TRANSPORT CANADA’S NATIONAL TRADE CORRIDORS FUND

PNWER 2018 Annual Summit
Transportation Working Group - Working With Private Sector Partnerships
July 23, 2018
TRANSPORTATION 2030 – THE WAY FORWARD

1. Better travelers experience
2. Safer transportation
3. Greener and more innovative transportation
4. World class waterways and Northern transportation
5. Improve trade corridors to global markets
Of the $180+ billion, 12-year Investing in Canada Plan, $10.1 billion has been dedicated to trade and transportation, including:

- $5 billion for the Canada Infrastructure Bank to invest in trade and transportation; and
- $2 billion for the National Trade Corridors Fund (NTCF).
CANADA INFRASTRUCTURE BANK

CIB Model

- Priority Setting: Aligning and communicating CIB mandated priorities and allocating funds accordingly.
- Due Diligence: Sophisticated counterparty in deal structure, legal commitments.
- Risk Allocation: Allocate risks to the parties best positioned to manage them, commensurate to rates of return.
- Investment: Structure deals using federal investment to leverage private capital into revenue-generating projects.
- Project Structuring: Setting the project and financing structures to align with CIB mandate, formation of Project Co.’s and procurement structuring.
- Market Sounding: Engaging the private sector to gauge the interest for private capital on specific projects.
- National Project Pipeline: Broad-based national pipeline to raise profiles of Canadian projects with investor community. Projects in various stages from early development to those received initial review by the Bank.
- Advisory: Advice to all levels of government on revenue generating projects, and center of expertise on revenue generating projects which involve significant private sector investment.
- Data: Collect and disseminate data, in collaboration with the Federal & PIM governments, in order to monitor & assess the state of infrastructure in Canada, and to better inform investment decisions for infrastructure projects.
GOVERNMENT SPENDING

Overall share of transportation spending by mode and level of government, 2015/16

Source: Transportation in Canada 2016, Statistical Addendum, Table G2
Note: Uses gross expenditures and does not net out transfers
BUILDING ON SUCCESS

Experience with the Asia-Pacific Gateway and Corridor Initiative and Gateways and Border Crossings Fund shows that:

1. Strategic infrastructure projects can have transformative effects
2. Gateways banner served as a catalyst for difficult changes
3. Convening diverse stakeholders to solve problems is important
4. There is a strong federal role to link transportation and trade
5. Outreach, marketing and research are key enablers
6. With success comes recognition, and competition from other jurisdictions

Public, industry and academic stakeholders echoed these points in the 2016 Ministerial consultations for Transportation 2030
NTCF OVERVIEW

$2 billion, 11-year, competitive, merit-based program to:

- Build stronger, more resilient, and more efficient transportation corridors to international markets
- Help Canadian business to compete, grow and create jobs
- Support investments in critical transportation needs in the territories with up to $400 million dedicated to the North
FIRST CALL FOR PROPOSALS

NTCF design is informed by consultations and lessons from past programs

- Using **competitive, merit-based processes**: first call for proposals in 2017 to address immediate issues and develop a “project pipeline”

- **Targeting investments** to assets that support economic activity and trade flows: Canada’s economic health correlates with trade success

- Strengthening reliability and **resilience to climate change** and extreme weather

- **Leveraging**: multiplies impacts and broadens support for projects
FIRST CALL: INTAKE

Number of Expressions of Interest received for NTCF
358 seeking $16.9 billion

Number of screened-in applicants through the EOI phase who submitted comprehensive proposals
177 seeking $7.5 billion
KNOWN CHALLENGES IN THE WEST

- Highway congestion in Rocky and Coast Mountains Nat’l Parks
- Prince Rupert needs to diversify export mix
- Persistent bottlenecks in Lower Mainland at modal interfaces and growing volumes
- Road capacity pressures around western cities
- Weather/landslides disrupt rail in the Fraser Canyon
ANNOUNCED PROJECTS
ANNOUNCED PROJECTS IN THE WEST
CASE STUDY: VANCOUVER
CASE STUDY: VANCOUVER

$604.8 million ($222.9 million from the NTCF) for 7 projects to build initial priorities from the Greater Vancouver Gateway 2030 Vision for Trade Growth
FUTURE CALLS

Call for proposals for projects in the North will launch later this year

- Address community needs, including safety and economic development

TC is also building its capacity to support trade growth and supply chain performance by:

- Integrating the department’s existing regional and modal knowledge, infrastructure programming expertise, and advanced data analytics
- Building additional capacity to collect quantitative and qualitative evidence regarding existing bottlenecks, trade trends, and investment
- Engaging stakeholders, including shippers and international partners, on trade and transportation infrastructure and policy
- Promoting Canada’s trade and logistics advantages internationally
QUESTIONS?