



ORGANISATION
FOR WESTERN
ECONOMIC
COOPERATION

ASIA PACIFIC GATEWAY & CORRIDOR RESEARCH INITIATIVE

REGINA ROUNDTABLE PROGRAM

February 21st, 2007.

abstracts

Gateways, Corridors and Global Freight Distribution: TransPacific Issues
Jean Paul Rodrigue, Hofstra University, New York

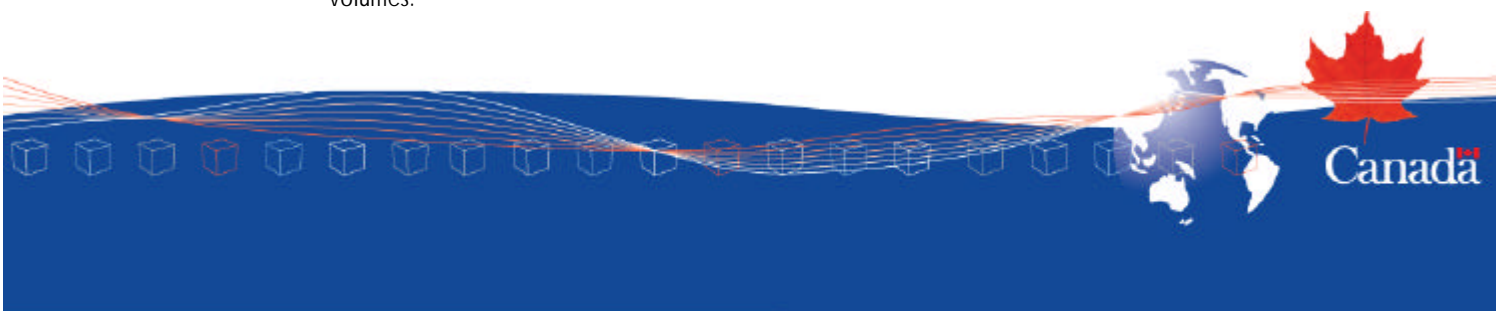
Abstract

Transport corridors are receiving a growing level of attention, particularly with the surge of containerized maritime freight and the setting of more efficient - time and cost-wise - freight distribution systems. Global commodity chains, with a strong Pacific Asian component and controlled by large modal and intermodal freight operators, have become an operational reality. Particularly, the role of maritime shipping companies and more recently port holding companies is salient in long distance international transportation. Their commercial decisions in terms of the allocation and acquisition of their assets (modes and terminals) are a significant factor behind the dynamism of hubs and gateways. Consequently, the global economy is characterized by the emergence of maritime and inland transport corridors that are interfacing at gateways. While maritime corridors are flexible and subjects to the fluctuations of trade, inland corridors are fixed entities that command the access to vast hinterlands. This accessibility has been the object of much concern as it is linked with commercial and development opportunities, particularly with the ongoing trend related to the penetration of inland transportation, mainly by the setting of corridors and inland freight distribution centers. Few parts of the world have experienced such a surge in trade than the transpacific and its commodity chains. The functional integration of these chains has placed pressures on West Coast gateways and corridors. For instance major long distance rail eastbound segments, particularly in the United States, are facing acute capacity constraints. An outcome has been the exploration of alternatives such as new corridors (e.g. from Prince Rupert in Canada and Ensenada in Mexico). In such a context of transpacific commodity chains and North American freight distribution, Western Canadian transport corridors are consequently being redefined by external factors which brings challenges but also opportunities.

Andy Goetz, University of Denver
Regional Development Impacts of Trade Corridors: Recent Experiences from the United States

Abstract

Sharp increases in the volume of trans-Pacific trade are threatening the capacity of west coast ports in North America as well as inland highway and rail networks. In recognition of the importance of trade to national and regional development, governments at the federal, state, and local levels in the US have been developing plans, programs, and projects to begin addressing the transportation infrastructure challenges of increased trade volumes. The US federal government established the National Corridor Planning and Development (NCPD) Program and the Coordinated Border Infrastructure (CBI) Program to provide funding for planning, project development, construction and operation of projects that serve high priority corridors throughout the United States and border regions near Mexico and Canada (USDOT, Federal Highway Administration 2007). Individual US states, metropolitan planning organizations, and even some private sector groups are engaged in these and other initiatives designed to address transportation capacity issues caused in part by increasing freight volumes.



CANADA'S ASIA-PACIFIC **GATEWAY AND CORRIDOR** INITIATIVE
INITIATIVE **DE LA PORTE ET DU CORRIDOR** CANADIENS DE L'ASIE-PACIFIQUE

This paper examines the general topic of the regional economic and environmental impacts of transportation corridors on nearby communities, with a specific focus on projects and plans in Colorado and the western US. Numerous theoretical and empirical studies have established the significant impact of transportation in facilitating economic development. Many small, rural, and/or economically distressed places have especially come to view transportation projects as vital to increasing regional employment and long-term economic growth. Similarly, many studies have addressed the environmental and social implications of transport projects, usually in the context of more highly urbanized communities. Many of the trade corridor plans and projects in the US have emphasized their economic development benefits at different geographic scales while being cognizant of minimizing negative environmental and social externalities upon local communities.

This paper focuses on efforts in Colorado and the western US to develop trade corridors that traverse more sparsely-settled, rural areas to avoid already highly-congested routes. Specifically, they include the following examples:

- ? The "Ports-to-Plains" corridor that starts in Nuevo Laredo, Mexico and goes north through western Texas, the Oklahoma panhandle, northeast New Mexico, and eastern Colorado, ending at Denver,
- ? A Colorado Department of Transportation plan to relocate railroad lines away from the more congested Front Range urban corridor (Ft Collins-Denver-Colorado Springs-Pueblo) to the eastern Colorado plains, and
- ? The Prairie Falcon Parkway Express plan (nicknamed by opponents the "Super Slab") led by a private-sector group to build a toll road and rail line from north of Ft Collins to south of Pueblo about 20-30 miles east of Interstate-25 that would bypass central Denver and central Colorado Springs.

