

THE GREAT PROVINCIAL OBSTACLE COURSE

**“GOODS AND SERVICES WE CAN’T SELL TO
OURSELVES”**

***A CLOSE LOOK AT THE ENERGY AND TRANSPORTATION
SECTORS***

THE GREAT PROVINCIAL OBSTACLE COURSE

The BNA Act and the Canadian Internal Trade Agreement states that “There shall be a free flowing of goods and services between Provinces,” but:

When Certain Industry Powers and Authorities were Granted to Provinces -
Provincial Jurisdictions result in Protectionism in:

- **ENERGY***
- **BOOZE**
- **SECURITIES REGULATION**
- **DAIRY PRODUCTS**
- **INTER-PROVINCIAL TRUCKING***

World's
third-largest
oil reserves

Energy East will safely
transport Canadian crude oil
from West to East.

Eastern Canada currently
imports more than 50%
of its oil from places like:



Iraq



Saudi Arabia



Angola

Lévis

Saint John

Montréal



United States



Venezuela



Major oil refineries



Proposed Energy East Pipeline route

TRANSPORTATION REGULATION IN CANADA

- **FEDERAL – for Inter-provincial Commerce**

- ☐ **Air Transport**

- ☐ **Rail Transport**

- ☐ **Pipelines**

- **PROVINCIAL**

- ☐ **Trucking**

The Canadian Transportation Agency has NO authority over inter-provincial trucking

OVER-DIMENSIONAL, INTERPROVINCIAL TRUCKING

PROBLEM: Oil Sands Project Modules Fabricated in Ontario & Quebec – destined for Ft. McMurray –
“You can’t get there from here – by road!”

CARRIERS and Ontario, Quebec FABRICATORS:

- ☐ “no established O-D Corridors”
- ☐ “Multiple permits required – Prov., County, Munies”
- ☐ “Approvals req’d from Utilities, Railways, Power Cos”
- ☐ “Costs too much if/when you get a permit”
- ☐ “Everything changes at the provincial borders”
- ☐ “Too much red tape”

Great Article: The Economist – July 23, 2016

The U of C's Van Horne Institute saw an Opportunity:

“LET’S TAKE A LOOK AT THE REASONS WHY EASTERN CANADIAN MANUFACTURING SHOPS DON’T PARTICIPATE IN MAJOR PROJECT CARGO IN WESTERN CANADA”

PROPOSAL:



OUR WORK: The Problems Were Identified. Solutions were Proposed

RESULT: TC PUBLISHED THE SCOPING STUDY REPORT, FURTHER ACTION PENDING

RESEARCH

Survey Forms Circulated to:

- ☐ **Trucking Companies**
- ☐ **Ontario and Quebec Steel Fabricating Companies**

Interviews Were Conducted With:

- ☐ **Provincial Highway Permit Dep'ts and Regulators**
- ☐ **Regional and County Economic Development Agencies**
- ☐ **Provincial Economic Development Agencies**

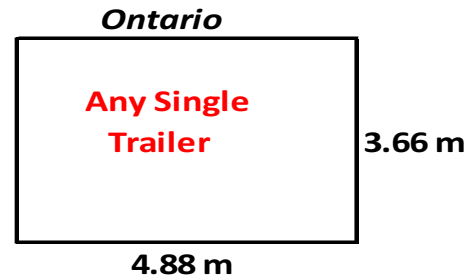
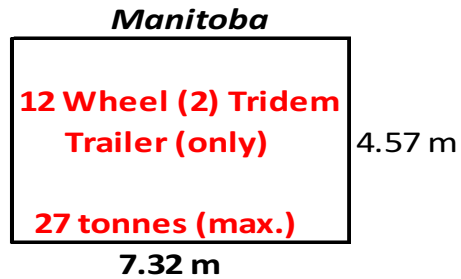
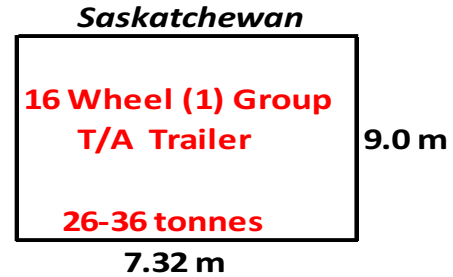
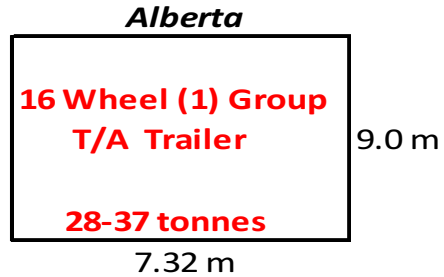
MAJOR FINDINGS:

