

CANADA'S ASIA-PACIFIC **GATEWAY AND CORRIDOR** INITIATIVE



TABLE OF CONTENTS

Messages from the Honourable David Emerson and the Honourable Lawrence Cannon	1
Canada's Asia-Pacific Gateway and Corridor Initiative	3
Canada and Global Commerce	4
The Gateway Opportunity: Competitiveness and Attracting Foreign Investment	5
Rapid Economic Growth of China	6
The "Shanghai to Chicago" Opportunity	7
The Role of Your Federal Government	7
The Integrated Gateway Approach	8
The Asia-Pacific Gateway and Corridor Initiative	9
Strategic Infrastructure	11
Private Investment and Innovation	13
Security and Border Efficiency	14
21 st Century Governance	15
Policy Renewal	16
National Impacts of the Asia-Pacific Gateway and Corridor Initiative	17
Next Steps on the Asia-Pacific Gateway and Corridor Initiative	18
Building a Record of Results	20

Canada's Asia-Pacific Gateway and Corridor Initiative

ISBN:T22-131/2006

Catalogue Number: 0-662-49349-4

© Her Majesty the Queen in Right of Canada (Transport Canada) 2006

This document and additional information are available on the Web at www.tc.gc.ca

A message from the Honourable David Emerson, Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics

The Asia Pacific Gateway and Corridor Initiative recognizes that Canada is a trading nation, and our ability to compete in a changing world demands a new kind of leadership. Success in international commerce today is driven by the timely and efficient movement of goods and people in global supply chains. It requires new approaches from governments and it means giving businesses the tools to adapt. This important Initiative is our government's response. Focused on early action, long-term direction and – most importantly – results, our plan will advance the efficiency of the Gateway as a platform for North America and better equip us to take maximum advantage of it. These immediate new investments, policies and regulatory measures will benefit exporters and importers across the country. The vision is one of collaboration between governments and private sector leaders. The result will be a more competitive Canada long into the future.



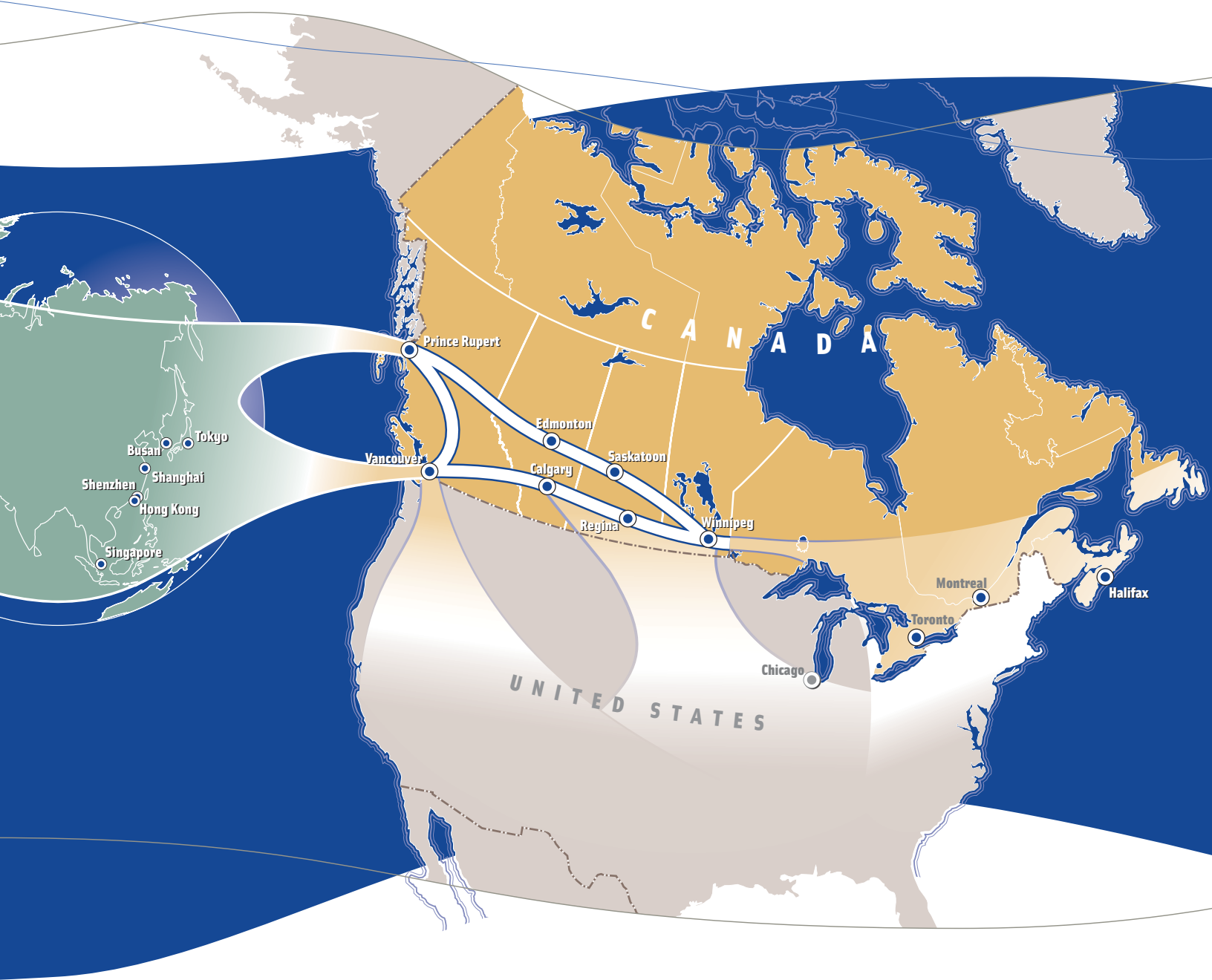
A message from the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities

More than ever, leadership is required to ensure we continue to thrive in a changing world. The Asia Pacific Gateway and Corridor Initiative is designed to capitalize on Canada's considerable advantages in transportation and geography, and on a historic position as a springboard to foreign markets. Our focus is transportation infrastructure that supports international trade. This approach promises to maximize the contribution of Canada's transportation system to long-term prosperity.



The Asia-Pacific Gateway and Corridor Initiative is led by **the Honourable David Emerson**, Minister of International Trade and Minister for the Pacific Gateway, in collaboration with **the Honourable Lawrence Cannon**, Minister of Transport, Infrastructure and Communities, and other key ministers.

