

SPEAKING NOTES

I am very pleased to have this opportunity to address the Chartered Institute of Transport on the topic of the Review of the Canada Transportation ACT.

It will be 5 years on November 29, that I was addressing the members of the Institute at luncheon after the Honourable Doug Young, then Minister of Transport had to cancel his appearance.

At that luncheon, I had been asked to talk about the New Directions for Canadian Transportation that were being proposed by the Minister and the Department and more specifically to talk about the proposed *Canada Transportation Act*.

I mentioned at that time that “in business, standing still has always been tantamount to falling behind”. Parliament and government must have had concerns about standing still and falling behind. In order to ensure that the government’s legislative and regulatory framework for transportation remained current, Parliament enacted section 53 in the *Canada Transportation Act*.

This is the section which requires the Minister to undertake, within four years, a review of the legislation he was introducing.

Four years seemed far into the future then; and little did I know that I would be asked to be part of the team to undertake this review.

Let me start by telling you what I *can’t* do this evening. I can’t provide you with our Review Panel’s vision for a transportation policy and I can’t provide you with some solutions or even element of solutions to the many and various problems which many interested parties have identified.

The reason for this is that we are not there yet; we are still consulting with parties; we are still at what I call the sponge stage; that is trying to absorb everything.

What I will talk about tonight are three things;

- the Review Panel’s mandate;
- our research programme;
- and, the next steps.

But first, in case you have not consulted our web site and have not seen the Minister’s appointment notice, a word on who is on the Review Panel:

In my opinion, the panel appointed by the Minister represents a regional equilibrium and gathers together individuals that have various backgrounds profitable to the review.

Chairman: Brian Flemming, from Halifax; was a policy advisor to the Right Honourable Pierre Elliott Trudeau;

the Honourable Bob Rae: no need for further introduction that to say former Premier of Ontario;

Dr. Glen Findlay; a farmer and former Minister of Highways and Transportation in Manitoba;

Dr. Bill Waters: well known economist and a professor and director of the Centre for Transportation Studies at the University of British Columbia;

I have the honour to serve as Vice-Chairman; prior to this assignment, I was Vice-Chairman of the Canadian Transportation Agency.

Mandate

As I mentioned earlier, our mandate comes from section 53 of the *Canada Transportation Act*. This section states that we must carry out a comprehensive review of the operation of this Act (the CTA) and any other Act of Parliament for which the Minister is responsible that pertains to the economic regulation of a mode of transportation and transportation activities under the legislative authority of Parliament.

According to the *Table of Public Statutes and Responsible Ministers* published by the Chief Legislative Editor of the Department of Justice, the Minister of Transport is responsible for some 49 Public Acts of Parliament. Granted, some of these deal with other matters such as safety; however, a good number of these deal, at least in part, with economic regulation of a mode of transportation under the legislative authority of Parliament.

I'm referring to this only to point out the extent and breadth of the Panel's mandate.

The key role of the Panel in all of this is to assess whether this legislation provides Canadians with an efficient, effective, flexible and affordable transportation system.

Having said this, the Panel, in looking at its mandate, is mindful of the fact that some legislative changes have just been implemented and that it may be too soon to provide any kind of assessment.

We will also take into consideration the fact that some legislation have their own review mechanism specifically built in; here I'm referring to section 144 of the *Canada Marine Act* which requires a review of the provisions and operation of that Act to be completed prior to June 11, 2003.

In addition to section 53 CTA, the Minister outlined in the Panel's Terms of Reference, specific matters he wanted reviewed; he asked us to look at proposals for enhancing competition in the railway sector such as *enhanced running rights* and *regional railways* and to provide an interim report on these access issues by the end of December of this year.

Aside from competitive rail access issues, the Minister asked to look at the adequacy of the current legislative framework relative to a range of issues. These include:

- capital expenditures required to enhance productivity
- e-business and global logistics
- newly emerging industry structures
- sustainable development objectives
- preservation of urban rail corridors for future mass transit use

Finally, we have to do all of this and present our final report by July 1 2001. At this point we have less than eight months to complete the Review.