- ❑ There is a complete absence of common, harmonized size and weight regulations between provinces.
- ❑ Alberta's High Load Corridor is the O-D "Gold" standard to meet
- ❑ There are no established and modified O-D truck routes in Ontario and Quebec, as exists in the HLC in Alberta, and parts of SK
- ❑ Red tape in permits, fees and trip delays in Eastern Canada, particularly Ontario "Superload" Regulations, virtually disqualifies its fabricators from Western O-D Project Cargo Business
- ❑ Often the cost of transportation in moving an O-D load out, or even within Ontario – is more than the value of the shipment itself
- ❑ It takes 27 weeks to win a Superload permit in ON. 30 days to actually transport an oil sands module from Korea to Ft. Mac!
- ❑ Some factories are using the St. Lawrence Seaway to barge loads – to Duluth, MN NOT Thunder Bay, ON



MODULE TRANSPORT RESTRICTIONS

Payload Dimensions & Weights



- Ontario Transport Envelope Based on Practical Long Haul Dimensions
- Axle Loading and Configurations Differ Significantly Between Provinces
- Permit Procedures, Times and Costs Differ Between Provinces, Counties, and Municipalities

Note: (1) Each axle in tandem axle group has 8 tires (see below) (2) Each axle in tridem group has 6 tires



Courtesy: Mammoet Transport

POTENTIAL MAJOR RESOURCE PROJECT CARGO IMPORTS**Forecast Estimates to 2035****Oilsands & Other Energy Projects*****tonnes ('000)***

New Projects (34 identified)

9,537

Other Projects

3,974

Sustaining MRO Volumes

2,962**16,473****Mining Industry**

New Mine Construction

1,228

Other Mines - Post 2017

3,685

Sustaining MRO Volumes

11,921

Post 2017 Mines - MRO Volumes

2,550**19,384****Pipeline Industry**

New Projects (11 Identified)