Canada's Asia-Pacific Gateway and Corridor



CANADA'S ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE

"The Government will work diligently to build a record of results. It will promote a more competitive, more productive Canadian economy."

—Speech from the Throne, April 4, 2006

The Asia-Pacific Gateway and Corridor Initiative will strengthen Canada's competitive position in international commerce with the Asia-Pacific region.

Its mission is to establish Canada's Asia-Pacific Gateway and Corridor as the best transportation network facilitating global supply chains between North America and Asia. Specifically, the Initiative seeks to:

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

The Asia-Pacific Gateway and Corridor is a network of transportation infrastructure including B.C. 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. The network serves all of Canada, and is focused on trade with the Asia-Pacific region.

The Asia-Pacific Gateway and Corridor Initiative is an integrated package of investment and policy measures that will advance the capacity and efficiency of the Asia-Pacific Gateway and Corridor and Canada's ability to take advantage of it.

It reflects the Government of Canada's commitment to work in partnership with provincial governments, private sector leaders and other stakeholders.

The Initiative emphasizes concrete results in a set of immediate investments and policy measures. It also lays out strategic directions for the long term. Its focus on efficiency serves both competitiveness and sustainability goals.

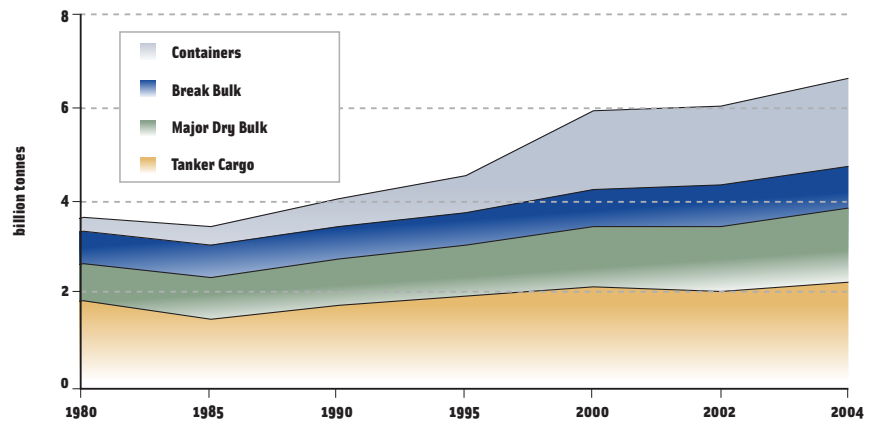
CANADA AND GLOBAL COMMERCE

As one of the most trade-reliant countries in the world, Canada's prosperity depends fundamentally on international commerce. To maintain our standard of living, Canada must meet the challenge of the rapidly changing dynamics of global trade. These dynamics are driven by rapid, seamless and secure movements of goods and people around the world in global transport and supply chains.

Propelled by dramatic advances in transportation and information technology, leading-edge production strategies now feature deep integration of research, design, sourcing, manufacturing, marketing, distribution and service dispersed across the globe. Success depends on how well companies exploit these global supply chains. The increase in seaborne cargo trade in the last 15 years (*figure 1*), particularly strong growth in container traffic, has been fueled considerably by Chinese exports. Between 1998 and 2005, containerized inbound cargo through Vancouver area ports has doubled. These containers have destinations across Canada and the United States (*figure 2*).

Against this backdrop, the logistics of moving people and goods – quickly and reliably – are crucial determinants of competitiveness.

Figure 1 - 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.

Human and physical capital to support these movements are increasingly concentrated in a few key geographic zones – **gateways** – connected to each other and to major markets

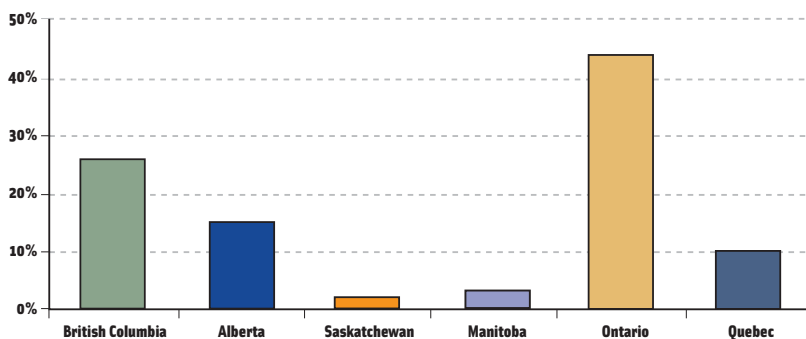
by **corridors**. Efficient intermodal transportation gateways and corridors are essential to Canada's continued success in international commerce and its long-term prosperity.

The Gateway Opportunity: Competitiveness and Attracting Foreign Investment

Experts are increasingly pointing to investments in trade-related infrastructure as essential to competitiveness and attracting foreign direct investment. This connection is rooted in centuries of history, with prosperity tending to concentrate along trade routes, and at their intersections.

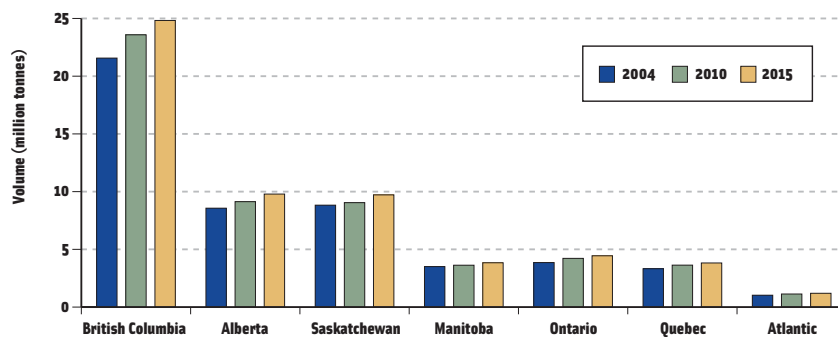
Over the last 20 years, market-oriented policies in the Canadian transportation sector have contributed to productivity increases that far outstripped those in the economy overall. These gains have now tailed off. The policy and regulatory measures that drove these gains (commercialization, privatization, deregulation) were mode-specific. Today, goods seldom move via a single mode of transportation. Achieving productivity gains through increased integration in the transportation system as it relates to global supply chains is a major driver for a gateway approach.

