



Canada's Centre for Global Trade
WINNIPEG, MANITOBA

SPEAKING NOTES

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Director**

On behalf of
CentrePort Canada Inc.

Panel Topic

Next Generation Innovations in Technology, Security
and Inland Ports

*Combining security, traffic fluidity, and efficiency in the field of
transportation.*

Over the last several years, there has been a marked increase in trans-border traffic of goods and the number of inland ports has multiplied. This situation highlights the importance of ensuring the security and fluidity of trade flow and of tracking goods from point of origin to destination.

Panelists will discuss these topical questions with a view to proposing solutions.

NASCO Quebec City
June 2nd to 4th, 2009

SLIDE 1

Good Morning!

It is my honour to be here this morning as part of Manitoba's delegation to the NASCO 2009 Conference.

I want to thank my very good friend and Manitoba's Minister of Infrastructure and Transportation, the Honourable Ron Lemieux, for the gracious invitation to represent our province and to the conference organizers for allowing me the privilege to be part of this panel discussion.

This marks my second opportunity to address a NASCO Conference which I have now attended for four successive years.

In 2008, I spoke to a caucus of mayors and addressed the results of the City of Winnipeg Mayor's Trade Council (MTC) Report which I had the privilege of chairing. I spoke then of the possibilities of expanded trade opportunities for Winnipeg, Manitoba, Western Canada and Canada as a whole.

I am very pleased today to say that the MTC Report received not only the political support from Winnipeg Mayor Katz and Council - and I note Councillor Jeff Browaty is here - but of Premier Doer, who as you well know, is no stranger to NASCO.

Premier Doer's leadership resulted in a partnership with the federal government which allowed Manitoba to launch Canada's first inland port initiative – CentrePort Canada.

SLIDE 2

As a member of CentrePort Canada's founding Board of Directors, I am honoured to have this opportunity to speak.

My co-panellists I am pleased to say, agreed that the context of my presentation would be a generalist's overview of our recent developments *and* how CentrePort Canada is planning to address the relationship between technology and security on one hand, and traffic fluidity and supply-chain efficiency on the other.

But what is CentrePort Canada.

CentrePort Canada is Canada's first inland port initiative which happens geographically to be located *'in the heart of the continent'* in the City of Winnipeg and its capital region area in Manitoba.

CentrePort Canada is an unprecedented and unique venture connected with a well-established network of highways, railways, air, and sea connections providing better, faster, cheaper access to markets in Canada, the United States, Mexico, and global markets. In addition, our location supports Canada's national and international trade objectives.

CentrePort Canada is 20,000 acres of land adjacent to Winnipeg's James Richardson International Airport operating 24/7.

CentrePort Canada offers greenfield investment opportunities for a wide variety of sectors, including distribution centers, warehousing and manufacturing.

CentrePort Canada has 'shovel-ready' property accessible for development to meet business needs.

SLIDE 3

CentrePort Canada is located on the International Mid-Continent Trade Corridor, providing ready access to major markets in the United States and Mexico via the Emerson Border - and Manitoba is in the centre of Canada with strong east-west transportation corridors.

CentrePort Canada provides direct access to Asian markets via Canada's Asia-Pacific Gateway. Shippers and manufacturers transport goods by road and rail to Canada's two main western seaports, Vancouver and Prince Rupert.

Our unique access to northern trade routes provides entry to European markets as well. Air shipments can be transported via polar routes through Winnipeg's James Richardson International Airport.

Marine shipping opportunities are increasing through the northern deep-sea Port of Churchill and St. Lawrence Seaway and Great Lakes via Thunder Bay.

CentrePort Canada can take advantage of rail history, presence and access. Winnipeg is the only location in western Canada where the two major rail lines - CN and CP - intersect and maintain extensive intermodal yards collectively employing more than 4,000 people.

In addition, OmniTRAX provides key trade links to the Port of Churchill, and BNSF provides additional linkages to markets in the United States.

All of these attributes auger well for CentrePort Canada, for domestic, continental and global trade.

SLIDE 4

In the agenda, you will note reference in this session's description to *"marked increase in trans-border traffic of goods..."*

The marked increase in Manitoba's case is more aptly described as 'remarkable' and 'sustained'.

Proof of Manitoba's expanding role is reflected in strong, sustained economic growth over the past nine years.

Manitoba enjoyed the 2nd highest GDP growth in Canada in 2007 and 2008 and is forecast to have the 2nd highest GDP in Canada in 2009.

Manitoba's strategic location as a crossroads for the North American and global movement of freight, combined with our economic development strategies, have yielded results in some sectors beyond the most predictions.

For example, the Canada-US border crossing at Emerson, approximately 100 kilometres south of Winnipeg, is now the busiest international border crossing point in Western Canada for commercial traffic. In 2007 two-way truck trade at Emerson totalled \$14.7 billion, and it handled 425,000 trucks.

Overall, Manitoba has seen a 74% growth of two-way trade at Emerson Canada - US Border in the last five years.

Our aviation infrastructure is expanding as are the rates of handling.

