

# ON TRAC



**THE VAN HORNE INSTITUTE**

Issue #31, Winter 2006

## In this Issue

A Message from the Honorable Dr. Lyle Oberg, Minister of Infrastructure and Transportation

Launch of Transportation and Logistics Program

Distinguished Speaker Series

- Mr. Sean Finn
- Hon. Dr. Lyle Oberg
- Captain Gordon Houston

The Transportation Sector in Alberta: Present Position and Future Outlook

Northern Transportation Conference 2005

Shell Joins the Institute

Anthony Perl Manuscript

UVS Business Case

Van Horne Members & Contact Information

## A Message from the Honorable Dr. Lyle Oberg Minister of Infrastructure and Transportation

We have many reasons to be optimistic about Alberta's future—particularly in terms of infrastructure.

Last year set a template for success. The Alberta government allocated record funding for Alberta's infrastructure—much of it going directly to municipalities to address their priorities.

We also made headway on major projects, including Alberta's leg of the CANAMEX Trade Corridor and the Calgary and Edmonton ring roads.

Innovation will play a growing role in the year ahead. I look forward to working with the Van Horne Institute to create new ways to secure Alberta's position as a leader in infrastructure and transportation.

## Launch of Transportation and Logistics Program

On December 9<sup>th</sup>, the long-awaited Transportation and Logistics Program was launched in Calgary by the Van Horne Institute. The launch took place at Supply Chain Management in Northeast Calgary in the presence of the Honourable Dr. Lyle Oberg, Minister of Infrastructure and Transportation, the Honourable Dave Hancock, Minister of Advanced Education, President, Harvey Weingarten, of the University of Calgary, President, Irene Lewis of the Southern Alberta Institute of Technology, and President, David Marshall of Mount Royal College. Also in attendance were Van Horne Board Chair, Bob Brawn, Board members Darshan Kailly of Canadian Freightways, Alan Gibson of Purolator Courier, Steve Shepherdson of Schenker Canada, Jim Bergeron of Lafarge Canada Inc., Kevin Doyle, Chair of the Transportation Centre, Dean Steve Randall, Dean Brian Moukperian, Nigel Waters, Honorary Board member, and Chairman Emeritus, Art Smith.

Supply Chain Management was chosen as the locale because of the high tech interface between transportation and warehousing. Supply Chain Management is the third party logistics provider for Wal-Mart who services all of the Wal-Mart stores, from the Manitoba/Ontario border through to Vancouver Island, out of a two million square foot warehouse.

At a joint news conference, the Institute announced the 2 + 2 transportation program at SAIT and the University of Calgary. The announcement also served as the kick-off for a fundraising campaign in support of the program, which will be co-Chaired by Pat Daniel, President and CEO of Enbridge and Rob Ritchie, CEO of Canadian Pacific Railway.

Minister Lyle Oberg spoke of the need to develop skilled workers in the field of transportation logistics to support the growing economy of Alberta and Canada. Minister Hancock indicated his support for this educational initiative, pledging to match the funds raised by the private sector fundraising campaign. The target is \$13 million, which will be utilized to fund the programs at both SAIT and the UofC over a ten-year period. The commitment for funds from both the private sector and the Government will be spread out over a 10 year period.

We believe that this goal is achievable and further information will be shared in future newsletters.

## Distinguished Speaker Series

### **Mr. Sean Finn**

**Senior Vice-President Public Affairs, Chief Legal Officer and Corporate Secretary  
CN**

*Event Date: October 20, 2005*

Sean Finn joined CN in 1994 and was appointed Senior Vice-President Public Affairs, Chief Legal Officer, and Corporate Secretary in February of 2003. He is responsible for CN's public affairs, government affairs, law and risk management functions.

Mr. Finn observed that the ten years since CN's privatization have been an amazing ride for a company that has gone from worst to first in the North American rail industry. It is a story of powerful vision of what it takes to run a great railroad. Mr. Finn described CN as being Canada's Railroad, stating "success breeds success". His engaging discussion highlighted CN's response to the Lake Wabamun Incident, which created a public affairs and operational challenge to the company. He gave the audience a look into the future of CN as the Government of Canada and the transportation industry develop the Pacific Gateway Strategy.

### **Hon. Dr. Lyle Oberg**

**Minister of Infrastructure and Transportation  
Government of Alberta**

*Event Date: October 24, 2005*

Dr. Oberg was first elected to the Legislative Assembly in 1993 for the constituency of Bow Valley and was re-elected for three additional terms, most recently in November 2004, in the constituency of Strathmore-Brooks.

