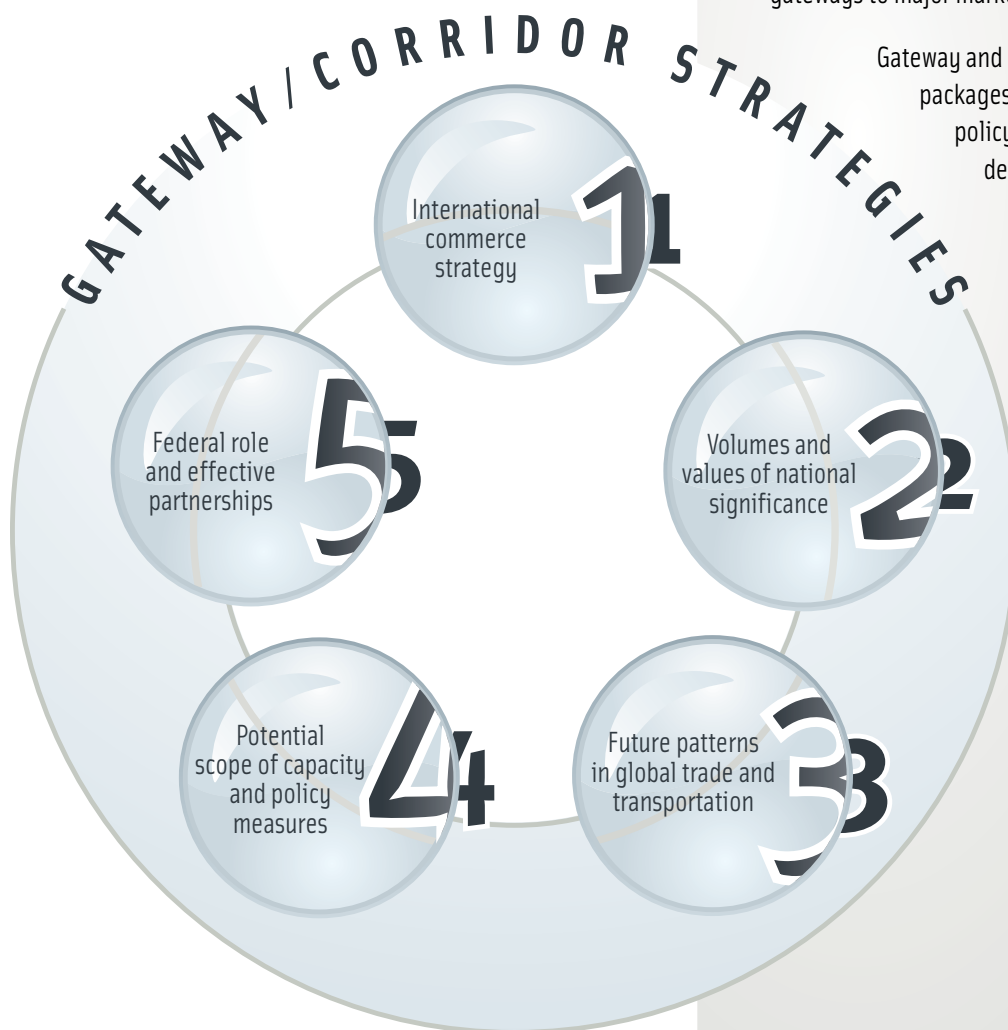
Future gateway and corridor strategies will be based on a compelling analysis through each of the following five conditions or “policy lenses”:

Gateways and trade corridors are major systems of marine, road, rail and air transportation infrastructure of national significance for international commerce, within a defined geographic zone.

Gateway: a multi-modal entry/exit point through which goods and international passengers move beyond local, and even regional, markets.

Trade Corridor: a linear, multi-modal orientation of international passenger and freight flows that connect gateways to major markets.

Gateway and corridor strategies are integrated packages of long-term investment and policy measures that advance the development and exploitation of gateways and corridors for national benefit.





LENS 1: International Commerce Strategy

Gateway and corridor strategies must help align Canada's major transportation systems with our most important opportunities and challenges in global commerce.

