

Assessment and Analysis of the Development of a Trade Corridor in Southwest Saskatchewan

Submitted to:

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1.0 Introduction

The purpose of this project is to develop a comprehensive assessment of the development of an enhanced interprovincial/international trade corridor in Southwest Saskatchewan. It is expected that an enhanced corridor would facilitate increased trade in the region, reduce travel time for exporting and importing industries, create additional demand for private sector transportation services, enhance tourism access, and enhance regional economic opportunities.

There is a need for an enhanced transportation network throughout the southwest region as Highway #4 is only one of several highways in the region in need of enhancements to primary weight status. Highways, such as Highway #37, a main industry corridor in the region, are in great need of primary weight status, currently. While there are several roads within the region that are in need of upgrading, the purpose of this project is to prove up the value of developing an international/interprovincial corridor to create economic opportunities in the western half of the province, not just in terms of the regional transportation network and to provide Southwest Saskatchewan with the best opportunity to enhance border access in the region.

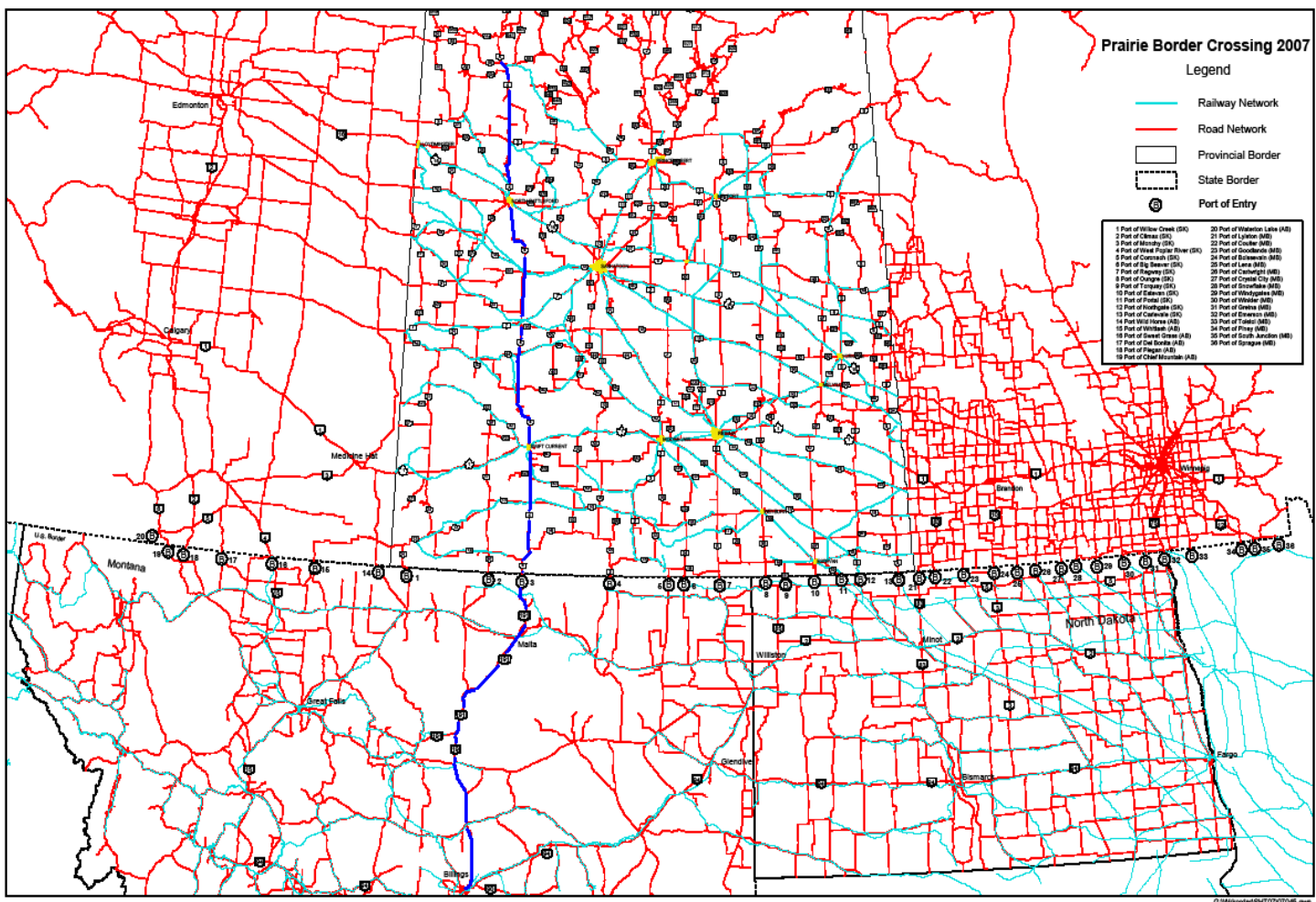
The following identifies border statistics, survey results, interviews and feedback, impacts on the economy and the overall need for border services. After completing a series of stakeholder interviews, reviewing survey data, and analyzing existing trade and statistical data it is recommended that a commercial port be pursued on Highway #4 at the Monchy/Morgan port. Further, this should be supported by investments into upgrading the highway from Swift Current to the border to primary weight status through capital investments in the highway.

2.0 Key Issues

Key Issues

- Lack of Border Services and the infrastructure to support a Primary Weight Trade Corridor in Western Saskatchewan
- Lack of commercial border services between the ports of Raymond/Regway and Coutts/Sweet Grass.

Map of Study Region



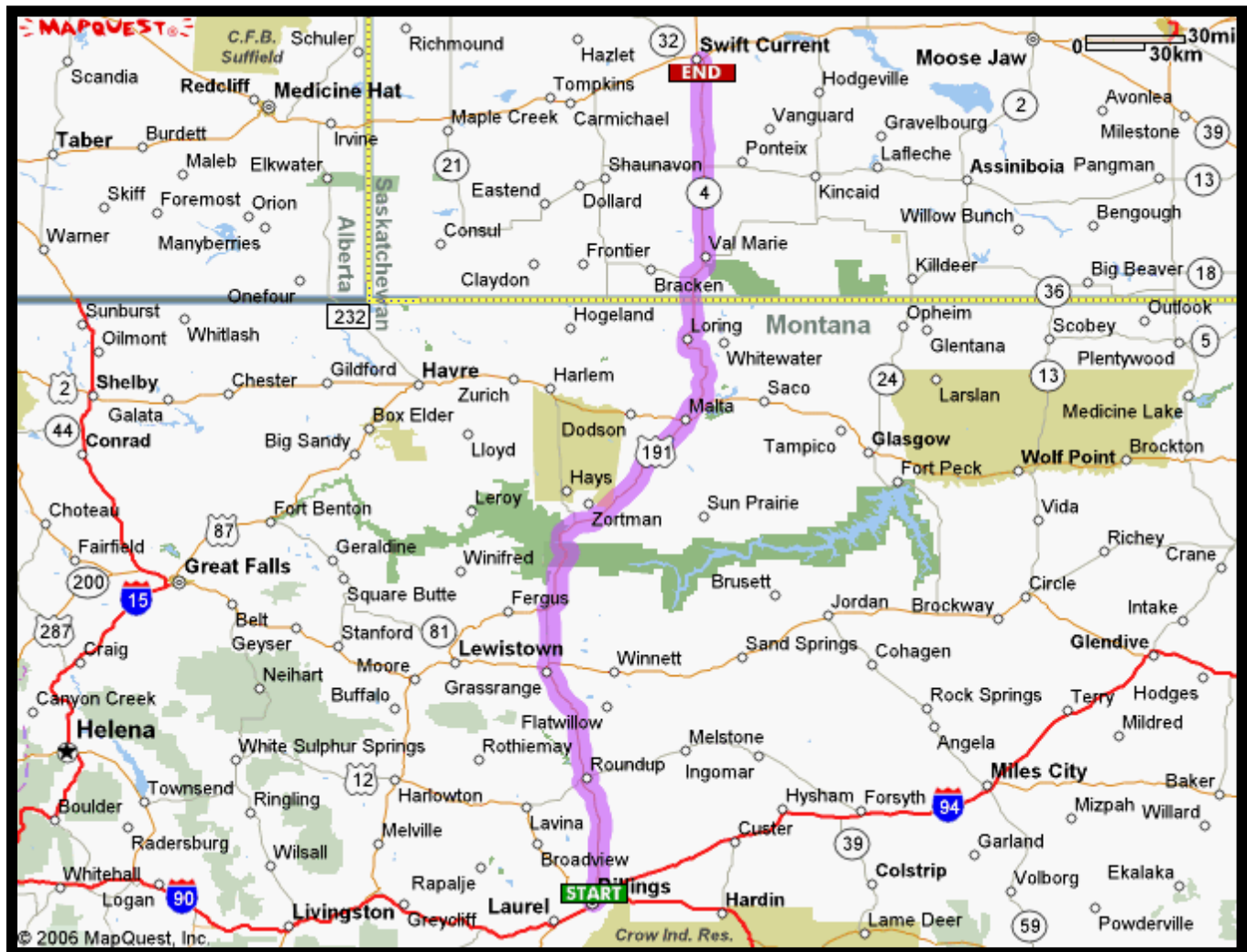
The highway corridor is identified in blue. While this is an existing part of the Canada-U.S. highway system, it is currently not continuously primary weight supporting highway or a commercial port at the border.

3.0 Background and History

3.1 – History

For Several Years Stakeholders Have Been Active in Promoting North/South Corridor Development Between Saskatchewan and Montana

In recent years there have been movements to make the Port of Wild Horse (Highway #41 in Alberta), the Port of Monchy (Highway #4) and the Port of Climax into 24-hour ports. The PhillCo Economic Growth Council and the Malta Area Chamber of Commerce in Montana have been working to develop a North/South Transportation Corridor that would include the Port of Monchy/Morgan as well as Highway #4 in Canada and Highway #191 in the United States. The map below shows the planned Corridor as envisioned by the PhillCo Economic Growth Council as early as 2000.