Dr. Oberg was appointed minister of Family and Social Services in March 1997. In May 1999, Dr. Oberg was appointed Minister of Learning, a post he held until November 2004. Following his re-election in the November 22, 2004 election, Dr. Oberg was appointed Minister of Infrastructure and Transportation.

Minister Oberg's vision for infrastructure and transportation is one of collaboration and innovation where the best idea wins. As government has to balance the ever-increasing demand for building and transportation infrastructure with priorities and available funding, Dr. Oberg wholeheartedly supports new ways of doing business, which includes such concepts as public-private partnerships.

### **Captain Gordon Houston**

**President & CEO  
Vancouver Port Authority**

*Event Date: November 30, 2005.*

Captain Houston is now in his 42<sup>nd</sup> year in Marine transportation. Following a 24 year seagoing career, he became the Harbour Master for the port of Prince Rupert. Houston served as the Vancouver Port Authority Vice President of Operations and in March 2001 was appointed President & CEO.

Captain Houston's speech was forward-looking. He enthusiastically discussed the Pacific Gateway Strategy and how the Vancouver Port Authority is working towards achieving the goals of this strategy. He also highlighted how Canada also needs to ensure wise investments are made into its transportation infrastructure to guarantee a successful modal partnership, and to guarantee that a successful supply chain exists between the Port and its customers across western Canada in order to compete with expanding ports.

## The Transportation Sector in Alberta: Present Position and Future Outlook

The importance of transportation to the overall prosperity of a society has long been recognized. At the same time, it often suffers from "obvious obscurity" – there is a tendency to take for granted the critical role and importance of this sector. In 2003, the Alberta Economic Development Authority (AEDA) commissioned the Van Horne Institute and PROLOG Canada Inc. to conduct a study that examined the transportation system in Alberta, with particular emphasis on the goods movement sector.

The two-fold objective of that study was to: a) demonstrate the importance of the transportation and logistics sector to the Alberta economy; and b) analyze future Alberta trends as a basis for determining what actions are required from government and industry with respect to infrastructure, carrier services and prevailing regulation. The report included a number of transportation-related items to be acted upon by the government and industry in support of a growing Alberta value-added economy over the ensuing decade.

The Institute and PROLOG updated the key statistics and re-examined the action items in terms of developments and stakeholder responses that have occurred since the original 2004 report was completed. This report is now available on the Van Horne website; [www.vanhorne.info](http://www.vanhorne.info).

## Northern Transportation Conference 2005

The Van Horne Institute, in partnership with WESTAC and the Transport Institute at the University of Manitoba, organized the Northern Transportation Conference in Yellowknife held November 8-10. The conference hosted over 140 delegates from industry, government, community groups, industry associations, academia, etc.

The conference began with a tour of Aurora College's diamond cutting and polishing facility. Aurora College is one of three educational facilities in the world that teaches diamond cutting and polishing. Mike Botha, a professor at the College, gave 20 conference delegates a lesson on the process of diamond cutting and polishing and how it integrates into the Canadian economy. He also allowed us to interact with some of the College's students as they were practicing their trade.

The conference program got underway on November 9<sup>th</sup> with keynote addresses by Hon. Joe Handley, Premier of the Northwest Territories and Hon. Ethel Blodin-Andrew, Minister of State for Northern Development, Indian and Northern Affairs, on a Northern Vision, Priorities and Expectations. Throughout the day, further discussions included transportation partnerships, the development of a picture by the Deputy Ministers of the Territories of the current northern transportation infrastructure and discussion of air, surface, and marine transportation challenges in stimulating panel sessions. During lunch, we were honoured to have Margaret Purdy, Special Advisor to the Deputy Minister from Transport Canada join us. She delivered words on behalf of the Minister, and outlined special projects she has worked on in transportation security. The evening gave way to networking opportunities and entertainment where, Lee Mandeville, a talented young local, award-winning, fiddler played a series of musical sets.

Day 2 of the conference discussions highlighted issues and efforts in pipeline development, climate change, and sovereignty and security in the north. In the last session of the day, delegate groups were challenged by Dr. Paul Larson of the Transport Institute to come up with five key issues they felt needed to be addressed in order to move towards creating an action plan for northern transportation. The energy of the delegates was high and they responded very quickly to the opportunity to communicate their thoughts and ideas for the future of northern transportation.

The conference was a great success and we look forward to revisiting this topic in 2 years at another northern location. Conference proceedings are being developed by the University of Manitoba Transport Institute and will be made available in the near future.

## Shell Canada Joins the Institute

The Van Horne Institute is pleased to welcome Shell Canada Limited as a member. Shell Canada is one of Canada's largest integrated petroleum companies producing natural gas, natural gas liquids and bitumen. Shell Canada is a leading manufacturer, distributor and marketer of refined petroleum products and is also this country's largest producer of sulfur.

