AN INLAND PORT IN A STORM

FEBRUARY 11, 2009

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Manitoba Infrastructure and Transportation
G2 Logistics

Presented by:
Transport Institute
5th Annual Supply Chain Connections Conference

An Inland Port in a Storm

February 11, 2009

Winnipeg, Manitoba

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5th Annual
Supply Chain Connections Conference
February 11, 2009
The Hotel Fort Garry
Winnipeg, Manitoba

An Inland Port In A Storm

Agenda

8:30 – 8:55 a.m.  Continental Breakfast

Session 1 Chair – Dr. Barry E. Prentice, Department of Supply Chain Management, Asper School of Business

8:55 a.m.  Welcoming Remarks
Hon. Andrew Swan
Minister of Competitiveness, Training and Trade Province of Manitoba

9:00 - 10:15 a.m.  “Promoting CentrePort”

Speakers:
Mr. Bill Morrissey
Senior Vice President, Sales & Marketing
Winnipeg Chamber of Commerce

Mr. Greg Dandewich
Chair, North American Inland Port Network
Vice President & Director, Economic Development, Destination Winnipeg

Roundtable Discussion

10:15 - 10:30 a.m.  Networking Break
Session 2 Chair – Dr. Paul D. Larson, Director, Transport Institute

10:30 - 11:50 a.m. “North American Inland Ports – Lessons Learned”

Speakers: Dr. Jean-Paul Rodrigue
Associate Professor, Global Studies & Geography
Hofstra University, U.S.A.

Dr. Skip Walter
Professor of Supply Chain & Logistics Management
Iowa State University

Roundtable Discussion

12 Noon - 1:30 p.m. LUNCHEON

Keynote Speaker - Mr. Victor Deyglio
President
The Logistics Institute

Afternoon Chair – Dr. Matthew Morris
Department of Supply Chain Management
I.H. Asper School of Business

Manitoba
G2 Logistics
A Better Way to Handle Your Freight

SCL
Purchasing Management Association of Canada
1:30 - 2:45 p.m. “The Transportation Part”

Speakers: Ms. Melanie Hewson & Mr. Gordon Graham
Directors of Sales & Marketing, Intermodal CN

Mr. Gary Deason
Director, Cargo
Winnipeg Airports Authority

Roundtable Discussion

2:45 - 3:15 p.m. Networking Break

3:15 p.m. - 4:30 p.m. “CentrePort in the City and the Province”

Speakers: Mr. Richard Danis
Director, Transportation Policy & Service Development
Manitoba Infrastructure & Transportation

Mr. Glen Laubenstein
Chief Administrative Officer
City of Winnipeg

Roundtable Discussion

4:30 p.m. CLOSING REMARKS
5th Annual Supply Chain Connections Conference
An Inland Port in a Storm

Participants List

Speakers (in order of appearance)

Dr. Paul D. Larson
Hon. Andrew Swan

Dr. Barry E. Prentice

Bill Morrissey
Greg Dandewich
Dr. Jean-Paul Rodrigue
Dr. Skip Walter
Victor Deyglio
Dr. Matthew Morris

Melanie Hewson
Gordon Graham
Gary Deason
Richard Danis
Glen Laubenstein

Transport Institute
Minister of Competitiveness,
Training & Trade, Province of
Manitoba
Dept. of Supply Chain Management
Asper School of Business
Winnipeg Chamber of Commerce
NAIPN & Destination Winnipeg
Hofstra University
Iowa State University
The Logistics Institute
Dept. of Supply Chain Management
Asper School of Business
CN
CN
Winnipeg Airports Authority
Manitoba Infrastructure & Transportation
City of Winnipeg

Participants

Allan Amundsen
Pat Atkinson

Darryl Balasko
David Boles
Norbert Boisjoli
Alice Bourgouin
Tim Brown

Amar Chadha
Tim Chapman
Darren Christie
Scott Corbett
Susanne Dewey Povoledo

MB Institute PMAC
Transport Canada

Churchill Gateway Development Corp.
Genstar
Maple Leaf Foods
Rural Municipality of Rosser
Manitoba Infrastructure & Transportation
Manitoba Infrastructure & Transportation
Agriculture & Agri-Food Canada
Manitoba Infrastructure & Transportation
Rural Municipality of Rosser
City of Winnipeg, Planning, Property
and Development Dept.
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<td>Department of Supply Chain Management</td>
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<td>Manitoba Intergovernmental Affairs</td>
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<td>Chris Lorenc</td>
<td>Manitoba Heavy Construction Association, Member, CentrePort Board</td>
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Ian Scatiff
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Hytek/Springhill Farms
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SiemensSays
Dan Simcock
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Transport Institute Staff

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 Doug Duncan
 Al Phillips
 Jairo Viafara
 David Wolters
 Stephen Wright
 Angel Li
 Allister Cucksey
Hon. Andrew Swan
Minister of Competitiveness, Training and Trade
Province of Manitoba

Andrew Swan was first elected as the MLA for Minto in the 2004 by-election and re-elected in 2007.

He served as the Legislative Assistant to the Minister of Justice and as the Legislative Assistant to the Minister of Labour, Immigration, and Multiculturalism, before being appointed the Minister of Competitiveness, Training and Trade in February of 2008. He is also the minister responsible for the Manitoba Liquor Control Commission and the Manitoba Lotteries Corporation.

Born and raised in Winnipeg, Andrew graduated from Silver Heights Collegiate and then attended the University of Manitoba. In 1990, he graduated from the U of M Law School. He practiced law at the firm of Thompson Dorfman Sweatman from 1990 until his election to the Legislature. His practice was devoted primarily to family law, assisting individuals going through separation and divorce. Andrew regularly appeared in the Manitoba Court of Queen’s Bench and the Manitoba Court of Appeal.

An active member of the Manitoba Bar Association, he served as chairperson of the Young Lawyers subsection. He also assisted as a lecturer and a seminar leader for the Law Society of Manitoba’s Bar Admission course.

Andrew served three years as a Deputy Chief Commissioner of the Residential Tenancies Commission, and heard appeals from the decisions and orders of the Residential Tenancies Branch. Additionally, he was the chair of his firm’s United Way campaign for three years and has worked with other charitable organizations.

Andrew is a trustee of the Manitoba Marathon Foundation and a board member of the Sargent Park Improvement Team. He is a member of both Athletics Manitoba and the Manitoba Running Association. Andrew served on the all-party Healthy Kids, Healthy Futures Task Force which reported on measures to improve children’s nutrition, physical activity, and injury prevention. He was the regular voice of the government on Richard Cloutier’s “Political Panel” from 2004 until 2007 on CJOB. He serves on
various government committees and has worked with several cabinet ministers on special projects.

He lives in Winnipeg with his wife Tamsin. They have two children who are attending public schools.

**Dr. Barry E. Prentice**

**Professor, Dept. of Supply Chain Management**

**Asper School of Business, University of Manitoba**

Dr. Prentice is a Professor of Supply Chain Management, at the I.H. Asper School of Business, University of Manitoba and the former Director (1996-2005) of the Transport Institute. His major research and teaching interests include logistics, transportation economics, urban transport and trade policy. Dr. Prentice holds a degree in economics from University of Western Ontario (1973) and graduate degrees in agricultural economics from University of Guelph (1979) and University of Manitoba (1986).

Dr. Prentice has authored or co-authored more than 250 research reports, journal articles and contributions to books. His scholarly work has been recognized for excellence in national paper competitions and awards. In 1999, National Transportation Week named him Manitoba Transportation Person of the Year. Through the Transport Institute, Dr. Prentice has organized national and international conferences on sustainable transportation (*Railways and the Environment*), supply chain logistics (*Planes, Trains & Ships*), agribusiness logistics (*Fields on Wheels*), and on the potential use of airships for northern transportation (*Airships to the Arctic*). In 1999 and 2003, he received University of Manitoba Outreach Awards.

Dr. Prentice was instrumental in founding a major in transportation and logistics within the B.Comm. (Hons.) program at the I. H. Asper School of Business (fall 2003). Since that time a new Department of Supply Chain Management has been formed, and in 2006 a M.Sc. program in supply chain management was initiated.

Dr. Prentice has served on the Boards of Directors of several transportation organizations: National Transportation Week (President, 2001 and 2003), *Honorary President* of the Canadian Institute for Traffic and Transportation (2001-3) and the Canadian Transportation Research Forum (Past President, 1997). He is Associate Editor of the *Journal of Transportation Research Forum*. In addition, Dr. Prentice has served on Winnipeg Airports Authority, Inc. (1998-2003), Winnipeg TransPlan 2010, the Mid-Continent International Trade
Corridor Task Force, the Rapid Transit Task Force, expert committees, and is frequently asked to speak on the topics of trade and transportation.

**Mr. Bill Morrissey**  
Senior Vice President, Sales & Marketing  
Winnipeg Chamber of Commerce

Bill Morrissey is the Senior Vice-President of Marketing and Membership with the Winnipeg Chamber of Commerce.

He has two primary functions at The Chamber. One is the lead role in the newly-launched exciting new initiative called Selling Winnipeg to the World. It is a Chamber-lead private-sector initiative to proactively and aggressively seek out companies who are planning to open, expand or relocate and convince them to come to Winnipeg!

The other is leading the team that is responsible for revenue-generation that is membership sales, events and sponsorship, and advertising.

Bill attended the U of M and graduated with a B.A. (Economics) and a B.Comm. (Marketing) before working for Xerox from '78 - '06 in a variety of roles from Sales Representative, District Program Manager, Sales Manager, Western Canada Alternate Channels Manager, and General Manager Man/Sask/NWOnt. In ’07 he joined Standard Aero as SVP Sales, Business Development and Customer Service.

