



**Submission by the Canadian Chamber of Commerce to
the Transport Canada Consultations on the Future of
Transportation in Canada**

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The Canadian Chamber of Commerce is pleased to provide a submission to Transport Canada with its recommendations on the future of Canada's transportation system under the following themes that have been put forward by the department: safer transportation, trade corridors to global markets, green and innovative transportation, the traveler and, waterways, coasts and the North.

The Canadian Chamber is Canada's largest and most influential business association with our network of over 450 chambers of commerce and boards of trade, representing 200,000 businesses of all sizes, in all sectors of the economy and in all regions.

This submission is based on recommendations from the Canadian Chamber's [December 2014 Submission to the CTA Review](#), the Canadian Chamber's June 2016 report, [The Infrastructure that Matters Most: The Need for Investment in Canada's Trade Infrastructure](#), from [national policy resolutions voted on by member chambers of commerce and boards of trade](#)¹ and through other consultations with our members.

The Canadian Chamber recommends that the multi-modal findings of the Canadian Transportation Act (CTA) Review form the basis for a long-term agenda for transportation in Canada. The Review findings are consistent with key recommendations from the Chamber to establish a national transportation plan that includes strategic investments in trade enabling infrastructure and the proper regulatory and policy environment. As the Review notes, the right transportation policy and infrastructure investments can help drive Canada's competitiveness for the next 30 years.

Safer transportation

Recommendations:

1. Canada's transportation regulatory framework must be predictable, transparent and timely. All new regulations affecting the sector should be based on evidence and include an analysis of potential economic impacts.
2. Transport Canada should work with the provinces to help harmonize and eliminate the unnecessary transportation and trade regulatory differences between provinces that significantly increase costs for the transportation sector such as the differing trucking regulations between provinces.

¹ Some of the recommendations in this submission are proposed policy resolutions subject to a vote at the Canadian Chamber of Commerce AGM on September 18-19, 2016. Transport Canada will be advised if any of these resolutions are not approved or substantially amended.

3. The federal government should continue to work with the U.S. through the Regulatory Cooperation Council and Transport Canada should continue work with its U.S. counterparts to adopt a unified approach to reporting requirements, safety, security and environmental standards for the transportation sector with the goal of establishing a long-term, institutionalized mechanism for regulatory cooperation.
4. The federal government should provide leadership in raising public awareness of the importance of transportation in relation to the quality of life enjoyed by all Canadians and the sustainability of the Canadian economy. Where appropriate the government should also take a leadership role in coordinating related stakeholders, including other levels of government in order to address community impacts and environmental concerns.
5. Regarding the review of new level rail crossings, Transport Canada should be given the mandate to consider both the economic and safety aspects of new crossings. The responsibility for approving these crossings should also be given to the Minister of Transport.

Trade corridors to global markets

Recommendations:

1. Infrastructure Canada should make trade-enabling infrastructure an equal priority alongside green, social and transit in Phase 2 of the federal infrastructure plan. Trade enabling infrastructure investments should target projects with the greatest long-term economic benefit through merit based criteria.
2. The federal government should renew its commitment to gateways and trade corridors with programs based on lessons learned from the Asia Pacific Gateway and Corridor Initiative (APGCI) and the Gateways and Border Crossings Fund (GBCF). A dedicated trade corridor strategy should be supported by permanent, multi-departmental project teams.
3. Consider whether the proposed Canada Infrastructure Bank can be used to generate more public-private investments in trade-enabling infrastructure. The bank could also form part of a North American infrastructure bank to support more informed investments in cross border infrastructure and integrated supply chains. Bank structure, mandate and program criteria should be established through consultation with industry.
4. Consistent with the findings of the CTA Review, Transport Canada and Infrastructure Canada should establish a mechanism to work with other levels of government and the

private sector to share critical data and analysis to inform, using an evidence-based approach, transportation infrastructure priorities.

5. Consistent with the findings of the CTA Review, and in partnership with industry, Transport Canada should develop a clear, evidence based and coordinated transportation policy framework that includes inter-modal and sector specific strategies, investment plans and infrastructure project pipelines to provide federal leadership on the evolution of our transportation system over the next 20-30 years. The framework should include a pan-territorial transportation strategy.
6. The government should continue to improve and promote the advantages provided by Canada's foreign trade zone-like policies.