Since that time, much work has been carried out at the community level with several organizations looking at enhancing the north/south trade infrastructure. Community Futures Southwest has worked for the past several years on various projects focussing on developing a competitive transportation infrastructure in support of economic activity and trade. As well, the group Action Southwest has worked on the promotion of north/south corridor development in the recent past.

Most recently, Community Futures Southwest and their partners of the North South Trade Corridor committee “Crossing the Medicine Line” met in Malta MT on November 4th, 2010 to discuss the final steps to completion of a business case for one or more commercial 24-hour ports in southwest Saskatchewan and Montana to improve the economy and trade relations. At the meeting were representatives from several organizations on both sides of the border.

Over Time a Broad Base of Support for This Concept Has Developed on Both Sides of the Border

In the recent past several organizations and municipalities have shown support for enhanced transportation infrastructure and border services. The Corridor for Competitiveness Project, through Community Futures Southwest and previously Action Southwest have developed a large number of partners and received several letters of support from both sides of the border. While there has been some disagreement over which port should be the focus of investment, the need for additional border services in the region has been widely supported. Most recently the cities of Saskatoon and Swift Current have come out in support of the project.

The Montana Government Has Been Proactive in Assessing and Promoting Enhanced Border Access

The Montana government has been focusing on border issues in recent years. The Montana Department of Transportation recently completed a study call “Impacts of Increased Canadian Economic Development on Northern Montana Highways” in April 2010. This study looked at highway access and border access between Montana and Saskatchewan and Alberta and found a need for enhanced border services between Montana and the Canadian provinces.

As well, the Montana State Legislature has passed two Bills asking the federal government for enhanced border services between Saskatchewan and Montana. The Bills have asked for enhanced borders services at Climax/Turner and Monchy/Morgan ports. It should be noted that the American portion of the highway is currently primary weight highway. As such, limited highway infrastructure investments would have to be made to completely convert the corridor on the Montana side.

3.2 – Ports-to-Plains

There several interested stakeholders with regards to improved infrastructure to support cross border trade. One of the most significant of which is the Ports-to-Plains group focussed on advocating the transportation needs in the Great Plains region of North America.

The Ports-to-Plains Alliance is a non-profit, non-partisan, community-driven advocacy group. The group has been working for over a decade on developing an enhanced transportation infrastructure corridor between Texas and Alberta. The corridor stretches over 3,800 kms (2,300 miles) and includes nine states and two provinces (Alberta and Saskatchewan). The organization has had great success maintaining a high profile and leveraging over U.S. \$1Billion in federal funding for road improvements in the nine-state Ports-to-Plains region.

A great deal of the focus has been on the energy and agricultural corridor between Alberta and Texas. The region is home to the majority of the resources base in North America for many key products. Essentially, the group sees the need for greater connectivity between the energy and agriculture producing jurisdictions of the Great Plains.



Arguing that the economic importance of this region to North America is key, it must be supported by an infrastructure that will allow for the free movement of inputs and products, including across borders. The map above shows the Ports to Plains region.

As part of this project the Consultant attended the Ports to Plains Energy Summit in Denver, Colorado. This conference was dedicated to exploring the transportation requirements for North America's energy corridor through the Great Plains from Canada to Mexico. Much of the Canadian focus was on the vast oil sands reserves in Alberta, however, there was an awareness of and interest in Saskatchewan's resource base. Saskatchewan is also of major importance to this corridor given the broad range of energy products including oil, natural gas, uranium, coal, as well as other products such as fertilizer and agriculture.

Several conclusions were drawn from the conference including:

- There are very strong similarities between Saskatchewan's economy and the Great Plains states both in terms of challenges and opportunities. There is more in common regionally going north south than east west as the Eastern Canadian economy is manufacturing and financially based compared with the resource economy of the Great Plains.
- Energy security is paramount to the United States. A key part of the solution to energy security is maintaining access to Canadian oil via Saskatchewan and Alberta.
- Interest in Canadian resources is high. Aside from oil there is a strong interest in Canadian resources such as natural gas, oil products, uranium, fertilizer, and other agricultural products. There is also an interest in Canadian markets for US products. Interest in general trade with Canada is viewed as a key part of emerging from the recession.
- There is a strong interest in alternative energy, particularly wind energy. There has been a substantial push towards increasing wind power as well as the manufacturing of wind power production components. Movement of wind power equipment is a barrier for some regions because of the size of the equipment.
- There is a general interest in developing stronger economic ties with Canada, and more specifically Alberta and Saskatchewan.
- The overarching theme of the conference, however, was the need for coordinated systematic transportation planning that meets the needs of today's economy. This includes, in as far as trade is concerned, border services that meet the needs of the regional economy.

There are also other groups with specific interests in a primary weight corridor with commercial access to the United States. In Northern Saskatchewan a group has been looking at the increasing access to and services at Beauval Junction, for which Highway #4 provides a key access point to south western Saskatchewan and the United States. This project, as it develops, will require better southern access to succeed.

Another group working in the United States is the Highway 2 Association. This group is working to improve the infrastructure around the first major arterial highway running east west below Saskatchewan. This highway runs between 50 and 80 kilometres south of Saskatchewan along the border. Improved border access with Saskatchewan and Alberta is one of the key issues for this group.

3.3 – Port of Wild Horse

The Port of Wild Horse, located in Alberta 15 km from the Saskatchewan border (60 km north of Havre, MT on Highway #232), has been the focus of a drive to extend border services, with a goal of attaining 24-hour commercial status. This project has been the focus of both the Ports-to-Plains organization as well as the Highway 2 Association. However, there has been some disconnect between Canadian and American border agencies over the issue. American border services have been moving towards extending hours at the port. At the same time there has been very little communication with the Canadian counterparts leading to some reluctance on behalf of the Canadian border agency to follow suit.

In 2009 U.S. Customs and Border Protection announced the extension of the summer operating hours to determine if there is a significant increase in commercial traffic that would enhance trade and benefit the area. More recently (December 2010), the Canadian Border Security Agency (CBSA) announced it would also extend summer hours year round as well.

The Port will be re-assessed in the future to determine if a 24-hour commercial port is warranted based on the new traffic data. Representatives from Montana and Alberta have both expressed a desire to extend port hours and develop a commercial port at Wild Horse.

Given the proximity to Saskatchewan, this project has two impacts. Firstly, this project shows that community and provincial support can move a project such as this ahead at the federal level. If Wild Horse were to become a commercial port, there would still be significant distance between the Regway/Raymond commercial port in Saskatchewan and Wild Horse. The mid-point would fall somewhere in Southwest Saskatchewan if a second commercial port were to be developed between Montana and Saskatchewan. This has a more salient point as the next section details a recent Montana transportation report that calls for one to two 18 to 24-hour ports between the existing commercial ports in the region (Coutts/Sweet Grass and Raymond/Regway).

3.4 – Montana Department of Transportation

A recent report completed for the Montana Department of Transportation looked at the impact of Canadian economic development on highway infrastructure and specifically border access. The report titled Impact of Canadian Economic Development on Northern Montana Highways (April, 2010) analyzed the highway infrastructure with respect to trade with Alberta and Saskatchewan.

With respect to border access the report found that, on a sheer volume basis, the two existing ports (Coutts/Sweet Grass and Raymond/Regway) were sufficient. However, it was also found that the great distance between these two commercial ports of entry was an impediment to industry and trade in Montana, Alberta and Saskatchewan. Further, it was suggested that an additional one to two 18 to 24-hour commercial ports be developed between the existing commercial ports.

The following table from the report indicates the level of growth expected for southbound commercial vehicles over the next 20 years for the four ports located in the Southwest. The ports of Turner and Morgan show similar levels of growth over the period.

Commercial Vehicle Projections – Per Day Impact of Canadian Economic Development on Northern Montana Highways			
	2009	2019	2029
Willow Creek	9	10	14
Turner	11	15	19
Morgan	12	15	18
Opheim	7	14	17
Source: Impact of Canadian Economic Development on Northern Montana Highways			

The following table shows the impact that shifting to a commercial port would have, without additional infrastructure improvements such as improved highways. For the Port of Morgan the total traffic would grow by 16% from an average of 32 vehicles per day to 37 vehicles per day. Of course, additional investments into the highway infrastructure would again increase traffic levels. The need for accompanying investment into highway infrastructure was echoed by interviews for the Montana report as well as interviews for this report.

Total Vehicles Per Year – 2019 Impact of Canadian Economic Development on Northern Montana Highways		
	Without Commercial Port Status	With Commercial Port Status
Willow Creek	9,125	9,855
Turner	10,222	12,045
Morgan	11,680	13,505
Opheim	11,680	13,505
Source: Impact of Canadian Economic Development on Northern Montana Highways		

Based on research, stakeholder interviews, as well as workshops the key findings regarding the reports assessment of the ports of entry were as follows:

- “Regional Stakeholders, including economic development officials, trucking companies, and manufacturing firms agree that:
- (a) expanding port operations must be accompanied with improved connecting highways to fully leverage the benefits of expanded hours and develop feasible attractive highway corridors; and
 - (b) given the relatively low volumes at most ports of entry, traffic demand is likely to support one to two (at most) expanded ports between Sweet Grass and Raymond.” (p. 172)

“Because of the limited hours of operation at the border crossings, and the operations of the trucking/logistics companies it is often difficult for the agriculture/manufacturing companies to have access to trucks and make it to the borders at appropriate times and in economical ways.” (p. 192)

Stakeholder interviews for the Montana study appear to echo similar sentiments to those found in Saskatchewan with regards to the need for additional border services as well as the need for changes to border services. Stakeholder interviews for this study are covered in a later section.