He has served as President Winnipeg Executives Assoc. and on the Board and the Executive of the Winnipeg Chamber of Commerce, Breezy Bend Golf Club and KidSport Canada. He is also past-Chair of KidSport Winnipeg.

Bill has been the recipient of Volunteer of the Year awards by Sport Manitoba, Winnipeg Chamber of Commerce and Winnipeg Executives Association.

Bill has lived in Winnipeg most of his life, is married to Wendy and has two adult sons (27 and 24). He is active in golf, hockey and daily fitness.
Mr. Greg Dandewich  
Co-Chair, North American Inland Port Network  
Vice President and Director of Economic Development  
Destination Winnipeg Inc.

**Mr. Greg Dandewich** is the Vice-President and Director of Economic Development with Destination Winnipeg Inc. Greg has been in the field of economic development for over eighteen years both within an urban and rural context.

Greg has a Masters Degree in City Planning from the University of Manitoba and Diploma in Economic Development from the University of Waterloo. Greg has been tasked with numerous responsibilities including coordinating the development of strategic partnerships and alliances between communities and business sectors as well as overseeing the development and implementation of industry clusters. He is responsible for working with key Winnipeg industry sectors including life sciences, aerospace, ICT transportation and distribution and advanced manufacturing. In addition, Greg facilitates strategic economic development planning efforts, and is responsible for liaising between senior levels of government and industry within the City of Winnipeg. Greg also manages north/south trade activities related to the Mid-Continent Trade Corridor for Destination Winnipeg and has been doing so for the past thirteen years.

Greg holds director positions on a variety of bi-national and tri-national boards including the Canadian/American Border Trade Alliance, the Northern Great Plains Development Corporation and is Co-Chair of NASCO’s North American Inland Port Network.

**Dr. Paul D. Larson,**  
**Director, Transport Institute**  
**Head, Department of Supply Chain Management**  
**University of Manitoba**

**Dr. Paul D. Larson, Ph.D., P.Log.** is a Professor of Supply Chain Management (SCM) at the University of Manitoba, Asper School of Business. Paul is also Head of the SCM Department and Director of the Transport Institute. He earned his BSB and MBA degrees at the University of Minnesota, and his Ph.D. degree at the University of Oklahoma. In between his BSB and MBA programs, from 1979 to 1981, he worked in the Fiji Islands with the Ministry of Cooperatives. The Institute for Supply Management (ISM), formerly the National
Association of Purchasing Management (NAPM), funded Dr. Larson’s doctoral dissertation, which won the 1991 Academy of Marketing Science/Alpha Kappa Psi award.

From 1990 to 1996, he taught marketing and retailing at the University of Alberta, chairing several doctoral dissertations. After that, Dr. Larson taught purchasing, logistics and SCM at the University of Nevada from 1996 to 2001 and at Iowa State University from 2001 to 2004.

Paul has published nearly 50 articles in leading SCM, logistics and purchasing journals, and has made numerous presentations at academic and practitioner conferences. He has consulted and conducted executive seminars, in Europe, North and South America, Australia, the Caribbean and China, on logistics, purchasing and SCM. Dr. Larson serves on the Editorial Review Boards of the *Journal of Supply Chain Management* and the *International Journal of Physical Distribution and Logistics Management*. He is also a former Associate Editor of the *Journal of Business Logistics*.

His current research interests include supply chain risk management, supply chain information sharing, not-for-profit supply chains, and humanitarian logistics.

**Dr. Jean-Paul Rodrigue**  
**Associate Professor**  
**Department of Global Studies and Geography**  
**Hofstra University, New York**

Jean-Paul Rodrigue received a Ph.D. in Transport Geography from the Université de Montréal (1994) and has been at the Department of Economics & Geography at Hofstra University since 1999. In 2008, he became part of the Department of Global Studies and Geography.

Dr. Rodrigue's research interests mainly cover the fields of economic, transport and urban geography. Area interests involve East and Southeast Asia (particularly China) and North America, notably concerning transportation, distribution and trade issues. Specific topics cover transport systems and logistics, global supply chains and production networks, gateways and transport corridors, urban regions, economic integration, international trade and regional development.

Current projects involve:

- The Governance of Intermodal Transportation Assets
Dr. Skip Walter  
Professor of Logistics and Supply Chain Management  
College of Business  
Iowa State University

Dr. Walter's research covers a variety of transportation and logistics interests and has appeared in journals such as Transportation Journal, the Journal of Business Logistics, Journal of the Transportation Research Forum, and Production and Inventory Management Journal. He has recently completed studies for the Leopold Center and for a major grocery retailer.

He has been the principal investigator on funded research sponsored by the Des Moines Area Metropolitan Planning Organization, the Des Moines International Airport, Iowa Department of Transportation, and Iowa State University.

Dr. Walter has been a presenter and proceedings contributor to various groups including the Mid-Continent Transportation Symposium sponsored by the Center for Transportation Research and Education at Iowa State, the Transportation and Logistics Educators Conference, and the Society of Automotive Engineers RMSL Workshop. He is a member of the American Society of Transportation and Logistics, Transportation Research Forum, the Society of Logistics Engineers, and Warehousing Education and Research Council. In addition, he is a member of the Council of Academic Honor Societies and is president and faculty advisor for the Beta Gamma Sigma Business Honorary at Iowa State.

Mr. Victor Deyglio  
President  
The Logistics Institute

Victor Deyglio is the founding President of the Canadian Professional Logistics Institute, which certifies logistics practitioners, and the first President of ProLog Connect, Global Division of the Logistics Institute. Victor has experience in designing executive and management programs.
His areas of interest are logistics, global supply chains, change leadership, and professional ethics. He teaches Ethics and Leadership, Team Dynamics [e-learning], and Logistics Process [e-learning], and is a facilitator for the Institute's Executive Program. His past teaching experiences include: logistics [York], religious studies [McMaster] and literature [Toronto]. At the project level, he has worked with academics and practitioners to develop national skills and curriculum standards in logistics [DACUM] aimed at secondary [Alberta, Manitoba, Ontario] and post secondary [Alberta, Saskatchewan, New Brunswick] institutions.

Victor did doctoral work at McMaster and Toronto, masters work at Toronto and St Michael's University, and his undergraduate at Hunter College, CUNY. In 2005, Victor was appointed Senior International Advisor to the Shanghai Foreign Service Company and Shanghai World Expo 2010 Group, with a special focus on logistics and human resource strategies. In 2006, Victor was elected a Fellow of the World Academy of Productivity Science. Victor lives in Forest Hill, Toronto and travels frequently.

Dr. Matthew Morris  
Assistant Professor  
Dept. of Supply Chain Management  
Asper School of Business

Matthew Morris is an assistant professor in the Department of Supply Chain Management at the Asper School of Business at the University of Manitoba. He received his B.A. in International Studies at Old Dominion University in Norfolk, Virginia, and his Ph.D. in Logistics at the University of Maryland.

His research interests include buyer-supplier relationships and international cultures. Current research also includes compensation among logistics professionals and the relationship between national culture and ethics in purchasing.

Most recently, he coached a team of students who placed third in a national supply chain case study competition.
Ms. Melanie Hewson  
**Director, Intermodal Sales & Marketing**  
CN

Melanie’s transportation career spans all modes of transportation. Prior to coming to CN in 1996, she worked in Airfreight, Oceanfreight, Trucking, Courier and Customs Brokerage in marketing and operations positions.

Melanie's most recent position with CN was as Director of Customer Service out of Winnipeg where she lead the team in regionalizing customer service functions to 10 regional centres along with the e-Business and Transaction Centre here in Winnipeg. She moved to her new role in December leading the team maintaining and developing solutions for transportation companies that use CN to serve as part of their offering in meeting their customer's transportation needs.

Melanie graduated in 1993 from Athabasca University's Executive MBA program.

Mr. Gordon Graham  
**Director, Intermodal Sales & Marketing**  
CN

Gordon Graham is an original member of the team that developed CN's Intermodal Excellence program (IMX). IMX revolutionized CN’s Intermodal product – reducing transit time, providing defined and reserved capacity, and positioning CN to handle its customers’ intermodal growth.

In his current role Gordon directs the team that develops intermodal and ground transportation solutions for CN’s commodity shippers. Through CN’s extended suite of products, this segment will lead Intermodal’s growth in 2009.

Gordon joined CN in 1984 and has held a number of positions of increasing responsibility within Transportation, Engineering, CargoFlo™, Capacity Management and Road Operations. He is a Professional Engineer and holds a B.Sc.E and M.Sc.E. in Civil Engineering from the University of New Brunswick.
Mr. Gary Deason  
Director, Cargo  
Winnipeg Airports Authority

Gary Deason has more than 15 years experience in the air cargo business. Recently appointed Director, Cargo for Winnipeg Airports Authority, Mr. Deason previously held the position of Regional Manager Cargo Commercial for Emirates Airline at its head office in Dubai, United Arab Emirates. During his tenure at Emirates SkyCargo, he was responsible for airline’s cargo operations in Europe, Africa and the Americas and oversaw the opening of 14 new stations on four continents as the carrier’s cargo revenue grew fourfold in six years. Having also held positions at Air France and British Airways, Mr. Deason is a graduate of the IATA/Concordia University International Aviation MBA Programme and has particular interest in intermodal transportation and the integration of air cargo into strategic supply chain management.

Mr. Richard Danis  
Director, Transportation Policy & Service Development  
Manitoba Infrastructure & Transportation

Rich Danis is Director, Transportation Policy and Service Development, with the Manitoba Department of Infrastructure and Transportation. In this capacity, he leads a group of professionals responsible for addressing and managing high priority issues and government strategic initiatives in transportation, in support of a transportation system that is sustainable and supports Manitoba's economic growth and development.

