



INFORMATION BULLETIN

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Improving the transportation links between Eastern Canada and the New England states could spur on the creation of up to 100,000 additional jobs throughout the entire region by 2025.

That conclusion is among the findings of a draft study conducted by the Maine Department of Transportation into the relationship between sufficiency of transportation and economic conditions across the region of central Maine and the northern tier of New Hampshire, Vermont and New York State, as well as along the New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Ontario.

The report, called the Northeast CanAm Connections Study, was presented in draft form during the 32nd annual conference of New England Governors and Eastern Canadian Premiers.

Among the highlights of the report was a recommendation to develop improved east-west transportation routes, which bolsters the case for a proposed private sector-backed highway through Maine.

"The broad region's economic future is largely intertwined with the adequacy of our transportation links between our states and provinces," said David Cole, Commissioner of the Maine Department of Transportation during a presentation to premiers from New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Quebec as well as six New England governors.

Glen Weisbrod, president of the Economic Development Research Group said each of the provinces and states at the conference share a common theme - each has a economic powerhouse in their jurisdiction - such as Saint John's burgeoning energy hub - but they also have large areas that are economically distressed.

"Overall as a region the area doesn't enjoy the same level of robust economic growth as other trading regions in North America," he said.

Weisbrod noted that the many of the provinces and states have slower income growth, slower job growth, aging populations and high unemployment rates outside of major cities.

But the Northeast region has great potential, he added, noted it is positioned between two major economic regions in Canada and the U.S. - the Boston-Washington corridor to the south and the Montreal-Chicago corridor to the west. Both areas account for roughly 40 per cent of the gross domestic product of both the United States and Canada.

Weisbrod also pointed out that the Northeast region is also ideally poised for trade with Europe and with Asia via the Suez canal trade link.

However, the needed trade connections to these prosperous areas just don't exist.

While there are six north-south interstate highways in the region, there are no major east-west routes, he said.

As is stands, cargo heading east from Atlantic Canada to the western United States must go through a "circuitous" route that adds hundreds of kilometres and additional hours to the journey.

That route is the result of both a lack of infrastructure and U.S. federal government policies on weight restrictions for transport trucks.

Difficulties at the border are another problem for trade within the Northeast region and through the region.

These transportation obstacles are a threat to the region's future prosperity, he said.

As it stands the existing routes will become increasingly difficult to travel over the next decade due to traffic congestion, he noted.

"The forecast for 2020 is pretty scary where it comes to the ability of freight to get through New England."

But if the region works together to harmonize transportation policies and develop new infrastructure by accessing non-traditional sources of funding - such as private sector investment - there is the potential to create up to 100,000 new jobs in New England and Eastern Canada, he said.

"Each of the states and provinces stands to gain in a different way."

Peter Vigue, chairman of the Cianbro Cos., which is exploring the feasibility of building an east-west highway that would run from Calais to Coburn Gore, Maine., south of Sherbrooke, Que., said the CanAm study bolsters the case for the US\$1-billion route.

The study also showed the air quality benefits associated with the more direct transportation route, he added.

"Our project applies specifically to all of the challenges we face. ... whether it's the economic benefits of reducing cost and getting goods to market in the most economical way and the air quality concerns that have been discussed here."

Vigue said his company is in the process of talking with investors about the project as well as continuing to study the concept.

Newfoundland Premier Danny Williams praised the report for its long-term vision for the Northeast region.

"This is truly a vision piece that truly goes beyond any of our terms of office," he said.

"It's also difficult for current leaders, governors and premiers to look beyond the short-term."

To help with the short-term, Williams pushed for and received a resolution from his fellow premiers and governors to have their respective transportation agencies work on developing a way to study the benefits, costs and impacts of increasing truck weight limits.

"I think we need to step up our game on this."