## Objective of Project

To develop a framework to assess the environmental performance of trade corridors in North America from a regional and multimodal perspective. The framework will identify drivers of and barriers to environmental improvement, including in energy use and GHG emissions. This project will also produce a *road map* to assist public and private efforts to green trade corridors in North America.

## Background

### Project History and Foundation

This is a new project that will build upon previous work. It is founded upon an interest in close collaboration with the private sector and regional associations to foster both trade and environment benefits.

Past work by the CEC in trade-transportation-environment linkages began in 2000 with the publication of a report entitled “North American Trade and Transportation Corridors: Environmental Impacts and Mitigation Strategies,” which focused on five binational segments. The report confirmed that increases in cross-border NAFTA-related trade contributed the bulk of increases in trade-related emissions. It estimated that under a baseline scenario to 2020, CO₂ emissions could increase between 2.4–4 times. It also identified that these impacts are largely affected by the modal balance. The set of recommendations focused on changing fleet technology and fuel choice, reducing delays in borders and increasing efficiency. More recently, a report by the US Department of Transport projected that trade will increase almost twofold by 2035.²

The report focused on quantifying air impacts, and hence did not address the complexity of the multiple relevant environmental linkages such as invasive species, energy, water resources and hazardous materials.

### Key Stakeholders, Resource Leveraging, Partnerships (to date)

A large range of private interests are associated with commercial transportation across North America. Stakeholders represent regional (national, binational and international), modal, and sectoral interests.

At the regulatory and public policy level the issues associated with trade corridors and environment involve multiple government agencies and stakeholders, most notably transportation departments, but also including local, regional and national land planning and urban development agencies, environmental management and enforcement agencies and customs management and inspectors, among others.

For the purposes of this project, the burgeoning trade corridor associations are important stakeholders, with diverse activities and members, both private and public, at regional and continental levels.³ The agendas of trade-related

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³ Trade corridor organizations followed on the footsteps of NAFTA, typically organized by businesses and metropolitan and state government agencies. The most important of these include:

- CANAMEX ([http://www.canamex.org/index.asp](http://www.canamex.org/index.asp));
- Border Trade Alliance ([http://thebta.org/](http://thebta.org/));
- Gulf of Mexico

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transportation corridors include issues related to logistics, regulation, border procedures as well as infrastructure.

**Advisory Groups Related to This Project**

The Trade and Environment Working Group will be the formal working group providing oversight for the project. As a new initiative, a new consultative/advisory group is proposed to support this work.

**Rationale**

The increase in trade activity is one of the most direct impacts of trade liberalization and economic integration in North America. Transportation, by its nature, is a sector where the link between trade and environmental impacts is most direct.

Trade between Canada, the United States and Mexico has grown rapidly since the implementation of NAFTA. Efficient trade corridors can fuel economic growth and boost North America’s competitiveness in global markets. Projections indicate trade activity will increase significantly in the coming years, with a concomitant impact on the environment and infrastructure, including, prominently, at national borders, a hotspot of attention and activity in addressing environment-trade issues.

The growth of trade among Canada-Mexico and the US has contributed to the development of regional economies around and along main transportation corridors. Accordingly, environmental and energy dimensions of this development have grown in importance. This is evidenced by the growing focus on sustainable transportation at the level of trade corridor associations.  

While such corridor-focused activity may portend certain improvements in elements of the transportation and trade systems, the achievement of more fulsome environmental benefits can only be attained from a regional-multimodal analysis that provides elements for the development of smart and integrated strategies to green transportation across North America.

This project proposes to develop a framework to assess the environmental performance in transportation corridors and to identify areas of opportunity as part of a regional plan of action. The framework will look at a range of environmental impacts including air and greenhouse gases emissions, energy, land use, noise, habitat and biodiversity loss. The framework will also consider intermodality (rail/sea, short sea/road). Multimodal analysis has already been a focus of environmental attention. Consideration of energy issues and transportation-related greenhouse gas emissions is also consistent with regional initiatives. Under carbon-constrained conditions, it is pertinent to evaluate modes of transportation (rail, marine, air, trucking) in terms of their environmental impacts versus cost to ship goods/delivery times/existing infrastructures.

In order to test the framework in a simplified environment, the project will focus on a specific trade corridor to be selected based on a set of criteria.

**Fulfillment of Strategic Objectives**

**Information for Decision-making**

The framework will provide policy options for all levels of government (national, state, provincial and local). The framework will also be used by commercial interests and stakeholders (ex: shippers) to improve competitiveness and energy efficiency, as well as inform investment decisions and operational practices.

**Trade and Environment**

Based in Texas) has adopted “Greening the NASCO Corridor” activities that include a partnership to promote the EPA’s Blue Skyways Collaborative (which is focused on improving air quality on the transportation infrastructures of their corridor, see [http://www.nascocorridor.com/commodity.asp?id=2171](http://www.nascocorridor.com/commodity.asp?id=2171)). The North American SuperCorridor Coalition (NASCO—runs from Manitoba to Nuevo León with the organization based in Texas) has adopted “Greening the NASCO Corridor” activities that include a partnership to promote the EPA’s Blue Skyways Collaborative (which is focused on improving air quality on the transportation infrastructures of their corridor, see [http://www.nascocorridor.com/commodity.asp?id=2171](http://www.nascocorridor.com/commodity.asp?id=2171)).