Prior to joining the Manitoba government, he worked in Ottawa at several transportation-related federal statutory commissions of inquiry, such as the National Transportation Act Review Commission and Transportation Safety Board Review Commission. He has also worked for the Social Sciences and Humanities Research Council of Canada, and the Senate of Canada. Rich is a graduate of Bishop’s University and McMaster University, in the fields of Political Studies and Public Administration. He resides in Winnipeg with his wife, Melanie, and two children.
Mr. Glen Laubenstein  
Chief Administrative Officer  
City of Winnipeg

Glen Laubenstein, Chief Administrative Officer of the City of Winnipeg, joined the City on April 2, 2008. His vision of public service is collaborative and creative – he believes in forging partnerships across the private, public, and not-for-profit sectors, to make the community a better place to live, work, and play. Working closely with Mayor Katz and all Members of City Council, he is excited at the prospect of moving Winnipeg forward, to become the city of opportunity it was meant to be.

Glen’s commitment to superior public service spans 30 years and four provinces. Prior to becoming Winnipeg’s CAO, he was the Chief Administrative Officer of Kingston, Ontario. He previously served for eight years as the City Manager for Brandon, Manitoba, and has managed a geographically, economically, and culturally diverse range of municipal organizations including Fort McMurray, Alberta (which during his tenure amalgamated with the surrounding area to become the Regional Municipality of Wood Buffalo – now North America’s largest municipality by land area); Richmond, British Columbia; and the Cariboo Regional District, also in B.C.

Glen has the distinction of having three times led the city with the fastest-growing economy in Canada; during his last six years as its City Manager, the Canadian Federation of Independent Business rated Brandon the best place to do business in Canada. He has been a leader in the field of sustainability and environmental responsibility, helping to found the Alex Fraser Research Forest, part of the Faculty of Forestry at the University of British Columbia; introducing a Biobus Project in Brandon, which enhanced recycling and reduced emissions; and developing community-wide partnerships in Kingston to clean up the city’s inner harbour, improve community energy planning, and introduce sustainable procurement.

Throughout his career, Glen has acted on his belief that a thriving city must offer opportunity and hope to every member of the community, without respect to income, circumstance, or background. His goal in Winnipeg is to work with Council and the community to make the City a place everyone is proud to call home.
SELLING WINNIPEG TO THE WORLD
Lots of good things happening, but not enough

- Several public sector projects: Museum for Human Rights, Mb Hydro, Airport, floodway, WRHA, RRC, U of W, U of M, Can Post

- Some private sector (Std Aero, Greyhound, IKEA)

- We are not keeping pace in private sector growth

- Too often we are not being considered for new start-ups

- Too often Winnipeg companies are choosing to leave or expand elsewhere
As a result

- Increasingly challenging for remaining businesses to prosper
- Civic pride and self-image and confidence suffer
- Good people leave
- Businesses less inclined to invest to expand
- Base (business & residential) for tax revenue constricts, hence investment in infrastructure & programs/services is sub-optimized
- Further perpetuates the cycle
WHY?

Is our relative “value proposition” inferior?
Winnipeg is a GREAT place

- One of the very best standards of living
- Caring, giving community
- Friendly, loyal, hard-working
- Best summers in Canada!
- Diverse culture
- Vibrant arts and culture community

External recruiters struggle to convince Winnipeg executives to leave.
With so many appealing attributes

- Stable growing economy
- Low costs of living and doing business
- Central location, gateway, corridor
- Excellent transportation capabilities
- Abundant, low cost, reliable, environmentally-friendly power
- Skilled, productive, abundant workforce
Attracting (and retaining) economic investment in our city has not received the priority it requires. We promote, advertise and do marketing. We respond when asked: not good enough today in this highly competitive global economy. But not proactively reaching out to specific prospects. Proactive outreach is not within the mandate of Government-funded agencies.
Lacking comprehensive, widely-understood economic strategy for our city, and a plan to achieve it

No one group has responsibility or accountability for developing our business base

what’s missing is the proactive “selling” our city to prospects

Collaborative integrated sales and marketing
The Solution

Selling Winnipeg to the World

A Chamber-directed, private sector-driven initiative
Objective

To aggressively and proactively identify companies outside Manitoba, and in Winnipeg, who are considering opening, re-locating or expanding their business, and convince them that doing so in Winnipeg is their best decision.
Also, to identify resident businesses which may be challenged in their ability to make a long-term commitment to Winnipeg, and to assist them if possible.

And identify barriers and lobby if necessary.
Chamber-directed, Private-sector driven

- Chamber Board of Director’s new three year Strategic Plan
- SWTTW adopted as one of only two legacy initiatives
- Accept ‘responsibility’ as voice of Winnipeg’s business community
- Greatest vested interest, not dependent on elected terms, connection with the business community, peer-to-peer
In ‘04–’06 a special committee of WCC focused on the issue of economic attraction.

- Extensive business community consultation
- Benchmarking best-practice research
- Report & recommendations produced, approved by BoD
The opportunity is NOW. The time to act is NOW.

- Winnipeg economic indicators positive
- Global economic circumstances forcing companies to re-evaluate: we’ve got what they need
- Museum, world-class new Hydro hq, IKEA, progress by downtown agencies, new airport
- Strong alignment between private and public sector

Seize the positive momentum!
Identify “leads”

Respond to them before anyone else with a talented, creative, empowered and motivated ‘Sales team’

Convince businesses to open operations here
The keys

- Our product is very strong
- Our value proposition is compelling
- It’s a well-kept secret
- We’ve got to get out and (personally) tell our story
It’s not just about incentives

- Getting there first/early
- Effective articulation of a strong value proposition
- Demonstrating sincere interest, passion
- Responsiveness, added assistance
- Community effort, commitment to their success
- Xerox case-in-point
Lead pursuit: A team effort

- Chamber SWTTW as ‘quarterback’ and project collaborators
- Destination Winnipeg (G. Dandewich)
- Province of Manitoba (P. Pierlot)
- Subject-matter and industry/segment experts
- Business Leaders providing personal testimony
- Political leaders
Leads will be generated by:

1. Business Call Team
2. Winnipeg Chamber of Commerce members
3. Stakeholder organizations; collaborative effort (associations, post-secondary, gov’ts)
4. General business community: Media
Prominent members of Winnipeg’s Business Community

At the request of Minister A. Swan and Chamber President D. Angus

50 volunteers (two teams of 25, sequenced)

Arrange to meet with the Presidents of Winnipeg’s top 250 companies
Business Call team (cont’d)

- Tap into their ‘intel’ within their ‘circle’ (ie customers, suppliers, etc)
- Why are you here?
- Who is thinking of opening, re-locating, expanding?
- Who should be?
- Who is “at risk”?
- Input into sector strategy
- Any obstacles
- Will you support SWTTW?
companies that may produce leads for CentrePort

125 largest companies from these sectors:

- Transportation, logistics, distribution
- Manufacturing
- Accounting, Legal, Personnel
Stage Two (to 6.30.09)

- Approach to funding partners: people resources, prospect pursuit
- Consultant, Site Selector engaged
- Commence contact strategy with Site Selector community
- Business Call Team 2: general Winnipeg business community (125 firms)
Stage Three (to 9.30.09)

- **Select specific sectors to develop economic attraction strategy around, with input from:**
  - Previously identified focus sectors (Province)
  - Business Call teams 1 & 2
  - Consultant/Site Selector
  - Stakeholder Council

Through all stages, follow up on leads that are uncovered.
Vision: Economic Partnership (q4 ’09)

- entity with board/governance, small but highly capable staff: target identification, pursuit and project management
- funding from private sector: broad-based campaign
- operate under Chamber umbrella but at arms-length
- Specific multi-year initiatives
- Specific targets, objectives, reporting
- Work in tight collaboration with DW, Province, Feds re promotion, mktg, advertising
Recent events in our own city have confirmed that when you have the right cause, championed by passionate committed leadership who engage and inspire the community, amazing things can happen, and very quickly.
**IF** Halifax can win R.I.M. (thousand+ jobs)

**IF** Nashville can attract over 350 Head Offices (10 yr) and $billions in gdp

Then surely we can too.
Imagine the impact on our city and residents when we do:

- More jobs, better jobs, exciting career opportunities without leaving home
- Increase tax revenue base means investment in infrastructure, roads, services
- The service sector will follow the new businesses/investment and people; fun, excitement, vibrancy!
How can you participate?

- Give us leads. Always on the lookout. Always sell Winnipeg
  - Supporting information on our website, Destination Winnipeg
- Pass the message along, in your circle and to your organization: endorsement
- Allow us to address your organization
- Contribute members for our Business Call team and target companies list
- Join our Sales (SWAT) team when requested

*Be positive ambassadors for our city and challenge your people too*
Here we go WINNIPEG!
“Promoting CentrePort Canada”

5th Annual Supply Chain Connections Conference
February 11, 2009
Defining Inland Ports

“An inland port is a site located away from traditional land, air and coastal borders with the vision to facilitate and process international trade through strategic investment in multi-modal transportation assets and by promoting value-added services as goods move through the supply chain”

Centre for Transportation Research, University of Texas at Austin
Promoting CentrePort Canada to Key Constituents

• Who are we promoting CentrePort Canada to?
  • Business
  • Government
  • Community

• What are the key messages we need to present to our target audience?
  • Profit, Efficiency, Competiveness
  • Economic development, tax base, job creation
  • Environmental Sustainability, Compatibility, Quality of Life
The development process can be understood as a cycle of three phases, each reflecting the changing local environment and its needs to make the development successful.

1. **Initial excitement and buy-in**
   Research is needed to guide action in this phase. Industry stakeholders select the issues that will allow growth.

2. **Widening participation**
   The development agency concentrates on action initiatives that address the requirements for future growth.

3. **Emergent strategy and its refinement**
   A “strategy-in-action” or emergent strategy develops as issues are evaluated in the light of experience. This leads to research into specific issues and a return to Phase 1.
Focusing on Priorities and Challenges

“There is a need for an integrated, synergistic and holistic approach to development.” In other words sometimes its more an art than a science.