The company is divided into major business units of exploration and production, and oil sands and oil products supported by a number of corporate departments.

Dr. Larry W. Marks, Vice President, Marketing and Transportation, will represent Shell Canada Limited on the Board of Directors of the Van Horne Institute. The transportation and regulatory challenges faced by Shell Canada in conjunction with the company's support for the development of skilled workers in the field of transportation and logistics, makes Shell Canada's membership in the Institute valuable and timely.

## Anthony Perl Manuscript

Dr. Anthony Perl's manuscript, "An assessment of Canadian Rail Passenger Policy", is a study based on research undertaken for Dr. Perl's earlier study of North American rail policy "New Departures: Rethinking Rail Passenger Policy in the 21st Century," published in 2002. The manuscript evaluates VIA's origins and recent past. It discusses how re-examining transportation policy options could identify new strategies that would support the renewal of rail passenger service. This study favours passenger rail as a practical and economic alternative to other modes.

Dr. Perl's manuscript will be available on the VHI website in the near future.

## UVS Business Case

Aviation Alberta requested the development of a Business Case for a Canadian Centre for Unmanned Vehicle Systems. The unmanned vehicle systems (UVS) sector is growing in importance for all modes of transportation. The proposed Canadian Centre would be Pan Canadian in its approach to the promotion and development of research and commercialization of UVS technology on a collaborative basis within the UVS industry. The Centre will work with government, industry, and university participants to develop applications for marine, land and aviation.

The Institute was asked to participate in the development of this Business Case by the Haskayne School of Business. This Business Case will be presented for validation to industry and to government in the next few months.

# VAN HORNE INSTITUTE MEMBERS

Acclaim Energy Inc.  
Air Canada  
Air Transport Association of Canada  
Alberta Energy & Utilities Board  
Alberta Electric System Operator  
Alliance Pipelines Ltd.  
Altalink L.P.  
Aviation Alberta  
Bell Canada Enterprises  
Bombardier  
Borden Ladner Gervais LLP  
Calgary Airport Authority  
Calgary Economic Development  
Canadian Air Transport Security Authority  
Canadian Freightways Limited  
Canadian Pacific Railway  
Canadian Transport Lawyers' Association  
Cargolux Airlines International S.A.  
CN  
Duke Energy Gas Transmission  
Edmonton Regional Airports Authority  
Enbridge Inc.  
Enmax Corporation  
Exel Global Logistics  
Fasken Martineau DuMoulin  
Fortis Alberta  
Fraser Milner Casgrain  
Global Public Affairs  
Government of Alberta  
Greyhound Canada Transportation Corp.  
IBM Business Consulting Services  
KPMG Corporate Finance Inc.  
Lafarge Canada Inc.  
Lawson Lundell

Lehigh Inland Cement Limited  
Macleod Dixon  
McCarthy Tétrault  
McLennan Ross LLP  
National Energy Board  
NAV CANADA  
NorTerra Inc.  
OmniTRAX, Inc.  
Osler, Hoskin & Harcourt Ltd.  
Pacific Western Transportation Ltd.  
Public Policy Forum  
Purolator Courier Ltd.  
Rocky Mountaineer Railtours  
Schenker Canada  
\*Shell Canada  
Siemens Canada  
Southern Alberta Institute of Technology  
Sultran Ltd.  
Teamsters Canada  
TELUS Corporation  
TransCanada PipeLines Limited  
Transport Canada  
University of Alberta  
University of Calgary  
Vancouver Port Authority  
VIA Rail Canada Inc.  
Western Transportation Advisory Council  
WestJet Airlines Ltd.  
yyC.T Joint Venture

\* Denotes new members

**The Van Horne Institute**  
Room 620  
Earth Sciences Building  
University of Calgary  
2500 University Drive NW  
Calgary, Alberta T2N 1N4

**PHONE:** (403) 220-8455  
**FAX:** (403) 282-4663  
**E-MAIL:** [vanhorne@ucalgary.ca](mailto:vanhorne@ucalgary.ca)  
**WEBSITE:** [www.vanhorne.info](http://www.vanhorne.info)

## Key Contacts

**Peter Wallis**  
President & CEO

**Sarah Ingram**  
Programs Manager

**Gail Pellerin**  
Snr. Administrative Assistant

The Van Horne Institute has been established to address important transportation and related regulatory issues confronting industry and government, in North America and internationally, through education and research. The Institute was incorporated federally in 1991 as a not-for-profit organization, and was granted affiliation with the University of Calgary in January 1992, the University of Alberta in 1998, and with SAIT in January 2000.