



CTS

Centre for Transportation Studies

Thinking Logistics

Continental and Global Connections: Issues, Opportunities and Imperatives

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10 Lessons

1. There is massive congestion and pressure on gateways and corridors all across North America, driven by the dramatic current and projected increases in cargo flows...

Reality is this is not the case in ports but may be in surface transportation

2. Analytical models are needed to understand strategies & information flows....

Are models a partial substitute for data and can they assist in identifying needed data?

10 Lessons

3. Technology is driving the value-added components of logistics by reducing frictions and increasing reliability along the supply chain...
 - *frictions are created by institutions and the local issues*
 - *value versus volume*

4. Lack of a co-ordinated approach to transport to transport policy and decision-making
 - *Canada is systematic and system wide, US is local*
 - *Jurisdictional challenges*
 - *Co-opatition*

10 Lessons

5. Investments are not made on a 'system wide B/C assessment and implementation problems can create lost opportunities
Managing the infrastructure creates the same challenges

6. Governance and Regulation of investments needs coordination and allow for flexibility in commercial decision making
this can work domestically but not internationally – we still stop at the shoreline or border

10 Lessons

7. The expansion of gateways & corridors does not guarantee social efficiency
 - *value has replaced volume – a good thing*
 - *we are still driven by supply side solutions (Pricing?)*

8. Must consider the social costs of network design and expansion
 - *Green supply chains, carbon footprints are on the radar*

10 lessons

9. Small investments can have big impacts

This has not changed – Steven Blank made this abundantly clear as did the ‘brilliant author’ of 10 Lessons

10. Measuring Performance is important/essential for gateway & corridor success

- *this message has not fallen on deaf ears*
- *productivity improvements in supply chain a consideration*
- *need measurement of system efficiencies*

Imperatives

- Trade routes are competitive and subject to [rapid] change – this needs to be built into our management of capital
 - *Steaming as part of the supply chain*
 - *Business responds to costs/prices which may differ across the supply chain*
 - *New access – Panama, Arctic*
- How do we create incentives to internalize externalities?
 - *Border effects on transportation productivity*
 - *Cross border strategies (ownership- US, China, India?)*
 - *Information management in the supply chain*
 - *Governance – 2 sided markets*

Imperatives

- Infrastructure investments are not *the* solution, sound economic management is
 - *The “p” word should not be shunned*
- Our future is an urban world with its benefits and problems
 - *new institutions and new governance models (continental institutions?) – a new interface*
 - *municipal structures & the ‘mega-region’*

Imperatives

- Ours is a carbon constrained future
 - *How does this drive locational choice?*
 - *Co-ordinated strategies - pricing & technologies*
- Information is a key (as we saw yesterday)
 - *Co-ordination for modal integration – what system, how share?*
 - *Breaking the monopoly on information design*
 - *Information for investment versus for management*