Assumption:
Components are all at various stages of development and operational efficiency. They each have a distinct culture.

Objectives:
• Identify challenges and opportunities within each component
• Identify potential priorities
• Evaluate commitment
• Examine available/required resources (within each initiative and overall)
• Set priorities
• Develop work plan(s)
• Implement
• Monitor, report on progress and evaluate
Focus on Priorities and Challenges
Leveraging Networks

In order to be successful exceptional networks must be developed, grown and maintained

1. **Direct Contact with Businesses**
   One on one meetings with businesses currently involved in the initiative as well as those that could potentially benefit need to be approached, questioned and educated.

2. **Past Expertise and Analysis**
   The experiences of staff, findings of reports as well as documented successes and failures

3. **Strategic Interviews**
   Structured interviews with associated and affected organizations and individuals.

4. **Group Review**
   Working sessions with teams that enable them to examine their progress to date and modify existing group priorities.
Focus on Priorities and Challenges
Network Linkages

Examine the strength of the organization’s linkages as a means to target areas that need to be strengthened. Largely subjective, it is a means to delineate areas for improvement as well as areas of strength.

- Participation levels in the groups.
- New Businesses and their alignment.
- Geographic distribution of members and growth (decline) trends.
- Proportion of business versus other participants.
- Geographic extent of reach
- Different parts of the region as well as different components will have varying linkage profiles.
Focus on Priorities and Challenges

You can’t “boil the ocean” so it's essential to pick your spots.

Upon identifying a series of possible priorities, it is important to develop a ranking system. The number of projects undertaken is a function of available resources, leadership, identified impact and time required. More capacity means more projects.

1. Impact and Alignment
   Anticipated outcomes and “fit” within the goals.

2. Leadership/Sponsorship
   The commitment by a participant to take ownership of an initiative.

3. Time
   Are the returns expected to surpass inputs relative to other initiatives? Need to attain a balance that captures short, medium and long term (the future) objectives.

4. Resource Commitment
   Are human and capital resources available for execution?
There are 3 basic variables that affect industry’s involvement:

1. **Crisis/Threat**
   Industry will band together and network if a real or perceived threat surfaces.

2. **Opportunities for Growth**
   There is a clear and aligned opportunity for business expansion resulting in healthy corporate growth.

3. **Non Aligned Opportunities**
   Good ideas that weren’t on the “radar screen”
1. Information provision

This is the broadest type of relationship. The knowledge of the network is packaged and advanced to decision-makers.

2. Nurturing relationships

Relationships require conversations. At some point in the provision/reception of general information products and services, either the decision-maker or the network may decide to advance the relationship.

3. Joint action

Once trust has been established and visions of development clarified, decision-makers may wish to work more closely with a network in resolving their current challenges. Joint action between knowledge networks and decision-makers usually takes the form of a funded project or consulting arrangement.
Promoting CentrePort Canada to Industry

Communicating the Value Proposition

1. Focus
Clearly identified relevant strategy with articulated actions. Clear delineation of anticipated outcome(s).

2. Performance
Successful, efficient and effective execution of the strategy. Meets or exceeds expectations based on measurement criteria.

3. Identity
There is a clear brand

4. Transparency
Process and initiatives are transparent. There are no “hidden agendas”.

5. Communication
Strategy developed to ensure message, information and process is delivered to target industry sectors.
Promoting CentrePort Canada

• Know your target group(s) and its culture.
• Keep messaging simple
• Highlight Key Discriminators/Value Proposition
• Focus on project(s).
• Nurture understanding of the concept.
• Develop appropriate communication plans that reflect levels of sophistication, commitment and understanding, of the development and its future growth
Promoting CentrePort Canada

- Audit of Existing Infrastructure
  - CN Intermodal, CP Intermodal, Winnipeg James Armstrong Richardson International Airport

- Identifying capabilities and gaps in efficiency within existing Infrastructure
  - Internal “Ring Road System”

- New Infrastructure Investment (within broader network and within CentrePort Canada)
  - Hard infrastructure, “Airport Way”
North American Inland Port Network (NAIPN)

- NAIPN Sub-Committee formed under NASCO - 2003
- NASCO Strategic Initiative
- Sub-committee of NASCO responsible for implementing the Inland Port initiative
- Networking of Inland Ports within the Corridor
NAIPN Objectives

• NAIPN is seen as a vehicle to promote strategic transportation and distribution assets and encourage economic development cooperation

• To act as an interactive platform for exchange of ideas and best practices of inland port network members

• Promote and raise the level of awareness of the relevancy of Inland Ports to industry and government

• To be a central repository of profile information on Inland Ports i.e. regulatory changes, security program up-dates, et.

• NAIPN is not intended to manage the development of or leverage financing for Inland Port projects
NAIPN Promotion Network

- NAIPN has developed an approach to ensure that the network can be beneficial in promoting a variety of inland port projects regardless of what stage they are in:
  - Conceptual
  - Developmental
  - Operational
Summary Comments
Promoting CentrePort Canada

- Pressure on sea ports will continue to increase
- Flow of containers will continue to increase
- Highway and rail volumes will continue to grow creating pressure on distribution channels
- Security, Environmental, and labour challenges will continue to be critical issues
Summary Comments
Promoting CentrePort Canada

- “Made In Manitoba” solution
- Identify and clearly articulate “Value Proposition”
- Jointly promote existing assets and capacity with anticipated new investments at CentrePort Canada
- Long term project focused on meeting the evolving needs of the market place
Thank You
Inland Terminals, Logistic Clusters and Global Commodity Chains: Looking Into the Eye of the Storm

Jean-Paul Rodrigue

Associate Professor, Dept. of Global Studies & Geography, Hofstra University, New York, USA

Van Horne Researcher in Transportation and Logistics, University of Calgary, Alberta, Canada
Inland Terminals: The Eye of the Storm

1. Containerized Trade
   Questioning growth prospects.
   Paradigm shift (forecasting...).

2. Trade Imbalances
   Imbalanced flows and shipping rates.
   Load centers for empties on backhauls to ports.

3. Terminalization
   Integrating inland terminals, corridors and commodity chains.

4. Governance
   Including inland terminals within public policy and regional planning.
   Value capture.
Global Containerized Trade: Prepare to be Disappointed

Potential Divergence: The First Crisis of Globalization

Container yard, Port of Yantian, China
Impact of Recessions on Consumption and Freight Rates

Value of Goods

- None
- Significant Decline

A – Basic Goods
B – Discretionary Goods
C – Durable Goods
D – Capital Equipment
E – Luxury Goods

Consumption

Severity

A B C D E

Trade and Freight Rates

1 – Futures Indexes
2 – Income and Spending
3 – Container Volumes
4 – Value of Trade
Futures Indexes: The Current Trend is Strongly Deflationary...
Port of Los Angeles (Monthly TEUs), 1995-2008: Peaking ... and About to Fall Off a Cliff?

Adoption | Acceleration | Peak Growth | Maturity
---|---|---|---

Divergence
Global Bulk and Container Fleet Partially Immobilized (Singapore, January 2009)
Cars Accumulating at the Long Beach Port Terminal, December 2008
Trade Imbalances: Coping with Distortions

2

Transport Flows
Transport Rates
Inland Terminals and Repositioning

NS Rutherford Inland Terminal, Pennsylvania
Containerized Cargo Flows along Major Trade Routes, 1995-2007 (in millions of TEUs)
Containerized Cargo Flows along Major Trade Routes, 2007

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>19.9</td>
<td>15.4 (+175%)</td>
<td>7.6</td>
<td>10.0 (+178%)</td>
</tr>
<tr>
<td>Europe</td>
<td>20.4</td>
<td>14.9 (+48%)</td>
<td>14.5</td>
<td>14.5 (+23%)</td>
</tr>
<tr>
<td>Asia</td>
<td>33.1</td>
<td>17.7 (+293%)</td>
<td>4.9 (+55%)</td>
<td>4.9 (+55%)</td>
</tr>
</tbody>
</table>

Million TEUs

- USA: 19.9 (+175%)
- Europe: 20.4 (+55%)
- Asia: 33.1 (+48%)
Geographical Levels of Empty Container Repositioning

- Hinterland
- Inter-Regional Repositioning (inland)
- Regional Repositioning
- Foreland

- Port
- Depot / Inland terminal
- Freight Distribution Cluster
- Cargo Rotation
Main North American Trade Corridors and Metropolitan Freight Centers

1) Efficient repositioning
2) Cargo rotation
3) Export market
Bulk and Containerized Commodity Chains

**Bulk Commodity Chain**
- Supplier
- Consolidation center
- Port
- Point-to-Point
- Customer

**Containerized Commodity Chain**
- Container port
- Pendulum Services
- Inland Terminal

**Complementarity**
Several Established Containerized Commodity Chains in Western Canada

Main Containerized Exports, Western Canada

- Pulps, paper & paperboard: 25%
- Agricultural products: 31%
- Lumber & wood products: 6%
- Chemical products: 5%
- Waste & scrap: 12%
- Other: 21%
Terminalization and Inland Terminals

Economies of Scale: A Hard Pill to Swallow

Terminalization and Supply Chains

Extended Distribution Centers

Trimodal Container Terminal, Willebroek, Belgium
### Type and Function of Inland Terminals

<table>
<thead>
<tr>
<th>Type</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satellite terminal</td>
<td>Close to a port facility. Accommodate additional traffic and serve functions that have become too expensive at the port. Container transloading.</td>
</tr>
<tr>
<td>Freight distribution cluster / load center</td>
<td>Access regional markets (production and consumption). Intermodal, warehousing, and logistics functions. Linked with logistics parks and free trade zones.</td>
</tr>
<tr>
<td>Intermodal / Transmodal facility</td>
<td>Link large systems of freight circulation either through the same mode (e.g. rail-to-rail) or through intermodalism (e.g. rail-to-truck).</td>
</tr>
</tbody>
</table>
The Largest Available Containership, 1970-2007 (in TEUs)
Hinterland Logistics: The Realm of the “Last Mile” (or the “First Mile”)

- **Gateway**
- **Inland Terminal**
- **Distribution Center**
- **Corridor**
- **Segment**
- **Customer**

**Massification** ↔ **Atomization**

**Global**

**Hinterland**

**Regional**

**Local**

**Shipping Network**

**Capacity**

**Frequency**

“Last Mile”
Massification of Inland Terminals: Automated Transfer Management Systems
Supply Chain Terminalization: Import Flows to the Hinterland

Foreland (First Mile)

- Suppliers
- Bottleneck
- Buffer
- Distribution center (outbound / inbound)
- Inland containerized goods flow
- Inland non-containerized goods flow
- Maritime container flow

Gateway

Offshore Hub

Inland Terminal

Customers

Port regionalization and the creation of a Regional Load Center Network

Extended Gate (Inland terminals)

Extended Distribution Center (Terminal as a warehousing unit)

Hinterland (Last Mile)
## Container Transloading: Could it Move Inland?

