

**2025 Federal Pre-Budget Submission**

**The Western Transportation Advisory Council (WESTAC)**

**RECOMMENDATION**

The Western Transportation Advisory Council (WESTAC) welcomes the opportunity to share our pre-budget submission.

**Recommendation: The federal government prioritize the recapitalization of the National Trade Corridor Fund with a particular focus on projects of national significance in the Western Trade Corridor to support the development of trade infrastructure in collaboration with the private sector.**

## **WHO WE ARE**

WESTAC is a council of organizations in the transportation sector represented by senior decision-makers. WESTAC's members span all aspects of freight transportation in Canada. They include carriers and logistics providers, ports and terminals, shippers, labour unions, and three levels of government. Members represent a significant share of the Western Canadian economy.

WESTAC's members include:

- Three Class 1 railways
- Canada's largest ports: Vancouver Fraser Port Authority and Port of Prince Rupert
- Canada's largest exporters: Elk Valley Resources, Canpotex, Viterra and West Fraser
- Canada's largest importer: Canadian Tire
- Canada's largest unions representing transportation workers: ILWU Canada, Teamsters and Teamsters Canada Rail Conference
- Four western provinces, two territories, Transport Canada and Metro Vancouver

We focus on issues that affect Western Canada's freight transportation network to ensure that it is safe, efficient, reliable, and competitive. Further details of WESTAC members are noted in the annex.

## **TRADE & TRANSPORTATION**

Canada is a trading nation. According to the World Bank, trade accounts for 67% of the Canadian GDP.<sup>1</sup> Our network of highways, railways and ports enables Canada's trade-dependent economy. This transportation system supports our economic wealth and provides the tax base and government revenues to pay for what is important to Canadians. The future economic well-being of every Canadian depends on having the most efficient, reliable, and globally competitive transportation system possible.

Confidence in the reliability of Canada's trade corridor infrastructure has declined when it is needed the most.<sup>2</sup> Stalling on trade enhancing corridor and infrastructure development will further impact our reliability and competitiveness with other economies in the world. Research by the World Economic Forum from 2019 highlights that Canada's competitiveness ranking on the quality of overall infrastructure dropped from 10<sup>th</sup> in 2008-09 to 26<sup>th</sup>, behind all other G7 nations. In recent years, WESTAC's annual Compass Reports have highlighted a widespread acknowledgement among senior transportation leaders that Canada's competitiveness and reputation are in decline.<sup>3</sup>

In 2023, Canada traded \$1.5 billion worth of merchandise with world economies, comprised of \$768 billion in exports and \$770 billion in imports. With just 32% of the national population, Western Canada accounts for \$345 billion, or 44% of all Canadian merchandise exports.<sup>4</sup> Given Western Canada's significant export contributions, prioritizing substantial investment in western trade transportation infrastructure within the National Trade Corridor Fund (NTCF) is logical.

With increased instability worldwide that continues to disrupt global supply chains, Canada has the natural assets the world needs from agri-food, fuel, fertilizer, critical minerals and more. Investment in infrastructure projects of national significance in Western Canada will ensure Canadian products can continue to provide these goods to world markets.

### **Canada's Productivity Problem**

Canada has a productivity problem and has seen no productivity growth in recent years. Over the past four decades, we have slipped significantly compared to other countries. Relative to the United States, among G7 countries, we are now second only to Italy when it comes to productivity decline.

Strong productivity leads to faster growth, more jobs, and higher wages, which is a critical way to protect the economy from the risks of high inflation. Hedging against inflation is important, and factors threatening our transportation and supply chains also threaten further inflation. Our ability to address global trade tensions, changing demographics and the economic impacts of climate change is limited. We can ramp up our productivity as a buffer against these forces to assist in future-proofing the Canadian economy.

Canada has invested considerable effort in addressing the human side of the productivity equation through increased immigration and investment in skills training. It is time to prioritize capital investment in the fight against inflation.