3.5 – Montana’s Bill HJ 17

As part of this project the Consultant made a presentation to the Montana State Transportation Committee in support of Bill HJ 17 being moved by Representative Wayne Stahl. At the Transportation Committee hearing the Consultant, as well as a representative from Malta, gave testimony with regards to the implications of the Bill for Southwest Saskatchewan as well as northeast Montana. Subsequently, Montana Bill HJ 17 was passed unanimously. The Bill requests that the Federal U.S. Customs and Border Services extend hours at the Monchy/Morgan port.

Bill HJ 17 has since been signed and filed with the Secretary of State. The next steps for the Bill will be consideration by the Federal Government in Washington. As in Saskatchewan, the final decision around border services rests with the Federal government. The state and provincial governments can only make requests and recommendations with regards to border services.

The following is the Bill as it appears in the Montana Legislature.

Montana Bill HJ 17

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING SUPPORT FOR EXTENDED HOURS AT THE MORGAN-MONCHY PORT OF ENTRY.

WHEREAS, improving border services to increase industry competitiveness is important for continued growth of the Montana economy; and

WHEREAS, a recent analysis identified limited border services as a potential barrier to growth; and

WHEREAS, increasing access to key transportation trade corridors is important for improving industry competitiveness; and

WHEREAS, the Morgan-Monchy port of entry is only open from 9 a.m. to 6 p.m. from September 16 to May 31 and from 8 a.m. to 9 p.m. from June 1 to September 15.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the 62nd Legislature urge the United States Congress to support extended hours at the Morgan-Monchy port of entry on the Montana and Saskatchewan border; and BE IT FURTHER RESOLVED, that the Secretary of State send a copy of this resolution to Montana's Congressional Delegation.

A similar bill has been submitted requesting extended border services at the Climax/Turner port asking for extended border times. This request was forwarded to Washington in 2010. This Bill reinforces the desire in Montana to have greater trade connectivity with Saskatchewan.

3.6 – Existing Border Services

There are four border ports in Southwest Saskatchewan. Each of the ports has year round services, with extended hours in the summer. The hours of operation are 9 a.m. to 6 p.m. daily, seven days a week. Each of these ports is a “permit port” which means that commercial goods must be previously permitted to pass through. The four ports in the Southwest area are:

- **Port of Willow Creek** – Highway #21 leads to the westernmost port. On the American side the gravel road has recently upgraded to a new paved road. The newly paved Highway #233 leads to Highway US #2. It is 57 km from the border to US Route 2. There is a distinct change in road quality from the American to Canadian side. This port reverted from county to state control in 2001.
- **Port of Climax, Port of Turner** – Highway #37 connects to the port on the Saskatchewan side. On the American side is a two-lane paved Highway #241 that connects to US Route 2. It is 72 km from the border to US Route 2.
- **Port of Monchy, Port of Morgan** – Highway #4, which is gravel for the last portion, connects to the port. On the American side there is a principal two-lane paved Highway #191 that connects to Highway US #2. It is 85 km from the border to US Route 2. Annual daily traffic is 60 vehicles, the busiest in the region.
- **Port of West Poplar River, Port of Opheim** – Highway #2 (connecting from Highway #18) connects to the US border. The principal two lane paved highway 24 connects to Highway US #2. It is 110 km from the border to US Route 2.

The challenges to industry at these four ports are threefold:

- the physical highway condition of the highways and the weight restrictions
- the hours of operation, and
- the lack of commercial services

Physical Condition – The physical condition of several highways in the South West is poor, and there is limited primary weight highway connectivity in the region. It is widely acknowledged that there is a transportation infrastructure deficit in the region. These problems can be traced back to a shift in transportation patterns moving many more trucks onto highways several years ago. The road infrastructure system in the region is generally not sufficient to support the type of shipments that are being hauled by truck in today’s economy. As such, many of the primary weight routes include a mix of gravel roads and permits.

Hours of Operation – The hours of operation for the ports are not conducive to supporting industry, either in terms of long haul trucking or less than load collection. The 9 a.m. to 6 p.m. time slot does not allow enough time to enter and return in the same day for many regional trips. Missing the border times results in significant amount of back travel to find another available port. Variations around summer and winter hours also could create some confusion which could make dependence on these ports difficult.

Lack of Commercial Services – The lack of commercial services means that goods cannot be transported beyond the next jurisdiction unless permitted. This means exporting from Saskatchewan must be done through the existing commercial ports at Regway/Raymond, Coutts/Sweet Grass or North Portal/Portal a distance of between 250 and 350 km from the Monchy/Morgan to Regway/Raymond and further to Coutts/Sweet Grass. As the following map shows, directly, the distance is significant between commercial ports, and is even farther when highway routes are considered.



No Issues Around Congestion – There are no ongoing issues around congestion at the border ports in the southwest. While there are some traffic delays, they are related to enhanced security. This is also true of the commercial ports where traffic delays do take place, and there is some congestion at peak times, but not on an ongoing basis. Again for most of the commercial border ports most border delays are more related to enhanced security measures.

Historically, the Monchy/Morgan port has been the most dominant in terms of truck traffic, however, more recently the Climax/Turner port has had a similar level of truck traffic. The following table shows the historic northbound truck traffic for each of the ports in the southwest.

South Bound Truck Traffic at Ports in South West Saskatchewan				
Year	Morgan	Turner	Willow Creek	Opheim
1995	1,518	647	n.a.	584
1996	2,058	407	n.a.	717
1997	1,955	703	n.a.	506
1998	1,735	410	n.a.	547
1999	1,941	333	n.a.	901
2000	3,270	620	n.a.	2,047
2001	3,783	554	n.a.	2,556
2002	1,469	285	n.a.	1,175
2003	1,062	334	n.a.	679
2004	897	395	n.a.	1,234
2005	726	281	14	745
2006	727	492	10	524
2007	512	324	12	480
2008	464	302	32	321
2009	584	876	4	356
2010	703	748	1	332
Source: U.S. Bureau of Transportation Statistics				

In terms of total traffic, Turner/Climax has more overall traffic. Interviews with area residents from the region indicated that the proximity to Havre and cross-border shopping induced by a high Canadian dollar was a regional driver of cross-border traffic at the Climax/Turner port.

This is reinforced by the following table which shows the total commercial and personal travel at the selected ports.

South Bound Traffic at South West Saskatchewan Ports – All Types 2010				
Port Name	Trucks	Buses	Personal Vehicles	Total
Morgan/Monchy	703	6	6,663	7,372
Turner/Climax	748	12	8,409	9,169
Opheim/West Poplar River	332	1	3,576	3,909
Willow Creek	1	1	4,734	4,736
Source: U.S. Bureau of Transportation Statistics				

In terms of northbound traffic entering into Canada, the following table shows the total number of people (not vehicles) entering into Canada through the respective ports. Again, given the proximity to Havre, the largest regional U.S. city, and the strong Canadian dollar, a significant amount of cross-border visitation is generated at the Turner/Climax port.

Total Entrants – North Bound Visitation from U.S. by Port of Entry						
Geography	2005	2006	2007	2008	2009	2010
Turner/Climax	10,091	10,635	13,464	16,206	14,368	17,870
Morgan/Monchy	11,689	11,629	12,642	12,243	11,831	13,803
Opheim/West Poplar River	7539	8366	8577	8047	7169	6954
Willow Creek	5568	6203	8145	7913	6447	6480
Source: Statistics Canada						

3.7 – Political and Security Environment

3.7.1 – Security Environment

In the recent past northern border security has been a major issue with the U.S. Department of Homeland Security (DHS) and the U.S. Customs and Border Protection (CBP) increasing their attention to and budget for border security. In the recent past there have been public statements out of DHS to bring southern style border security to the northern border. More recently, there have been high level discussions between the leaders of the two countries regarding trade and border security. The most recent development in border security has been a move towards integrated security measures.

Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness is the latest border strategy announced by Prime Minister Harper and U.S. President Barack Obama. This new focus involves efforts to support both economic trade as well as security through a cooperative approach to security. This new focus comes amid discussions around a renewed call for enhanced security, as a report released by the U.S. Government Accountability Office (GAO) in February of this year found that a substantial portion of the northern border lacked any effective monitoring and surveillance. It concluded that only 32 miles of the 4,000-mile border were under operational control.

While the future remains uncertain, a move towards a higher level of cooperation will likely be positive for issues such as the need for additional border services in two ways. First, the level of cooperation between the Canadian and American border agencies is currently not good. A move towards greater cooperation will remove some of these hurdles. Second, investments into greater security, while ensuring the flow of goods, could include a greater number of commercial ports. If security is already going to be enhanced, the additional costs of moving a port to commercial status will not be as great an investment.

3.7.2 – Interagency Cooperation

The level of cooperation between and amongst border agencies is poor. There are three agencies in the United States that have a direct involvement in border services. As well, communications between the Canadian and American border agencies is poor at times.

In the United States there are three border related agencies, each with a separate focus:

- **Department of Homeland Security (DHS)** – oversees U.S. security, created to deal primarily with domestic security issues.
- **Customs and Border Protection (CBP)** – manages the border and border security.
- **General Services Administration (GSA)** – owns and constructs border security infrastructure such as buildings.

In Canada, border security is primarily managed by the Canadian Border Security Agency (CBSA). Communications in recent times around specific border issues has not been good in recent years. The U.S. CBP and the CBSA have not had a high level of communication for issues such as border closures (Big Beaver Port) or changes to services (Wild Horse Port). As stated previously, a greater level of cooperation between the border agencies may alleviate some of the past communications lapses.

3.7.3 – Energy Security

Energy security is a very high priority for the U.S. at the moment. As such, connectivity with Canada, and more specifically Alberta and Saskatchewan is seen as important. Recently released documents have revealed that the U.S. sees several Canadian infrastructure holdings as critical to U.S. security. The Enbridge Pipeline, TransCanada Gas natural gas transmission, and the North Portal rail crossing in Saskatchewan are all seen as critical to American interests and security.

The importance of energy security plays a role in border security in South West Saskatchewan as the proposed TransCanada Keystone XL pipeline will run through the area and exit Canada into the U.S. at the Monchy/Morgan port as the following map shows.