Green and innovative transportation

Recommendations:

1. Transport Canada should encourage and incent innovation in the transportation sector by ensuring Canada's has a modern and responsible transportation regulatory system that can accommodate sectoral adoptions of new technologies and harmonize with our trading partners.
2. As per the recommendation of the CTA Review, Canada should continue to collaborate with other countries through international organizations to ensure Canada plays a strong role internationally in the development, adoption and regulation of new technologies and innovation that will enhance the performance of transportation systems.

The traveler

Recommendations:

1. The federal government should enable VIA Rail to raise the necessary financial capital to improve and expand its service to communities by:
 - Supporting VIA Rail's plan to acquire dedicated rights of way and invest in high frequency rail in the corporation's most profitable service region, the Quebec-Windsor corridor; and,
 - Enabling VIA Rail to seek private sector investment in dedicated lines and enter into private-public partnerships for the operation of stations where there is a business case.

2. The federal government should immediately examine the cost structure of government imposed fees on the airlines and airports in Canada with the goal of reducing costs for the aviation sector.
3. Transport Canada should overhaul the regulatory, financing and delivery models for airport security, as set out in CTA Review Recommendation 8, including:
 - Establishing a customer service mandate and performance standards comparable to competing jurisdictions; and,
 - Ensuring the provision of stable and predictable funding that meets the needs of both increasing passenger volumes and evolving security risks.
4. Transport Canada should pursue mutually beneficial liberalized air access agreements in all bilateral air passenger transport negotiations, and further liberalize existing bilateral air agreements, especially with Free Trade Partners. In addition Transport Canada should:
 - Conduct periodic reviews of Blue Skies policies to ensure that bilateral access matches demand,
 - Implement the CTA Review recommendation of required initial flight frequency with safe and secure partners with progression toward more liberalized air access agreements to provide market certainty; and,
 - Adopt an open and transparent priority-setting process, inclusive of key industry stakeholders, to determine top priorities as they relate to expanding Canadian bi-lateral air access agreements.
5. The government should facilitate the movement of passengers in, out, and through Canadian airports in order to position the Canadian air sector to better compete internationally. Transit investments will be a key factor to success in this regard. In addition, the government should implement measures set out in the CTA Review , notably:
 - Allowing transit without visa for citizens of all but those from a limited list of high-risk countries at all Canadian airports;
 - Harmonizing immigration and trusted traveller programs with the U.S. and other trusted jurisdictions; and,
 - Streamlining visa processing for all visitors to Canada, including expanding the use of the Electronic Travel Authorization instead of visas for low risk travellers.
6. Transport Canada should develop a high level and overarching national aviation hub and travel strategy, to improve airports' cost competitiveness, and thereby enhance Canada's competitiveness. In addition to reducing the fees for air travel, the government should:
 - Allow airports to operate Arrivals Duty Free to enhance non-aeronautical revenues; and,

- Increase funding, and expanding eligibility, for the Airports Capital Assistance Program in order support safe and efficient local and regional airports and a healthy and connected national air system.
7. The government should increase the foreign ownership investment limit for Canadian passenger carriers to 49 per cent on a bilateral basis, with an initial emphasis on the European Union and the United States.

Waterways, coasts and the North

Recommendations:

1. The federal government should adopt a Pan-Territorial Transportation Strategy to identify common requirements for bi-national security, environmental protection, resource development, community resupply, energy transmission, and communications. Those common requirements could be met through a Territorial Corridors Coordinating Agency that will vet infrastructure investment options to:
 - Seek strategic solutions melding multi-modal regional and cross-jurisdictional requirements for territorial ports, roads, railways, pipelines and transmission systems,
 - Address Indigenous rights and community concerns to obtain social license with economic opportunities that can be retained for all territorial residents,
 - Spread, share and reduce financial burden/risk by screening for project synergies, eliminating duplication, building scale economies and pre-permitting common use corridors; and,
 - Monitor and adjust for changing risks and opportunities, while updating best practices for public and private investment in northern infrastructure.
2. The federal government should adopt a plan to renew the Canadian Coast Guard's fleet of medium and heavy icebreakers. The fleet plays a fundamental role in ensuring access to (and maintaining trade through) a number of key Canadian trade corridors during winters, including in the Arctic, the northeast coast of Newfoundland, and the St. Lawrence River and Gulf.
3. The federal government should establish and promote low-impact trade corridors in Canadian coastal waters through formalized marine spatial planning. The current fragmented approach is overly complex for stakeholders, fails to provide sufficient predictability for major project investment decisions and is not providing a level of assurance demanded by Canadians and Indigenous Peoples alike.