Canada has a range of opportunities to connect North America with the world, by exploiting advantages in geography, transportation and commerce. For example, gateway and corridor strategies can leverage significant Canada-U.S. trade flows as part of national strategies to position Canada to benefit from the emergence of new economic powers such as China and India.

With competition intensifying among supply chains, the transportation systems that form Canada's gateways and trade corridors must continuously demonstrate their ability to efficiently support major international trade flows and passenger movements to compete in the global marketplace.

Marketing Canada's Gateway Advantage Abroad

The gateway and corridor approach builds important connections between Canada's trade and transportation policy directions. Gateway strategies can help advance Canada's relationship with key trading partners. The Asia-Pacific Gateway and Corridor Initiative includes a \$7 million program for targeted marketing in Asia and the United States.

In January 2007, David Emerson, Minister of International Trade and Minister for the Pacific Gateway, led a delegation of Canadian transportation and logistics senior executives on a mission to Hong Kong, Beijing, and Shanghai. During this trip, Minister Emerson and the Chinese Minister of Communications signed an updated agreement to foster cooperation on intermodal transportation gateways to support international trade.

The APGCI International Marketing Program is taking advantage of skilled personnel in key foreign posts of Canada's Department of Foreign Affairs and International Trade. In early 2007, Canadian Trade Commissioners posted in Asia and the U.S. participated in detailed briefing sessions in Western Canada, giving them first-hand insights on the Gateway and Corridor that will make them even more effective on the ground overseas.

The Canada – U.S. Relationship

The integrated North American economy provides the "platform" for Canada's successful global engagement. Canada and the U.S. share the largest bilateral flow of goods, services, people and capital of any two countries in the world.

Recognizing the importance of these connections, the federal government is working to further enhance stronger bilateral relations with the U.S. This includes expanding Canada's official network in the U.S. With the opening in July 2006 of the new Canadian Consulate General in San Francisco, Canada's network in the U.S. now includes 13 consulates general and six consulates, in addition to the Embassy in Washington.

With over \$1.9 billion worth of goods and services moving across the border daily, Canada and the U.S. are each other's largest customers and biggest suppliers. To put this into perspective, in 2006, Canada exchanged more goods with the U.S. each month than with any other country throughout the whole year.

Transportation systems are key to Canada's successful relationship with the U.S. Maximizing the free flow of goods, services and capital with the U.S. is a key priority for Canada. The National Policy Framework for Strategic Gateways and Trade Corridors and future gateway strategies provide new avenues to advance competitiveness in the North American context.

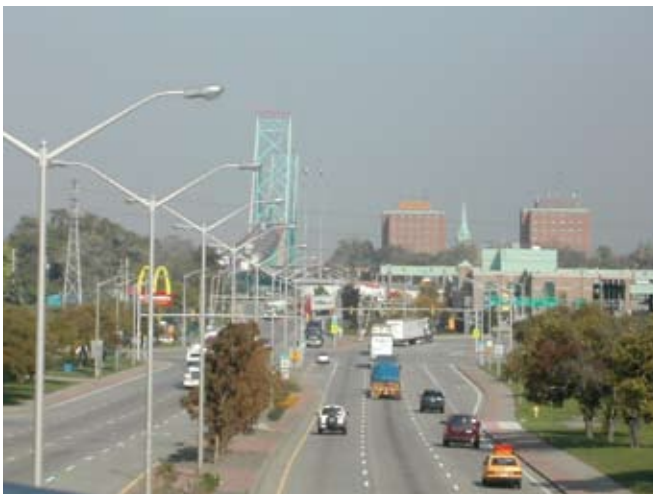


LENS 2: Volumes and Values of National Significance

Gateway and corridor strategies must have, at their core, systems of transportation infrastructure that carry nationally significant levels of trade.

Even though Canada-U.S. trade is important to all regions, an effective gateway and corridor strategy must be highly targeted where volumes and values are most significant for Canada's economy overall.

Objective analysis of trade data will help map transportation systems that are essential to improving Canada's competitiveness in global commerce. Transport Canada has undertaken empirical analysis to this end, identifying infrastructure of national significance. That analysis, together with other considerations, will help identify the transportation systems at the core of future gateway and corridor strategies.



