

Harmonizing Transportation of Oversized Shipments Across Canada

Issue

The interprovincial trade of over-dimensional freight (ODF) is restricted by a costly and complex, multi-jurisdictional permitting process, inconsistent weight and dimensional standards, exorbitant fees and the need for repetitive route studies. These factors impede competitiveness and restrict the ability of industrial suppliers and fabricators to import and export their products to Canadian and global markets.

Background

PROLOG Canada Inc. estimates that a volume of over 50 million tonnes of freight will be imported into Western Canada over the next 20 years to maintain, upgrade and expand energy, mining and pipeline projects. Of this volume, energy companies and their engineers estimate that some 50% will be ODF, with much of the balance entering Alberta in legal-sized loads, and subsequently assembled into modules in southern Alberta, for the final ODF trip north.

According to a 2007-2008 Industry Canada working paper on interprovincial trade barriers, trucking regulation is a main impediment to interprovincial trade and this includes weights and dimensions regulations which differ across provinces and territories. "The resulting non-uniformity in regulation imposed additional costs on truckers ... in all provinces they travelled through."¹

The 1995 Agreement on Internal Trade attempts to reconcile the variety of trucking regulations in order to promote open and efficient trade and some individual provinces have followed through. The Government of British Columbia, the Federal Government and private sector partners are working together on a \$90 million project to establish road-rail and utility corridors in Northern B.C. to support international trade as part of its 10-year transportation plan.

Alberta's "High Load Corridor" (HLC) has designated an ever-increasing network of highway routes for the transportation of oversized shipments that are up to 9 metres high, 7.32 metres wide and 35 metres long with gross vehicle weights up to 380 tonnes. Saskatchewan's High Clearance/Heavy Haul Corridor is now included in the HLC with Alberta. And on February 11, 2011 Manitoba and Saskatchewan signed a Memorandum of Understanding on the Harmonization of Regulations and cooperation on Transportation Issues including "special permit conditions for oversize and overweight indivisible loads."²

However, ODF transportation remains a trade barrier between eastern and western Canada. Sarnia Lambton Industrial Alliance, a coalition of over 30 manufacturing-related companies in Sarnia-Lambton, Ontario, recently lost a bid to manufacture and ship 80 units valued at \$12 million for the oil & gas industry in Alberta. Shipping costs of \$3 million raised the cost by an additional 20%, the majority of which is attributed to the lack of ODF infrastructure and regulatory adherence. While the movement of equipment for large capital projects is improving in Western Canada, interprovincial barriers to trade still exist east to west impeding the ability of domestic manufactured and fabricated goods to displace foreign sourced products.

By enhancing the flow of goods through an Over Dimension Freight Corridor and regulatory network Canada will also be better positioned to leverage and export to global markets its expertise in manufacturing equipment for resource extraction and value added processes.

Recommendations

That the federal government continue to strengthen the 1995 Agreement on Internal Trade, by working with the provinces and territories through the Committee on Internal Trade to establish a Task Force that will work to:

¹ Interprovincial Trade Barriers Towards Goods and Services in Canada: An Issues Paper for Industry Canada, John Whalley, University of Western Ontario, Working Paper, 2007-08 [https://www.ic.gc.ca/eic/site/eas-aes.nsf/vwapj/wp200708.pdf/\\$file/wp200708.pdf](https://www.ic.gc.ca/eic/site/eas-aes.nsf/vwapj/wp200708.pdf/$file/wp200708.pdf)

² <https://www.gov.mb.ca/mit/mcd/pdf/transportationmbsk.pdf>

1. Harmonize width, height and weight standards for the transportation of over-dimensional freight;
2. Identify choke points and recommend improvements to eventually increase size envelope and weight limits according to a single standard;
3. Consult manufacturers, resource companies and shipping source jurisdictions in the planning phase to promote designs that can be tailored to the safe transportation of their products; and,
4. Work with all levels of government to provide appropriate funding, within existing infrastructure programs and mechanisms, to ensure Over Dimensional Freight barriers are eliminated.