Figure 2 - Container Imports through the Asia-Pacific Gateway by Canadian destination, 2004



Source: Transport Canada

Figure 3 - Forecast Total Export Volume Through the Gateway Ports by Province



Source: Transport Canada

Vancouver, British Columbia





Phase 1



Phase 2

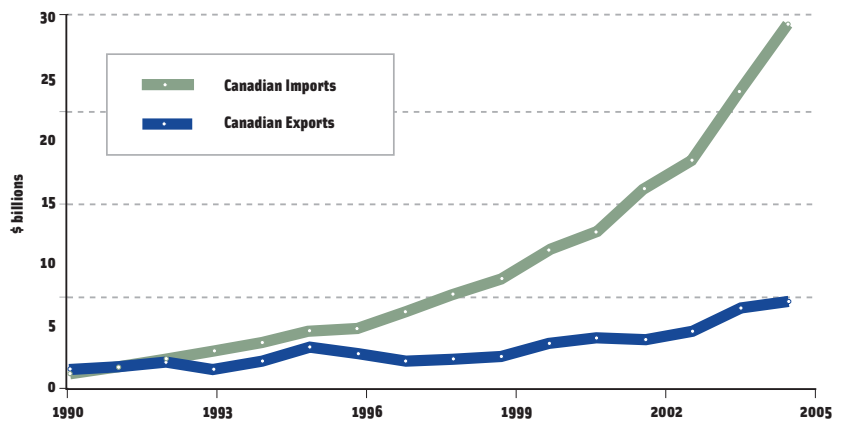
Yangshan Port, China

The new Yangshan deep-water port development near Shanghai required the construction of the 31.3 km Donghai bridge. The five berths currently operational (Phase 1) have an estimated annual capacity of 2.5 million containers (twenty-foot equivalent units). By 2020, the Port will have 30 berths and an estimated capacity of 25 million containers.

Rapid Economic Growth of China

The rapid economic growth of China is reshaping global trade flows, and the opportunities and challenges facing all trading nations, including Canada. Between 1995 and 2005, Canada's exports to China more than doubled, from \$3.5 billion to \$7.1 billion. During the same period, Canada's imports from China grew by almost 550 percent, from \$4.6 billion to \$29.5 billion, making it Canada's second largest supplier of imports. China's recent dramatic growth is expected to continue. Currently the world's fourth largest economy, some experts predict it will be the second largest by 2016, and largest by 2041.

Figure 4 - Value of Goods Traded Between Canada and China



Note: Customs-based trade data; Preliminary data for 2005.
Source: Transport Canada (adapted from Statistics Canada, International Trade Database).

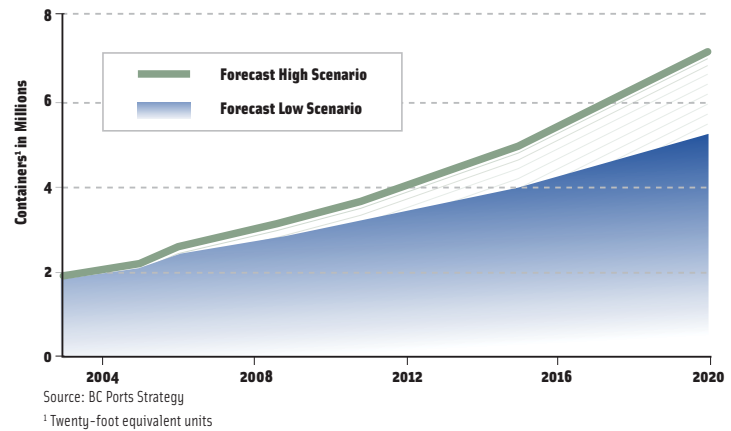
CANADA AND GLOBAL COMMERCE

The “Shanghai to Chicago” Opportunity for Canada’s Asia-Pacific Gateway and Corridor

Canada is geographically positioned to prosper as the crossroads between North America and growing Asian economies, such as China, India and Korea, and of course Japan. Canada’s Asia-Pacific Gateway and Corridor offers world-class marine, rail, road and air infrastructure closer to Asia than all its North American competitors. Its population base also enjoys strong cultural, family and business connections with Asia-Pacific nations. These are major Canadian assets in international commerce.

Positioning the Gateway and Corridor to successfully serve the entire North American market allows its transportation providers to achieve significant economies of scale. The resulting efficiencies benefit exporters and importers alike, including western commodity producers who rely on the Gateway and Corridor.

Figure 5 - Forecast of Canada’s West Coast Total Container Traffic



However, to seize the opportunity, Canada must move quickly to address a number of challenges, including:

Capacity: Unprecedented increases in freight flows through Canada’s west coast are stretching existing infrastructure capacity.

Policy, regulatory and operating practices: Government policy and regulatory requirements, and private sector operating practices,

impact the efficiency and use of the Gateway and Corridor – and investment in it.

Governance: There is no single “owner” of the Gateway and Corridor. All levels of government and the private sector must work in partnership to address the full range of measures necessary for a truly integrated approach. Governance arrangements must foster maximum efficiency in the use of existing assets.

The Role of Your Federal Government

The federal government is responsible for fostering the national transportation system’s efficiency, safety, security and sustainability in all modes. These fundamental objectives are pursued through marketplace framework policies, regulations, statutes and infrastructure investments. The federal government is also responsible for secure and efficient administration of Canada’s borders, for pursuing Canada’s interests in international commerce, and for positioning Canada to compete and prosper in the global economy.



CANADA AND GLOBAL COMMERCE

The Integrated Gateway Approach

Transportation gateways are complex systems with many moving parts, all interconnected. The “gateway” approach is a policy and investment strategy built on the following principles:

- A gateway is a system of marine, road, rail and air transportation infrastructure of national significance for international commerce, within a defined geographic zone.
 - A gateway strategy must address, in an integrated manner, a range of investment, policy and regulatory issues that impact the efficiency and reliability of that system.
 - It must also address, in a highly targeted manner, major non-infrastructure and non-transport issues vital to the development or exploitation of the gateway.
- Partnership is not just a slogan. Key elements of gateways are owned by both public and private sectors, and regulated and taxed by all levels of government. Integrated and coherent action therefore requires real partnership based on consensus and a shared vision driven by stakeholders.
 - Commitment is about more than maximizing public investment. Private investment is extensive and ongoing in rail, port, and airport infrastructure. Governments must set the right climate for private investment in gateways, while safeguarding the public interest.