Huron Church Road to the Ambassador Bridge crossing in Windsor, Ontario

The Windsor Gateway: Addressing the Challenges of Volume

The Windsor-Detroit corridor is Canada's busiest artery of trade. With the area handling almost 30% of total Canada-U.S. trade and more than 2.5 million trucks, an efficient and secure Windsor-Detroit gateway is essential to the Canadian economy.

The Government of Canada is working with partners to develop additional border capacity to support this trade. The federal government will be responsible for the Canadian half of the new international bridge, including the Canadian plaza, and plans to create a new public entity that will oversee and manage this infrastructure. In concert with Michigan and its U.S. partners, Canada is exploring working with the private sector to design, build, finance and operate the bridge and plaza. While responsibility for the access road to link the bridge with Highway 401 rests with the Province of Ontario, the Government of Canada has also set aside an initial \$400 million to cover 50% of the eligible capital cost of building the access road to the new crossing.

With the long-term planning process underway, the Government of Canada continues to work with provincial and local partners to implement short and medium-term projects to improve local and international traffic flows. In March 2004, the Governments of Canada and Ontario and the City of Windsor signed a \$300 million Memorandum of Understanding for the *Let's Get Windsor-Essex Moving Strategy* for projects to relieve traffic congestion and improve traffic flows to existing Windsor crossings until the new river crossing is in place.

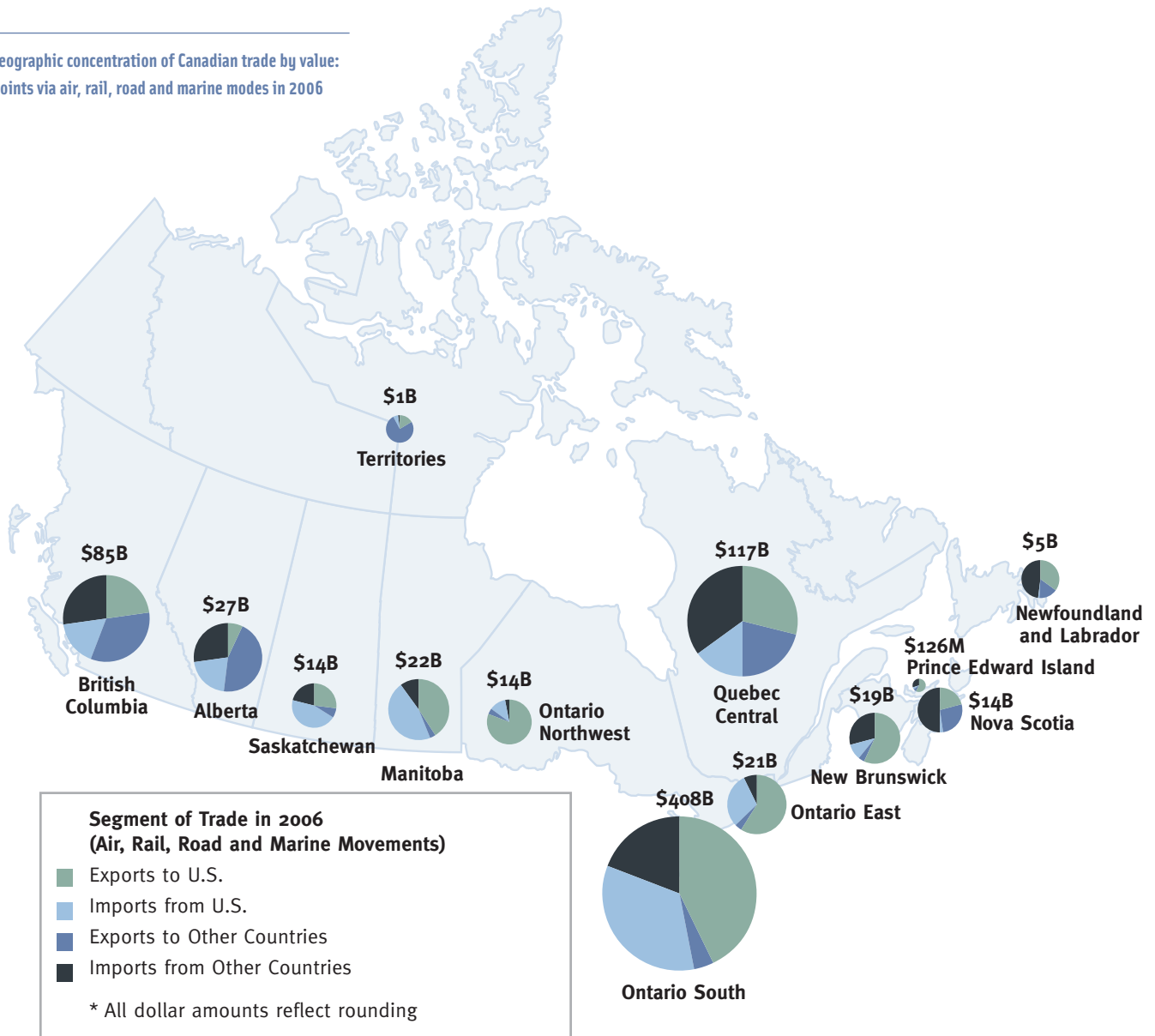
Canada's international trade flow is concentrated geographically (2006 data):