Map of TransCanada Keystone XL Pipeline Expansion



This type of development at the Monchy/Morgan port will likely add to the security importance of the port. As such, moving to a commercial port may be more attractive because of the added security issues with the pipeline.

4.0 Border Statistics Survey, Interviews and Feedback

4.1 – Cross Border Trade

The total value of cross border trade moved by truck to the States has risen from \$3.7 billion to 8.1 billion, even based on a declining U.S. dollar. Increasingly today's economy is relying on the road network to move primary weight goods. Saskatchewan is heavily trade dependent with a significant amount of that trade going by truck to the United States.

Value in Billions (US\$) of Cross Border Trade Moved by Truck from Canada to the U.S.						
2000	2005	2006	2007	2008	2009	2010
\$ 3.664	\$ 5.181	\$ 6.064	\$ 6.823	\$ 8.474	\$ 6.649	\$ 8.141

According to the Saskatchewan Trade and Export Partnership “While exports make more than 70% of our province's GDP, essentially every business in Saskatchewan is export dependant, either as an exporter or as a business that supports exporters.” At \$8.1 billion this would mean that one-third of the total exports (\$24.2 B) for 2010 were created through trucking to the U.S. This is an indicator of how critical Saskatchewan's border infrastructure is to the economy. As well, it is an indication of how a border system that is not meeting the needs of industry could impact wealth creation in the province.

Value in Billions (US\$) of Cross Border Trade Moved by Truck from Canada to the U.S. – By Product						
	2000	2005	2008	2009	2010	Change 2000-2010
Oil Seeds	\$30.69	\$38.92	\$88.14	\$63.37	\$69.57	126.69%
Rubber and Articles Thereof	\$32.28	\$68.05	\$74.08	\$72.18	\$83.48	158.59%
Furniture	\$55.81	\$78.31	\$140.95	\$93.06	\$116.73	109.15%
Fertilizers	\$79.27	\$131.18	\$197.15	\$147.71	\$155.21	95.81%
Live Animals	\$107.58	\$172.68	\$326.46	\$172.76	\$191.11	77.64%
Inorganic Chemicals	\$67.20	\$185.75	\$240.02	\$265.09	\$224.77	234.49%
Plastics and Articles Thereof	\$130.85	\$165.07	\$241.67	\$181.38	\$236.34	80.62%
Miscellaneous Chemical Products	\$155.46	\$183.39	\$277.78	\$245.25	\$251.16	61.55%
Articles of Iron or Steel	\$124.22	\$256.89	\$465.06	\$326.53	\$444.31	257.67%
Electrical Machinery and Equipment	\$145.20	\$222.40	\$386.51	\$393.39	\$494.90	240.84%
Mineral Fuels	\$90.58	\$180.31	\$470.79	\$507.83	\$606.38	569.41%
Vehicles, Other (including Agricultural Equipment)	\$452.56	\$807.78	\$1,478.66	\$893.40	\$1,200.17	165.20%
Nuclear Reactors, Boilers and Nuclear Fuel	\$906.90	\$1,754.69	\$2,795.44	\$2,233.14	\$2,890.05	218.67%
U.S. Bureau of Transportation Statistics						

The volume of mineral fuel, primarily oil, moved by truck from Saskatchewan to the U.S. has grown by 570% since 2000. The value of nuclear fuel, the highest value export, has grown by 220% since 2000. Steel and iron products being moved to the U.S. has also grown substantially in several sectors. In organic chemicals, mostly fertilizers have also grown. This is also accounted for in U.S. dollars, which have fallen substantially over the period. Clearly the quantity and value of Saskatchewan exports to the United States have grown in importance over the past decade. An adequate transportation system is required to facilitate further growth and expansion of the export economy.

4.2 – Survey of Trucking and Logistics Companies

As part of this project a special run of survey data was made of an unreleased survey completed by Statistics Canada over the past several years. The survey, started in 2008, asked 4,116 Canadian businesses about their border needs and challenges. 299 Saskatchewan businesses completed the survey. The study, the Canada/US Border Survey (CUBS), looked at a comprehensive range of key border issues ranging from border thickness, to access, to general border usage.

There were several key questions germane to this project. To gather this information, Statistics Canada analyzed the raw data and provided the consultant with the key survey responses for the 299 Saskatchewan respondents. The critical questions were those that related to the availability and timing of border services. The following are the conclusions of the key findings of that survey.

Are border services a challenge? – When asked if the number of hours and timing of when inspectors are on duty at the border was a challenge for the Saskatchewan businesses surveyed, 45% responded it was not a challenge at all, 35% indicated that it was a small challenge, while 20% indicated that it was somewhat of a significant challenge. This compares with 21% in Alberta who felt the timing and availability of border inspectors was a somewhat to a significant challenge. On a national level, the incidence was even higher as compared with Western Canada with 28% feeling that the timing and availability of border inspectors was somewhat of a significant problem. Issues in other regions, such as British Columbia and Ontario, are exacerbated by border congestion, not just accessibility as in Saskatchewan and Alberta.

Would improved border infrastructure and/or increased staff at border crossings cause you to start importing over the next three years? – Respondents indicated that paperwork was the most significant challenge. However, 5% of Saskatchewan respondents indicated that the hours of operation were the most significant challenge when importing. This compares to nearly zero positive responses for Manitoba and Alberta.

What ports are Saskatchewan companies exporting through? – Saskatchewan companies utilized Manitoba ports (62%) and Alberta Ports (44%) to a much greater level than other provinces used Saskatchewan. Alberta companies utilized Saskatchewan ports just 27% of the time and Manitoba companies used Saskatchewan ports just 17% of the time. Saskatchewan companies are clearly utilizing ports in other provinces much more often than other companies are shipping through Saskatchewan.

4.3 – Stakeholder Interview Feedback

A companion survey to the CUBS survey was also completed by Statistics Canada for logistics companies, the Logistics Services Industry Border Survey (LSIBS). While these questions were more related to security related challenges, there was one major conclusion that emerged from this survey. 70% of Canadian companies now utilize third party logistics firms for their outbound transportation, customs brokerage, clearance, and freight movement. As such, trucking companies and logistics firms are playing a greater role in transportation. To that end, a series of stakeholder interviews were held with Saskatchewan trucking and trucking-related firms and organizations.

As much of the major cross-border trade is done via third party trucking and logistics companies, major Saskatchewan cross-border trucking and logistics companies were interviewed. As well, organizations such as the Global Transportation Hub, Saskatchewan Trucking Association, industry experts, government representatives (Alberta, Montana, Colorado, Canada, and Saskatchewan), tourism representatives, manufacturers, energy industry representatives, and other stakeholders were interviewed. The following is the finding of those interviews.

Port Usage Would be Relative to both Location and Direction of Goods – Companies in the Regina, Saskatoon, and Swift Current triangle with product destined for the north Midwestern States and South-western States would utilize a commercial port in southwest Saskatchewan. As well, the companies located in southwest Saskatchewan would make use of a commercial port. Companies in Southeast Saskatchewan, northeast Saskatchewan, northern Alberta, would not utilize the port to a large extent. Many of those interviewed would utilize the port for different purposes, for some it would offer alternative markets for goods, for others it would be a more efficient route for existing exports and imports.

Some companies indicated that they were paid for freight shipments based on the most direct route, which was, at times, through the Monchy/Morgan port. However, the times of the port, the non-commercial status, and the condition of the roads made it more economical to take a longer route through the Coutts/Sweet Grass port, even though they were only being paid for the shorter route through South West Saskatchewan.

A Corresponding Investment into Highway Infrastructure is Required

Trucking companies in the Regina, Saskatoon, Swift Current triangle, and in the entire South West would utilize the Monchy/Morgan port more frequently if the port were a commercial port, but only if the highway leading to the port would support primary weight traffic.

The Port Would Be Used Primarily for Trade with Mid-North-western States and South-western States – The port would be utilized primarily for trade with Montana, Colorado, Wyoming, Utah, Nevada, Arizona, and California. Saskatchewan exported \$619.0 million in goods by truck to these states collectively in 2010. The following table shows the total exports by truck to the selected States.

Total Saskatchewan Exports to Selected States 2010	
State	Value
Montana	\$ 102.5
Colorado	\$ 284.6
Wyoming	\$ 11.9
Utah	\$ 37.9
Nevada	\$ 10.5
Arizona	\$ 26.2
California	\$ 145.4
Total	\$ 619.0
Source: U.S. Bureau of Transportation Statistics	

The Global Transportation Hub Will Change Import Patterns and Increase Truck Travel in the Province – The Global Transportation Hub (GTH) will concentrate a significant amount of truck traffic destined for the Regina region. While much of the merchandise will be railed in, produce deliveries will be trucked in. This will create increased truck travel between California and Regina, a route for which passage through the South West would save travel time and distance.

The Port Could Facilitate Export Growth – The addition of a commercial port in South West Saskatchewan would not just be beneficial to the import of goods and services. For example, the port could also provide a secondary cost effective market for oil products in the South West.

As well, the GTH has a long-term goal of becoming not only a destination and redistribution point, but also an export destination point. The GTH could eventually become a destination for U.S. products bound for Asia-Pacific markets. Having a commercial port in South West Saskatchewan would open up further potential for importing goods for export.

Cross Border Traffic at a Commercial Port Would Grow Over Time as Transportation Services Developed – Growth in terms of cross border traffic would receive an immediate pop, however, long-term growth would require the growth of transportation services in the South West region. Commercial traffic requires services such as truck stops, diesel services, mechanical services and other support services, most of which are lacking between Malta, MT and Swift Current, SK. It will be somewhat of a supply demand struggle as traffic

increases, the demand for services will increase, and, as services increase, the traffic will increase. One of the more positive aspects of the project is the broad support of communities. This will facilitate the development of services as the communities are already supportive of the concept and looking forward to the economic opportunities.