<table>
<thead>
<tr>
<th>Cause</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidation</strong></td>
<td>Transferring the contents of smaller containers into larger containers (e.g. three maritime 40 foot containers into two 53 foot domestic containers). Cost savings (number of lifts). Time delays.</td>
</tr>
<tr>
<td><strong>Weight compliance</strong></td>
<td>Transferring the contents of heavy containers into loads meeting national or regional road weight limits.</td>
</tr>
<tr>
<td><strong>Palletizing</strong></td>
<td>Placing loose (floor loaded) containerized cargo unto pallets. Adapting to local load units (e.g. europallet).</td>
</tr>
<tr>
<td><strong>Demurrage</strong></td>
<td>Handing back containers to owner (maritime shipping or leasing company) by transferring its contents into another load unit (e.g. domestic container) to avoid charges.</td>
</tr>
<tr>
<td><strong>Equipment availability</strong></td>
<td>Making maritime containers available for exports and domestic containers available for imports. Trade facilitation.</td>
</tr>
<tr>
<td><strong>Supply chain management</strong></td>
<td>Terminal and transloading facility as a buffer. Delay decision to route freight to better fulfill regional demands. Perform some added value activities (packaging, labeling, final assembly, etc.).</td>
</tr>
</tbody>
</table>
Governance and Inland Terminals

Terminal Operators and Value Capture
Regional Integration as Logistics Clusters

Uiwang Inland Container Depot, South Korea
The Value Capture Process along Commodity Chains

Horizontal Integration

Vertical Integration

Port Authority

Maritime Services

Port Services

Inland Services

Port Holding

Maritime Shipping

Port Terminal Operations

Inland Modes and Terminals

Distribution Centers

Commodity Chain
## Inland Terminals: Operations and Added Value

<table>
<thead>
<tr>
<th>Core (Operations)</th>
<th>Infrastructure</th>
<th>Modal access (dock, siding, road), unloading areas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equipment</td>
<td>Intermodal lifting equipment, storing equipment</td>
</tr>
<tr>
<td></td>
<td>Storage</td>
<td>Yard for empty and loaded containers</td>
</tr>
<tr>
<td></td>
<td>Management</td>
<td>Administration, maintenance, access (gates), information systems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ancillary (Added Value)</th>
<th>Trade facilitation</th>
<th>Free trade zone, logistical services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Distribution centers</td>
<td>Transloading, cross-docking, warehousing, light manufacturing, temperature controlled facilities (cold chain)</td>
</tr>
<tr>
<td></td>
<td>Storage depot</td>
<td>Container depot, bulk storage</td>
</tr>
<tr>
<td></td>
<td>Container services</td>
<td>Washing, preparation, repair, worthiness certification</td>
</tr>
</tbody>
</table>
Functional Integration of Freight Clusters

Scope

Scale

Logistic Pole

FTZ

Logistic Cluster

Logistic Zone

Distribution center

Terminal / Depot

Port
**Free Trade Zones: Setting The Rules**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infrastructures</strong></td>
<td>High level of infrastructure, such as land, transport, office space, utilities, logistics services, business services and other facilities.</td>
</tr>
<tr>
<td><strong>Regulations</strong></td>
<td>Streamlined to improve efficiency, including custom services, labor regulation and permits.</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>High accessibility location, often close to major terminal facilities such as a port, inland terminal or an airport. Location often away from conventional industry.</td>
</tr>
<tr>
<td><strong>Export-oriented</strong></td>
<td>Activities operating within the zone produce mainly or exclusively for foreign markets.</td>
</tr>
<tr>
<td><strong>Incentives</strong></td>
<td>Variety of incentives, including low cost land, infrastructures, tax and duty exemptions or various subsidies.</td>
</tr>
</tbody>
</table>
# Free Trade Zones: “Bending the Rules”

<table>
<thead>
<tr>
<th>Custom Clearance</th>
<th>Done inland instead of at the gateway port. Likely faster. Receiver gets further advance notice.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duties</td>
<td>Not paid until the consignment is released and moved out of the FTZ. If transformation is performed in the FTZ, the duty class may change. Select the taxation regime.</td>
</tr>
<tr>
<td>Settlement</td>
<td>If combined with Warehousing. Vendors often not paid until the freight leaves the terminal for delivery.</td>
</tr>
</tbody>
</table>
Inland Terminals: The Calm after the Storm (lessons to be learned)

1. Rebalancing of the global economy
2. Repositioning strategies
3. Terminalization (intermodal integration)
4. Logistics cluster (regional integration)
Panel Discussion: Supply Chain Connections Conference

Clyde Kenneth Walter
Professor of Logistics and Supply Chain Management
College of Business - Iowa State University

Transport Institute – University of Manitoba
Hotel Fort Garry
Winnipeg
February 11, 2009
Situation: early 2008

• “There are some places, particularly in the Midwest, where there’s a complete lack of containers.”

• Also noted was a shortage of chassis to deliver containers.

“Shipping containers find new life as homes”

Inexpensive and abundant, they’re turning into affordable housing

By Roger O’Neil, Correspondent, NBC News
updated 7:52 a.m. CT, Fri., May. 4, 2007
Situation: an old problem for Iowa

An illustration of the planned east-ames Barilla pasta plant, to be located just east of Interstate 35 directly across from Ball Corp.'s Mid-Iowa plastic-container plant.
Intermodal terminal could be boon for Mid-Iowa business

By MARC KOVAC
Business Editor

Barilla couldn’t have chosen a better Mid-Iowa location for its first U.S. manufacturing facility.

The east Ames site is just of the interstate and adjacent to Union Pacific rail lines — both of which will come into play as the company begins making millions of pounds of pasta each year.

“It’s a great location,” said Mike Crumb, a professor of transportation and logistics at Iowa State University. “Distribution-wise, I think it’s really an attractive area. You don’t have traffic congestion and you have access to key north (and) west interstates.”

And Barilla’s plans for an intermodal facility at the site could be an additional boon for Ames economic-development efforts as some central Iowa companies seek to use the facility and others consider relocating to Mid-Iowa because of the intermodal access.

Companies within 100 miles of Ames might consider accessing the facility if Barilla opened it for other companies’ use.

The intermodal facility will allow Barilla to move large con-

BARILLA please see page C6
Explanation (continued):

• “exporters . . . (are in) . . . the Midwest or other areas far from the coastal ports where most containers are unloaded . . . And it’s expensive to move them empty to where they are needed.”

• “Refrigerated containers are said to be in especially short supply.”

• (SupplyChainDigest, April 16, 2008.)
The gentleman from Maxton

A trucker at heart, Malcom McLean’s containerization of cargo revolutionized the shipping industry.

By Robert Mottley
The converted T-2 Tanker Ideal X made its historic inaugural voyage from Port Newark, N.J. to Houston. (Photo from Capt. James McNamera collection)
“Although McLean changed the world, it’s ironic that the average person doesn’t know his name. He started a whole new industry that has had a profound effect on the way commerce is conducted.”

John Snow
Chairman, president & CEO, CSX Corp.
Ronald D. Katims

“A generation of transportation executives went to ‘McLean Tech,’ in the sense that he trained them all. McLean trusted people with talent, and let them do their jobs without breathing down their necks. Micromanagement was never his style.”
The container revolution swept away all companies slow to accept its dictums.
Prime mover of containerization:

• “Vessel turnaround time in port . . . now measured in hours.”

• “Cargo loading and unloading rates per man-hour of stevedore labor.”

Example:
Port of Seattle, Sept. 2007
Port of Seattle, Sept. 2007
On board Hanjin Beijing, Seattle, Sept. 2007
Explanation: U.S. exports heavier than imports

- “A ship that can carry 8,000 containers of . . . Electronics, toys and apparel from Asia to the U.S. can’t carry 8,000 containers of exports from the U.S. back to Asia.” (Cross-Cultural Reviews, May 20, 2008.)
John Deere example

- Exporting farm equipment from North Dakota plant; plan is to load the containers “live”; i.e., as equipment comes off production line. But without containers ready to stuff, production line backs up.

(Peter Thompson, Deere & Co., ISU Career Day, September 24, 2008.)
Explanation: As U.S. economy cooled . . .

• “. . . shipping lines pulled as many as 30% of their vessels, and a commensurate number of containers, out of the routes from from Asia to the West Coast.”

(Cross-Cultural Reviews, May 20, 2008).
Explanations: 1991

• “Containers are the wave of the present and future . . . Unless you run out of boxes.”