A National Policy Framework for Strategic Gateways and Trade Corridors

A limited number of regions in Canada are potential targets for an integrated “gateway” approach, based on international trade and commerce volumes of national significance and transportation policy considerations. The Government of Canada is developing a national policy framework for strategic gateways and trade corridors that will guide future actions. It will draw on the key concepts and lessons of the Asia-Pacific Gateway and Corridor Initiative.

Significant measures have already been taken to improve transportation infrastructure at the Windsor Gateway, and a bi-national process to select a new crossing is steadily advancing.



Winnipeg, Manitoba

THE ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE

The Asia-Pacific Gateway and Corridor Initiative responds to the challenges facing the Gateway and opportunities emerging in global commerce. It includes significant **new investments, policies and regulatory measures** to improve the efficiency and effectiveness of the Asia-Pacific Gateway and Corridor, and Canada's exploitation of it. The Initiative also sets **directions for ongoing collaboration, future actions and long-term strategy**.

It is based on the following core elements:

- 1 **STRATEGIC INFRASTRUCTURE**
- 2 **PRIVATE INVESTMENT AND INNOVATION**
- 3 **SECURITY AND BORDER EFFICIENCY**
- 4 **21ST CENTURY GOVERNANCE**
- 5 **POLICY RENEWAL**

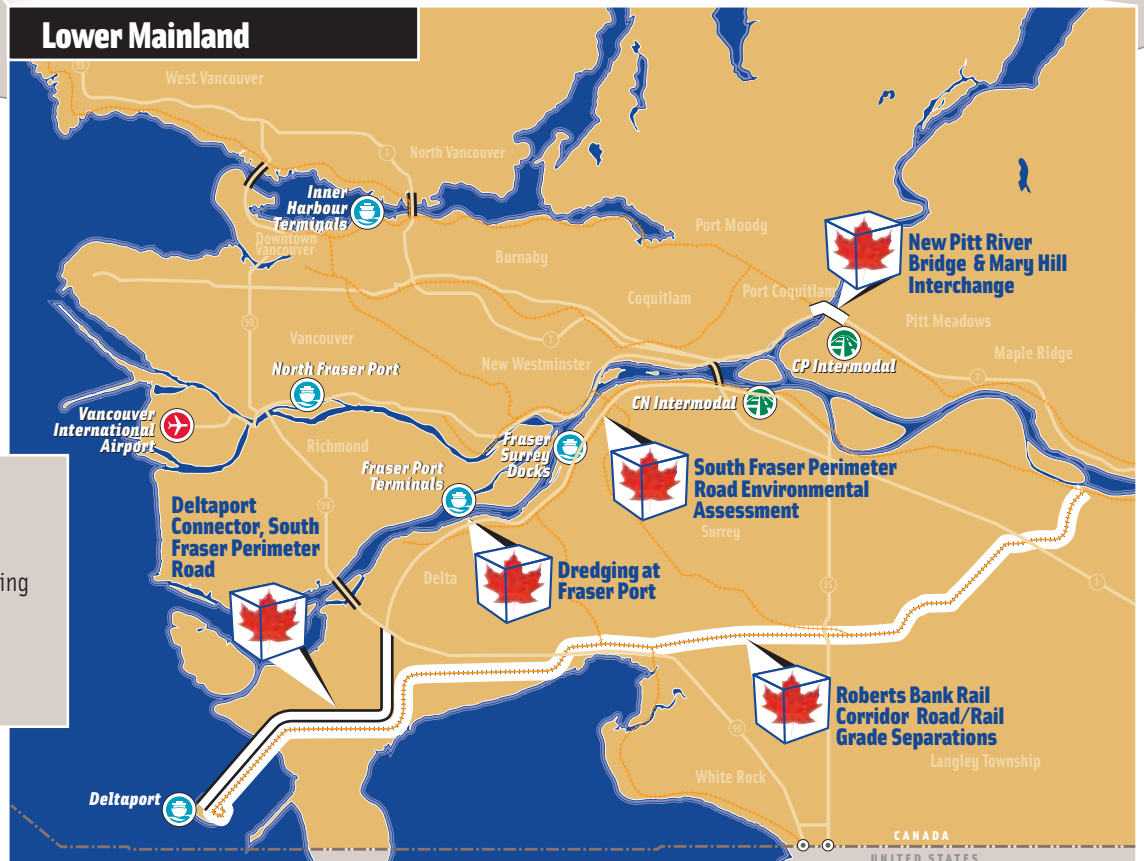
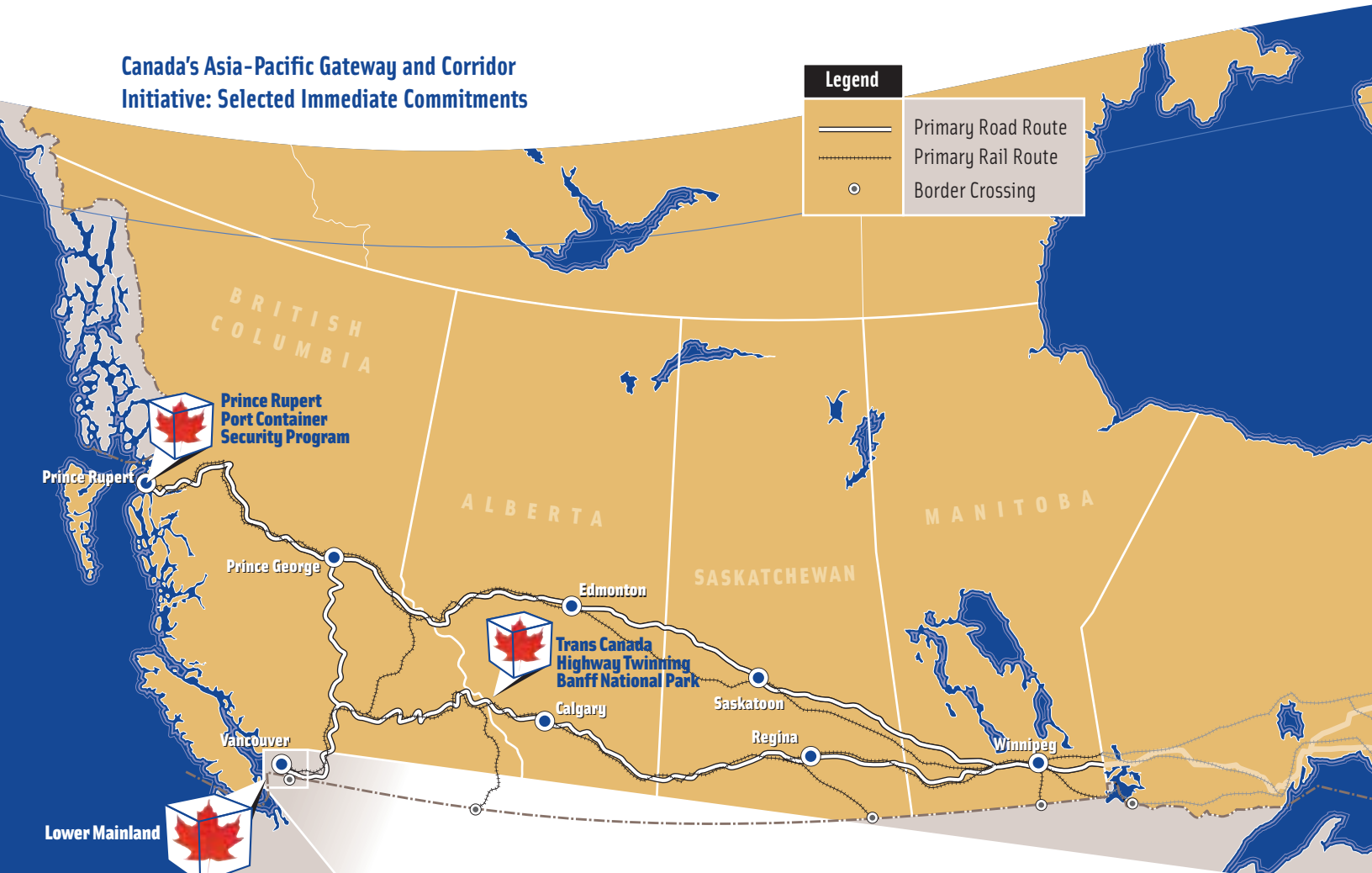
The \$591-million Asia-Pacific Gateway and Corridor Initiative is part of an unprecedented level of support for infrastructure in Canada. The May 2006 Budget included a total of \$16.5 billion in federal support for provincial, territorial and municipal infrastructure.

