WHAT HAPPENS TO THE DEPARTMENT'S SHARE?

The company makes payment directly to the Transportation Partnerships Fund, which was established under section 8 of the Highways Act (1997) for:

- highway improvement projects
- research and development projects
- truck safety initiatives
- costs of administering the program

Projects required to accommodate the overweight/over dimension vehicles on the haul routes have priority for any available partnership funds.

WHAT ELSE DO I NEED TO KNOW?

- The company is responsible for all vehicle registrations, insurance and permit fees.
- The company must prepare a multiyear haul plan to guide the department in planning for future road improvement projects.
- The company must ensure that all vehicle operating requirements are met.

Transportation Partnership Program record to date:

- Trucks operating under the Transportation Partnership Program are about 5 times safer compared with all commercial vehicles operating in Canada.
- The program has generated in excess of $68 million annually of additional economic development.
- The program has generated approximately $2 to $2.5 million annually of new revenue for highway projects.

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THE SASKATCHEWAN TRANSPORTATION PARTNERSHIP PROGRAM

Driving the Economy

> *The Transportation Partnership Program allows partners to increase the efficiency and safety of their freight transportation.*

WHY WAS THE PROGRAM CREATED?

The program was created to provide a system that is safe, reliable, efficient, environmentally sound, and financed by public and private sector funds.

The cornerstone of the program is to forge partnerships with private sector companies to reduce truck transportation costs.

Savings generated from these partnerships enable companies to be more competitive and provide new revenue for highway projects.

WHAT ARE THE OBJECTIVES?

1. Enhance trucking safety
2. Support economic development
3. Improve trucking efficiency
4. Minimize impact to roads
5. Ensure that taxpayers do not subsidize costs associated with the impact that these trucks have on the roads

HOW DOES THE PROGRAM WORK?

The department and a private sector company examine the company's trucking systems and identify opportunities to reduce transportation costs. They also give consideration to enhancing safety and minimizing impact to roads.

Once the company selects a preferred trucking system, the department and the company negotiate a comprehensive transportation partnership agreement. All agreements include vehicle operating requirements in the following areas:

- vehicle configurations
- weights and dimensions
- haul routes
- vehicle operating and maintenance procedures
- equipment specifications
- driver qualifications

HOW ARE SAVINGS DETERMINED?

To determine savings, we take the difference between transportation costs when using legal weight/dimension vehicles and compare them with transportation costs when using over weight/over dimension vehicles.

We compare transportation costs for each commodity from each origin to final destination or provincial border, whichever is closer.

All additional road impact costs and bridge improvement costs associated with using the over weight/over dimension vehicles are deducted from the truck haul savings. This will determine the net savings.

Savings are then shared equally between the department and the company.

SAMPLE:

- Shipper 's product is 10,000 tonnes
- Distance to market is 200 km
- Trip cost is $320.00
- Added road impact is $0.25/tonne
- Trips with legal weights = 500
- Trips with permitted truck = 377

Trip savings: 500 – 377 = 123
Total savings: 123 x $320 = $39,360
Road impact: $0.25 x 10,000 = $2,500

Department's share equals one half the net savings plus the road impact:

$$\frac{\$39{,}360 - \$2{,}500}{2} + \$2{,}500 = \$20{,}930$$

COMPANY KEEPS
Total Savings – Department's Share
$39,360 - $20,930
= $18,430