• “Persian Gulf War . . . tied up 50,000 containers for military cargo the global commodity boom has increased the cost of shipping items by bulk, which in turn has pushed more goods into containers.”

(Seattle Times, May 16, 1991.)
“Domestic containerization is primed for growth, but challenges remain.”

John A. McQuaid
the president of the International Association of North America
Alternatives: move empty containers, but costly

$3,500,000,000 for Empty Space

Empties account for 21% of container moves.
Annual cost to carriers is $3.5 billion.
There's no ultimate solution, but carriers keep trying.

By Joseph Bonney

<table>
<thead>
<tr>
<th>Repositioning costs</th>
<th>US$ per TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminal: Load</td>
<td>$100</td>
</tr>
<tr>
<td>Terminal: Discharge</td>
<td>$100</td>
</tr>
<tr>
<td>*Restowage</td>
<td>$20</td>
</tr>
<tr>
<td>Transport</td>
<td>$30</td>
</tr>
<tr>
<td>Storage</td>
<td>$10</td>
</tr>
<tr>
<td>Ship's Time</td>
<td>$40</td>
</tr>
<tr>
<td>Agency/Administration</td>
<td>$20</td>
</tr>
<tr>
<td>**Container Leasing</td>
<td>$45</td>
</tr>
<tr>
<td>Repair</td>
<td>$30</td>
</tr>
<tr>
<td>**Total</td>
<td>$395</td>
</tr>
</tbody>
</table>

*One restow for every 10 empty moves.
**Assumes 30 days at $1.50 per TEU.
Source: Drewry Shipping Consultants Ltd.
Alternative: save cost with containers on barge
Alternative: better drayage

• “The Black Hole: The one, straggling transportation segment that remains highly fragmented and disparate is the drayage and short-haul trucking industry. . .(that is) . . . completely decentralized and less customer-friendly.

(James D. Martin, “Intermodal Drayage: Closing the Black Hole,” Inbound Logistics, March 2000, p. 22.)
Alternative: RR direct routes from ports to inland point

Conrail also is setting up a direct routing with the Canadian Pacific Railway for intermodal shipments linking Port Elizabeth, N.J., with Montreal and Toronto.
Alternative: modify instructions on Interchange Agreements

The Intermodal Association of North America:

“UNIFORM INTERMODAL INTERCHANGE AND FACILITIES ACCESS AGREEMENT,” (U I I A)

(http://www.uiia.org/)
Alternative: Iowa Interstate (IAIS) ramp at Newton

• “reasonable service, much better from in the past.”

• “It starts with awareness . . . making companies aware of their alternatives and how Iowa companies need to work together to get more steamship lines to use it and bring both the UP and BNSF together to work out solutions for everyone.”

(Melinda Dunsmoor, Active Link Logistics, LLC, (email) September 29, 2008).
Alternative: Real-time location system (RTLS)

- “The ability to track assets in a broad geographic area, typically outdoors, is key to transportation management.”

- RTLS combines “elements of GPS and passive RFID technologies” (and) “determines an object’s current position.”


Study objectives:

• Asked central Iowa shippers their perceptions of and preferences for a proposed inland port.
Des Moines may build inland port

A study will determine if the project is viable

By AMANDA PIERRE
Des Moines Register

The Des Moines airport's board wants to bring the world to central Iowa.

The board has joined the Greater Des Moines Chamber of Commerce Federation and Iowa State University in an effort to find out whether an inland port facility — dubbed Port Des Moines — should be built close to the airport.

Another $22,000 must be raised before the $175,000 study can be commissioned. Contributions so far include $10,000 from the airport board, $75,000 from the U.S. Department of Transportation, $8,000 from the Corporation for International Trade and $20,000 from a source that cannot yet be identified, according to the chamber's Kent Sovern.

The chamber will ask the Iowa Department of Transportation for help Tuesday and will approach private organizations that could benefit from the project.

John Fitzgibbon, chairman of the Des Moines Airport
Existing Inland Ports Reviewed in U.S.

• Alliance Airport, Fort Worth, Texas
• Greater Columbus Inland Port Commission (Rickenbacker Port Authority)
• Huntsville, Alabama (Jetplex Industrial Park)
• Global TransPark, Kinston, North Carolina
Conclusions from website review:

- there is no single model for an "inland port"
- varying degrees of success
- lead private investor may reduce financial risk, while providing leadership and incentive to follow a long-term strategy.
- large population base important for operating labor and demand for goods and services.
- all had airfreight facilities (plus commonly used truck and rail)
• Respondents categorized as "international" or "domestic-only"

• Results to help policy makers develop implementation strategy for inland port, and identify potential customers for specific port features and services
Graph 1--Inland Port Features: Shipper vs. Carrier Index of Desirability

Range: +2 to +10

Shipper indices
Carrier indices
Graph 2--Opinions & Forecasts: Shippers vs. Carriers

Agreement ratings (5 = Strongly agree)

- Initial trade growth for region
- Incorporate latest technology
- NAFTA trade growth favors domestics
- General need for PDM
- Better coordination
- Sufficient demand for PDM
- PDM for service improvement
- PDM for cost reduction

Shipper ratings
Carrier ratings
Alternative: “Port Des Moines” Configurations
(Poist and Walter, *The Port Des Moines Concept*, 2001.)

<table>
<thead>
<tr>
<th>High information technology capability</th>
<th>Low information technology capability</th>
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<td>Low physical asset requirements</td>
<td>Basic E-port: use of static Web pages</td>
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<td>“Click &amp; mortar” modern inland port</td>
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<td>capabilities w/carriers</td>
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<td>2. interactive connections with:</td>
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<td>a. U.S. Customs</td>
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<td>b. freight forwarder</td>
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<td>c. Customs in other countries</td>
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<tr>
<td>d. Customs broker</td>
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<tr>
<td>High physical asset requirements</td>
<td>“Brick &amp; mortar” traditional inland</td>
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<td></td>
<td>port facility</td>
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</tbody>
</table>
Recommendation from 2001 Study

- Stage 1: focus on the basic E-port
- Stage 2: In time, progress to Advanced E-port
- Stage 3: Eventually, if demand and financing permit, adopt "click and mortar" and add physical assets.

- The advantages of an E-port: considerably less initial investment and risk, can be implemented relatively quickly, yet provide prominent presence in transportation and trade infrastructure, fostering greater regional economic development.
Port Des Moines Study:
Potential users and service providers agree

- International trade growth will continue in Central Iowa
- NAFTA trade will grow faster than other international trade
- Central Iowa facilities favor domestic trade
Port Des Moines: development continuum

Year 1-3
- Basic E-port
  - Static Web pages
  - Basic trade info
  - Limited interactive

Year 3-7
- Traditional Port
  - Handling & Moving Shipments
  - Web site

Year 7-10
- Advanced E-port
  - Electronic gateway
  - On-line interaction
  - E-transactions

- Modern Port
  - Handling & Moving Shipments
  - Interactive Transactions
Airport eyed for Port Des Moines

BY CHRIS DORSEY

Des Moines is hundreds of miles away from an ocean port, but it's joining the growing number of metropolitan areas looking to establish port authorities.

Port Des Moines, a one-stop trade and transportation facility, would oversee the receipt, transfer, storage and distribution of intermodal cargo for companies involved in domestic and international business. There is a need, according to a joint study headed up by the Greater Des Moines Partnership.

Huntsville, Ala., was the model of the study because it's about the same size as Des Moines. Huntsville realized a 26 percent growth in employment and a 78 percent hike in payroll in the eight years after it established its port authority.

The Des Moines International Airport Board has been receiving updates on establishing Port Des Moines since 1998 when discussions began. The results of the Partnership's survey, which included potential port users and transportation providers, were completed in August and presented Sept. 5 to the airport board.

Survey participants agree that international trade will increase in Central Iowa, NAFTA trade will grow faster than other international trade and Central Iowa facilities favor domestic trade. Their vision includes establishing an intermodal transportation center that would have state and federal trade agencies readily available to promote a conducive trade environment.

Port Des Moines is on its way to reaching its final goal — a physical, modern inland facility. Partnership officials believe that goal could be reached in seven years.

The Partnership has established a Basic E-port on the Internet, which includes a Web page, www.exportpartnership.com, and basic trade information with limited interactive use.

"We need to become more involved in the global economy," says Kim L. Poam, director of government and international relations for the Partnership, and stressed Port Des Moines can make it happen.
Web site could be precursor to port

By PATT JOHNSON
REGISTER BUSINESS WRITER

Developing a virtual inland port in the Des Moines area could help Iowa companies export more goods, a study shows.

An Internet site, with links that provide companies with information about how to export their goods, is the first likely step that will be taken from an Iowa State University College of Business study that looks at the feasibility of building a inland port in Iowa.

The $175,000 study was paid for with private, federal and state money.

“I suspect there are companies out there that don’t export because they don’t know how to,” said Neil Ruddy, Carlisle city administrator and a member of a committee looking at creating an inland port.

• “Global trade is helping drive logistics in smaller Midwestern markets. More customers are asking Ruan to provide services and systems for tracking shipments from China, and the company has seen an increase in trips from East and West Coast ports to Chicago, Kansas City and other Midwestern destinations.”