Asia-Pacific Gateway and Corridor Investments **\$591 million**

Immediate Commitments:	\$321 million
Future Investments:	\$260.8 million
Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund	\$233.5 million
Competitiveness Initiatives (non-infrastructure)	\$27.3 million
Moving Forward:	\$9.2 million
A fast-track process to identify further priorities, develop and implement long-term strategy and foster ongoing collaboration.	



Canada's Asia-Pacific Gateway and Corridor Initiative: Selected Immediate Commitments





Direction

The primary focus of the Initiative is to enhance the capacity and efficiency of Canada's Asia-Pacific Gateway and Corridor. While traditional approaches to infrastructure investment respond to a broad range of factors, the Gateway approach focuses squarely on goods and people moving between North America and Asia. In developing an integrated long-term plan for Gateway and Corridor infrastructure, the Initiative aims to address emerging bottlenecks and multi-modal transfer points, and cement the reputation of the Gateway and Corridor as a reliable, efficient and secure connection between North America and Asia.

Immediate Measures

The Government of Canada is committing funds to a number of transportation projects to address urgent capacity and congestion problems that affect the efficiency of the Asia-Pacific Gateway and Corridor. These investments will be combined with those of other governments and the private sector to promote more efficient and seamless connections between the various modes of transportation.

A total of \$283 million is being committed immediately to the following infrastructure projects. Where appropriate, the infrastructure projects will be undertaken through cost sharing agreements with the provinces and, in some cases, municipalities and the private sector.

The Pitt River Bridge and Mary Hill Interchange

- *Federal share: up to \$90 million over four years*

The new Pitt River Bridge and the Mary Hill interchange will improve the efficient flow of trade by replacing a pair of swing bridges which are already unable to handle current traffic volumes during peak periods. The Pitt River crossing connects key economic and transportation facilities, such as the Canadian Pacific Railway intermodal yard, with Greater Vancouver. This investment will reduce travel times and increase reliability across the Pitt River. It will also enhance safety, ease the impact of trade traffic on the communities in the northeast sector of Greater Vancouver and support environmentally friendly transportation planning.

Roberts Bank Railway Corridor Overpasses and Underpasses

- *Federal share: up to \$50 million*
The construction of a number of new road/rail grade separations along the 65-kilometre Roberts Bank Railway Corridor will enhance the efficiency of rail operations, improve the flow of community traffic, and eliminate delays for emergency response vehicles and idling of vehicles at the level crossings. The corridor currently has 39 level crossings, and with trains frequently exceeding three kilometres in length, these crossings present major challenges to both rail operation efficiency and quality of life in the surrounding communities. A thorough study is underway to identify the most beneficial locations for investments in grade separations, and options will be discussed with municipalities and other stakeholders in fall 2006. This project will complement investments by the Vancouver Port Authority at Roberts Bank, as well as investments by CN and CP Rail along the corridor.

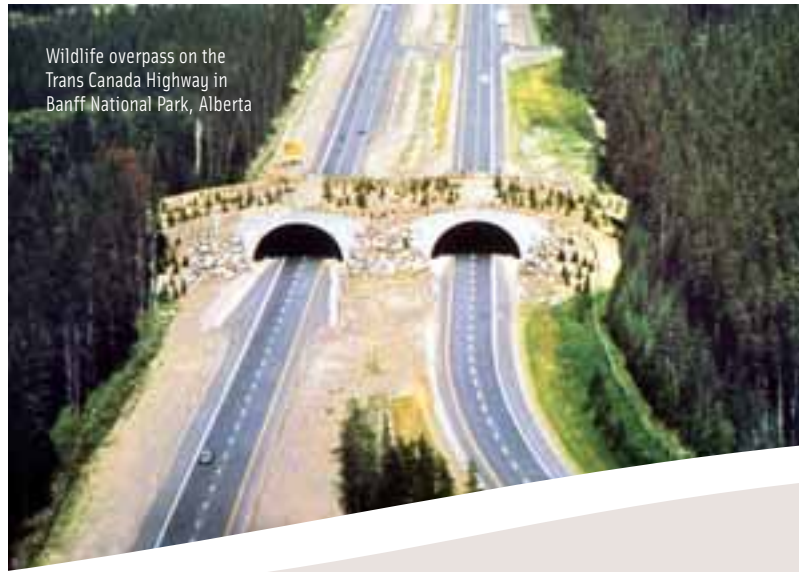
Twinning of the Trans Canada Highway in Banff National Park

- *Up to \$37 million over four years*
Twinning of the Trans Canada Highway in Banff National Park of Canada is currently underway. Investments through the Asia-Pacific Gateway and Corridor Initiative will permit additional highway twinning and help to eliminate one of the most serious choke points between Vancouver and Calgary. The environmental impact assessment for the highway twinning has been completed and a stakeholder advisory group is in place to monitor progress. The project includes environmental mitigation measures such as wildlife exclusion fencing, and underpasses and overpasses to facilitate crossing by different species along major wildlife corridors, which are considered world-leading practices for sustainable highway transportation projects.

