

National Transportation Strategy – 2011

Issue

Transportation has always been a critical component of the Canadian economy. The continued developments in innovation in transportation have played a significant role in the growth of Canadian cities. In addition to connecting our vast geography the transportation sector employs thousands of Canadians at our ports of entry it also allows us to become a Gateway into North America. It is an economic enabler that provides a framework for value-added sectors to develop, create additional jobs, and allow businesses to compete globally.

However, increasing global competition, integrated global supply chains, the growing services sector and urbanization in Canada, current and forecasted skills shortages, recent fluctuations of the Canadian dollar and fuel prices, and growing environmental concerns require a new vision for an efficient and cost-effective transportation system. While the Government of Canada has implemented a number of positive initiatives and policies over the years, including increased investment in our Gateways and ports of entry, it has not been guided by a long-term and predictable strategy.

Canada's transportation infrastructure requires significant investment and our transportation regulatory environment, consisting of inefficient tax and operating requirements and split responsibilities between levels of government, requires modernization. Furthermore, continued investment in Canada's Gateways –including improvements to our regulatory structure, investments in both physical and technological infrastructure, and the reduction of operational setbacks – is needed to ensure that our main ports of entry are able to adapt to shifting trade flows. We need to increase our competitiveness. Our competitors are investing billions of dollars in transportation infrastructure. If we delay, we will not only miss new opportunities, but also put our current business at risk. The window of opportunity for this investment is five to six years. The danger in not acting now is to be pushed to the fringe for access to global supply chains and pushed out of an increasingly competitive global market.

Background

In an effort to increase the challenges in transportation infrastructure we recommend that the Government of Canada develop and implement a *National Transportation Strategy* for the movement of goods and people. A National Transportation Strategy must be an integral part of our national economic policy for realizing Canada's overall potential. It must ensure that all parts and levels of government share a common vision while working collaboratively with industry toward a common goal. It must also actively promote all of Canada's gateways to ensure Canada is prepared for increasing and shifting trade flows.

There are a number of important transportation initiatives in various government departments, but given the importance of trade to Canada's economic well-being and changing domestic and global economies, a *National Transportation Strategy* needs to be in place to guide the actions of all government departments, not just the action of one ministry.

The *National Transportation Strategy* should have a clear scope, with ambitious and targeted objectives that follows four guiding pillars:

- Connect North American to the global economy
- A multimodal transportation infrastructure investment strategy
- A competitive regulatory and fiscal environment
- Developed in an economically, socially and environmentally sustainable manner.

A *National Transportation Strategy* should address the entire transportation system, taking into account the priorities of Canadian business and Canadian citizens. Forecasted increases in international trade and a

changing Canadian economy require an efficient and cost-effective multimodal transportation system to move goods and people within Canada, including urban and regional areas; between Canada and the United States; and between Canada and the rest of the global economy.

A *National Transportation Strategy* should ensure that consumers and customers have the ability to make the choice of mode without impact from artificial barriers or inducements of government policy. This would apply to all areas impacting trade, including safety, security and border management. Doing so requires building awareness of the importance of transportation, including through the reinstatement of National Transportation Week.

Objectives:

The objectives of the *National Transportation Strategy* should be to:

1. Develop the safest and most effective multimodal transportation system by integrating policies concerned with the movement of goods and people in marine, air, rail and road transportation warehousing facilities, urban transportation, border security, and transportation information flows.
2. Make Canada a competitive gateway for inbound and outbound trade and travel between North America and the rest of the world.
3. Be socially and environmentally sustainable, aiming to reduce the social impacts and the carbon footprint of the transportation of goods and people.
4. Work in partnership with stakeholders, including the private sector during the development phase and effectively communicate it to the Canadian population at large.
5. Build on current and past government initiatives and policies, creating a benchmark that is flexible and responsive to changing economic conditions and that can continually be built upon and improved by future government and private sector partnerships.

Recommendations

That the federal government:

1. View the Canadian transportation sector as a single multimodal system which includes a strong North American transportation vision that:
 - Maintains a secure and trade efficient border that facilitates the movement of legitimate goods and people
 - Establishes a cooperative framework to efficiently utilize and enhance current levels of border capacity and integrate our transportation systems.
2. Develop a priority-based multimodal transportation investment strategy that builds on existing policies and compliments current Gateway and Trade Corridors initiatives and that operates for a period of not less than 10 years. The investment strategy should:
 - In cooperation with provincial and territorial governments, contain a formal transportation infrastructure single window to streamline the regulatory and approval process
 - Pursue public-private partnerships, wherever appropriate and feasible, to maximize efficiency in maintaining and developing transportation infrastructure.
3. Given the multimodal nature of the transportation system and recognizing the distinct advantages and competitive situations of each mode of transportation develop a national, non-discriminatory and market-based regulatory and fiscal environment that fosters competition in the transportation system.

4. Analyze all transportation infrastructure and regulatory projects and weigh these against the economic, social, and environmental axes of sustainable development. This includes:
 - Taking a leadership role to address community impacts and environmental concerns
 - Building public awareness of the importance of transportation in relation to the quality of life enjoyed by all Canadians, including the reinstatement of national Transportation Week
 - Attracting skilled people to meet the needs of the transportation sector
 - Encourage transparency across the supply chain and containing a research initiative tied to the objectives of the *Strategy*.
5. Address the intricacies of each transportation mode and its respective infrastructure needs, recognizing that not all transportation can be based on self-financing or cost-recovery models. Dispersed geography and the needs of rural Canada to maintain and grow its economic contribution means that the policy must acknowledge that some transportation routes must be subsidized or considered differently.