

# NORTHEAST CANAM CONNECTIONS:

INTEGRATING THE ECONOMY AND TRANSPORTATION

## Lewiston & Auburn Railroad Company

April 8, 2009  
Lewiston, Maine

*Presented by:*  
WILBUR SMITH ASSOCIATES

- Global Insight  
- HDR, Inc.  
- ITRANS Consulting

- Opus International  
- Davidson-Peterson Associates  
- Stafford Business Advisors

*Project Advisor:*  
ECONOMIC DEVELOPMENT  
RESEARCH GROUP



## COLLABORATION PROCESS

1. History
2. Study Areas
3. Management
4. Analysis



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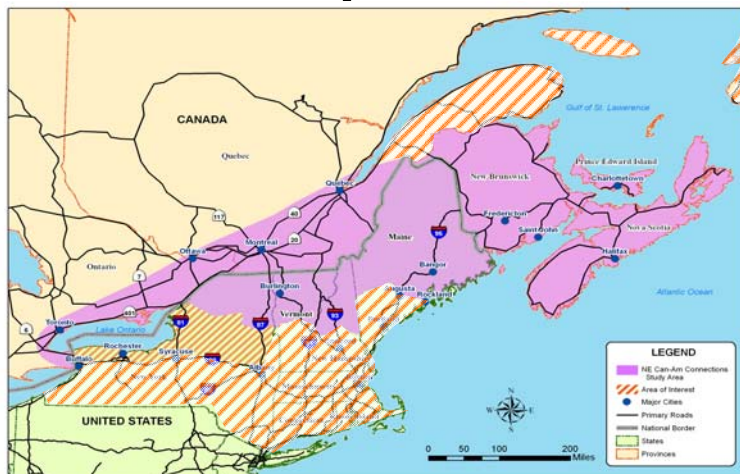
# History

- 2005 Congressional funding for a “comprehensive study of transportation deficiencies affecting economic development of the Northeast Border Region”
- Formation of multi-state/ multi-province Steering Committee
- International initiative named **“Northeast CanAm Connections: Integrating the Economy and Transportation”**

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# Study Area



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## Steering & Management Committees

- Departments/Ministries of Transportation and of Economic Development
- (US) Vermont, New Hampshire, Maine, New York; (Canada) New Brunswick, Nova Scotia, Ontario, Prince Edward Island, Québec, Newfoundland and Labrador.
- Meetings in Montréal (2), Saint John, Boston (2), and Portland over 2006-2008

## Analysis

- **Consultants:** Led by Wilbur Smith Associates with HDR (Mass., Ontario), Global Insight (Mass, Ontario), iTrans Consulting (Ontario), Opus Int. (New Brunswick), Stafford Business Advisors (Maine), Davidson-Peterson Associates (Maine). Technical direction by Economic Development Research Group (Mass.)
- **Interviews:** over a hundred: key industries leaders and major regional economic development agencies throughout the states and provinces.
- **Assessment:** (1) Economic Competitiveness and (2) Transportation Adequacy

# ECONOMIC CHALLENGES

1. Lagging Economic Indicators
2. Unmet Economic Opportunities
3. Future Global Trade

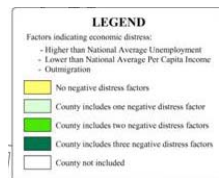


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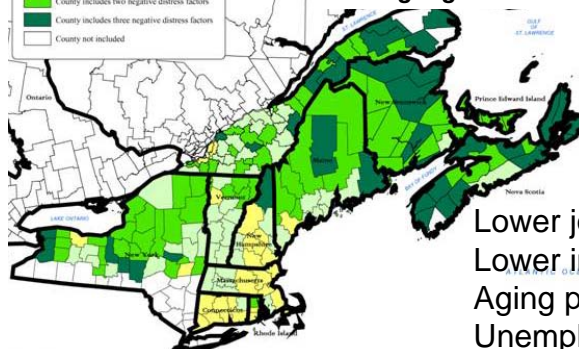


## Lagging Economic Indicators

Compared to Rest of North America



***“The region has not enjoyed the same level of robust economic growth as other major trading regions in North America.”***



Lower job growth  
Lower income growth  
Aging population  
Unemployment (Non-metro)

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# TRANSPORTATION CONSTRAINTS

1. Highway Network Limitations
2. Limited Mode/Route Options
3. Circuitous Routes Raise Costs
4. Cut Off by Future Congestion?