Each of these examples is profiled to analyze proposed impacts, both positive and negative, on those communities through which the projects would traverse.

Experiences Shipping into Asia and North America through Pacific Rim Gateways and Corridors

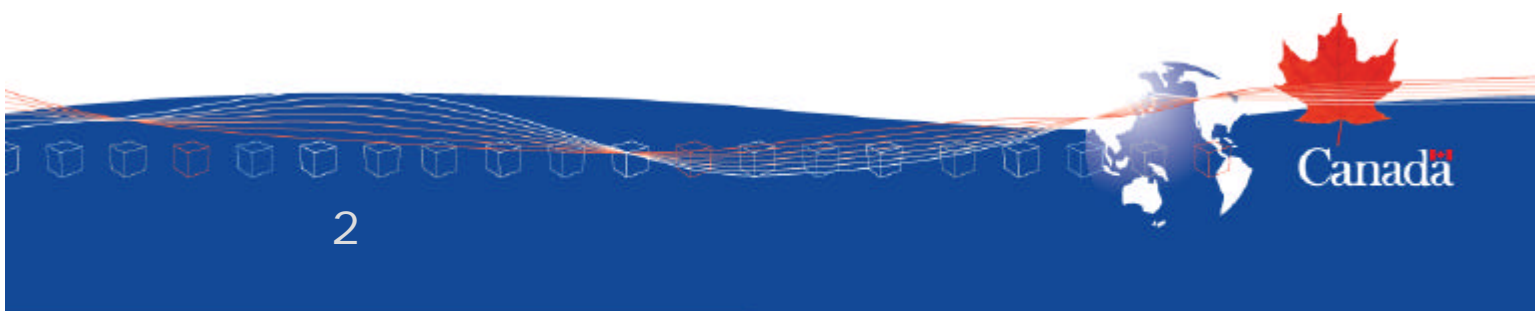
Scott E. Rudderham, Vice President Operations, Canpotex Ltd.

Abstract

The year 2007 marks Canpotex's 35th Anniversary of exporting Saskatchewan potash to international markets on behalf of its Member Producers. Canpotex has a well-earned reputation as the leading potash supplier to these markets, with reliable deliveries of high-quality potash to its customers.

The potash journey covers thousands of kilometres over land and sea, and a shipment can take four to six weeks to reach its destination. Moving millions of tonnes each year, the Canpotex logistics system must be reliable enough to consistently meet customer delivery requirements, and flexible enough to minimize costs and maximize returns to Members.

With ongoing strategic planning and investments, Canpotex is well positioned to serve the potash needs of a demanding marketplace into the future, and ensure farmers have access to this important plant nutrient to produce food for a growing world population.



Approaches to Capturing Gateway Opportunities

By Clare Kirkland, Director, Regina Regional Economic Development Authority

Abstract

1. Supply chain logistics are recognized as pivotal to success in both manufacturing and distribution and retailing of goods
2. Containerization of freight has accelerated with the globalization of supply chain logistics
3. Therefore local government and economic development agency leaders often focus on container system infrastructure initiatives to accelerate growth
4. These initiatives are almost all characterized by a "build it and they will come" approach, but with wildly varying success
5. Examination of a several specific container system initiatives reveals critical success factors to guide current and future initiatives in North America, including, alignment of industry and government goals, clear capacity to handle significant growth, and significant potential for all key decision-makers to improve net revenue

The Gateway to a market-driven agricultural economy: A framework for Demand Chain Management in the food industry

Dr. Sylvain Charlebois, Assistant professor in marketing, Faculty of Business Administration, University of Regina

Abstract

It has been recognized that agriculture and food companies have a long tradition for being commodity-driven, with an emphasis on production technology, high volumes, and quality consistency. With Canada's Asian-Pacific Gateway and Corridor Initiative, the abilities to understand customer needs and to adapt to a wider variety of customer situations will become crucial. The purpose of this paper is to provide a structured demand chain design framework that can be linked with Gateway and Corridor management practices. Since a direct correlation exists between the wealth of a nation and how it consumes food, we first present five utilities and several factors that are perceived differently by customers once a nation becomes affluent. We then present supply and demand thrusts that could leverage Canada's position in international food trade with Asian-Pacific countries. Finally, some analysis and limitations are presented.

Strategic options in Canadian transport policy: The interface between trade pressures and domestic policy

Peter W.B. Phillips, Professor, Political Studies; associate member, Agricultural and Bioresource Economics; associate member, Marketing and Management, and James Nolan University of Saskatchewan, Associate Professor, Agricultural and Bioresource Economics

Abstract:

Canada is facing inexorable pressures to realign its bulk freight transportation policies, especially in Western Canada. National transportation policies, as one of the three legs of the National Policy (with a common tariff wall and policies in support of immigration from Great Britain), have been used since 1876 as a nation-building tool, to support and to build economic social and cultural links between the provinces of Canada. This policy dovetailed well with the economic flows for more than a century. Since the mid 1980s, with the restructuring of our national economic policy (particularly the liberalization of trade globally, the development of a stronger continental economic area through the NAFTA and the replacement of British with Asian immigration), economic flows have begun to diverge from the built transport capacity in Canada. This paper examines the roots of our current transport policy in Western Canada, assesses the pressures for and scope of change and offers some observations on three key transport policy challenges facing Western Canada and the federal system: rate setting; competition and mergers policy; and harmonization of rules.