



Richard Ivey School of Business  
The University of Western Ontario

Lawrence National Centre for Policy and Management

The Ontario-Québec Continental Gateway and Trade Corridor:  
Developing Competitive and Sustainable Transportation Policy  
Workshop Report

## **Leading transportation and infrastructure experts map out strong infrastructure plan**

*Assembly urges immediate action on Canada's infrastructure and border security challenges*

**LONDON, ON, July 24, 2008** – With bottlenecks at borders and insufficient infrastructure putting a crimp in U.S.-Canada and inter- and intra-provincial trade, Canadian experts on transportation, infrastructure, trade and emerging markets are calling for transportation upgrades and streamlined regulations and policies to help keep companies in Canada.

"Increasingly, companies that outsource the production of finished products to low-cost countries are shipping those products directly to the U.S. instead of keeping those inventories in Canada. As a result, not only is Canada losing manufacturing jobs, but also logistical activities, such as warehousing and transportation are moving south of the border," said Jacques Roy, Professor of Logistics and Operations Management, HEC Montréal. "More research is required to better understand how global sourcing is changing the flow of goods and its impact on the Ontario- Québec Trade Corridor."

During the "Ontario-Québec Continental Gateway and Trade Corridor: Developing Competitive and Sustainable Transportation Policy" workshop in March at the Lawrence National Centre, Richard Ivey School of Business, more than 100 business representatives, government officials, academia, non-governmental organization leaders and students discussed solutions to improving Canada's transportation system in order to seize growth opportunities. The event was supported by Transport Canada, the Ministry of Transportation, Ontario and the Ministère des Transports du Québec.

"Efficient transportation corridors fuel economic development and boost Canada's competitiveness," said Minister Chris Bentley, MPP, London West and Attorney General, who attended the workshop. "Collaboration among governments is necessary to fully develop these corridors."

Recommendations, including harmonized regulatory barriers to facilitate inter- and intra-provincial trade and an integrated continental North American freight transportation system to ease congestion at borders, were unveiled in a report from the Lawrence National Centre today.

"Canada requires state-of-the-art port operations, rail and road systems that are geared for the future and not the past," said Brian Gerrior, General Manager, Imports, Sears Canada. "Fast trains and other forms of public transport, customs clearances that allow goods to pass freely over borders with minimal disruption and



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Free Trade Agreements in place globally, are needed in order to position Canada at the forefront of international trade and development.”

According to Jennifer Fox, Assistant Vice President, Operations and Education, Ontario Trucking Association, border congestion has increased despite the fact that there are fewer trucks on the road. She suggests harmonization of regulatory barriers, such as long-combination vehicles currently allowed in five Canadian provinces and 18 U.S. states and weight parity between dual and wide based single tires in Canada as solutions. Other infrastructure improvements, such as more rest stops along the Ontario- Québec corridor and additional crossing capacity at Detroit- Windsor would also expedite the transport of goods.

“These regulatory changes, if implemented, would address capacity concerns, environmental issues, increase supply chain efficiencies and the cross-border movement of goods and people,” said Fox. “Governments need to act now to bring about changes to the current state of our economy and reintroduce competitiveness back to Canada’s foreign markets.”

Other recommendations from the workshop include:

- Coordinated policies across jurisdictions and departments both within and outside Canada, including the establishment of an agency to create an action plan and monitor results;
- An integrated continental North American freight transportation system to alleviate congestion at border crossings, particularly rail congestion in Chicago. This includes increased rail capacity to deal with the timely transport of container products for just-in-time delivery, developing dedicated rail lines for freight transportation and preparing for environmentally-friendly freight transportation;
- Applying a market approach to gateway sustainability when considering environmental regulations. International legislation suggests the environment has become a factor of change in terms of obligations, responsibilities and competitiveness;
- Infrastructure development will require significant capital. Recent history shows infrastructure projects are coming to market and Canadian governments need to demonstrate a track record of performance and delivery, otherwise, capital will seek out other partnership opportunities;
- Research on how global sourcing is changing the flow of goods and its impact on the Ontario- Québec Trade Corridor and improved public access to statistical data on trade flows within Canada and the U.S., existing infrastructure stocks, physical capacities and utilization rates;
- A strategy to be implemented for the Continental Gateway between Ontario and Québec that recognizes the significant opportunities of existing



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transportation systems, as well as subsystems, air, road and rail that can complement the main system; Canada's strategic prosperity will be fuelled by industries located in regions of Canada and not just in the larger cities and areas;

- Evaluation of high-speed rail as part of a national development strategy for the future;
- Mutual recognition of credentials across Canada to facilitate labour mobility within Canada;
- To build a constituency for change, Canadians must be educated on issues of North American competitiveness, trade, transportation and security.

"The common thread that surfaced during the workshop was a sense of urgency and a call for action," said Dianne Cunningham, Director of the Lawrence National Centre.

"Decades of underinvestment has weakened Canada's public infrastructure. Competing in the 21<sup>st</sup> century requires efficient and secure infrastructure. We need immediate action to fix our national transportation system in order to seize opportunities to grow and thrive both now and in the future."

At the signing of a historical and timely Memorandum of Understanding on July 30, 2007, the three governments jointly announced the development of the Ontario-Québec Continental Gateway and Trade Corridor, as part of an action plan to help keep Canada, especially Ontario and Québec, productive and globally competitive.

The transportation sector success stories of partnerships between the private and public sector date back to the birth of Canada. During this collaborative planning process, governments will consider advice on where they have committed to improving transportation infrastructure, adapting policies, streamlining regulations and making investment decisions wisely, as they determine together the direction for Canada's transportation system in the next 10 to 15 years.

To view a copy of the workshop report, background information and related documents, please visit [www.lawrencecentre.ca](http://www.lawrencecentre.ca).

### **About the Lawrence National Centre for Policy and Management**

The Lawrence National Centre, part of the Richard Ivey School of Business at The University of Western Ontario, is committed to the development of sound public policy by providing a national forum for business, academia, and government to think globally, act strategically, and contribute to the societies in which they operate. The Centre, located on The University of Western Ontario campus in London, Ont., creates dynamic networks that bridge business, academia and government. For more information on the Lawrence Centre, please visit [www.ivey.uwo.ca/lawrencecentre](http://www.ivey.uwo.ca/lawrencecentre).



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**About the Richard Ivey School of Business, The University of Western Ontario ([www.ivey.ca](http://www.ivey.ca))**

The Richard Ivey School of Business at The University of Western Ontario offers undergraduate ([HBA](#)) and graduate ([MBA](#), [Executive MBA](#) and [PhD](#)) degree programs in addition to non-degree Executive Development programs. Ivey has campuses in London (Ontario), [Toronto](#), and Hong Kong. Ivey recently redesigned its curriculum to focus on [Cross-Enterprise Leadership](#) – a holistic issues-based approach to management education that meets the demands of today’s complex global business world.

**For further information, please contact:**

Lawrence National Centre,  
Richard Ivey School of Business  
Dianne Cunningham  
Tel: 519-661-4253  
Email: [dcunningham@ivey.ca](mailto:dcunningham@ivey.ca)

Katharina Wolff  
Tel: 519-661-2866  
[kwolff@ivey.ca](mailto:kwolff@ivey.ca)

Richard Ivey School of Business  
Dawn Milne  
Tel: 519-850-2536  
Email: [dmilne@ivey.ca](mailto:dmilne@ivey.ca)