Deltaport, near Vancouver, B.C.



Wildlife overpass on the Trans Canada Highway in Banff National Park, Alberta



South Fraser Perimeter Road
– *Deltaport Connector*

- *Federal share: up to \$100 million*
The construction of the South Fraser Perimeter Road Deltaport Connector will facilitate the movement of international goods while minimizing impacts on the local community. It will provide a designated east-west truck route that will bypass the municipal road networks to allow free flow road access between Deltaport and Highway 99.

The proposed South Fraser Perimeter Road is primarily a new 40 kilometre four-lane route along the south side of the Fraser River extending from Deltaport Way (Highway 17) in southwest Delta to 176th Street (Highway 15) and the Golden Ears Bridge in Surrey/ Langley. The South Fraser Perimeter Road would be an 80km/hour route linking primary facilities such as the Vancouver Port Authority's Deltaport Container Terminal, the Fraser River Port Authority's Fraser Surrey Docks,

Canadian National's intermodal yard and numerous industrial areas.

Federal funding for the Deltaport Connector will depend on several factors, including the completion of the environmental assessment process for that portion of the South Fraser Perimeter Road.

– *Environmental Assessment*

- *Federal share: up to \$2 million over two years*
While the federal government is committing only to the Deltaport Connector component, it will support necessary environmental assessment work for the entire proposed South Fraser Perimeter Road work.

Dredging at Fraser River Port Authority

- *Federal share: up to \$4 million over two years*
This grant will offset the Fraser River Port Authority's costs for dredging to sustain safe operation water depths for navigation and flood prevention.

A Sustainable Gateway and Corridor

Trade increases through the Gateway and Corridor are already testing system capacity and impacting the environment and quality of life in local communities. The Asia-Pacific Gateway and Corridor Initiative, with its central focus on improving efficiency, offers an approach to help manage the environmental impacts of trade increases.

Strategic infrastructure investments in and around the congested Lower Mainland – such as road/rail grade separations and use of Intelligent Transportation Systems (ITS) – will improve traffic flows, reduce emissions from idling vehicles, and improve quality of life in those communities through which increasing trade volumes must move.

Each funded project will be required to meet all applicable environmental review requirements, and undertake detailed engineering, design and other studies.

Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund

A further \$233.5 million in the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund is earmarked for future investments to improve the efficient flow of international trade through the Gateway and Corridor infrastructure. Decisions on these future investments will be taken in 2007.



PRIVATE INVESTMENT AND INNOVATION

Direction

The Gateway approach is about far more than federal investment in infrastructure. Indeed, private capital invested in port, rail and airport infrastructure in recent years has been extensive. However, much more is needed if Canada is to meet the challenges of global commerce in the 21st century. The Government of Canada is committed to creating an attractive climate for private sector investment in infrastructure, while protecting the broad public interest. Policies adopted by all levels of government have an impact on how much, when and where the private sector is willing to invest. Such policies need to be looked at through the lens of the Gateway and Corridor Initiative, as part of an integrated approach to strengthening Canada’s competitive position in global commerce.

Innovation – in technologies, regulatory procedures and operating practices – is also crucial to maximizing the efficiency of existing Gateway infrastructure.

Immediate Measures

Intelligent transportation systems deployment: Traffic Management Centre

- *Federal share: up to \$2 million over four years*

A traffic management centre for the British Columbia Lower Mainland will help act as a coordination point to monitor and share traffic conditions on the major road network and the transit system, with a specific view to improving the international and interprovincial flow of goods.

Legislation

- Fostering regulatory stability is a principal consideration in amendments to the *Canada Transportation Act*, and a proposed *Canada Airports Act* introduced in Parliament by the federal government. That stability and coherence provide the solid foundation that the private sector needs to justify major investments in Gateway and Corridor infrastructure.



Selected Private Sector Investments Planned for 2004-2010

Railways (CN Railway, Canadian Pacific Railway)	\$1.2 billion
Ports, including terminal operators (Vancouver Port, Fraser Port, Prince Rupert Port)	\$1.2 billion
Airports (Vancouver, Calgary, Edmonton, Winnipeg and Pearson International Airports)	\$3 billion
Total	\$5.4 billion



SECURITY AND BORDER EFFICIENCY

Direction

Establishing the Asia-Pacific Gateway and Corridor as an efficient, secure destination and business environment will provide a competitive advantage to Canada. Canada already has one of the world's safest and most secure transportation systems and one of the most secure and efficient border programs globally. However, the security environment is hardly static, and constant improvement is imperative.

Since 2001, the federal government has committed significant new funding to border and transportation security. Gateway transportation facilities, including Vancouver International Airport and the Port of Vancouver, have benefited directly from security and border facilitation investments. A number of other significant security initiatives relevant to the Gateway and Corridor are under development, including in the areas of rail and transit security, highway transport, air and intermodal cargo security, marine security operations, including a new security clearance program for port workers, and policing at ports.

The Asia-Pacific Gateway and Corridor Initiative provides an important new lens through which to identify opportunities for innovation and targeted measures that will keep the Gateway at the forefront of security and efficiency.

Immediate Measures

Border Services at the Prince Rupert Port Authority

- *Up to \$28 million over four years*
The Prince Rupert Port Authority is building a new container terminal, scheduled to open in late 2007. A Customs Marine Container Program, similar to those existing in all high volume marine ports in Canada, will be established to ensure secure and efficient border services for the terminal. The Government of Canada is investing \$30 million in the construction of the

new terminal, which is expected to process 300,000 containers in its first year of operation, with projections growing to 1 million containers per year by 2012.