**Trade and Environment**

See [http://nacts.asu.edu/events/symposium-trade-and-environment](http://nacts.asu.edu/events/symposium-trade-and-environment). The Quebec/New York Trade Corridor (members include the departments of transportation; rail, trucking, port associations; chambers of commerce; etc.) has a plan to reduce the “cross-border regional carbon footprint.” To that end, the Corridor organized the fourth Economic Summit between Quebec and New York State (17th of November 2008, in Montreal) under the “Greening the Corridor” banner ([http://www corridors.ca/index_en.html](http://www.corridors.ca/index_en.html)). The North American SuperCorridor Coalition (NASCO—runs from Manitoba to Nuevo León with the organization based in Texas) has adopted “Greening the NASCO Corridor” activities that include a partnership to promote the EPA’s Blue Skyways Collaborative (which is focused on improving air quality on the transportation infrastructures of their corridor, see [http://www.nascocorridor.com/commodity.asp?id=2171](http://www.nascocorridor.com/commodity.asp?id=2171)). The North American SuperCorridor Coalition (NASCO—runs from Manitoba to Nuevo León with the organization based in Texas) has adopted “Greening the NASCO Corridor” activities that include a partnership to promote the EPA’s Blue Skyways Collaborative (which is focused on improving air quality on the transportation infrastructures of their corridor, see [http://www.nascocorridor.com/commodity.asp?id=2171](http://www.nascocorridor.com/commodity.asp?id=2171)).
This project supports the CEC’s mandate to increase the capacity of the three countries to identify and address trade-related environmental concerns and achieve mutual benefits for trade and the environment. It also works to facilitate trade and expedite transboundary shipment of merchandise while enhancing environmental compliance and enforcement. The practical focus upon a major trade corridor will serve to inform the CEC’s ongoing environmental assessment of NAFTA.

**North American Scope of the Project and Its Relevance to the Three Parties**

This project will focus on North American Trade Corridors that run from Canada into the United States and down to Mexico. This framework will be relevant for the members of the trade associations from the three countries and for the three governments.

**CEC Niche and Value Added**

While there are many individual organizations (private and public) that are currently working on different aspects of the environmental dimension of trade corridors there is, at this time, no integrated approach, nor synergy among these groups. For example, the work done by the West Coast Corridor Coalition on the *Intelligent Transportation Systems* has yet to be shared with other trade corridor associations. Given its mandate and institutional expertise, the CEC is uniquely positioned to bring together these various efforts in the development of the Framework. The degree of economic integration as well as the common environmental issues surrounding trade corridors provides a truly trinational activity as opposed to bilateral. Trade corridors involve multiple actions by a multiplicity of stakeholders along supply chains. The impact of individual decisions, e.g. expand existing infrastructure or improve freight logistics, may reflect across borders, regions and transportation modes, making it increasingly complex to both assess the environmental footprint but also progress towards reducing it. In other words, what may seem as an efficiency improvement in one area may result in increased pressures in another, creating a need to develop a common approach that informs the analysis of individual private and public actions from a systemic, environmental perspective.

Assessing multiple impacts under one single framework requires sound methodologies and approaches. At the CEC, relevant experience has been gained through the work of the Biodiversity Program, which developed such a framework and developed environmental *scorecards* for marine protected areas, which allow integration of the best knowledge and approaches available in each country to develop *ball park*-level assessments that are comparable across the three countries and incorporating multiple environmental attributes, as well as the role of pressures and policy responses. This methodology will provide a robust departure point for addressing the environmental dimension of trade corridors.

**Linkages with Other CEC Projects**

During the implementation of the project in 2009, synergies will be developed with the CEC’s trade and environment program (including the environmental assessment of NAFTA) as well as trade and enforcement project work (including compliance workshops).

**Activities and Outputs**

The key activities and tasks in 2009 are:

- **Task 1.** Develop a framework to assist the selected trade corridor for the environmental performance in transportation including a consultation process with key stakeholders. The framework will also explore intermodality options (rail/sea, short sea/road) in order to reduce GHG emissions from freight transport.

- **Task 2.** Support the work of the Advisory Group.

**Partners, Stakeholders**

To develop this project, it is important to secure adequate advice and collaboration from a set of key public and private sector representatives. Therefore, the project proposes to integrate an Advisory Group to assist the CEC in the delivery of the project. It is proposed that the group would involve 24 representatives: nine from government, (environment and transportation officials from the US, Canada and Mexico), three from North American trade corridors, three each from rail, port and trucking industries and three transportation specialists (academic, NGO).

**Leveraging**

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7 Including some members of the Transport and Air Quality Steering Committee of the NEG/ECP in order to increase information exchange between the work done within the Conference of governors of New England and Eastern Canadian premiers and the CEC.
It should be noted that the project will take advantage of the trade corridor meetings [e.g., annual meeting of North American Super Corridor Organization (NASCO) in Quebec City in June 2009 as well as an associated meeting of trade corridors as part of the concomitant Leaders’ Conference (state/provincial elected officials)]. It is expected that this event would also provide an opportunity to host a second meeting of the project’s Advisory Committee. The CEC will explore financial or in-kind contribution of the corporate members of the North American trade corridors.