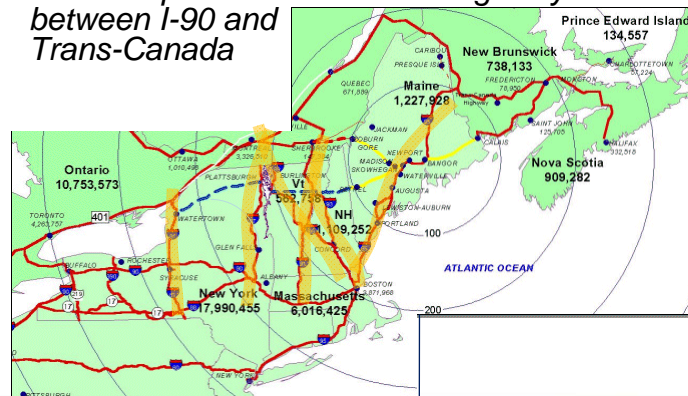


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## E-W Hwy Network Limitations

**Six North-South Interstate Highways**  
*... but No Equivalent East-West Highways*  
between I-90 and Trans-Canada

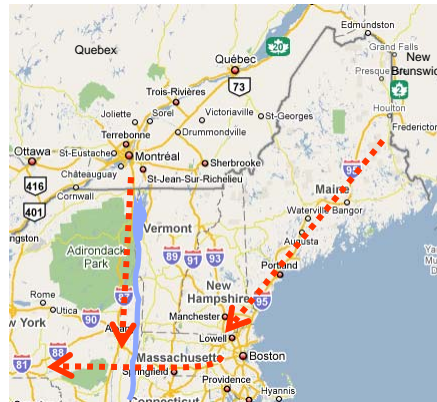


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# Limited Mode / Route Options

- Lake Champlain/ Hudson constrain E-W movement
- Lower rail use, higher truck use for east side
- 65% higher truck freight costs
- More circuitous routes for east-west movement
- Trade funneled to NYC routes, facing congestion

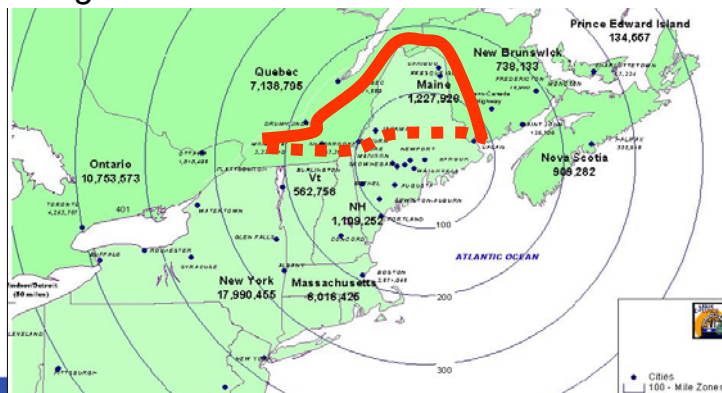


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# Circuitous Routes Raise Cost

*Cross-Border regulation inconsistencies and border crossing process delays encourages higher cost routings*

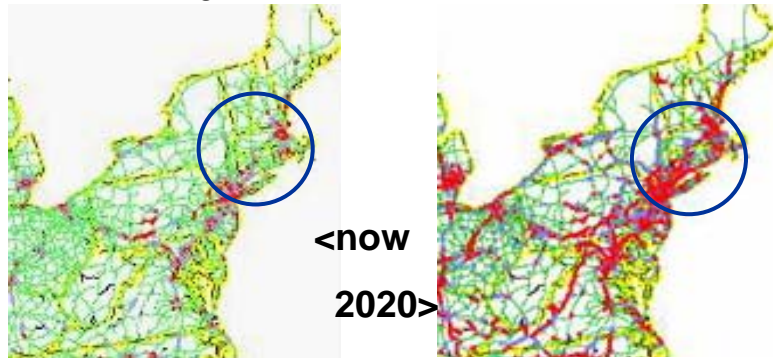


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## Cut Off by Future Congestion?

*New England States rely on congested routes via New York Region for Major N-S and E-W Freight Flows, raising costs*



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## DIRECTIONS FOR IMPROVEMENT

1. Address Road & Rail Network Limitations
2. Develop Regional Economic Links
3. Positioning for Global Trade
4. Pursue Six Economic Growth Paths



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# Pursue Six Economic Growth Paths

*Taking advantage of strategic location*

1. Fill in the “**hollow middle**” (lack of intra-regional trade);
2. Expand **exports** by positioning to increase global trade;
3. Grow **transshipment link** in Great Lakes to Atlantic trade;
4. Become a **crossroads** for N-S and E-W trade flows;
5. Expand **markets** for regional specialty industries
6. Address broader **bi-national issues**.

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# Address Road & Rail Limitations: E-W Connectivity

*Connectivity of Seaway & Great Lakes Region  
to Atlantic Coast Region*

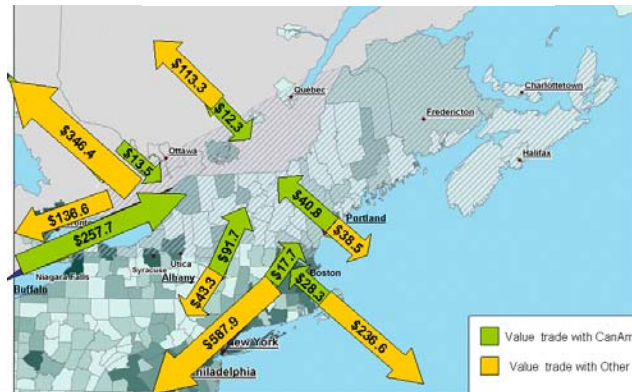


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# Develop Links Between Periphery Econ. Centers and CanAm Region