- The top six border crossings – Windsor, Fort Erie, and Queenston Sarnia in Ontario, Lacolle in Quebec, and Pacific Highway in British Columbia – together handled around 73% of total truck traffic by value.
- Canada's west coast ports handled almost 75% of our export trade (value) to Asia.
- The Port Vancouver is Canada's busiest, handling about half of the total containers to go through Canadian ports – more than 2.2 million containers (twenty-foot

equivalent units, or TEUs). The ports of Montreal and Halifax handled 1.3 million and 0.5 million TEUs, respectively, with all other ports handling a further 0.4 million TEUs.

- More than 75% of container traffic through the Port of Halifax is delivered by rail to central Canada and the U.S.
- Toronto's Pearson International Airport is Canada's busiest, handling around 50% (value) of international air cargo and 45% of total international passenger traffic.

Figure 3 – Geographic concentration of Canadian trade by value: entry/exit points via air, rail, road and marine modes in 2006





LENS 3: Future Patterns in Global Trade and Transportation

Gateway and corridor strategies must be forward-looking, addressing major trends in international transportation. Long-term planning is essential, but must be based on empirical evidence and analysis, not just optimism.

Future patterns are shaped by various factors, including new applications of transportation and information technologies, significant geopolitical dynamics, global strategies of ocean carriers and supply chain management strategies of major shippers.

Emerging patterns place new demands on existing transportation infrastructure. For example, the larger size of container ships is increasing demand for the few deep water ports that can service the world's largest ships. These ports, in turn, must connect to distribution networks that can move the goods to their destinations reliably and quickly. These increasing volumes place additional pressures on land use.

Gaining the insights and information necessary to look beyond current realities and assess the impact of future patterns will require the cooperation of many partners in the public and private sectors.

Shaping Future Patterns

Planners and policy makers need to understand the evolving dynamics of shippers' decisions. For example, Canadian Tire is sourcing a significant and increasing volume of finished good in Asia. While this means the company's managers have a clear interest in the capacity and efficiency of the Port of Vancouver, they are also in the process of ramping up their containerized imports through the Port of Halifax.

The strategy is driven by the need to optimize balance – and therefore efficiency – in their supply chain. They strive for balance between shipments outbound from central Canada to their stores, and inbound from Asia.

This strategy of one major shipper alone is having an impact on the Port of Halifax and ancillary developments such as the major new trans-shipment facility built there by Consolidated Fastfrate.



Yangshan Port, China

The new Yangshan deep-water port development near Shanghai required the construction of the 31.3 km Donghai bridge. The nine berths currently operational have an estimated annual capacity of 4.3 million containers (twenty-foot equivalent units). By 2020, the port will have 29 berths and an estimated capacity of 14 million containers.



LENS 4: Potential Scope of Capacity and Policy Measures

Gateway and corridor strategies should go beyond infrastructure systems to address interconnected issues that directly impact how well the system works and how well Canada takes advantage of it.