5,355

Projects Required Post 2023

1,190

Other Industry Imports

2,890**9,435**

Dimensional Load Routes to Alberta Oil Sands

LEGEND



DESTINATION



PORT CITY



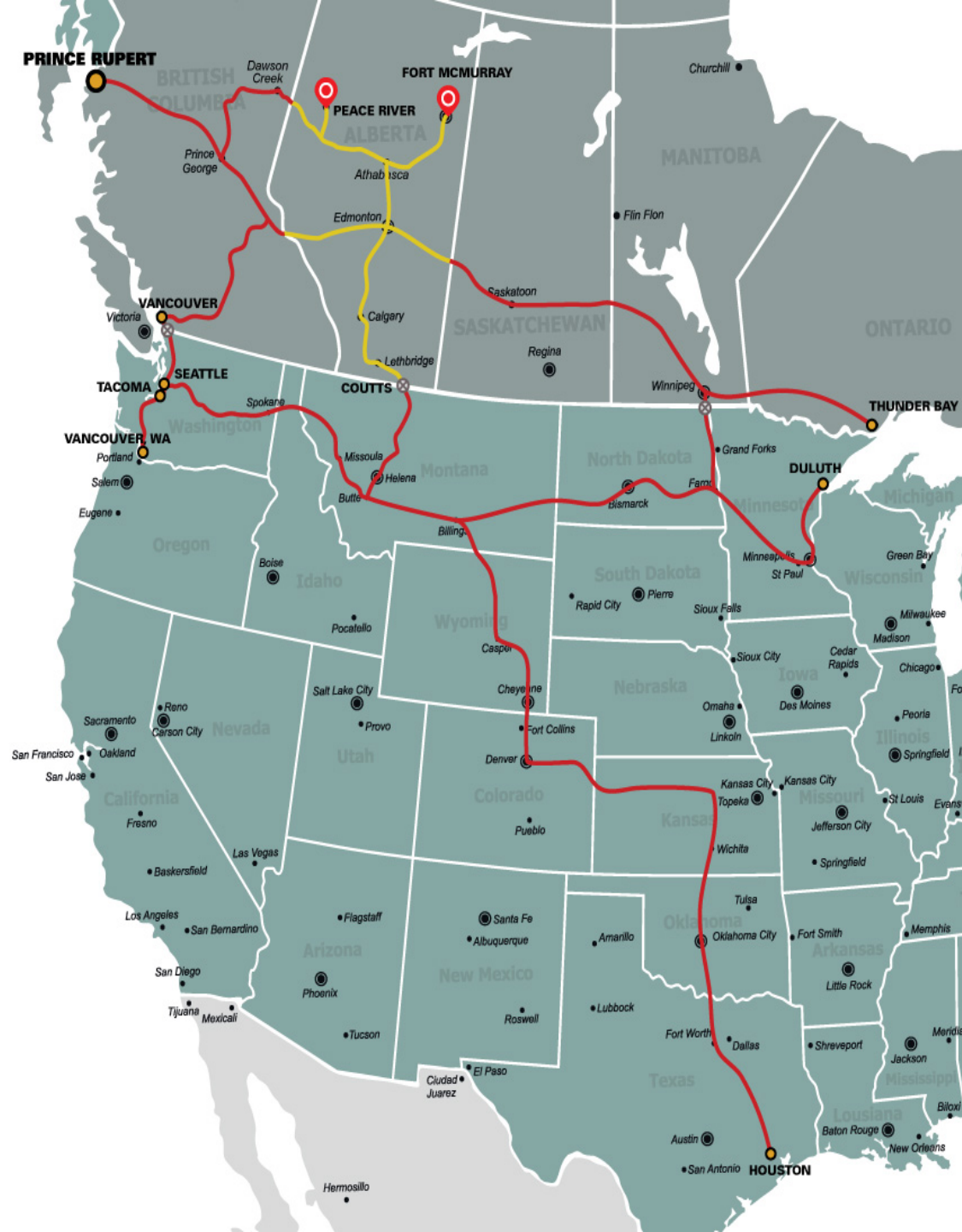
BORDER CROSSING



ALBERTA HIGH LOAD CORRIDOR



TRANSPORTATION ROUTES

















MAJOR RECOMMENDATIONS TO CTAR

- ❑ Identify, in each jurisdiction's major industrial areas, O-D truck routes to adjacent borders, that feature pre-determined, on-line permitting procedures and fees, and low-cost permanent clearances
- ❑ Establish a National Task Force modeled after the current TAC Committee seeking TAC-legal size and weight harmonization, also to be led by TC. Same objectives plus development of "through" O-D corridors, with system upgrades - including from west coast ports .
- ❑ The source province to process and issue a single O-D permit right to the project site, based on gradually increasing size and weight allowances, as the routes are upgraded to Alberta HLC "Gold" Std.
- ❑ Initial marine focus on de-bottlenecking the inter-modal route over Thunder Bay through to Alberta, recognizing lower barging costs on the Seaway from ON & PQ
- ❑ Encourage Eastern Canadian fabricators to "dial in" to resource projects as early as possible in project planning – to promote its product designs and services. Build relationships!
- ❑ All stakeholders to recognize the plan's Canadian "value-added" impact, in jobs and construction materials

British Columbia 97



Exit Street View



British Columbia 97

© 2012 Google
© 2013 Google

Google earth

[Report a problem](#)

55°43'12.06" N 121°12'53.01" W elev. 1850 ft

Eye alt 1846 ft



ON BEHALF OF:

- ☐ **The Van Horne Institute** *www.vanhorneinstitute.com*
- ☐ **PROLOG Canada Inc.** *www.prologcanada.com*

THANK YOU!