   Terry Solvet, Sr. V.P., Ruan Transport, Des Moines
International Logistics Course Assignment, Group Project:

Choose an existing ocean or inland port and become familiar with its website. Prepare and present your assessment of the website’s content, layout, ease of use, and other attributes. What would you suggest be included in a website to help potential exporters and importers?
China 2006 – 2010: Reshaping International Trade Logistics

Victor S. Deyglio
President
The Logistics Institute

5th Annual Supply Chain Connections Conference
Transport Institute, University of Manitoba
Winnipeg, February 11, 2009
China 2006 – 2010: Reshaping International Trade Logistics

Global Supply Chain Logistics - Drivers:
- Value for customers by controlling total landed cost while delivering quality and post sales support
- Velocity by reducing product storage times, increasing inventory turns, reducing transit times and border delays
- Variability by eliminating unexpected changes in flow patterns and reducing the need for buffer inventories
- Visibility regarding where products are, when they will arrive, and levels of inventory in transit
- Vulnerability of channel and product exposure to terrorist infiltration, both visible and invisible
- Verdancy by reducing carbon footprint and implementing sustainable development strategies

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China 2006 – 2010: Reshaping International Trade Logistics

11th Five Year Plan [2006-2010]

Harmonious Society [和谐社会: héxié shèhuì]
- Sustainable Development and Environmental Impact
- Sharing Wealth-creation Opportunities
- Raising National Standard of Living – Health, Education, Wages, Work
- Developing Competitive Skills and Competencies

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11th Five Year Plan: Emerging Logistics Impact

- Internal Developments
  - China Rail
- International Developments
  - North American Super Corridor
  - North American Gateways

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China 2006 – 2010: Reshaping International Trade Logistics

China Rail – Traditional Role [in order of importance]
- Commodities and Bulk Freight
  - Supporting Traditional Industries [coal, steel]
- People Movement
- Emergency Response
- Freight through Intermodal Operations

The Logistics Institute
China 2006 – 2010: Reshaping International Trade Logistics

Intermodal Rail Situation – 2005 [10th Five Year Plan]
- 45% volume increase – compared with the end of 9th Five Year Plan
- Cumulated intermodal volume carried 14.12 million TEU.
- 30,740 unit trains dispatched (18.2% of total container carried)
- In 2005, intermodal operations carried
  - 2.2% of total rail freight
  - 1.6% import/export containers

No dedicated rail intermodal terminals

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China Rail Objectives Of The 11th Five Year Plan:

- System Expansion: 17,000 new route lines.
  - 7,000 km for high-speed passenger services.
  - 8,000 km multiple tracks
  - Convert 15,000 km current route to electrified routes
- Ensure total National route lines exceed 90,000 km by 2010
  - 45% multiple tracks
  - 45% electrified routes
- High speed passenger routes over 20,000 km
- Coal carrying capacity over 1.8 billion metric tons
- Expand route lines in Western China over 35,000 km
- Establish national networks for containerized traffic

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China Rail – Intermodal Rail Operations

- Intermodal Terminals
  - 18 logistic parks
  - 40 intermodal terminals
  - 100 container handling terminals

- Container unit trains
  - 90 routes have been established

- DST service to link all 18 logistic parks
- Ensure smooth train transit between ports and major inland border points, and related intermodal terminals

Service Enhancement

- Market driven
- Major account/service contract

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Reshaping International Trade Logistics

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NAFTA CORRIDORS

CISCOR - Canadian Intelligent Super Corridor
NASCO - North America Super Corridor Coalition
CANAMEX - Canada Mexico Corridor
ROTCC - River of Trade Corridor Coalition

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NAFTA CORRIDORS: NASCO

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NASCO – PORTS OF ENTRY
NASCO – MEXICO:
Monterrey Inland Port Infrastructure Development

Government of State of Nueva Leon Development Blueprint
• Logistics Developments
• Infrastructure Developments
• Technological Developments
• Business Developments
• Capacity Developments
NASCO – MEXICO:
Monterrey Inland Port Infrastructure Development

Logistics Alignment
• Administrative and organizational structures
• Telecommunication services
• Systems to consolidate and deconsolidate freight
• Distribution services to companies and consumers
• Customs services and requirements
• Intermodal transport services
NASCO – MEXICO:
Monterrey Inland Port Infrastructure Development

Infrastructure Investment

- Highway improvements: Establishing a Series of Corridors
  - North-South: Central America into Northern Region
  - Inter-oceans: Mazatlan to Altamira
  - East-West: across the mountains
- Rail Improvements
- Inland Port of Monterrey:
  - Highway Free Trade Zone
  - Rail Free Trade Zone
  - Multimodal Services
  - Distribution Services [centers]
  - Telecommunication Services
  - Customs Services
  - Industrial Parks – aerospace, automobile, electronics
  - International Logistics Center to integrate all business services
- Airports:
  - Air Cargo services and infrastructure
  - Customs Services
  - Intermodal Connections
NASCO – MEXICO:
Monterrey Inland Port Infrastructure Development

Technology and Telecommunications
• Center for Telecommunication Services for Logistics
• Bank of Information on Logistics Business
• Institute for Technology and Logistics:
  • develop logistics technology, software, etc
• Improve Internet applications to logistics operations
  • online/real time connections
NASCO – MEXICO:
Monterrey Inland Port Infrastructure Development

Business Developments
• Reduce costs/time for customs clearance
• Create free trade zones
• Guarantee security
• Implement international standards
  • C-TPAT, ACE, etc
• Create incentives for companies and logistics service providers to do business in Monterrey
NASCO – MEXICO:
Monterrey Inland Port Infrastructure Development

Capacity Developments – Education and Training
• Coordinate university and technical programs
• Support professional certification
• Distribute information on best logistics practices
China 2006 – 2010: Reshaping International Trade Logistics
China 2006 – 2010: Reshaping International Trade Logistics

Canada’s Regional Trade Zones

- West Coast
- Prairie Region
- Midwest US
- Central Canada
- East Coast US
- Atlantic Region
China 2006 – 2010: Reshaping International Trade Logistics

Opportunities are:

- On land: rail instead of truck
- Intermodal: rail and marine container freight
- Interior in China
  - moving the economy from coast to country
- Trans-border in Asia:
  - Trans-Siberian and Westward overland into the EU
  - South East Asia from China to Singapore
- North American Market Orientation
  - NAFTA Corridor Developments
    - Multi-modal
    - Trans-border: Canada-US-Mexico
  - Entry at Pacific Coast Ports in Mexico
  - Entry at Asia Pacific Gateway in Canada

The Logistics Institute
How can Winnipeg, Manitoba at the geographical centre of Canada benefit from these developments?
Reshaping International Trade Logistics

Critical Success Factors

Competitive Strategy

Business Process

People

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Reshaping International Trade Logistics

Building success demands 3 things:

1. Capability
2. Competence
3. Credentials

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Capability = the capacity to do the job

- For **regions and companies**, it means having the right infrastructure, systems, investments, assets and resources to deliver on the value proposition

- For **individuals**, it means having the right psychological, physical, and mental capacity to get the job done

The Logistics Institute
Reshaping International Trade Logistics

Competence = the right balance of skills, knowledge and aptitude that sustain our capability to do the job

- For **regions and companies**, it is having the right bench-strength (*skills, knowledge and aptitude*) among our human resources and work teams to sustain our capability to succeed

- For **individuals**, it means having the right skills, knowledge and aptitude to sustain and advance our careers

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Reshaping International Trade Logistics

Credentials = those public identifiers that certify our competence, which in turn support our ability to do the job

- For **regions and companies**, it is having the right experiences to prove and demonstrate bona fide strength to succeed

- For **individuals**, it is having the right educational and professional credentials, as well as past work experience, to support our claims to do the job

The Logistics Institute
CN Customer Service

Delivering Customer Satisfaction

Melanie Hewson – Director Intermodal, CN

Winnipeg – February 11, 2009
CN’s Approach to Customer Service


  - The impact of Scheduled Service on Customer Service – “First and Last Mile” Approach

  - The impact of demographics in North America.

  - The impact of changes in how business communicates – Secure Real time Information Access
The Components of CN’s Customer Service

- **First and Last Mile Approach to Pro-active Customer Service:**
  - 10 Regional Transportation Service Centers
    - Provide pro-active solutions and interaction where it is needed
    - Direct communication between customers and operations

- **Meeting the need for Real time Interactive Customer Service via the Web:**
  - eBusiness Tools with secure access to information
    - Provide the tools to interact and exchange information in real time
    - Provide customization ability to meet individual needs
    - Support, Train and obtain feedback for improvement of the tools

- **Continuous Improvement of Service with Quality Service Management:**
  - Customer aligned Service experts with diverse railroading backgrounds
    - Balance and optimize service between CN and customer
    - Capable of working new solutions for changing needs and service
    - Skilled, knowledgeable railroaders dealing directly with customers
Demographics – impact of the Web

• 70% of the workforce is 44 or older with close to 30% of the workforce eligible for retirement.

• Baby boomers are retirement age

• Average age is higher in industries that ship goods

• If you are 25 now, you were 11 when the Web entered households

• Methods of communication are changing as the Web babies take their place in the workplace

• Online interaction becomes the preferred method of communication for information purposes

Creating Customer Value from Service
Regional TSC’s & eBusiness Tools

Transportation Service Centers

- Customer service rep next to the operations clerk planning daily service
- Immediate communication on issues
- Manage inbound and outbound flows for specific customer plants
- Regional coverage by center, Customer assignment within center
- Handling the First and Last Miles to pro-actively plan service for needs

eBusiness Tools

- Immediate Interactive capabilities to trace or plan
- Allows customers to self serve
- Handles instructions and communication
- Customize and schedule reports based on business need
- Available 24/7 with the immediacy to match need

Exchange of Day to Day Information
Service Managers role and scope

• Interacts directly with customers to adjust for changes
  • Address specific issues as those shown
  • Plant spotlights to diagnose an issue or ensure the fix is working
  • Workshops with key stakeholders for continuous improvement

Creating Customer Value from Service
Customer Contact Points

- The dominant contact point will increasingly be eBusiness.

