

September 21, 2012

Michael Casey
Team Leader - Goods Movement Office
Ministry of Transportation
Suite 3000, 777 Bay St.
Toronto, ON M7A 2J8

Re: A Proposed Multimodal Goods Movement Strategy for Ontario

Dear Michael:

As Ontario's business advocate, the Ontario Chamber of Commerce (OCC) is a federation of 160 local chambers of commerce and boards of trade in Ontario, representing approximately 60,000 businesses of all sizes, in all economic sectors and from every area of the province. Our members employ about two million people and produce about 17 percent of Ontario's Gross Domestic Product.

We appreciate the opportunity to comment on the *Proposed Multimodal Goods Movement Strategy for Ontario* and support the vision, objectives, strategies and goals presented in the document. We look forward to the comprehensive and detailed strategy and action plans that are to follow. Outlined below are specific comments on the strategies mentioned in the paper, while priority investments for the OCC are contained in the appendix.

Briefly we recommend:

- **Ensuring that the strategy is integrated within broader economic development and transportation planning (e.g. The Big Move)**
- **Expanding the timeline of the strategy to 50 years**
- **Integrating innovative technologies**
- **Taking advantage of the economic advantages of multimodal hubs**
- **Building the Niagara to GTA corridor**
- **Extending eastward Highway 407**
- **Moving forward with the GTA West corridor study**
- **Twinning Trans-Canada Highway 11-17**
- **Creating a multimodal Northern terminus**
- **Using Alternative Service Delivery (ASD) to fund transportation infrastructure**
- **Streamlining transportation infrastructure processes**
- **Enhancing partnerships with key ministries, the federal government and industry**

These recommendations are consistent with our vision for Ontario as outlined in our five year plan entitled [Emerging Stronger](#). A key pillar of the OCC's Economic Vision for Ontario is taking advantage of

new opportunities in the global economy. This includes diversifying trade relationships with new and emerging markets. It will also involve meeting the infrastructure requirements of new opportunities here at home such as the Ring of Fire and resource extraction in the North more broadly speaking.

TRANSPORTATION INFRASTRUCTURE KEY TO ONTARIO'S FUTURE

The OCC has long advocated for the development of a long-term multimodal transportation plan for Ontario. Ontario's transportation network is a major part of the province's infrastructure and a significant economic enabler that facilitates trade, attracts investment and helps create jobs across the province. Building on our advantage in this area will be critical if we are to maintain and improve our competitiveness in the decades to come.

Developing an integrated, efficient and reliable multimodal transportation network that will drive Ontario's prosperity in the 21st century requires vision and long-term planning. With a population set to reach between 16.1 million and 19.4 million in 2036, preparing Ontario to handle growth within and beyond the region must be a top priority.

According to the OCC's 2011 pre-election survey, *transportation was at the top of the priority list for many of our chambers*, particularly in the Greater Toronto and Hamilton Area.

In the current economic climate, Ontario must leverage its competitive advantages as much as possible both at home and abroad. Key will be setting Ontario as a key player in goods movement to not only compete with other jurisdictions but serve as a leader in the field.

Improving linkages between transportation modes and between regions while advancing all modes will create more opportunities for retailers and wholesalers on this side of the border and therefore more economic growth for the province as a whole. As well, the government should focus on effectively developing and implementing policies that improve and better utilize Ontario's extensive network of road, rail, marine and airport facilities. This includes small hubs such as Oshawa airport.

To complement these networks, the final strategy should include a **significant role for multimodal hubs**. In addition, the **integration of innovative transportation technologies**, such as those included in Transport Canada's *Emerging Themes* paper should be integrated into the Ministry of Transportation's (MTO) strategy to ensure Ontario is a goods movement leader.

TAKING ADVANTAGE OF NEW OPPORTUNITIES IN THE ECONOMY

Ontario is a vast province with diverse regions (economic and otherwise) facing unique transportation challenges. Many areas in Northern Ontario require additional transportation capacity to help facilitate goods movement to attract business investment and diversify local economies. For example, the lack of a multimodal terminus in Northern Ontario means that products from that region are shipped to Toronto by truck only to pass through the North by rail on their way out west. This not only creates extra costs to businesses but hampers the efficient delivery of goods to the global marketplace.