There is Only a Moderate Preference Between Highways #37 and #4 – Most transportation stakeholders interviewed indicated a preference for a port in South West Saskatchewan, and if there was a preference, it was only slight. For the most part, stakeholders simply preferred a commercial port in the region, wherever it worked best.

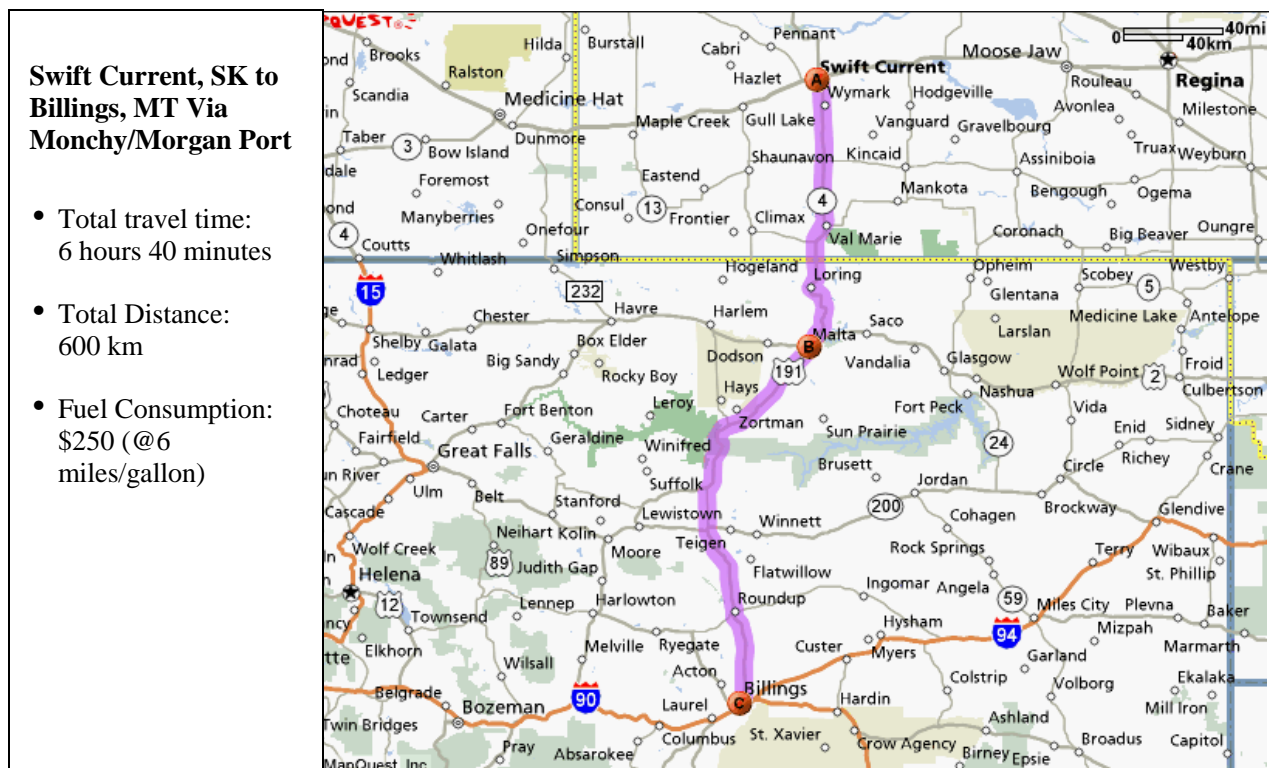
Groups Such as the Saskatchewan Trucking Association are Supportive – Discussions with the Saskatchewan Trucking Association were quite supportive of the concept of having a commercial port in south-western Saskatchewan. There were indications that this would be of benefit to the industry.

5.0 Impact on the Economy

5.1 – Highway Infrastructure and Border Challenges

The South West border and highway infrastructure does not support the free and easy movement of goods to the U.S.. Challenges around the lack of a commercial port and adequate roads leading to the U.S. are significant.

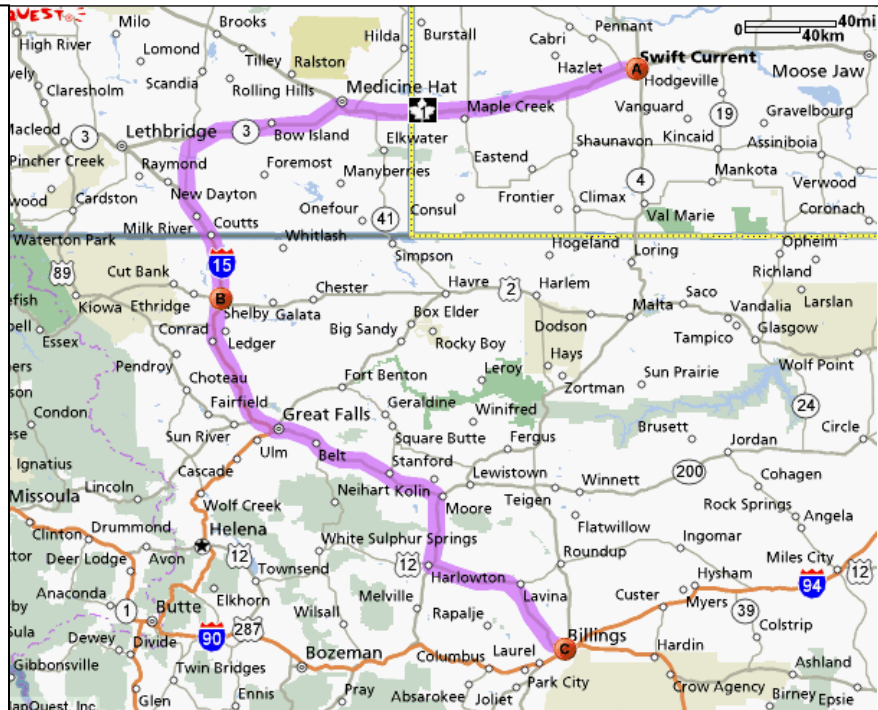
As the following maps show, going to a commercial port creates additional costs and causes unnecessary delays. The map immediately following shows the time and cost associated with direct travel between Swift Current, SK and Billings, MT. The route is around 600 km, would last approximately 6 hours and 40 minutes, and would cost around \$250.



The direct route compared to going through the closest western port, Coutts/Sweet Grass, is around 418 km shorter. The difference in fuel costs would be \$178. The Coutts/Sweet Grass port would also add 4 hours and 33 minutes to the trip each way.

**Swift Current, SK to
Billings, MT Via
Coutts/Sweet Grass port**

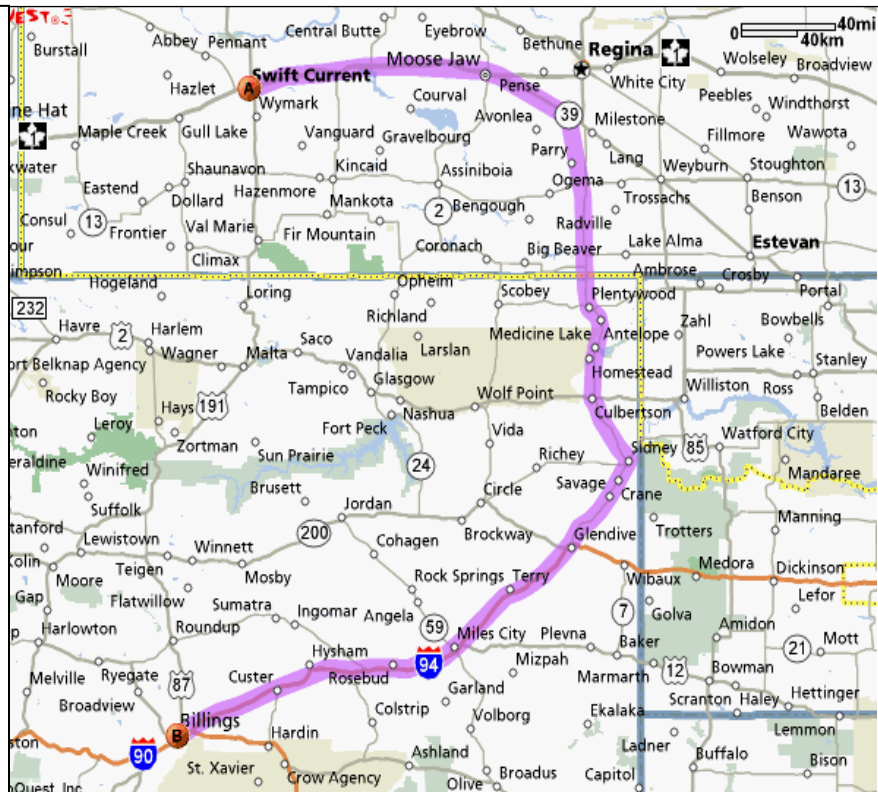
- Total travel time:
9 hours 30 minutes
- Total Distance:
1,018 km
- Fuel Consumption: \$428
(@6 miles/gallon)



The direct route compared to going through the closest eastern port, Regway/Raymond, is around 400 km shorter. The difference in fuel costs would be \$170. The Regway/Raymond port would also add 4 hours and 33 minutes to the trip each way.

**Swift Current, SK to
Billings, MT Via
Regway/Raymond Port**

- Total travel time:
10 hours 3 minutes
- Total Distance:
1,000 km
- Fuel Consumption:
\$420
(@6 miles/gallon)



If Wild Horse were to become a commercial port the trip would still be over 8 hours costing an additional \$133 each way and adding an hour and a half of travel time.

In terms of long haul trips, there is also a significant increase in distance between the direct route south and the commercial ports, for specific trips. For instance, the distance between Belle Plaine, SK and Los Angeles, CA is much different based on the different trip routes. Going through the Monchy/Morgan port the trip is 1,592 miles, however, the same trip routed through the Coutts/Sweet Grass port is 1,770 miles or nearly 200 miles longer.