### **The Solution**

Historically, the formula for our country's success has been straightforward—invest in the transportation system, and prosperity would follow. It took a leap of faith to construct transcontinental railways, the National Highway System, the St. Lawrence Seaway and regional ports and airports. However, it led to the creation of a responsive, reliable transportation system that serves as the foundation for the Canadian economy. Fundamental shifts in global trade patterns, climate-induced supply chain disruptions, geopolitical risks, increased demand for Canadian products, and the Canadian productivity problem necessitate further bold capital investment.

The National Trade Corridors Fund has proven successful in encouraging private sector investment to enhance our trade transportation infrastructure. The last significant investment in the NTCF was in 2021, and the fund is now fully subscribed.

The government-appointed National Supply Chain Task Force commissioned a report that estimated that over 50 years from 2020 to 2070, investments of \$4.4 trillion (or approximately \$88 billion per year) are required in Canadian marine and transportation infrastructure. Without recapitalizing the NTCF, we are falling farther behind in the necessary infrastructure investments.

### **RECOMMENDATION**

**Recommendation: The federal government prioritize the recapitalization of the National Trade Corridor Fund with a particular focus on projects of national significance in the Western Trade Corridor to support the development of trade infrastructure in collaboration with the private sector.**

This investment is crucial for enhancing productivity and economic growth by ensuring efficient, reliable and competitive trade corridors. A special focus is necessary for Western Canada, home to the country's two largest ports (Vancouver and Prince Rupert) and numerous nationally significant infrastructure projects requiring investment.

**CONTACT**

Comments and questions can be directed to Lindsay Kislock, President & CEO, at 604.687.8691 or [lkislock@westac.com](mailto:lkislock@westac.com).

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<sup>1</sup> Source: [The World Bank](#) (Accessed August 2, 2023)

<sup>2</sup> From Shovel Ready to Shovel Worthy, The Path to a National Trade Infrastructure Plan for the Next Generation of Economic Growth, May 2022.

<sup>3</sup> WESTAC [Compass Report 2024](#). The annual Compass survey is a unique WESTAC product that highlights critical insights, expectations and plans articulated by leaders and executives in Western Canada's transportation sector.

<sup>4</sup> Statistics Canada Trade Data Online, all figures are in \$CDN and include re-exports and re-imports. Population based on 2021 Census data

# MEMBERS

## GOVERNMENTS

### Government of Alberta \*

Hon. Devin Dreeshen  
Minister of Transportation  
and Economic Corridors

### Government of British Columbia \*

Hon. Rob Fleming  
Minister of Transportation  
and Infrastructure

### Government of Manitoba \*

Hon. Lisa Naylor  
Minister of Transportation  
and Infrastructure

### Government of Saskatchewan \*

Hon. Lori Carr  
Minister of Highways

### Transport Canada \*

Hon. Pablo Rodriguez  
Minister of Transport

### Government of the Northwest Territories

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Minister of Infrastructure

### Government of Yukon

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Minister of Highways  
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Community Services

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### CPKC \*

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Executive Vice-President,  
Strategic Planning and  
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Officer

### BC Coast Pilots Ltd.

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### BC Maritime Employers Association

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President and CEO

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Derek Ollmann  
President

### SRY Rail Link

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Business Development

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Enno Koll  
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### Port of Nanaimo

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### The St. Lawrence Seaway Management Corporation

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### Thunder Bay Port Authority

Chris Heikkinen  
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### Western Group

Matthew May  
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Vice President, Potash

### Canadian Tire Corporation, Limited

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Senior Vice President,  
Supply Chain Operations

### Canpotex Limited

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### Cenovus Energy Inc.

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& Logistics

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## LABOUR

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### BC Ferry & Marine Workers' Union (BCFMWU)

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### Grain Workers Union Local 333

[Douglas Lea-Smith](#)  
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International VP  
International Brotherhood  
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## HONORARY DIRECTORS

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