Gateway and corridor strategies are about integration on several levels – across modes of transportation, between investment and policy, public and private sectors, and among levels of government. They will provide coherent frameworks for long-term planning and prudent investment among all the partners involved. While this can include public investment in new and expanded infrastructure where the need is demonstrated, it will also be essential to achieve maximum efficiency and capacity out of existing footprints. That will require integrated measures addressing issues of policy and administration, governance and operations, in addition to building infrastructure.

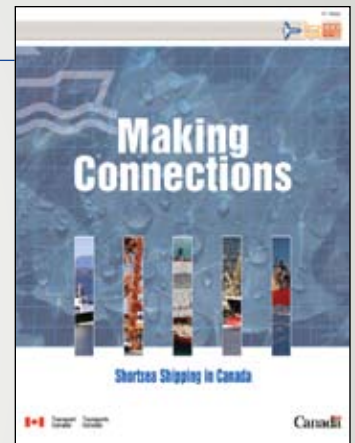


Port of Montreal

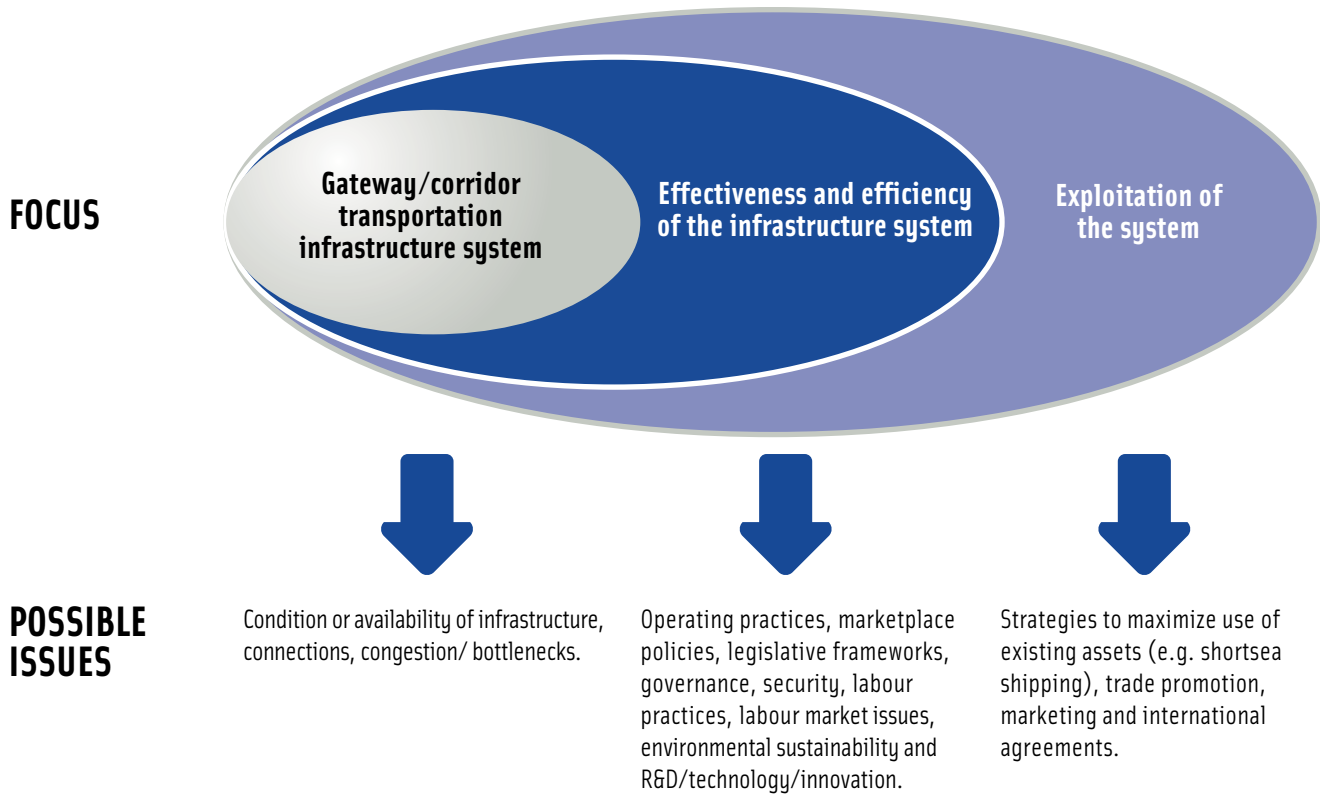
Shortsea Shipping

Shortsea shipping is a multi-modal concept involving the marine transportation of passengers and goods that do not cross oceans. In the North American context, this is shipping that takes place within and among Canada, the U.S. and Mexico. Shortsea shipping is part of an efficient, integrated transport system for North America, and can help meet the commercial, social and environmental needs of the continent's growing population and expanding trade. From an environmental perspective, for example, shortsea shipping can offer air quality improvement, reduce traffic congestion and mitigate noise pollution. By most indices, marine shipping tends to have lower environmental and social impacts than land transport.

To maximize the benefits of shortsea shipping, Transport Canada will continue to work with its North American shortsea shipping partners to explore the mutual benefits of shortsea shipping, identify mechanisms to mitigate barriers, implement trilateral promotional activities, investigate specific cross-border corridors, and ultimately develop a North American shortsea shipping strategy.



Choices among potential measures should be based on contribution to efficiency and competitiveness. They can include policies and investments that address:



CN/CPR Co-Production: Private sector actions advancing gateway efficiency

Canadian National and Canadian Pacific Railway demonstrate that competitors can work together to improve the transportation system. Since 2000, the railways have operated a 'directional running' agreement – an arrangement known as co-production – along the 240-kilometre Fraser Canyon east of Vancouver. All westbound trains of both railways move on CN's line, and all eastbound trains move on CPR's line.