Assessing Gateway and Corridor Security

- As part of the Asia-Pacific Gateway and Corridor Initiative, the Government of Canada

will assess security issues related specifically to the Gateway's reputation and performance. The assessment, which will involve consulting with stakeholders, will identify opportunities for new advances with respect to the security and efficiency of the Gateway and Corridor.



Mobile Vacis security screening containers



Port of Prince Rupert



21ST CENTURY GOVERNANCE

Direction

Since various issues directly impacting Gateway and Corridor effectiveness and exploitation interact with each other in important ways, they are best addressed in an integrated fashion rather than in isolation. Partnership is essential. The Gateway approach offers a coherent framework for joint leadership and focused collaboration among the different public and private sector actors who control or influence the key issues.

New approaches to governance, reflecting an outward-looking perspective on global commerce, are necessary to ensure maximum efficiency of existing assets.

For the Government of Canada, there is an internal dimension as well. Various federal departments have responsibilities that directly impact the Gateway. The immediate measures identified under this Initiative include activities led by Transport Canada, the Department of Foreign Affairs and International Trade, Western Economic Diversification Canada, the Canada Border Services Agency, Parks Canada and Human Resources and Social Development Canada. An ongoing element of the Initiative will be a policy renewal agenda that aims in part to work across the "silos" to advance the long-term development and exploitation of the Gateway and Corridor.

Success of the Asia-Pacific Gateway and Corridor Initiative over the long term will require enhanced commitments to policy coordination and integration within the federal government, and among all governments and the private sector.

Immediate Measures

Lower Mainland Port Integration

- To enhance Canada's competitiveness in the global trade environment, the Government of Canada will work with the Fraser River, North Fraser and Vancouver Port Authorities to explore the opportunities for a new integrated port authority for the B.C. Lower Mainland. The objective is to improve the coordination of port activities. Discussions between the Government of Canada and representatives of the Port Authorities were initiated in early July 2006.

Lower Mainland Trucking Forum

- To improve logistics and operating efficiencies throughout the Lower Mainland, the forum, led by the province of B.C., will provide owner-operator truck drivers and others in the short-haul container trucking industry operating in the B.C. Lower Mainland an opportunity to discuss and review business practices and other issues. This is an important element of joint efforts to enhance the reliability of Canada's Asia-Pacific Gateway and Corridor.

The Asia-Pacific Gateway: Building on Consensus

Stakeholder organizations, such as the Greater Vancouver Gateway Council, have led the way in forging a consensus that addresses interconnected issues and opportunities across all modes of transportation on Canada's west coast.

The B.C. government has undertaken important research and has worked with stakeholders to develop the province's gateway program over the last two years.

The Asia-Pacific Gateway and Corridor Initiative seeks to build on these and other successes, and take the Gateway concept even further.



Direction

At a conceptual level, a wide array of issues are often associated with the Asia-Pacific Gateway and Corridor. However, the federal government's Asia-Pacific Gateway and Corridor Initiative will target those most concretely connected to its clearly stated objectives. That is – a focused agenda of policy issues that directly impact the efficiency of the transportation infrastructure that defines the Gateway and Corridor, or its exploitation.

In this context, the key issues potentially include land use planning, macro-economic policies, labour market issues including the supply of skilled workers, international agreements in fields such as trade and air transport, targeted trade and investment promotion, standards harmonization, security and border facilitation, and tourism (including the 2010 Olympics).

Immediate Measures

Marketing the Asia-Pacific Gateway and Corridor

- *Up to \$7 million over five years*

The Asia-Pacific Gateway and Corridor Initiative aims to maximize the use of the Gateway assets to the benefit of Canadians by promoting the Gateway as the best transportation network connecting North America and Asia.

To promote greater use of the Gateway as the supply chain route of choice to North America for Asian exporters, investors and shipping companies, the Government of Canada will develop specialized outgoing and incoming missions and showcase the Asia-Pacific Gateway and Corridor's advantages for freight and passenger movements between Asia Pacific and North America at key trade, investment and technology shows, conferences and seminars in Canada, Asia Pacific and the U.S.

These activities, which will be developed in collaboration with Canadian stakeholders, the governments of B.C. and other provinces, municipalities, sector associations, businesses and other informed groups, will be aimed at business communities, logistics

interests and public sector authorities, particularly key importers, exporters, shippers and potential investors along the supply chains that span East Asia and North America.

Use of Containers Study

- This study will address efficiencies and regulatory issues surrounding the potential greater use of empty containers moving west through the Gateway and back to the Asia-Pacific region. Availability of empty international marine containers for exports is a significant concern to the Prairie provinces. Optimizing the use of these empty containers could provide further efficiencies in the freight cargo supply chain through the Gateway and Corridor.

Labour market

- The Government of Canada is committing to work with the provinces and stakeholders on skills needs for the Gateway. A collaborative and practical approach will allow various stakeholders to identify common challenges and opportunities for action on skills issues relevant to the Asia-Pacific Gateway and Corridor.

Labour Market Pressures in the Gateway and Corridor

There are significant labour market pressures in the Gateway, including shortages of workers, rising skills requirements, integration of immigrants and competing pressures for skilled labour from other sectors and regions:

- The Canadian Trucking Human Resources Council has forecasted national demand of 37,000 new truck drivers per year until 2008.
- Research by the Construction Sector Council has demonstrated that between 2005 and 2008, the industry will require an anticipated 22,000-27,000 workers simply to meet labour demands associated with oilsands projects and the 2010 Olympic Games.
- The supply chain management industry is being challenged to find employees with the skill sets to cope with emerging technologies, global security and a global marketplace. The 2006 human resources study of the supply chain industry confirmed an expected shortage over the next three to five years of more than 86,000 employees.