In Southern Ontario, particularly in the Greater Toronto and Hamilton Area (GTHA), rapid population growth coupled with inadequate investments in transportation infrastructure has led to crippling congestion. According to Metrolinx, an estimated \$6 billion in productivity is lost to congestion, a number projected to grow up to \$15 billion by 2031.

Any credible goods and movements strategy must acknowledge and accommodate the need for improvements in transit infrastructure and addressing congestion in the GTHA.

Ontario's various regions do not exist in isolation. Regions and economic clusters throughout the province are interconnected. Light Rail Transit vehicles manufactured in Thunder Bay may have steel sourced from plants in Hamilton or Pittsburgh, with electrical components manufactured in Toronto. Facilitating the efficient movement of these goods between regions is critical for economic sustainability, increased investment and economic growth.

Our U.S. competitors recognize the need for integrated transportation networks between regions. Strategic transportation planning is common in the U.S. where state-wide transportation are required by federal law. State-wide transportation plans span 20 to 30 years in outlook, are updated every five years, and plan for the integration of all modes of transportation. We advocate a similar approach (long term and regularly updated strategic plans) for Ontario. While the OCC acknowledges the constraints within which the Ministry is working, infrastructure planning requires long-term time horizons to be successful. To make the best out of the opportunity and the work completed thus far, the OCC encourages the ministry to **broaden the scope of the strategy to 50 years.**

Not having clearly identifiable and supported provincial transportation hubs puts Ontario at a material competitive disadvantage. Improvements on this front would therefore have a major economic payoff for the province. For example, **a new Niagara to GTA Corridor** with connections to neighbouring communities would facilitate the creation of a transportation multimodal hub between Canada and the U.S. and foster economic opportunities across the entire province. Similarly, **a multimodal terminus in Northern Ontario** would expedite operations and create cost savings for businesses and consumers.

ALTERNATIVE SERVICE DELIVERY

In light of the current state of the province's finances and with limited prospects for a significant turnaround in the near future, **it is time for Ontario to consider transitioning away from the public financing model for transportation infrastructure and exploring a range of other credible alternatives.**

While the Ontario government cannot fund these projects out of general revenues, alternative financing can be a viable solution for both highways and public transit. There are many precedents in Canada, but especially in the United States, of using private financing to finance capital, operating, and maintenance costs of transportation infrastructure.

Global companies including Bombardier, SNC Lavalin, Alstom (France), and others operate and manage many elements of the world's public transit systems – as well as manufacturing the rolling stock, switching, and control systems. The PPP approach is also used by the Ontario government under the term “Alternative Financing and Procurement” (AFP). AFP is used to finance billions of dollars worth of nuclear power plants, hospitals, courthouses, and much other public infrastructure.

Given the foreseeable future of constrained public finances and the current urgent need for transportation infrastructure, funding alternatives should be vigorously pursued.

A COMPETITIVE REGULATORY ENVIRONMENT

Red tape results in billions of dollars in hidden costs for Canadian businesses, slows down the time to market for innovative goods and services and bogs down small businesses in endless paperwork and hurdles.

The goods movement sector faces numerous regulatory burdens. The current Environmental Assessment (EA) process can add years to a project from conception to completion so that by the time it is completed, the project may already be obsolete. **A streamlined EA process and Ontario Municipal Board (OMB) process for transportation infrastructure would help mitigate these lost opportunities.**

Streamlining and aligning the transportation infrastructure processes with our neighbours and other levels of government will improve our overall competitiveness. Coordinating security processes at land borders to match Air Cargo requirements will help ease the flow of trade across borders. As well, developing streamlined standards with the U.S relative to truck sizes, and axel weights will go a long way toward decreasing congestion.