Fill in the "Hollow Middle"

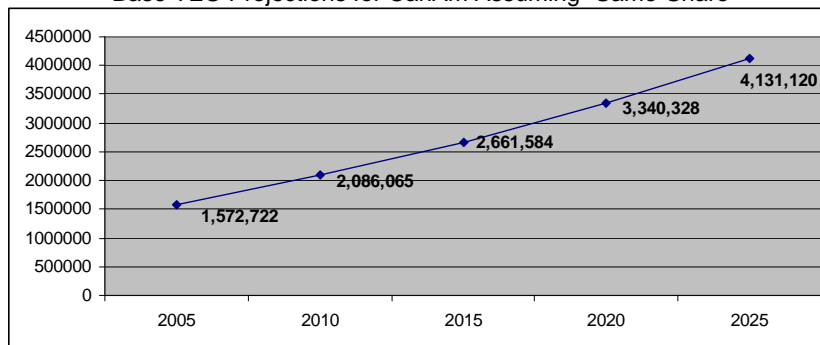


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# Positioning for Global Trade

Base TEU Projections for CanAm Assuming "Same-Share"



17.9% share

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# DRAFT RECOMMENDATIONS AND POTENTIAL PAYOFFS

1. Timing: Near-Term and Long-Term
2. Additional Strategy Directions
3. Overall Payoffs
4. Specific Benefits



## Actions

### **Near Term**

- Support investment in Atlantic & Continental Gateways
- Pilot study for cross-border truck harmonization

### **Medium Term**

- Truck-friendly northern east-west highway
- Improve east-west short line freight rail service

### **Long Term**

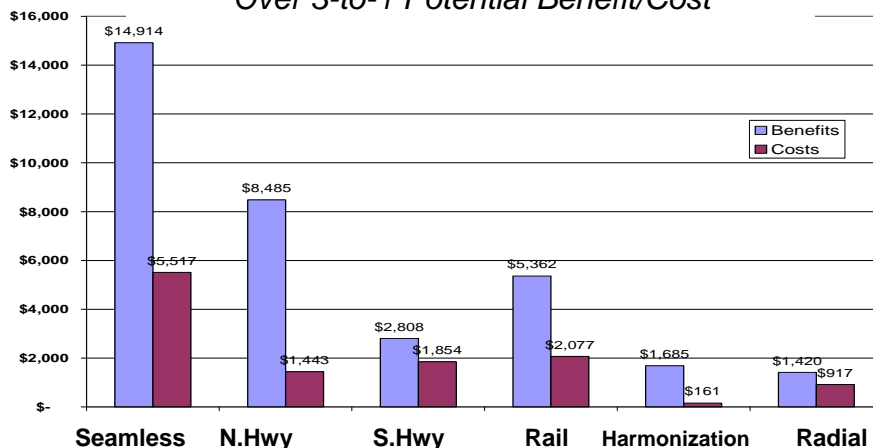
- High speed intermodal east-west rail corridor:
- Limited access southern east-west highway corridor(s)

## Additional Recommendations

- Full Truck Size-Weight Harmonization and “Seamless Border”
- Regional “inland-port” strategic analysis
- Regional tourism marketing strategy
- Institutional arrangements for ongoing cooperation in planning and project development

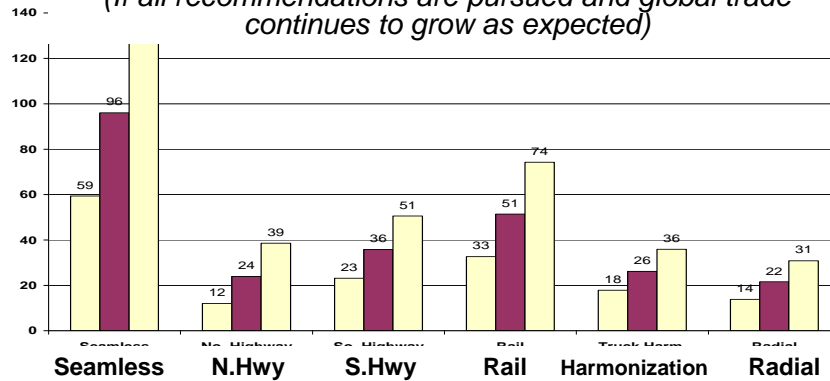
## Levels of Benefit & Cost

*Over 3-to-1 Potential Benefit/Cost*



## Range of Employment Impact

*Potential for 100,000 additional jobs created by 2035  
(If all recommendations are pursued and global trade continues to grow as expected)*



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## Will We Succeed?



- Economic globalization - implications for freight
- Transport networks - critical role in linking markets.
- Region competitiveness – ability to accommodate far-flung supply chains, changing trade lanes, logistics revolution and shift towards service & technology-based economy.

[www.CanAmConnections.com](http://www.CanAmConnections.com)

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