



Transportation & Logistics

Edmonton is the major supply and service centre for northern communities and resource industries as well as the gateway to the thriving Western Canadian market of over 10 million people.

It is the second fastest growing metropolitan area in Canada and positioned as **the transportation hub** for moving goods into Western Canada and moving products out to North American and Asian markets. Edmonton is well connected – by road, rail and air service and well serviced by professionals in the logistics sector.

Sector snapshot

Alberta offers an integrated approach to transporting goods and services. Alberta's transportation and warehousing sector contributes over \$10 billion annually to the Alberta economy and employs 108,000 people.¹

Trucking benefits from Alberta's modern network of 41,000 kilometres of public, paved roads and highways reaching north to key resource locations, south to major export markets and west to key coast ports. Alberta is served by over 20,000 trucking firms that move 60% of all non-pipeline freight, valued at approximately \$7 billion.

Edmonton is centrally connected at a hub of highways. Highlights include:

- connecting major east/west routes through the Yellowhead Highway, with gentle grades through the Rocky Mountains to the coast,
- northern-most connection for the Canamex Highway linking Alberta through the U.S. to Mexico,
- major supply centre on the trucking Ports to Plains Corridor from the northern west coast ports through major Midwest U.S. markets to the Texas coast ports and via the NASCO corridor to additional Midwest U.S. locations and the U.S. gulf coast ports,
- northwest via Highway 43 to Grande Prairie,
- points west and north via the Alaska and Mackenzie Highways, and
- northeast to Fort McMurray and Alberta oil sands development via Highway 63.

Edmonton's ring road, Anthony Henday Drive, provides easy access to all major highways and is aligned to support intermodal service to and from both Canadian National (CN) and Canadian Pacific (CP) major rail and intermodal sites.

More than \$3.6 billion¹ worth of goods was shipped out of Alberta's airports to destinations around the world. In 2011, Edmonton's International Airport (EIA) moved close to 40 million kilograms of freight. As a major connection to global markets, EIA offers:²

- 24/7 year-round access with no operational or noise restrictions,
- some of Canada's lowest aviation fees, warehousing, handling charges, fuel costs and trucking rates,
- rapid customs services and bonded warehousing for international cargo,
- runway and aprons that can accommodate the world's largest cargo aircraft such as the AN124,
- expertise in moving heavy and oversized loads for the resource sector, and
- easy access to rail linkages and Highway 2 south to the U.S. markets and Anthony Henday Drive to connect to key northern and western Canadian markets.

Air cargo services are available from:³

- 11 airlines,
- eight integrated couriers/freight carriers,
- three independent cargo handlers,
- over 40 freight forwarders and customs brokers, and
- six cargo-handling terminals including three with coolers/freezers.

Air passenger service continues to grow, topping 6.3 million in 2011. Recent expansions to trans-border facilities offer expanded capacity to serve key U.S. markets.

¹ Government of Alberta Monthly Economic Update, March 2012

² <http://albertacanada.com/about-alberta>

³ <http://corporate.flyeia.com>

CN and CP operate approximately 9,600 route kilometres in Alberta and transport in excess of 60 million tonnes into and out of the province. These two Class 1 transcontinental rail carriers move over 20% of Alberta's export shipments, valued at approximately \$18 billion, and link products to both west and east coast ports and through the U.S. Midwest to selected U.S. markets and the gulf coast ports.

Within the Greater Edmonton area, the railways offer 16 rail intermodal and storage facilities. They provide the capacity to move commodities such as grain and a range of oil and gas and petrochemical products and containers.

CN's Walker Yard, located in north Edmonton and bordering on the Yellowhead Highway and Anthony Henday Drive, is one of the largest rail yards in the West, extending 50 blocks. Its 1,600 skilled workers handle an average of 3,000 rail cars/ day and operate around the clock.¹ It is the southern terminal for rail service to Fort McMurray and the first major urban supply centre along the northern line from the port at Prince Rupert, Canada's closest deep water port to Asia.

CP is currently planning to relocate and expand its current Southside Intermodal Facility. The new, state-of-the-art facility, targeted for 2014, will be located on a 240-acre site closer to the Edmonton International Airport, providing easy access to Highway 2 south.²

Both railways are investing millions of dollars in upgrading their facilities and lines to support the increase in demand-driven growth enjoyed in Edmonton, Alberta and Western Canada.