The James Armstrong Richardson International Airport is one the most reliable airports in the world, averaging less than 2 hours downtime annually.

It is the third busiest cargo airport in Canada and is home base to more freighter operations and dedicated cargo handlers than any other Canadian facility.

As the only 24-hour unrestricted major Canadian airport between Toronto and Calgary it is a central Canadian gateway airport for UPS and a major domestic hub for Purolator and Cargojet.

Between 2003 and 2008, airport experienced a total air cargo increase of 55%. That performance can only be enhanced with the new state of the art terminal slated to open in 2010.

Manitoba's emerging trade with China is another significant development. Exports to China increased 586% since 2002, creating significant backhaul opportunities.

Between 2002 and 2007, our total imports increased 30%; exports increased 23% and total manufacturing shipments increased by 37%.

This translates into employment, economic growth, and development potentials of significant proportions. And so, we must consider how this growth impacts the planning and development of the most environmentally friendly, safe, secure, efficient and technologically advanced inland port - CentrePort Canada.

SLIDE 5

CentrePort Canada is being developed as a sustainable transportation and distribution gateway. One of the primary objectives is to maximize efficiencies and improve logistics and supply-chain processes.

From the on-board computers tracking and managing the performance of trucks and the introduction of alternative fuels, to the vast information networks tracking the contents of ships, planes and trains around the globe, technology is ever present.

New technology will help us meet environmental protection standards making the transportation footprint much greener and eco-friendly. The ability to empirically quantify levels of individual, corporate, or sectoral environmental impacts and mitigation measures may well prove to be beneficial to emerging international policy.

New technology is also being applied to facilitate the efficient exchange between stakeholders needed for the daily movement of commerce.

For example, through the application of advanced sensor, secure information exchange, and communications technologies often referred to as "*smart*" or "*intelligent systems*", there is a significant potential to make the transportation of people and goods more efficient, more reliable, safer and more environmentally friendly.

While many applications remain "*works in progress*", Intelligent Transportation Systems must form an integral part of any inland port development strategy to be more efficient in the handling of inter-jurisdictional freight movements securely.

The *North American Facilitation of Transportation, Trade, Reduced Congestion and Security* ("NAFTRACS") initiative illustrates how applications of trusted technology in both the transport industry and trilateral regulatory sense, will benefit our pursuit of enhanced trade opportunities.

This recently completed tri-national pilot project enabled third-party information sharing and exchange between NASCO's participating partners. It is hoped that the forthcoming analysis and recommendations will support more efficient and seamless corridor traffic management, and the efficient and safe flow of commerce within and throughout the corridor.

We are confident that NAFTRACS will demonstrate the benefits of vehicle / route management from third-party data sources to support and facilitate corridor wide advanced risk assessment and mitigation, and regional disaster preparation and response.

It is technology that will allow CentrePort Canada, to handle the developing supply-chain demand and increase traffic fluidity and efficiencies *without* sacrificing security.

Today we must not only be concerned about the physical logistics of moving a truck, train, plane or ship between nations, we must ensure the *security* of all stakeholders at every step of the process.

Across borders, across the planet, security is non-negotiable - security trumps trade.

For the transportation and logistics sector, it has already changed the way daily business is conducted and this affects the flow of commercial goods across international borders.

Tighter entry regulations, more thorough scrutiny at ports of entry often through the use of advanced methods, higher standards for the training of personnel and stricter enforcement policies are only a small part of the new global commerce reality.

CentrePort Canada is working towards the objective of creating an inland port, which despite being located 100 km away from the border, can effectively operate as if it was situated on the international border.

This can be done through the application of a suite of technologies which ensure, to the satisfaction of federal regulatory bodies, the security of commercial cargo in the “post-port” – “pre-border” segment of travel.

Ideally, these technologies will interface with those in use at physical border facilities to provide pre-clearance or expedited passage of the verified cargo and driver through the point of control.

To realize this objective will require collaborative work of governments, border agencies and regulatory bodies as well as acceptance of the technologies by the commercial transport sector, ideally on the basis of a proven value proposition.

Although these technologies exist, the major challenge is to have them proven to and accepted by those formulate border and national security policy and regulations.

We must proceed by working through strong partnerships such as NASCO to identify and explore each new challenge and share the search for solutions in forums such as this.

That is why we are here today as part of Manitoba's commitment to NASCO.

We believe in the global potential NASCO presents by linking and strengthening not only the exchange between Mexico, the United States and Canada, but extending that reach into the global market.

Manitoba and CentrePort Canada understand that the role of technology is integral to the development of an inland port, to foster growth in supply-chains, and to sustain the economic prominence of the transportation sector at the Provincial, National and International Corridor levels.

Much collaboration between our respective nations and with our stakeholders will be required to fully realize the benefit and opportunities which innovative technology and security applications can offer.

This is at once our challenge and opportunity.

Our partnership has come a long way. We have every confidence that the tremendous momentum already generated will carry us to unlimited new opportunities around the world of the 21st century.

Thank you.

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