

TRANSPORTATION Policy Briefing

Breakfast at Café Olimpico, lunch at Piano Piano

While the rest of the world races ahead with high-speed rail projects, we need to get on board before it's too late.

Behrouz Bakhtiari

Opinion



Prime Minister Mark Carney reaffirmed his government's support for the Alto high-speed rail project in the recent budget, promising to streamline approvals and reduce regulatory uncertainty, writes Behrouz Bakhtiari. *The Hill Times* photograph by Andrew Meade

Imagine starting your day with a classic English breakfast at Lumi Camden in London, United Kingdom. Soon after, you hop on the train, Paris-bound, to meet a friend for lunch at Le Relais De L'entrecôte where you enjoy their signature steak and fries, perhaps paired with a glass of Sévigné. After lunch, you find yourself en route to Brussels, Belgium, for a high school reunion at the Poechenellekelder where you will savour a *tête pressée* washed down with a pint of Gulden Draak. Hours later, you're back in London, lying comfortably in bed, dreaming about the wonderful day you had.

Since 1994, this has not been just a European dream. It is actually a reality, thanks to the

Eurostar Group network of high-speed rails (HSRs) connecting cities in the U.K., France, Belgium, Netherlands, and Germany. It is one example of a growing number of regional and international HSR networks connecting regions and nations together around the world.

While Europe has more than 8,500 kilometres of dedicated HSR, it pales in comparison to China's network, which spans more than 49,000 kilometres—the largest in the world. The only operational "quasi" HSR system in North America is Amtrak's Acela Express connecting Washington, D.C., to Boston, Mass. It's considered "quasi" because its trains share conventional rail lines, preventing them from maintaining top speed across the entire route.

A comprehensive HSR network in Canada is long overdue. Geographical and climate challenges, along with a lack of political will and investment from federal and provincial governments, have left Canada as the only G7 nation—and one of just two G20 nations—without an operating HSR system. Such a network would deliver immense socioeconomic benefits, directly and indirectly advancing regional and national goals.

The nation's inaugural HSR initiative, the Alto project, was announced by then-prime minister Justin Trudeau this past February. Still in the design and consultation phase, the project will include approximately 1,000 kilometres of new electrified rail between

Toronto and Quebec City, with stops in Peterborough, Ottawa, Montreal, Laval, and Trois-Rivières. Once operational, trains will reach speeds of up to 300 km/h, connecting approximately 18 million residents along the corridor. In the 2025 budget tabled on Nov. 4, Prime Minister Mark Carney reaffirmed his government's support for the project, promising to streamline approvals and reduce regulatory uncertainty through the planned high-speed line, aiming to get construction underway within four years. The budget highlights that Alto could create 51,000 jobs during construction, and contribute up to \$35-billion to Canada's GDP.

There are numerous studies from around the world consistently showing the positive socioeconomic impacts of high-speed rails. Most notably, studies on Europe's networks (cross-national HSRs) and those in Japan and China (national HSRs) highlight contributions in areas such as regional economic growth through connecting peripheral regions to metropolitan centres, reducing economic disparities, and driving urbanization and real estate development. These impacts are fuelled by improved labour mobility, and expanded employment opportunities. This could be particularly beneficial for Canada where more than 90 per cent of the population lives within a relatively narrow strip of land, roughly 160 kilometres

from the U.S. border, making HSR projects highly efficient, and enabling more effective population distribution. In addition to economic and growth benefits, this improved connectivity brings stronger tourism and cultural exchange, enhanced environmental protection through fewer cars on the road, and greater social well-being and cohesion, ultimately improving quality of life for a larger share of the population.

The idea of better population distribution and access is also timely as there has been a push from the federal and various provincial governments for internal trade reforms, and the dismantling of interprovincial trade barriers. Several provinces have already established agreements, including the New West Partnership Trade Agreement, and the Manitoba–British Columbia Memorandum.

Canada has a choice to make. While the rest of the world—especially other G7 and G20 nations—races ahead with high-speed rail projects, we need to get on board before it's too late. Whether the Alto project becomes a catalyst for economic growth, environmental sustainability, and national cohesion across interprovincial boundaries remains to be seen. What is clear, however, is that the question is no longer whether we can afford to build HSR networks, but whether we can afford not to.

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The Hill Times

What will it take to get out of the supply-chain crisis?

Speed, throughput, and the removal of constraints need to be made the cardinal organizing principles of Canada's transportation and goods-moving policy.

John Coleman

Opinion



Twenty years from now, Hollywood scriptwriters looking for a good storyline to crib will find a tantalizing cliff-hanger sitting in old news articles they read about Canada in 2025: will the Canucks pull themselves out of an economic nose-dive, or won't they?

We certainly won't without fixing our transportation supply chains. In gradual decline for a decade, their lacklustre performance has steadily dragged down our commercial fortunes and economic well-being. Once in third place globally, our standard of living is now below the Organisation for Economic Co-operation and Development mean. Ouch. And that was before United States President

Transport Minister Steven MacKinnon. We need to treat transportation for what it actually is: an integral part of logistics, writes John Coleman. *The Hill Times* photograph by Andrew Meade



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What will it take to get out of the supply-chain crisis?

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Donald Trump's tariffs turned our faltering ability to get goods to market from a malaise into a crisis.

The fundamental problem is an unspoken assumption we retain from the 1800s, when the world was a slower and simpler place. There were no supply chains, no Lean production, no complex interconnected networks, no globalization, no developing-country competitors, no impatient foreign customers, and no urgency. Now there are. Yet the 1800s premise is still governing Canada's transportation space today.