In 2004, the Greater Vancouver Gateway Council commissioned the Lower Mainland Rail Infrastructure Study to determine what rail infrastructure or operating changes would improve the efficiency of critical rail corridors in the B.C. Lower Mainland to meet future transportation demand. Several partners, including Transport Canada, sponsored the project and influenced its design. The report recommended that the railways coordinate operations, and that all stakeholders work with the railways to help resolve mainline capacity issues. In response, CN and CPR announced a series of additional co-production agreements to make rail operations more efficient for Port of Vancouver freight traffic, reducing the number of train movements on key sections of track in the Lower Mainland and improving the fluidity of rail operations over existing infrastructure.

In January 2006, CN and CPR announced a further agreement that extends the existing 'directional running' zone in the Fraser Canyon to the Vancouver ports and terminals, with CPR handling traffic on the South Shore and CN the North Shore. The agreement also improves the flow of freight to and from the ports with the operation of direct-to-destination trains that can completely bypass yards.

These co-production agreements result in system benefits including better customer service, faster transit times, less circuitous routing and increased freight densities. According to both CN and CPR, many opportunities remain for collaborative arrangements throughout Canada.



LENS 5: Federal Role and Effective Partnerships

Gateway/corridor strategies must ground federal actions in concrete federal responsibilities and effective partnerships with other governments and the private sector.

The federal government is responsible for fostering the national transportation system's efficiency, safety, security and sustainability in all modes as well as for secure and efficient administration of Canada's borders, pursuing Canada's interests in international commerce, and positioning Canada to compete and prosper in the global economy.

Still, key elements of the transportation system are owned or operated by both public and private sector players and are regulated and taxed by all levels of government. Therefore, no single jurisdiction or firm can unilaterally address all of the interconnected issues that determine success of a gateway or trade corridor.

Coherent action requires a systems-based approach, and real partnerships with provincial governments and the private sector. Success will depend upon how well the key players – public and private – coalesce around a coherent vision. A key factor in the successful development of the Asia-Pacific Gateway and Corridor Initiative was the extent to which a stakeholder-driven consensus had taken shape over a number of years.

A central objective of federal involvement will be to foster a "systems" approach to investment, planning and policy development. Gateway councils and other stakeholder-driven forums for consensus-building, planning, sound governance and accountability are also key to advancing regional strategies with national benefits. Provinces also have leadership roles, rooted in their jurisdictional responsibilities. 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.