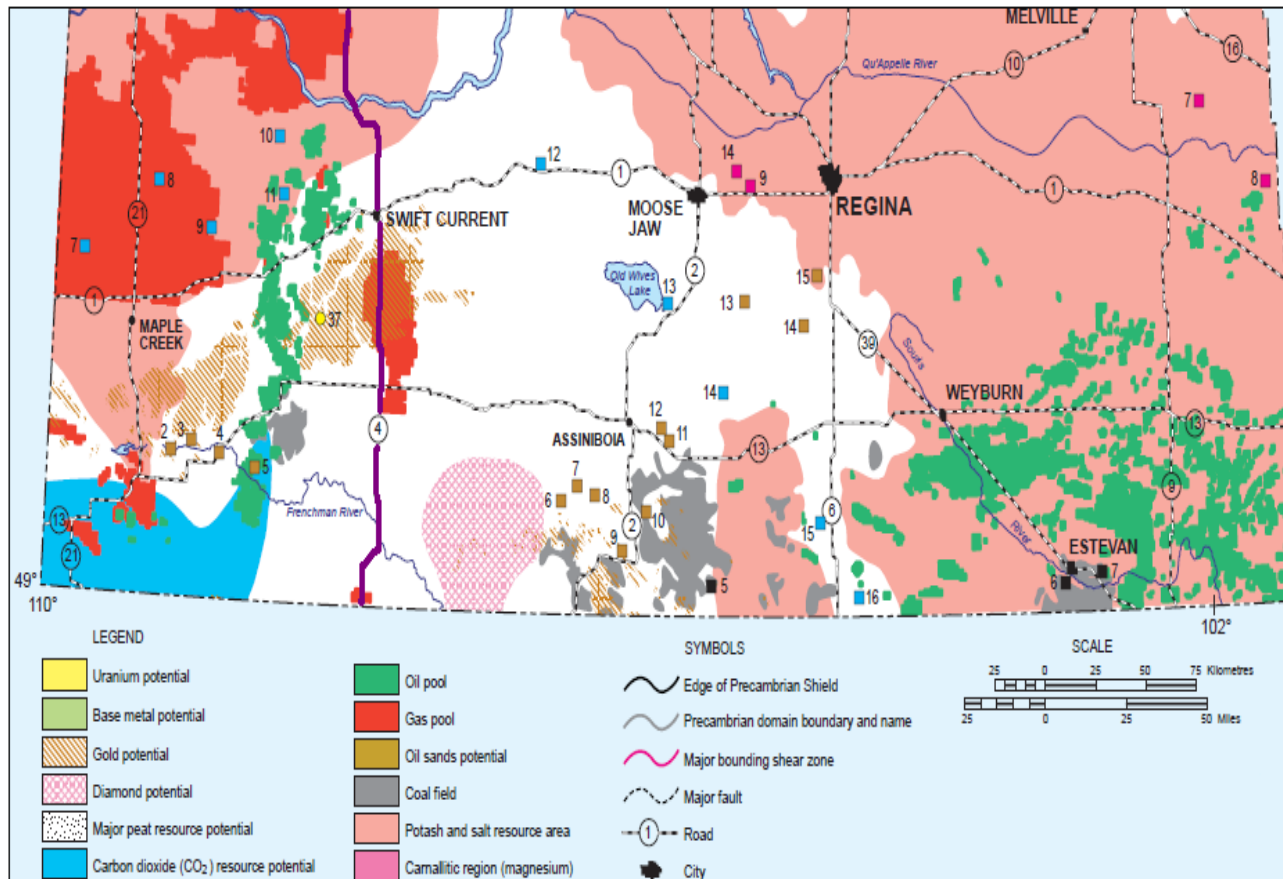
5.2 – Energy Economy

Swift Current is the base for oil exploration in Western Saskatchewan an area that yields medium crude oil and natural gas. Exploration has increased significantly in recent years. As companies continue to expand their drilling operations, the industry generates significant levels of heavy truck traffic for both oil shipments, the movement of equipment, and for servicing.

Total Oil and Gas Lease Revenue by Region – Saskatchewan Energy and Resources (in millions)							
Area	2005	2006	2007	2008	2009	2010	2011
Lloydminster	\$26.2	\$25.3	\$16.6	\$20.7	\$45.2	\$37.1	\$9.6
Kindersley	\$18.5	\$25.0	\$4.9	\$48.5	\$14.7	\$46.2	\$24.7
Swift Current	\$28.9	\$36.4	\$36.3	\$133.2	\$8.2	\$57.4	\$59.4
Southeast	\$60.6	\$89.5	\$192.5	\$916.5	\$50.0	\$327.1	\$58.5

According to a recent oil and gas transportation study, the average oil well will generate nearly 3,000 truck trips over its life. Gas wells will generate around 2,000 truck trips. With the Swift Current region generally generating the second highest level (highest in 2011) of oil and gas leases in the province, this will significantly add to the industry based demand for transportation over the coming years. As well, Kindersley, which is directly north of the region, also has generated a significant level of oil and gas activity in recent years. As such, the regional demand place on the transportation system will grow based on the growing oil and gas industry placing additional demand on the regional transportation system. The following map shows the resource base for the South West as well as the proximity to Highway 4.

Map of Resource Base in Southern Saskatchewan



International transportation demands will increase as the region looks to develop additional markets for oil products as well as the movement of oil and gas equipment. With a commercial port to the south, the economics of moving oil to the United States changes providing additional opportunities for smaller oil producers, as well as some blending opportunities to create higher value products.

The South West is the home to a significant wind energy industry. Wind energy poses unique transportation challenges with over-sized loads and ongoing servicing traffic. SaskPower has two wind farms in the region with nearly 100 turbines. As well, Suncor has an additional 17 turbines in the area. Each turbine will generate 126 truck trips and generate 5 truck trips per megawatt hour produced during operations. In terms of oversized loads, special routes are required to bring in both construction supplies and replacement equipment due to the sheer size of the pieces. There is potential for the route to become the main route for moving over-sized loads to the oil sands as well. Moving oversized equipment to Northern Alberta is a major challenge.

5.3 – Manufacturing

The South West has a solid manufacturing base, with exports to the United States. From agricultural equipment to recycled plastic egg cartons, the region has a unique manufacturing base. The manufacturing base is spread throughout the region as well. With companies such as Honey Bee (Frontier), Trail Tech (Gravelbourg), BATCO Manufacturing (Swift Current), REM Enterprises Inc. (Swift Current), and JFR Urban Forest Recyclers (Swift Current), there is a significant level of manufacturing related traffic generated in the region, much of it bound for the United States. As such, for many of these companies, primary weight access to a commercial port is critical.

Currently the nearest commercial port is North Portal or Regway or Coutts (Alberta), creating significant additional shipping time and costs. To export to the United States, companies must either gather advance permits for export, or travel the additional distance to an existing commercial port. As shown earlier, the additional costs associated with this are substantial.

To put the impact in perspective, if just 500 truck trips were shifted annually to the Morgan Port this would amount to significant savings for the manufacturing sector. Based on additional one-way fuel costs (around \$170), time savings (4 hours at \$25/hour) and additional wear and tear there would be a savings of around \$600/round trip. At that rate the manufacturing sector alone would realize a savings of \$300,000 annually. This money could be spent on marketing and wages that could grow the sector and keep regional manufacturers competitive.

5.4 – Agriculture (Products, Fertilizers, and Equipment)

Companies such as Viterra (Gull Lake) as well as livestock operations and farming supply companies are generating a significant level of primary weight traffic headed for the United States. As the following table shows, the value of the products is significant.

Value of Truck Traffic by Export to the United States	
Oil Seeds	\$70 million
Live Animals	\$191 million
Fertilizer	\$155 million
Agricultural Equipment	\$1,200 million
Source: U.S. Bureau of Transportation Statistics	

Any of these products destined for regions beyond Montana must be either permitted or taken to a commercial port. As such, the market for products in the South West is limited,

unless the additional shipping costs are incurred to take product to a commercial port.

As seen above, Agricultural equipment is a major export for Saskatchewan with \$1.2 billion worth of equipment being moved from Saskatchewan to the United States. The South West is a major producer of agricultural equipment. While this does fall under the manufacturing sector, it is still a key component of the agricultural sector as well. Oil seeds, live animals, and fertilizer comprise \$416 million in trade between Saskatchewan and the U.S.

Historically speaking, the region's agricultural exports are still in a low point in the cycle. The cattle industry has not yet fully recovered to the pre-bovine spongiform encephalopathy (mad cow) disease trading levels. There remains potential to increase exports in this area.

5.5 – Retail and Warehousing Sector

The biggest shift in the retail and warehousing sector is the development of the Global Transportation Hub (GTH). The facility, both in the short term and the long term, will significantly shift transportation patterns in Saskatchewan. With the location of the Western Canadian Loblaw's Distribution Centre, the facility will generate inbound and outbound traffic. The 1.4 million square foot centre will be just the first piece in the intermodal park. The intention is to cluster several more facilities with a transportation focus as the comprehensive rail and road infrastructure support will be very appealing to distribution companies.

The Loblaw's distribution centre will generate a significant level of truck traffic on its own with 2,800 to 3,000 inbound and outbound truck trips being generated per week. The facility will be a domestic distribution centre for Western Canada. However, the import of goods, particularly produce from California, will require cross-border trade (much of the other goods will be brought in by rail). As discussed earlier, a trip from Belle Plaine to Los Angeles is nearly 200 miles longer through the Coutts/Sweet Grass port relative to a port in South West Saskatchewan. While the truck traffic being generated by the GTH will not by itself generate the level of traffic required to warrant additional border services in the South West, it does add to the total demand created by the retail and warehousing sector, as well as the other industrial sectors in the region. Also, the GTH is in its infancy and will likely continue to grow and change traffic patterns in Saskatchewan.

The GTH may, in the long run become a major export destination centre for goods produced in the Great Plains with product moving north across the border to the GTH for export to Asia-Pacific. This would be a longer term objective of the GTH, however, it is a consideration for future transportation planning needs.