Edmonton transportation-related companies include:³

- CN Rail
- CP Rail
- Air Canada Cargo
- FedEx
- Westcan Bulk Carriers
- Katoen Natie
- Reimer Express Lines
- Mammoet Canada Western Ltd.
- MTE Logistix Edmonton Inc.

1 "We're a big part of your community" brochure (CN Partners in Responsible Care)
2 Edmonton intermodal facility public information session, CP Rail website
3 Hoovers Database January 20



Transportation and logistics opportunities

This sector is intricately linked to the supply and servicing of Alberta's and northern Canada's resource sector, moving industrial equipment and components into the resource areas and moving the commodities to market – as well as meeting the consumer needs of record population growth and substantial construction activity.

Highway 63, the main access road to the Athabasca oil sands area, currently carries the highest tonnage per kilometre in the country and the largest and heaviest loads carried anywhere. Recent government announcements to fund the twinning of Highway 63 and expand the parking and staging areas along this 244-kilometre route will expand the capacity to safely move large and heavy loads between Edmonton, Fort McMurray and various northern mine sites.¹

With ongoing public and private transportation infrastructure investments, nearly 60%² of Canada's rail freight traffic originating in Western Canada and the multi-market access from Edmonton, this location offers transportation and logistics opportunities today and for years to come.

A strong domestic market for products strengthens the business opportunity by minimizing the distances hauled, currency fluctuations and customs and brokerage costs. Locating in Edmonton provides close and convenient access to the resource customer base without compromising the ability to connect to targeted global markets.

Edmonton is ideally placed on the aircraft highway overhead with numerous aircraft moving daily enroute to Asia and Europe from the U.S. Edmonton International Airport is uniquely positioned as a service centre and cargo consolidation point for these intercontinental cargo flights and is enjoying growth from major international carriers such as FedEx.

Edmonton offers a stable and low-cost source of aircraft fuel as a result of jet fuel refineries in the region and, most often, the lowest diesel prices at the pump in Western Canada.³

Strategically located in each quadrant of the city and connected by road, rail and air, Edmonton's industrial locations serve any transportation, warehousing and distribution needs.

The distribution and warehouse cluster located in northwest Edmonton still has room to grow and, with the imminent completion of the final east leg of Edmonton's ring road, the industrial locations in Edmonton's northeast and south quadrants can easily serve any market region.

Transportation and logistics sector workforce and training

Examples of labour rates in this sector are:⁴

	EDMONTON HOURLY
Transportation manager	\$38.82
Technical sales specialist	\$31.82
Truck driver	\$25.96
Railway & motor transport labourers	\$22.52



1 Transportation Fact Sheet, The Oil Sands Developer Group
 2 Statistics Canada, Railway Car Loadings, November 2011
 3 Gas Buddy
 4 www.WAGEinfo, 2011 Alberta Wage and Salary Data

University of Alberta

- Offers a Bachelor of Commerce with a major in Distribution and Management

Northern Alberta Institute of Technology (NAIT)

- Business administration and information technology baccalaureate and applied degrees
- Apprenticeship training in 33 trades including the full range of trades required to maintain and operate major transportation equipment

MacEwan University

School of Business supports research in a range of transportation and logistics-related areas including:

- Coordination in Decentralized Supply Chains
- Facility Location
- Impact of Information Availability on Supply Chain Performance
- International Logistics
- Inventory Simulation
- Logistics Systems for Production, Distribution, and Transportation Companies
- Multi-Echelon Inventory Systems and Operations Scheduling
- Supply Chain Disruptions, Modeling and Simulations
- Asia Pacific Studies

Private-sector training:

- Alberta Big Rig Driver Education
- Capilano Truck Driver Training Institute
- Gennaro Transport Training

Local transportation and logistics support organizations:

- Port Alberta
- Alberta Motor Transport Association – Edmonton
- Supply Chain and Logistics Association of Canada - Edmonton
- Alberta's Industrial Heartland (rail)

Transportation and logistics sector competitive position

Edmonton's competitive advantage in the transportation and logistics sector is due to its:

- proximity to a large and growing domestic customer base in Alberta and northern Canada,
- growing local market for imports from Eastern Canada, U. S. and Asian markets – ensuring both import and export potential,
- favourable fuel (aviation and diesel) costs,
- network of existing and expanding modern rail and road infrastructure,
- 24/7 international airport with modern cargo services that can handle products from perishables to oil rigs and expanded passenger service facilities,
- access to a wide range of well-connected industrial land primed for development,
- skilled and cost-effective labour force, and
- cost-competitive position compared with other Western Canadian centres serving the resource markets.