**Outputs and associated timelines**

By the end of 2009 the basic analytical framework assessing environmental impacts of the trade corridors in North America will be developed, with the refined identification of opportunities and the roadmap to be completed in 2010.

**Anticipated Outcomes and Performance Indicators**

**Direct Outcomes:**
- Improved common understanding and awareness among trade corridor stakeholders of their environmental performance from a systemic perspective, allowing them to better take action to improve it.
- Facilitate the dialogue and sharing of information between environment, transport and customs officials in order to facilitate the assessment regarding the environmental challenges posed by increased cross-border trade and transportation related infrastructural developments.
- Provide policy options for all level governments.

**Intermediate Outcomes:**
- Implementation of the framework to assist the trade and transportation corridors in defining their goals, objectives and outputs related to the Greening the North American Corridors strategy.
- Expedite environmentally sound shipments of merchandise across North American border while assuring environmental governance.

**Final Outcomes:**
- Reduced environmental impacts in the trade corridors.

**Performance Indicators**
- The framework methodology is used by trade corridor associations.
- Number of environmentally sound shipments.
- Number of environmental impact assessments done in trade corridors.

**Timetable, Project Completion and Sustainability Beyond**

**Culminating steps in Achievement of Program Objectives**

The activities for this project will be completed in 2009. The CEC might consider at a later stage to pursue the work in its 2010 Operational Plan to reach out and implement the framework with other trade corridor Associations and their members.

**Target end date for CEC Involvement**

End of 2009.

**Sustainability Beyond**

Governments from all levels (national, state, provincial, local) could support the implementation of the framework developed in this pilot project, which should be applicable to other trade corridors in North America.

**Communications**

The project will maintain close collaboration and communication with stakeholders involved in trade corridors. In particular, it will develop a process to consult its partners with a view to increase the value, relevance and practicality of the Framework.

**Information Management**

Data needs and availability will be one of the implicit tasks within the project. It is assumed this work can be accomplished without changes to the CEC’s information management capacity and architecture.
## Implementation Plan

### PROJECT 6A – Trade, Transportation and the Environment

**Strategic Objectives:**
- Make environmental information more widely available in order to facilitate local, national and regional action.
- Improve private sector environmental performance through model environmental compliance approaches.
- Increase the capacity of the three countries to identify and address trade-related environmental concerns to achieve mutual benefits for trade and the environment and improve collaboration among the three countries in these areas.

<table>
<thead>
<tr>
<th>2009 Tasks</th>
<th>Key Outputs</th>
<th>Timing</th>
<th>Expected Outcomes</th>
<th>Beneficiaries (Reach)</th>
<th>Budget (C$)</th>
<th>Future Activities</th>
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<tbody>
<tr>
<td>1. Develop a framework to assess the environmental dimension of trade corridors, including a consultation process and key stakeholders from the selected trade corridor.</td>
<td>A framework assessing environmental impacts for the corridor.</td>
<td>Fall 2009</td>
<td>Assessment of the environmental challenges posed by increased cross-border trade and transportation related infrastructural developments. Facilitate the dialogue and sharing of information between environment, transport and customs officials in order to facilitate the assessment regarding the environmental challenges posed by increased cross-border trade and transportation-related infrastructural developments. Provide policy options for all level governments.</td>
<td>Departments of transportation and environmental ministries (federal/state/provincial). Private sector (members of the trade corridor associations, ex: shippers, cities, etc.).</td>
<td>70,000</td>
<td>Framework for the selected trade corridor could possibly be adapted and implemented in other North American trade corridors.</td>
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**Quality Assurance**
- Secretariat review: September 2009
PROJECT 6A – Trade, Transportation and the Environment

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<tr>
<td></td>
<td>Summary</td>
<td>Party review–Quality assurance: October 2009</td>
<td>Fostering a dialogue between environment, transport, corridors and private sector representatives to properly assess the environmental effects of increased cross-border trade/transportation.</td>
<td>North American Trade &amp; Transportation Corridors. Key stakeholders. Departments of transportation and environmental ministries (federal/state/provincial). Private sector</td>
<td>30,000</td>
<td>Framework for selected trade corridor could possibly be adapted and implemented in other North American trade corridors.</td>
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<td></td>
<td>Background paper: Framework assessing environmental impacts for the trade corridors</td>
<td>Publication: December 2009</td>
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<td>2. Support advisory group</td>
<td>Two face-to-face meetings of the advisory group.</td>
<td>Ongoing</td>
<td></td>
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Total Cost: $100,000

Performance Measurement Indicators:
- The framework methodology is used by the selected trade corridor.
- Number of environmentally sound shipments.
- Number of environmental impact assessments done in trade corridors.

Key Partners:
- Stakeholders represented by Advisory Group
- Trade corridor associations
- Transportation departments
- Environmental ministries