5.6 – Tourism Sector

Historically, the South West tourism sector has underperformed relative to the quality of the assets. The tourism industry is very important to the southwest and has the active participation of a number of stakeholders representing several significant tourism assets.

A new destination area plan was developed recently for the Cypress Hills area in December, 2010. After a comprehensive assessment of the key barriers to tourism development in the area the first recommendation is investment into the highway infrastructure. “Ensuring that highway corridors serve important market segments and are maintained at a high standard” is one of the primary recommendations of the strategy. Regionally, the highway conditions negatively affect the ability of the region to attract tourists. This is indicative of the overall highway infrastructure deficit in the region.

Tourism is a major industry in Saskatchewan generating \$1.4 billion in revenues. American travellers spend \$102 million in Saskatchewan in 2009. As such, connectivity to the U.S. is key in terms of maintaining and growing U.S. visitation.

Saskatchewan Tourism Expenditures – 2009	
Saskatchewan	\$894.0 million
Other Canada	\$357.2 million
USA	\$101.6 million
Overseas	\$38.3 million
Total	\$1,391.2 million (including departures)
Source: Canadian Travel Survey, 2009	

While Saskatchewan’s tourism market has undergone significant growth over the past few years, it pales in comparison to visitor expenditures in Montana. Despite having a similar product offering to Montana, tourism expenditures are much higher in Montana. The Institute for Tourism and Recreation Research (ITRR) at the University of Montana measured the total tourism expenditures at \$2.3 billion in 2009 with 10.5 million visitors. Greater connectivity to this region could greatly increase tourist expenditures. One of the major attractions for the region is the Montana Dinosaur Trail, most of which is located in Russell County directly below the Southwest region. As Saskatchewan offers a very competitive product in the dinosaur attraction market, there is a strong possibility for a partnership in that region. Montana’s Dinosaur Trail hosted 282,187 visitors in 2010.

The South West comprised 12.2% of visitation to Saskatchewan in 2009 or 1.5 million person visits. While the recent Destination Area Plan for Cypress Hills targets Alberta residents, there is a great deal of market potential in U.S. markets as well.

Saskatchewan Visitor Data – 2009	
	Visitation (000's)
West Central	1,473,000
Saskatoon	2,335,000
Regina	2,129,000
East Central	1,876,000
Northern	1,974,000
South West	1,498,000
South East	1,035,000
	12,320,000

In terms of economic importance, tourism in the region fully or partly accounts for 2,500 jobs. This would equate to 12% of the region's 21,000 employment base. As such, tourism is a key driver of the regional economy.

There are several key tourism assets in the region including the Living Sky Casino, Fort Walsh, Cypress Hills, Grasslands National Park, several regional parks, as well as Old Man His Back Nature Preserve. As well, it should be noted that Grasslands National Park is one of two National Parks in Saskatchewan. While visitation to the Park is not at the level of Prince Albert National Park, it still holds significant tourism potential. An improved Highway #4 and commercial port with extended hours would create an enhanced linkage with the South West region, as well as more northern assets such as Saskatoon, Meadow Lake and, further north.

6.0 Need for Border Services and Enhanced Infrastructure

6.1 – Alternative Approaches

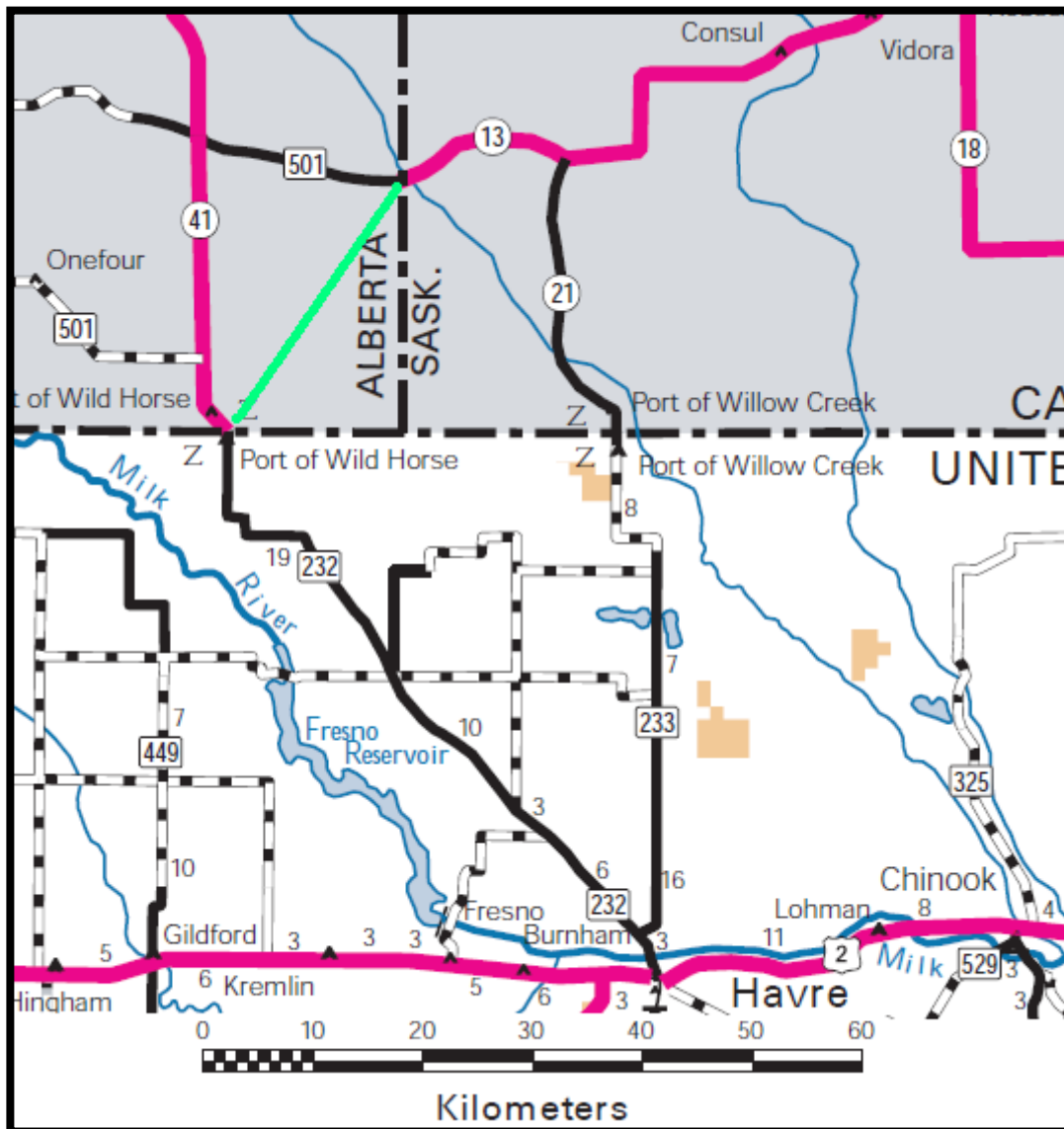
The Turner port on Highway #37 connecting with Shaunavon in South West Saskatchewan and the Wild Horse Port on Highway #41 in South East Alberta have also had groups indicate an interest in having them converted to 24-hour commercial status. Both of these alternatives could provide benefits to the entire South West.

The Turner Port on Highway #37 is a key regional corridor for agriculture, manufacturing, and tourism. The highway has had some investments recently, but still requires additional upgrades to be the primary corridor required for the regional industry. Having a primary highway to the border with 24-hour commercial status at the port on this corridor would have similar impacts for the region as compared with Highway #4 and the Monchy Port. However, there would not be the inter-regional connectivity with the more northern regions of the province, or the region's major centre, Swift Current.

The Wild Horse Port is located approximately 20 kilometres from the Saskatchewan border. As such, a commercial port at this location could be connected with the Saskatchewan highway system. As the following map shows, the distance between the Port of Wild Horse and Saskatchewan's Highway #13 (an east-west highway across the region) is about 20 kilometres.

While this could potentially alleviate some of the border connectivity issues faced by the South West, this would not be a permanent solution. Because of the interprovincial cooperation that would be required, there would also be some challenges with funding. However, the inter-regional nature of the project could assist in attracting federal funding. In the end, this approach simply would not provide South West Saskatchewan with the same benefits as having a commercial port in the region.

Map of Port of Wild Horse



Potential connection to Saskatchewan highway shown in bright green

6.2 – Why Highway #4

The primary reason is the capacity for Highway #4 to develop as a primary weight western corridor that provides a linkage with the U.S. border. This linkage, being the only highway that crosses the South Saskatchewan River in the region, would provide U.S. access for the oil, manufacturing, agriculture, and tourism assets of South West Saskatchewan as well as the major centres of Swift Current and Saskatoon, the oil and mineral resources of the Kindersley region, and the vast natural resources in the northern regions.