Organized transportation was originally thought of as a service provided by a carrier to a shipper, with obligations on the former but few if any on the latter, and no consideration of other players in the same transport system. Transportation stood apart from production—the two were considered independent.

Dispute resolution was done on a one-by-one basis, with negligible consideration of how a ruling—or the cumulative effect of multiple rulings—affected the system as a whole. Today, those presumptions are demonstrably counterproductive.

The 1800s premise was conceived to solve an 1800s problem. So, what is our problem today?

The 2022 National Supply Chain Task Force found that not a single stakeholder was satisfied with how well transportation supply chains were serving their needs. It took the Task Force eight pages to list what companies said was holding them back. Most of them had one thing in common: when it came to getting their goods to market, they were suffering from constraints somewhere in their supply chain that reduced its throughput capacity—constraints that had not been fixed.

The governing barrier in any system not only reduces throughput, it slows everything down. But at no time in Canada's transport policy history have legislators seriously considered questions of speed, throughput, or finding and removing constraints. Yet those things enable a system to flow. Flow has become a cardinal organizing principle of global commerce, but it doesn't factor into Canadian transport policy. The Canada Transportation Act proclaims eight unrelated goals. Almost nowhere does policy explicitly recognize the concept of time. And we wonder why our commercial opportunities have been narrowing, and our reputation as a prompt and reliable trading partner has been fading?

First, we need to treat transportation for what it actually is: an integral part of logistics. No longer a process standing apart, transportation needs to be managed as part of a broad system for the production and distribution of goods, and subject to more or less the same rules of regulatory governance and of the marketplace as those of other supply chain participants, neither elevated nor subordinated.

All manner of modern methods and tools can be brought to bear from industrial optimization practices that emerged in recent decades. The basic principles were conceived and applied by intellectual giant Taiichi Ohno of Toyota in the years after the Second World War. Powerful discoveries have been made in theory of con-

straints. And technologies like digital twins and artificial intelligence have made the finding and removing of constraints in any supply chain a practical reality.

Unidirectional obligations, multiple unrelated goals, and silence about the value of time—these aren't doing us much good anymore.

Speed, throughput, and the removal of constraints—these need to be made the cardinal organizing principles of Canada's transportation and goods-moving policy.

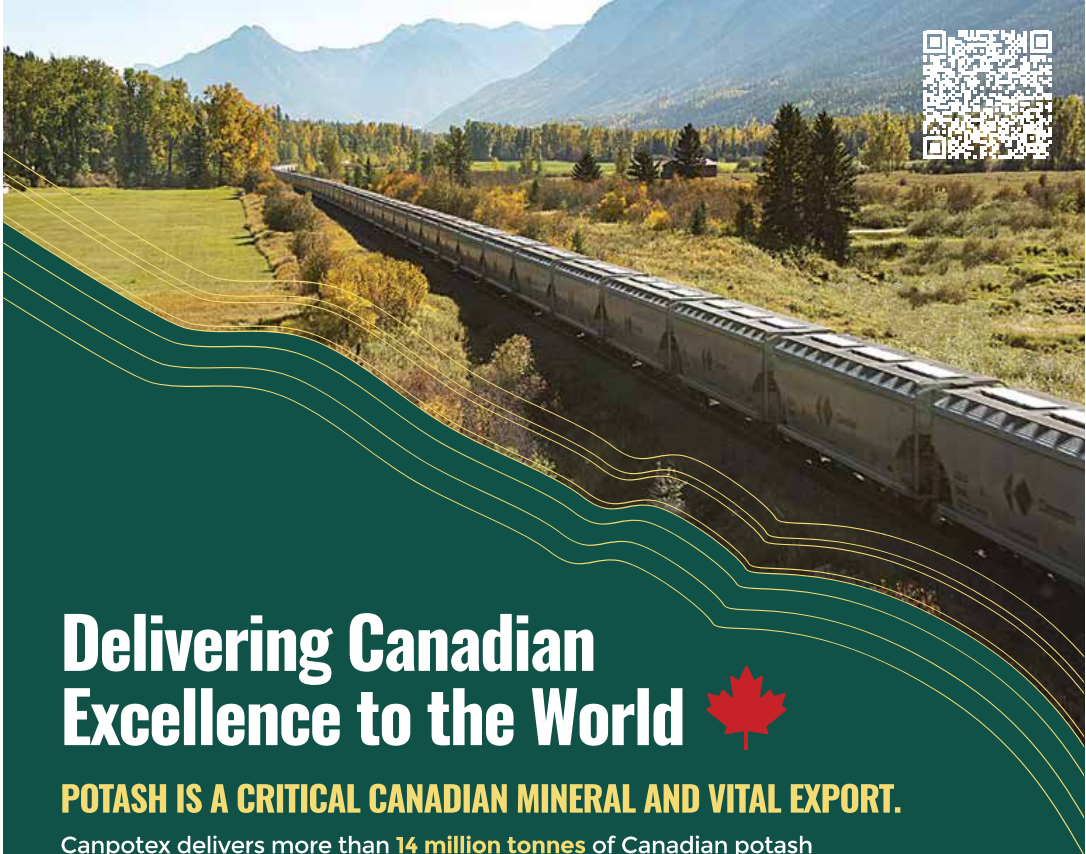
From that will emerge updated legislation, regulations, and government activities that affect the business climate and influence business decisions in a direction that gets Canadian goods to market.

But it calls for boldness by government, and collaborative leadership by Canadian businesses.

How will this movie end? Will Canadians get their supply-chain act together for a happy ending? Or will movie-goers be watching an "it slipped through our fingers" tragedy?

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