- eBusiness – [www.cn.ca/velocity](http://www.cn.ca/velocity) - daily real-time information and interaction capabilities

- Regional Customer Service Reps – Interact between customers and operations on the first and last mile of the trip

- Service and Account Manager – Evolves the plan to ensure constant compatibility with customer’s business requirements

Creating Customer Value from Service
Developing a Sustainable Intermodal Network – CN’s Experience
Roadmap to Success

Understand the Market
Know your Capabilities
Be aware of your Master
Decide where to Play
Understand the Market

- Who are the customers? where are they located
- What service do customers want? What service level will they pay for
- What is your competition? competing service alternate source
- What is the price point? limits what you can charge
Know your Capabilities

What service can you deliver?

Investment vs return

Sustainability

Growth
Who are you satisfying?

Shareholder return

Metrics

Economic development

Be aware of your Master
Can you be all things to all people?

Can you serve all markets?

Choose where you can excell

Avoid where you will fail

Decide where to Play
15 Intermodal Hubs
### Hubs v Spokes

<table>
<thead>
<tr>
<th>RAIL</th>
<th>ROAD</th>
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<tbody>
<tr>
<td>• Maximize rail haul</td>
<td>• 500 miles</td>
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<tr>
<td>• Critical mass</td>
<td>• Virtual terminals</td>
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<tr>
<td>• Minimize blocks</td>
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<tr>
<td>• Minimize switching</td>
<td></td>
</tr>
<tr>
<td>• Asset utilization</td>
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</tbody>
</table>
Capacity Management

Do not overcommit

Planning v execution

Real-time visibility
Air Cargo and the Inland Port

Toward a New Logistics Model

Gary Deason
Winnipeg Airports Authority
An Interdependent Global Economy

Commercial Globalisation is a Fact

☐ Computer industry uses worldwide sourcing
☐ Pharmaceutical companies ship worldwide by air to ensure quality
☐ Car manufacturers produce assemblies on different continents
☐ Supermarkets stock produce from around the world
Air Cargo Facilitates the Supply Chain

- Transporting fruits or flowers without spoilage is now possible
- Global Just in Time production made more feasible by air cargo
- Air distribution is not just for production delays
- For time sensitive goods, air is frequently the primary mode
4 Decades of Air Cargo Growth
Air Cargo and World GDP

Air Cargo Will Grow Faster than World GDP
2007 - 2027
Yet a Constant Need to Improve Productivity

Air Cargo Yield 1987-2007
(1987 = 1.00)

0.54
Driving Forces in Air Cargo

- Globalisation of industrial production
- Longer supply chains
- Growing sensitivity to distribution costs
Constraining Forces

- Directionality of Trade Flows
- Declining Yields
- Traditional Bilateral Traffic Rights Structure
A New Convergence?

- Air Cargo handles 2% of weight but 35% of value in international trade
- Intermodal container trade now carries many of the same commodities
- Given the success of sea-air transport, can rail-air be viable in the future?
A New Paradigm …

- Integrating air cargo with other modes of transport
- Clustering of logistics functions to create efficiencies
- Creating hubs to serve multiple trade routes and transport modes
- Facilitating strategic supply chain management
The CentrePort Opportunity
A Commonness of Interest …

Winnipeg Airports Authority’s Vision
To lead transportation innovation and growth

CentrePort Canada’s Mission
To develop a globally competitive transportation and logistics hub
Strategic Objectives

- Attract Foreign Investment
- Stimulate Regional Economy
- Generate Jobs and Economic Growth
- Trade and Transportation Centre of Excellence
Competitive Requirements

- Foreign Trade Zone
- Municipal Authorities Agreement
- Canada Customs Border Protection/CBSA
- Technology
- Infrastructure
  - Roads
  - Rail
  - Services (water, gas, electricity)
  - Adapted Facilities
Target Market by Sector

- Freight Forwarders
- 3rd Party Logistics Providers
- Warehousing/Distribution
  - Pharmaceutical/Medical Suppliers
  - Retailers
  - Consumer Products
- Aerospace
- Composites
  - Bus, Aerospace, Other Transportation
- Value-added Manufacturing
CentrePort Canada
- Linked to North American Transportation Routes and Markets

- Asia Pacific Gateway
  - Trans Canada Corridor
  - Yellowhead Corridor
- Quebec-Ontario Gateway
  - Trans Canada Corridor
  - Windsor/Detroit
- NAFTA Gateway
  - Mid-Continent Corridor
  - Eastern USA Seaboard
  - Mexico
- Arctic Gateway
  - Air Polar Routes
  - Sea Polar Routes
- Atlantic Gateway
  - Halifax Port
Central Location of the Inland Port
CentrePort Canada is Open for Business

- 20,000 acres with ‘shovel ready’ industrial land
- CentrePort Canada Inc is a ‘one-stop-shop’ for business investment decisions with incentives for investment
- Intermodal transportation system is seamlessly connected to all modes of air, roads, rail and sea
- CentrePort Canada is connected by rail to ports in Prince Rupert, Vancouver, Churchill, and Thunder Bay
- New opportunities for manufacturing, distribution / warehousing, and a logistics centre supported by an educated labour force
Benefits of CentrePort Canada

- Central, strategic location in the heart of North America
- More efficient, reliable access to key markets in Canada, the United States and Mexico
- 24-hour international airport with the most daily freighter aircraft departures in Canada
- Abundant serviced land ready for investment and development
- Competitive business costs including hydroelectric energy rates that are among the lowest in North America
Air Cargo can be a Vital Link

- Overnight access to US and Canadian destinations
- Geographically central to Asian, European, South American trade axes
- Facilitating Just In Time production both on site and at distant locations
- Expanding the logistics options available to producers and distributors
- Creation of new types of intermodal products and services
Inland Port in Summary

- Shifting existing supply chains is not an easy task.
- Inland Port/Special Economic Zone initiatives require:
  - Effective corporate governance
  - Harmonised business plans, and
  - Strategically competitive offerings
- Trade and distribution chains go beyond political boundaries.
- Need to develop all aspects of the nation’s transportation infrastructure by rethinking distribution in a modern economy, one that involves innovation and partnerships.
Much Still to be Done …

- Governance models and good business plans are not sufficient in a globally competitive supply chain
- We still require a local and national framework of liberal, competitive legislation and regulation
  - Foreign Trade Zones
  - Effective Open Skies agreements
  - Access to capital
CentrePort Canada Inc.: Better, Faster, Cheaper Connections to the World

Sample used in Provincial presentations in China
Air Cargo and the Inland Port

Toward a New Logistics Model

Gary Deason
Winnipeg Airports Authority
CentrePort, Our City and Our Future

Chief Administrative Officer Glen Laubenstein
5th Annual Supply Chain Connections Conference
February 11th, 2009
“Globalization...is patently a key to understanding much of our recent economic history. Production has become more and more international. Much of what is assembled in final salable form in one country, increasingly consists of components from many continents.”

- Alan Greenspan,
  *The Age of Turbulence*
Global World Trade – Increasingly Diversified

Global merry-go-round
Trade (exports) between main regions, growth forecasts 2005-08

Note: North America includes Canada, U.S. and Mexico; Asia excludes Indian subcontinent

Source: Global Insight

Charles J. McMillan, Professor of Strategic Management, Schulich School of Business, York University,
Source: Gardner, McBride
Infrastructure Planning for Future Opportunities

- CentrePort – a new “national dream”
- Winnipeg – The Heart of the Continent
- An opportunity to participate in the new global economy.
Important Trends

- Products are being sourced using bills of materials and parts from other parts of the world.
- The regions where the parts are made are specializing.
- Atlantic facing countries are now players (Africa) like Asian countries.
- The result is that world trade is increasing at a rate of 10% per year or essentially doubling every 8 years.
- The trade in parts and assemblies are starting to balance East and West in North America.
The Problem

Canada is bifurcated into Western and Eastern Corridors
Canada Can Change This

Connect East and West Corridors

- Requires new investment in rail lines – trucks too expensive
- Toronto – Winnipeg connection the most important
- Requires building a Canada-Centric World Trade & Transportation Model

Stakeholders need to be recruited

- All Canadian cities must see the vision
  - Canada not pass-through but value added country
  - Solves the job crisis for university graduates where only half are “fully” employed
- But US Cities as well
  - Trade corridors less centralized
  - Better job balance
The Solution

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Benefits of East-West Super Corridor

Intermodal Transshipping
- Includes simple, pass through traffic

Value Added Assembly and Manufacturing
- Well known companies
- Assembly of East-West imported parts and components
- New start-up can stay in Winnipeg

Support Services
- Logistics
- Headquarters
- Returnable
- Packaging
- Customs Brokers
- Tariff Free Facilities
- Professional Services

Winnipeg
Next Steps

  - Prioritize infrastructure
  - Seek innovative funding approaches
  - Develop strategic projects like the Inland Port
  - Collaborate with key stakeholders, including City and Province

- The CentrePort Canada Act received Royal Assent – October 9, 2008.

- Winnipeg’s Public Service submitted a plan to implement the Mayor’s Trade Council’s recommendations – October 15, 2008
Key Outstanding Issues

- Boundaries
- Servicing
- Taxation
- Governance
- Private sector concerns
Infrastructure, Opportunity and the New Global Economy

- Does anybody know what’s going on?
- Does anybody know why we’re doing so well?
The New Winnipeg Economy

“Welcome to Manitoba; when the end of the world comes, you get an extra ten years in Manitoba.”

We’ve changed: today our economy is more:

- Resilient
- Diverse
- Balanced

We need to re-learn, re-do, and try something new!
Our Infrastructure, Our Future

“Insanity is, when you keep doing the same thing over and over each time hoping for different results.”

W. Edwards Deming
“When the rate of change outside the organization is greater than the rate of change inside the organization, the organization is in trouble.”

-Jack Welch, Former Chairman of G.E. Corp.
Tata Motors and the Emerging Global Paradigm
Presents

5th Annual Supply Chain Connections Conference

“An Inland Port in a Storm”

February 11, 2009

Sponsored in part by

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A Better Way to Handle Your Freight

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