

# **SPEAKING NOTES**

**Mr. Chris Lorenc**  
On behalf of  
CentrePort Canada

Panel 5 Discussion:  
Next Generation Innovations in Technology, Security  
and Inland Ports.

NASCO Quebec City  
June 4<sup>th</sup>, 2009

*Panel Scheduled for 0900-1015h*

**FINAL**

## **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.

## **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 Manitoba's Minister of Infrastructure and Transportation, the Honourable Ron Lemieux, for the kind invitation to represent our province and to the conference organizers for allowing me to be part of this panel discussion.**

**This marks my second opportunity to address the NASCO Conference which I have now attended for three or four successive years. In 2008, I spoke to a caucus of mayors and addressed the results of the City of Winnipeg's Mayor's Trade Council (MTC) Report which I had the privilege of chairing. I spoke then of the possibilities of expanded trade related political and economic priorities 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 but of Premier Doer, who is no stranger to NASCO. Premier Doer's leadership has fashioned a significant partnership with the federal government and has positioned Manitoba for the launch of Canada's first inland port – CentrePort Canada.**

## **SLIDE 2**

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

**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, all in the province of Manitoba. The simple fact is that Winnipeg and its capital region have all of the trade and transportation assets which facilitate global trade and our location supports national objectives.**

**CentrePort Canada is an unprecedented, innovative, and unique venture connected with a well-established network of highways, railways, air, and sea connections providing better, faster, cheaper access to key markets in Canada, the United States, Mexico, and global markets.**

**CentrePort Canada is 20,000 acres of land adjacent to Winnipeg's Richardson International Airport a 24-hour international airport with the highest number of daily dedicated cargo flights in Canada.**

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

**CentrePort Canada is built on a foundation of trade and transportation assets and these assets will grow with significant investments in transportation infrastructure and manufacturing and distribution facilities and has ‘shovel-ready’ property ready for development to meet business needs.**

### **SLIDE 3**

**CentrePort Canada is located on the International Mid-Continent Trade and Transportation Corridor, providing ready access to major markets in the United States and Mexico via the Emerson Border – the busiest Canada/US border crossing in western Canada (\$14.7 billion)<sup>i</sup>. Manitoba is also 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.**

**CentrePort Canada’s unique access to northern trade routes provides entry to European markets as well. Air shipments can be transported via polar routes through Winnipeg’s 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.**

**And finally, Manitoba and CentrePort Canada offer business advantages including a well-educated, highly-skilled, productive and multilingual workforce; business friendly environment, hydroelectric energy rates that are among the lowest in North America, and affordable business costs such as construction, office, and land costs.**

**For these reasons and many more, we are confident of CentrePort Canada's ability to exceed all expectations.**

#### **SLIDE 4**

**I am, as a result of the past and recent developments, very optimistic of the increasing role Manitoba will play in the dynamic growth of trade and commerce at the national, continental and global levels.**

**In the agenda, you will note there is a reference in the description of this session which refers to *“a marked increase in trans-border traffic of goods, and the number of inland ports.”***

**May I respectfully offer that the marked increase in Manitoba's case is more aptly described as 'remarkable' and**

**‘sustained’. Proof of Manitoba’s expanding role is reflected by Manitoba’s strong sustained economic growth over the past nine years.**

**Allow me briefly to apprise you of Manitoba’s increasing role in the global supply chain network and how this presents challenges which the innovative application of technology can work to overcome.**

**It is evidenced by having the 2nd highest GDP growth in Canada for 2007 AND a forecast of the 2nd highest GDP growth in Canada for 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 optimistic predictions of only a short time ago.**

**For example, the Canada-US border crossing at Emerson, approximately 100 kilometres south of Winnipeg, is now the second busiest international border crossing point in Western Canada and the sixth largest port of exchange between our two countries.**

**In 2007, two-way truck trade at Emerson totalled \$14.7 billion, and an additional \$3.8 billion worth of exports crossed into the U.S. from other provinces and territories.**

**In 2007 it handled 425,000 trucks, an increase of 5,000 vehicles, and we have yet to tabulate the economic yield.**

**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, the James Richardson International has experienced a total air cargo increase of 55%. With the new state of the art terminal slated to open next year, Manitoba considers the future growth rate of air shipments to be unlimited.**

**Manitoba's emerging trade with China is another development about which we are very optimistic. Manitoba's exports to China have 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 significant development potentials of “phenomenal” proportions. But we must consider the how this aforementioned growth impacts the planning and development of our inland port.**

### **Slide 5**

**CentrePort Canada is being developed as a sustainable transportation and distribution gateway. Throughout the development of CentrePort Canada, as in our other transportation strategies, 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 all pervasive.**

**New technology is helping us meet environmental protection standards and making the transportation footprint a much greener and eco-friendly action. The ability to empirically quantify levels of individual, corporate, or sectoral**

**environmental impacts and mitigation measures may well prove to be beneficial in regards to potential emerging international policy on this issue.**

**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 technologies must form an integral part of any inland port development strategy if we are to be more efficient in the handling of inter-jurisdictional freight movements securely and efficiently.**

**The North American Facilitation of Transportation, Trade, Reduced Congestion and Security or “NAFTRACS” initiative seeks to illustrate 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 from this pilot will support more efficient and seamless corridor traffic management, and the efficient and safe flow of commerce within and throughout the corridor.**

**We are also 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 not just a trend – it is a non-negotiable requirement in every aspect of our lives and industries.**

**For the transportation and logistics sector, it has already changed the way daily business is conducted – and this often 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 will be done through the appropriate and best-practice application of a suite of technologies which can ensure, to the satisfaction of the respective federal regulatory bodies, that the security of commercial cargo is ensured in the “post-port” – “pre-border” segment of travel.**

**Ideally, the above technologies will allow for an interface with those applications which are in use at the physical border facility 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 the governments, border agencies and regulatory bodies involved, as well as the acceptance of the technologies by the commercial transport sector, ideally on the basis of a strong, proven value proposition for their bottom line.**

**Although these technologies exist, the major challenge is their ability to be proven to, and accepted by those who formulate border and national security policy and regulations. We can only proceed as we have been, by working through strong partnerships such as NASCO to identify and explore each new issue or challenge as it arises and share the search for solutions in forums of this nature.**

**That is why I am 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 place.**

**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 on all sides of the international borders – Canada, the United States and Mexico, and with the respective jurisdictional stakeholders, will be required to fully realize the benefit opportunities that innovative technology and security applications can offer.**

**This is our challenge.**

## **SLIDE 6**

**Our partnership has come a long way and I have every confidence that the tremendous momentum we are generating will carry us to unlimited new opportunities around the world of the 21<sup>st</sup> century.**

**Thank you.**

---

<sup>1</sup> Western Canada's Busiest Border Crossings, by Value of Road Trade with US (\$ millions) Emerson, MB; \$14,680; Pacific Highway, BC \$13,782; Coutts, AB \$10,997; North Portal, SK \$6,841