Wide Load Permits

The Ontario Provincial Wide Load Permit System is inefficient, time consuming and poses a financial burden to small and medium sized companies (SMEs) in the goods movement sector. A province-wide load permit costs \$300.00 annually, a significant burden for SMEs. The permit is only valid on King's highways. In some cases businesses must also purchase county wide load permits as well as permits from the "lower tier" municipalities. This system forces a business to contact each county and municipality that maintains the roads to determine the trip permit process and requirements.

The OCC recommends that the Ministry of Transportation (MTO) investigate the opportunities available to create a one-permit system for wide, high and heavy loads, to navigate throughout Ontario's roads regardless of the regions, counties or municipalities vehicles must travel through.

FOSTERING PARTNERSHIPS

Strategic partnerships with government and industry will be of key importance to the success of the goods movement action plan.

In addition to the existing growth and transportation plans noted in the consultation paper, the OCC believes the creation of an integrated multimodal transportation network must include the engagement of business leaders (Southern Ontario Gateway Council, OCC) and other groups including municipal planners and ministry partners.

To ensure the government is staying current and understanding emerging trends facing the industry, the **OCC encourages continued ministry engagement of stakeholders** in informal consultations. Consistent communications between the ministry and industry will provide the ministry with access to the best information available. **Collaboration with other ministries** such as the **Ministry of Environment** and between departments on related projects such as the growth plans will ensure the success of the goods movement strategy.

Ontario serves as a continental corridor across the country and beyond. As such, transportation infrastructure should be protected as an economic driver through supportive land use planning and other economic development planning opportunities. The OCC encourages MTO to work with the **Ministry of Economic Development and Innovation** to promote the economic development role of transportation infrastructure.

In addition, collaboration with the **Ministry of Labour and Ministry of Training, Colleges and Universities** is vital to realizing a successful goods movement strategy for Ontario. Ontario's working-age population as a share of the population is expected to decline by almost 9 per cent by 2036. A labour deficit of more than one million workers across the country is expected by 2031. The expected labour shortage is exacerbated by a skills shortage, particularly acute in the supply chain and trucking industry.

The provinces should also seek a renewed partnership with the federal government on transit and transportation infrastructure spending. This is particularly crucial as the \$33 billion Building Canada fund expires in 2014. The province's quest for a renewed partnership with the federal government must focus on three elements:

- **The provincial government should work with the federal departments of Transport, Infrastructure and Finance to provide adequate and predictable funding to cities for their transportation infrastructure needs.**
- **Securing a fair allocation of federal infrastructure must be a priority leading up to the expiry of current federal infrastructure programming.** Per jurisdiction base funding disadvantages Ontario.
- **The Province should to work together with the federal government to streamline transportation infrastructure processes.**

A well defined investment strategy, with clearly articulated short, medium, and long term planning objectives and measures will be vital to the success of the intermodal goods movement strategy. The OCC commends MTO on the work that has been done to develop this paper and looks forward to working with the Ministry and other partners to ensure the success of the strategy.

Thank you for this opportunity to share our views. If you have any questions or comments on any of the above issues, your staff may contact Arielle Baltman-Cord, Policy Analyst, at (416) 482-5222, extension 2470, or ariellebaltman-cord@occ.on.ca.

Yours sincerely,



Allan O'Dette
President & CEO

Appendix:

Priorities for transportation infrastructure investments

According to the Federation of Canadian Municipalities recently released Infrastructure Report Card, one in four Canadian roads is operating above capacity, highlighting a real challenge to moving goods and people within our communities. An adequate and updated highway system is an important link to the economic success of all of Ontario. The OCC has outlined below our key priorities for transportation infrastructure investments.

Eastward Extension – Highway 407

Inadequate east-west capacity and no alternative freeway on the east side of the GTA (east of Brock Road to Highway 35/115) causes delays to passenger and commercial vehicles. Existing freeway congestion constrains trade, tourism, recreation, and economic growth opportunities. Congestion in the eastern part of the GTA will be further exacerbated by continuing growth in areas to the east of Durham (Port Hope, Cobourg, Trenton, Belleville, Peterborough, etc.) and associated traffic demands.