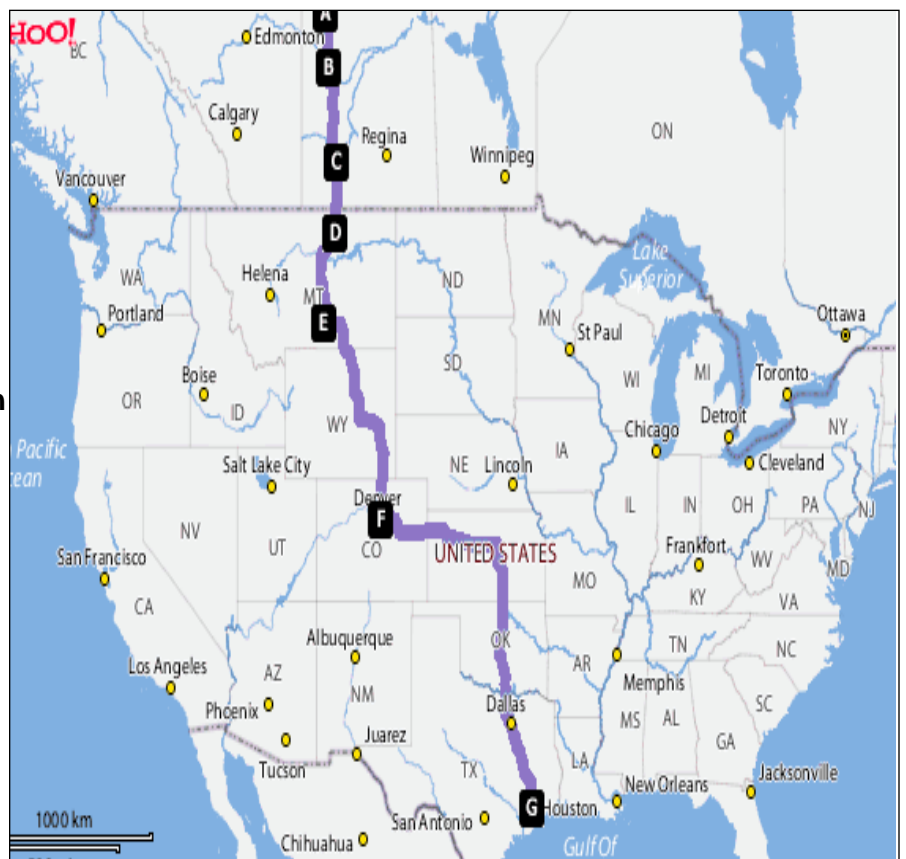
Other reasons why the Monchy Port on Highway #4 would be a more likely candidate to be considered by the federal governments to become a commercial port include:

- Highway #4 in Saskatchewan and Highway 191 were both designed as Inter-regional arterial highways
- The Keystone XL Pipeline will cross the border at this point, making the port already an enhanced security concern
- Much of Highway #4 could be turned into a primary weight highway, with the exception of the Cadillac, Val Marie, and Canadian border stretch
- Connectivity to Swift Current, the region's most populous centre
- Connectivity to Northern Saskatchewan via the bridge across the South Saskatchewan River
- The location of the Grasslands National Park
- New facilities have recently been constructed on the U.S. side of the border.

Border crossing traffic levels in the South West do not make a compelling argument to expand port operations. As such, a port with the most compelling case as a 24-hour commercial port must be the primary consideration. As the following map shows, Highway #4 could provide an extensive inter-regional corridor connecting several trading areas eventually tying into the Ports to Plains corridor.

LOCATION KEY

- A** Meadow lake, Saskatchewan
- B** North Battleford, Saskatchewan
- C** Swift Current, Saskatchewan
- D** Malta, Montana
- E** Billings, Montana
- F** Denver, Colorado
- G** Houston, Texas



6.3 – Projected Border Crossings and Traffic Levels

There are two components to projecting border crossings: natural growth due to increased trade and non-commercial traffic, as well as increased traffic due to a commercial port designation and respective investments in highway infrastructure.

A recent study completed by the State of Montana looked at the growth rates for each of the respective ports due to increasing trade and other cross border traffic, regardless of the port status. The projections for each of the ports are outlined in the following table.

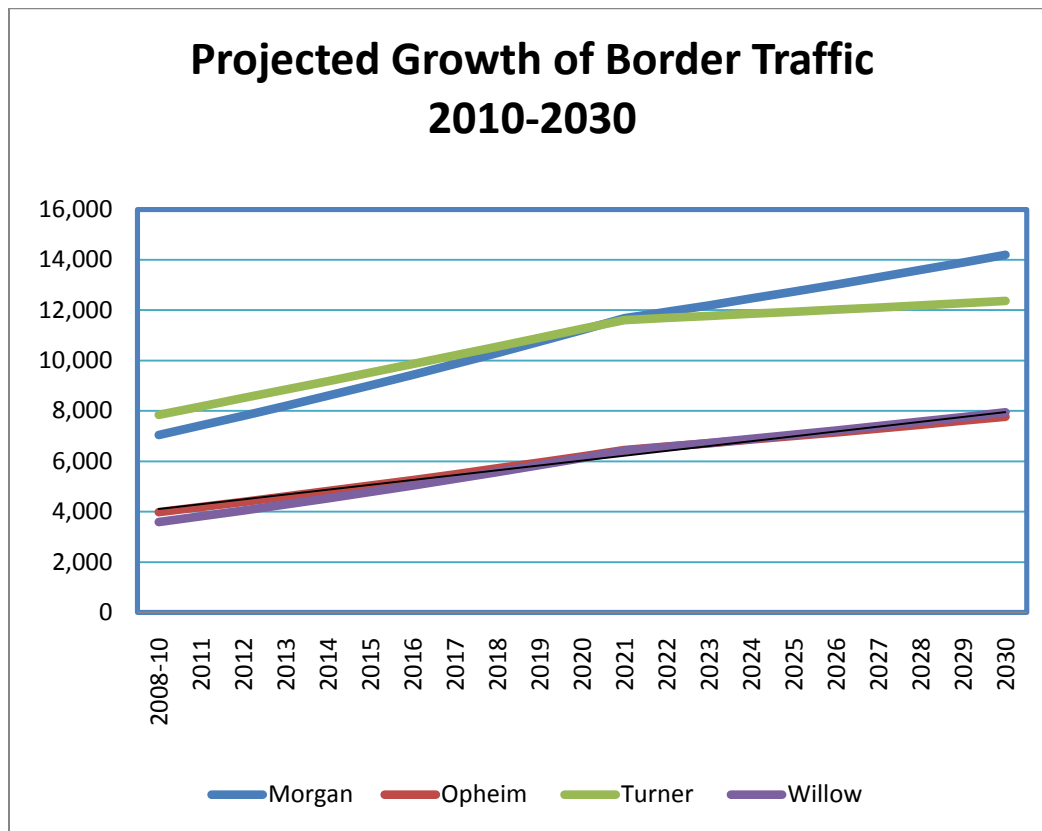
Projected Growth in Border Crossings 2010-2030	
Morgan	2.2%
Opheim	2.1%
Turner	0.7%
Willow	2.4%
Source: Impact of Canadian Economic Development on Northern Montana Highways, MDT	

These estimates are conservative given the estimates projected increased cross-border trade. The Freight Analysis Framework from the U.S. Department of Transportation, Federal Highway Administration indicates that the total volume of shipments being shipped through Montana ports should increase by 4.2% annually for the next 20 years. Based on this projection, the foregoing annual growth in border crossings is conservative.

As well, the Montana study outlined the likely impacts on traffic at border crossings if the port was changed to commercial status. The study found, through a comparative analysis, that the traffic at crossings increased by between 5% and 30% over and above natural growth in the years following the conversion. This is, however, assuming no accompanying investment into road infrastructure.

Projected Southbound Borders Crossings 2010-2030					
	2008-10	2,015	2,020	2,025	2,030
Morgan Medium	7,050	8,439	9,986	11,255	12,549
Morgan High	7,050	9,016	11,208	12,738	14,202
Opheim Medium	3,989	4,731	5,555	6,227	6,909
Opheim High	3,989	5,037	6,200	7,006	7,774
Turner Medium	7,851	8,827	9,837	10,328	10,695
Turner High	7,851	9,524	11,257	11,939	12,363
Willow Medium	3,585	4,409	5,337	6,087	6,853
Willow High	3,585	4,782	6,129	7,057	7,945
Source: Impact of Canadian Economic Development on Northern Montana Highways, MDT					

As the foregoing is based on no investment into road infrastructure, a shift in port status combined with an investment into the road infrastructure would trigger an increase in traffic closer to the high growth scenario. The following graph shows the relative impact under the high scenario.



As the above graph shows, border traffic for the Morgan port would double from the three (2008-2010) year average of 7,050 to 14,202 in 2030. The Turner port would increase in border traffic from the three year average of 7,851 to 12,363 by 2030. These would be conservative estimates based on moderate growth in commercial and personal (tourism) trips. Given the tourism assets in the region, improvements to the highway could trigger a significant increase in tourist traffic. As well, as described in the previous section, there would be significant potential for use by existing and emerging industries in the region.

7.0 Next Steps

It is clear that any addition to border services would be of great assistance to South West Saskatchewan. To that end, it is also key that proper infrastructure be developed to meet the needs of today's industrial cross border traffic. There is not a demand based on existing traffic, however, as in the findings of the Montana analysis, the distance between commercial ports is too great to properly support the needs of business in the current economy. The distance that companies have to travel is significant to attain access to a commercial port.

It is likely that the federal and provincial governments will not have an appetite to make major project investments into a region that is divided on key issues, such as where a commercial port should be located. As such, the region will put forward a simple and clear request to government that meets the needs of the entire region. It will be responded to much quicker than one that will create more division over the long run. As it is clear that any additional border services in South West Saskatchewan would be of great value to the region, it is suggested that the provincial government be asked to commit to improving the highway infrastructure on Highway #4 leading up to the Monchy/Morgan border port.

While the observation of this assessment is that Highway #4 leading to the Monchy/Morgan port would be the most likely to be considered by the federal government, a federal study may come to a different conclusion. To this end, a request put forward to the federal government that suggested Highway #4 but included Highway #37 as an alternative would have a higher likelihood of success as the government would still see strong support for the project regardless of the outcome of the federal assessment.

Based on the strong government and community interest in border services in Montana and the strong regional support in Saskatchewan it is recommended that the Saskatchewan Government work with the Canadian Border Services Agency to assess ways of improving border services in South West Saskatchewan, and further, that the provincial government commit to improving the transportation services to the enhanced border services.

Given the region's current highway infrastructure deficit, there is an opportunity to work cooperatively to develop a highway system that meets the needs of the region, as well as supporting existing and growing trade with the United States. A synergistic highway system coordinated with U.S. interests would support existing and growing trade within western Saskatchewan. Given Saskatchewan's dependency on trade as the primary driver of the province's GDP, a highway infrastructure system that supports industry is key to future economic growth.