A Federal Role: Enhancing Border Efficiency

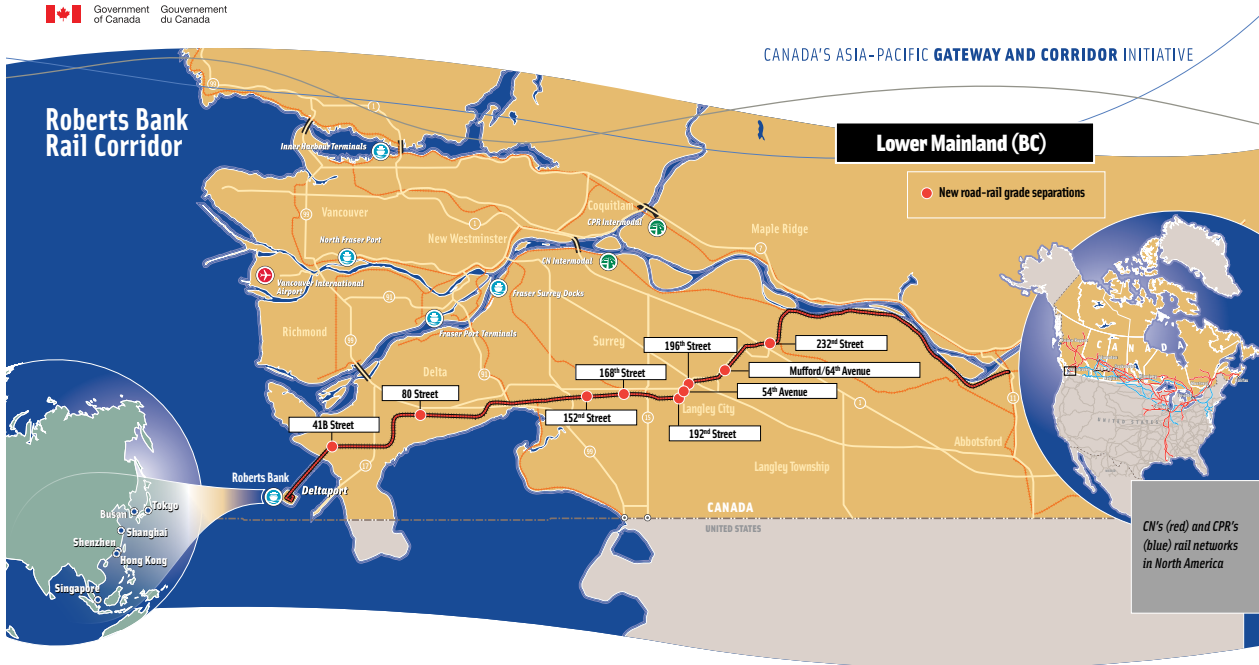
An efficient and secure Canada-U.S. border is crucial for Canadian competitiveness. The *2001 Smart Border Accord* and the 2005 Security and Prosperity Partnership of North America provide solid bilateral and trilateral frameworks for cooperation to facilitate the legitimate, efficient and secure flow of goods and people.

Tremendous progress has been made by customs agencies, including initiatives that directly impact border security and efficiency, such as:

- Implementation of the Free and Secure Trade Program (FAST), a joint Canada-U.S. program for the expedited movement of low-risk goods and truck drivers.
- Expansion of NEXUS, a joint program to facilitate the movement of low-risk, pre-approved individuals who frequently cross the border.
- Advance notification requirements for goods being shipped into Canada and the U.S. by all modes.

To ensure that border capacity keeps pace with growing trade flows, the federal government has contributed to over 30 major projects that both increase capacity and support new border processes. Budget 2007 provides additional funding for further border crossing investments.

The government is also working to enhance transportation-related cross-border coordination and cooperation. A primary vehicle for this is the Canada-U.S. Transportation Border Working Group which aims to facilitate the safe, secure and efficient movement of goods and people across the border. This bi-national, multi-jurisdictional forum fosters ongoing communication, information sharing, and the exchange of best practices to improve the transportation and inspection systems that connect the U.S. and Canada.



Benefits of a Gateway Approach: The Roberts Bank Rail Corridor example

The Asia-Pacific Gateway and Corridor Initiative includes \$75 million for strategic improvements along the Roberts Bank Rail Corridor, a 70km stretch connecting Canada's largest container facility and a major coal terminal with the North American rail network. It passes through a number of municipalities in B.C.'s Lower Mainland, where local residents are impacted as increasing volumes of international freight pass through their communities.