NATIONAL IMPACTS OF THE ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE

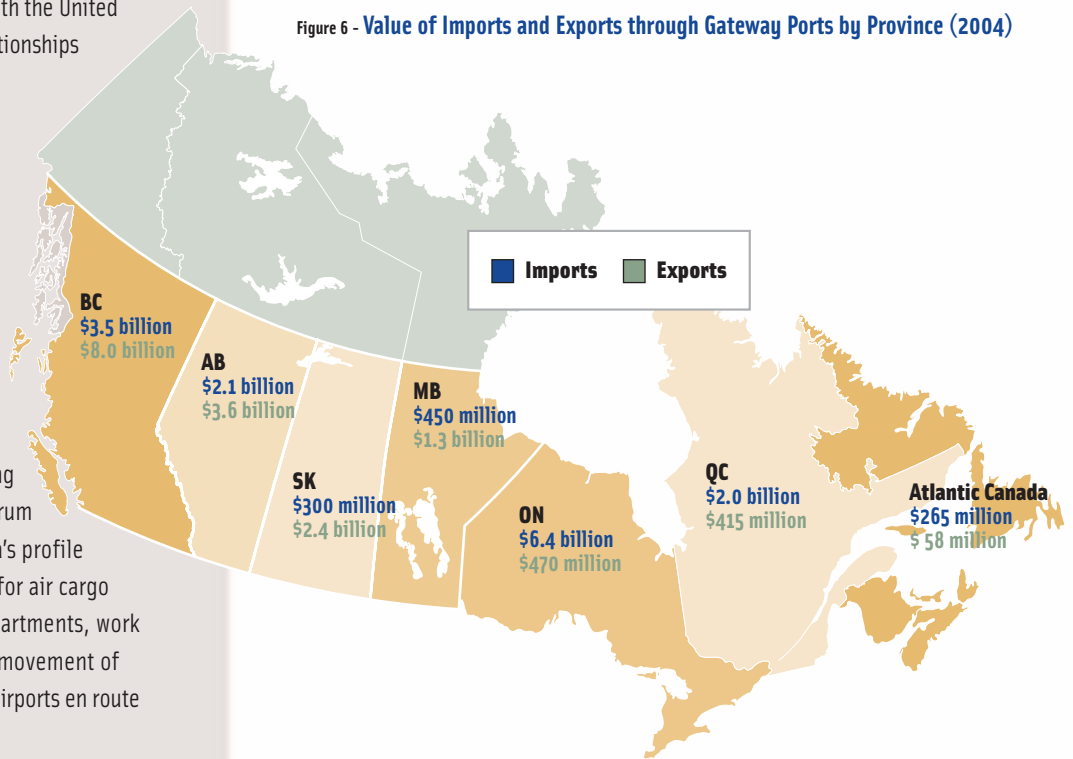
Air Liberalization and the Gateway

Continued federal efforts to liberalize air agreements will contribute to the success of the Asia-Pacific Gateway and Corridor. Recently expanded agreements with China and India and an Open Skies agreement with the United States enhance Canada's ongoing relationships with a broad range of Asian partners. Increased capacity and more flexible flight arrangements translate into increased choice for both passenger and cargo traffic.

Major airports across Canada stand to benefit from improved access and enhanced trade flows. Airports and carriers are actively investing in and exploring new opportunities. Calgary International Airport's hosting of the 23rd International Air Cargo Forum in September 2006 increased Canada's profile as an emerging and efficient centre for air cargo to and from Asia. Among federal departments, work is ongoing to facilitate the efficient movement of people and goods through Canada's airports en route to other destinations.

Strengthening Canada's position in the competitive world of international commerce is a national priority. Investments in the Asia-Pacific Gateway will result in benefits across the country.

Figure 6 - Value of Imports and Exports through Gateway Ports by Province (2004)



NEXT STEPS ON THE ASIA-PACIFIC GATEWAY AND CORRIDOR INITIATIVE

A fast-track consultation and planning process is being launched to carry the Initiative forward, emphasizing simplicity and results. It will produce federal decisions on next steps in 2007, including investment of the \$233.5 million Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund and the remaining \$27.3 million for non-infrastructure competitiveness initiatives.

The fast-track process will also produce a long-term strategy for further development and exploitation of the Gateway, elaborating the “Directions” set out in this document for the core elements – strategic infrastructure, private investment and innovation, security and border efficiency, 21st century governance, and ongoing policy renewal.

The main elements of the fast-track process are:

Federal-provincial consultation: The integrative approach of the Initiative will require real partnerships with the B.C., Alberta, Saskatchewan

and Manitoba provincial governments, as well as collaboration between the public and private sectors, including municipalities. Consultations among federal and provincial ministers of transport, trade, and economic development will be essential to inform investment decisions and build real partnerships that enhance the integrative approach of the Initiative.

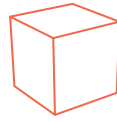
Private sector perspective: Wide ranging consultations are underway. A small group of industry leaders will explore long-term strategic direction of the Gateway and contribute to the identification of broad policy and regulatory priorities. They will consider the pan-western

scope of the Gateway and Corridor, and may examine issues beyond the purview of the federal government, bringing to bear a private sector perspective.

Expert advice and analysis will also be important to advancing understanding of the long-term challenges and opportunities of the Gateway, expanding the foundation of knowledge that will support sound investments. This will include an international conference of experts, with significant contributions from the academic and transportation communities, held in 2007.

Calgary, Alberta





Ongoing Policy Coordination: The success of the Initiative depends on the management of the range of issues impacting the Gateway and Corridor. The Asia-Pacific Gateway touches on various federal government departments and agencies, private sector players, and the international community. Coordination, integration and renewal across the federal government in key policy and regulatory areas impacting the Gateway and Corridor will be essential.

Assessing Gateway and Corridor Security: As described in the Security and Border Efficiency section, an assessment will identify opportunities for advances in the security and efficiency of the Gateway and Corridor.

Seizing the Gateway and Corridor Opportunity: Western Canada and the Asia-Pacific Challenge

There are important questions surrounding the opportunities and challenges the Asia-Pacific region presents for Canada. As part of the consultation and planning process, a series of workshops and seminars in western Canada and nationally will help identify competitive threats and emerging opportunities presented by the Asia Pacific. These will contribute to actions and strategies that will enable Canada to take full advantage of the Gateway and Corridor by securing and expanding commercial and economic opportunities in the Asia-Pacific region, and especially China, over the next 10 to 20 years.



BUILDING A RECORD OF RESULTS

The Asia-Pacific Gateway and Corridor Initiative balances immediate actions and long-term directions. It delivers significant new federal investment, but goes further, integrating other issues essential to obtaining the best results from that investment.

The Initiative acknowledges that no single government acting unilaterally can effectively tackle the range of interconnected issues that will determine the Gateway's long-term success. The Government of Canada's approach is based on concrete actions and real partnerships with provincial governments and other stakeholders. It will accelerate the development of Canada's Asia-Pacific Gateway and Corridor, and strengthen Canada's position in global commerce.

CANADA'S ASIA-PACIFIC **GATEWAY AND CORRIDOR** INITIATIVE