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Put in place an acceptable alternative that gets Hwy 407 to Oshawa and through Durham Region to Hwy 35/115 as expeditiously as possible.
2. Set out firm timelines and commitments for the extension past Oshawa to 35/115.
3. Immediately commence construction as announced in March 2011 for the extension of Highway 407 beyond Brock Road in Pickering through to Simcoe Street and prior to opening the Simcoe Street interchange commence work on the completion of Hwy 407 to 35/115.
4. Postpone those north-south linkages that could cause delays to construction completion.

Niagara to GTA Corridor

The need to move ahead with the Niagara-to-GTA Corridor (also known as the Mid Penn Corridor), which includes an essential highway component, is critical and urgent in order to meet the evolving needs of residents, industry, tourism, transportation, and governments in the Greater Golden Horseshoe and surrounding communities.

As population and employment grow in the Niagara/GTA area and surrounding municipalities, levels of traffic congestion on existing highways will continue to increase. The results would be increased congestion, higher fuel consumption and air pollution, a decline in productivity, and a lower quality of life.

The Ontario Chamber of Commerce urges the Government of Ontario to Construct the NGTA corridor project in two stages:

- a. Include the Niagara Frontier-Hamilton portion of the proposed mid-peninsula highway in the Environmental Assessment phase of the existing infrastructure improvement projects, and commence with construction of stage one as quickly as possible; and
- b. Concurrently with the construction of stage one, begin a feasibility study using a 30-year time line for the Hamilton to 401 portion and connections to all surrounding communities.

GTA West Corridor Study

The GTA West Corridor has been identified as a necessary transportation infrastructure project needed to advance the province's overall economic competitiveness and to address the significant delays on the GTHA transportation networks.

This corridor is seen by many, including Ministry of Transportation (MTO) staff, as a strategic link between the Urban Growth Centres in the west of the GTA such as Downtown Milton, Brampton City Centre, Vaughan Corporate Centre and Downtown Guelph.¹ MTO staff and the GTA West Study Team have also indicated that the considerable population and employment growth in the Guelph, Kitchener/Waterloo, and Cambridge triangle introduces new transportation challenges in the western portion of the Greater Golden Horseshoe (GGH).²

The province initiated the GTA West Corridor Planning and Environmental Assessment Study (GTA West EA) in 2007. However, the pace at which the province is currently moving forward on this project is a concern for both businesses and municipalities across the province. This project has been further delayed as a result of Ministry of Environment's decision to conduct further analysis after the completion of the Draft Transportation Study, which was released in early 2011.

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Support early designation and protection of major transportation corridors including the GTA West Corridor.
2. Move forward expeditiously on the GTA West Corridor Study implementation process within 10 years.

Twinning of the Trans-Canada Highway 11-17

The province of Ontario requires safe highways for commerce and consumers. A key area of concern is that both Highway 11 and Highway 17 share a single road bed for a significant portion of the Trans-Canada Highway link between the junction of 11 and 17 just east of Nipigon to Thunder Bay. Over the last number of years, significant weather events and traffic accidents have forced the closure of sections of the highway for long periods of time.

It is estimated that upwards of 70% of all truck traffic travelling through Thunder Bay is passing through – providing goods, including perishables and manufacturing goods moving from Southern Ontario to the West and vice versa. These goods are primarily handled by truck through the Northwest and every time there is a significant closure of the single lane section of the Trans-Canada Highway, the economic well being of the province, as well as the region suffers.

The province must safeguard east-west commerce through creating a four-lane divided highway through Northern Ontario. The starting point should be where both Highways 11 and 17 share the same roadbed and there is no alternative to use

¹ http://www.gta-west.com/study_bg.html

² http://www.gta-west.com/study_bg.html

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Commit specific sums of money over the long term to create a four-lane divided highway through Northern Ontario to enhance and grow the economies of the North.
2. Partner with the federal government to plan to twin all sections of the Trans-Canada Highway, starting where there is no alternate Canadian highway route. This plan is to be completed within two years so that construction can start in 2013.