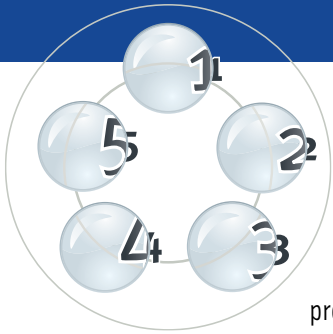


Transport Canada commissioned a study of the corridor to identify road/rail grade separation packages, each including not only overpasses to separate the rail track from local roads, but also carefully selected road closures, network reconfigurations, and traffic management measures to maximize benefits for railways and motorists.

As a result of close collaboration among the federal government, the four municipalities – Delta, Surrey, Langley and Langley Township – the Vancouver Port Authority, Translink (the regional transportation authority), the B.C. Ministry of Transportation, CPR, CN, BNSF Railway and BC Rail, an overall package of improvements of more than \$360 million has been developed, cost-shared among these partners. These measures will make a significant difference for local residents in mitigating the impact of increasing freight movements. The Port of Vancouver, railways and shippers will also benefit from improved capacity and efficiency of a key component of the Asia-Pacific Gateway and Corridor.

The Roberts Bank Rail Corridor project illustrates the value of the system-based "gateway" approach and the leadership and partnerships it requires. Previously, grade separations were pursued on an ad hoc basis. Under the Asia-Pacific Gateway and Corridor Initiative, they are being addressed as part of a system, with all the beneficiaries of that system at the table. That leverages financial contributions from more players, and the possibility of additional strategic measures to complement construction of overpasses, generating even greater benefits. This is a win-win-win aspect of the gateway policy approach.

Moving FORWARD



Preliminary consideration of the five policy lenses supports two priorities for new gateway and corridor strategies. Guided by this Framework, the federal government will pursue discussions with provincial governments and private sector leaders to develop gateways in central and eastern Canada.

The **Ontario-Quebec Continental Gateway and Trade Corridor** encompasses a system of land, air and marine transportation assets, including the Saint Lawrence River and Great Lakes, that offers a competitive and attractive gateway for international trade. The two central Canadian provinces represent approximately 60% of Canada's exports and gross domestic product. Major transportation infrastructure assets of all modes, as well as four of Canada's six highest volume border crossings, underpin this economic heartland. Optimal use and development of the region's transportation system will be essential to support Canada's current and future commerce relationship with the U.S. and other trade partners, and promise significant gains in competitiveness and sustainability.

In Atlantic Canada, current international trade volumes are relatively modest, leaving the transportation system with untapped capacity. Future trade patterns, particularly rising container trade driving demand for deepwater ports, the increasing use of the Suez route for Asian exports to North America and the expansion of the Panama Canal, point to growing potential. Major shippers are also increasingly considering North America's east coast to balance inbound and outbound logistical flows. An integrated approach to an **Atlantic gateway** could significantly enhance Canada's ability to capture a larger share of growing trade flows between North America and foreign markets.

The **Asia-Pacific Gateway and Corridor Initiative** will, of course, proceed to new phases of implementation, building on early progress and the direction already established.

As gateway strategies mature, the synergies and linkages among them will also be developed, further deepening their contribution to the national pursuit of economic competitiveness.

The federal government will work diligently with its private and public sector partners to fully seize Canada's commerce, transportation and geographic opportunities.

Investing in Gateways and Corridors

Building Canada, the federal government's long-term infrastructure plan, includes a new national fund for gateways and border crossings, with \$2.1 billion over seven years. The National Policy Framework for Strategic Gateways and Trade Corridors will help guide federal investment decisions.

The focus of the Gateways and Border Crossings Fund will be a limited number of national gateway strategies and key intermodal linkages that enhance Canada's trade competitiveness and the efficiency of the national transportation system. This fund will help support infrastructure improvements at and leading to key locations, such as major border crossings between Canada and the U.S. It will also advance multimodal and technology initiatives that will improve system integration.

Funding from this program will be awarded on a merit basis.