Consultations

We have undertaken a broad program of consultations that will take us to each province and territory before the end of the Review where we will have a chance to meet with government authorities and interested parties.

To date we have been in six provinces and met with numerous parties. These include shippers and shipper associations, railways, airlines and carrier associations in all modes, various users of transport services and other interested parties.

Call for submissions

We have put out a call for submissions where we have invited interested parties to submit their views and comments on issues pertaining to the mandate of the Panel.

In the interest of transparency but also in an effort to *engage* interested parties throughout the Review period, copies of submissions received are being posted on our web site.

Vision

Final word on our mandate before I move on to the next subject; important to stress, while part of our mandate is to study the adequacy of transportation legislation, we do not intend to simply focus on the outcome of the last four years.

We are looking at the transportation needs of the future and we specifically seek views on forward-looking changes and improvements that may be warranted.

Research issues

The Panel has initiated a programme of research into issues raised by its Terms of Reference including or identified through its consultations.

The Panel is initially taking a broad view of its mandate, intending to review all issues that might have relevance, and therefore potentially investigating issues in all modes. All of the items, I will refer to in a moment, are expected to be considered, though it is not likely that they will all be examined in depth, and some might be removed from the list after preliminary examination, while others might be added.

Competitive access to rail networks

In assessing the issue of competitive rail access, research will focus on:

- recent and historical trends in operational and financial performance of the North American railways;
- the nature of competition in Canada (information on this will come partly from a survey of shippers);
- the effectiveness of the existing competitive access provisions; and
- proposals for increasing rail competition, including expanded interswitching, enhanced running rights, regional railways or other access concepts.

It will also be important to examine the experience with open access to rail networks in other countries as well as the experience with open access in other network industries [such as telecommunications, electricity and gas].

There are also legal considerations that may need to be examined in this area with respect to such issues as constitutional implications of access for provincial railways and possible trade ramifications of access pricing.

*With respect to **Emerging market structures***, the focus of the research will be on the restructuring of carriers and their markets arising from regulatory changes, technological developments, and global trends. The research will also look at lessons from experience in other countries and comparisons among modes.

Another area that the Minister has asked the Panel to examine involves the ***Sustainability of capital spending***. The focus will be on the adequacy of current infrastructure, financial performance and incentives for investment in infrastructure. The research will also consider impacts on transport objectives and economic activity. *[The research will examine each type of infrastructure and comparisons among them, including rail, airports, air navigation, ports, St. Lawrence Seaway, roads, urban transit].*

In dealing with ***Governance and accountability*** of newly-commercialized transportation infrastructure providers, the research will focus on principles of governance and accountability, but also comprise an examination of the relationship of governance to economic performance of the newly-commercialized entities, [e.g airports, ports, St. Lawrence Seaway, NavCanada].

*With respect to **Sustainable Transportation Issues***, the Research will consider alternative models for government action in implementing sustainable transportation objectives and policies; relative responsibilities of each level of government, notably for urban conditions.

*In studying the issue of **Preservation of Urban Rail Corridors for future mass transit uses*** - the research may deal with the potential effectiveness of measures in alleviating urban congestion and associated impacts.

*One area that is an emerging topic of debate in a number of forums is **E-Commerce Implications for Transportation***. Here, the research will examine the effects of electronic information exchange, e.g. on transport demand, logistics, modal choices, efficiency of equipment utilization, costs and environmental implications.

*Finally with respect to **Accessibility to Transportation by Persons with Disabilities***, the research will assess opportunities for improved accessibility in all passenger modes, potential policy instruments and their costs.

Next steps

Interim Report

As I stated earlier, an interim report on the question of competitive rail access is due by the end of this year. I would like to stress that this is an interim report and that it will not provide any final determination or recommendations on the matter. It will be a report on where we are at, what interested parties have told us and what are the questions and issues that we believe need to be addressed before making recommendations on the matter of running rights and other access concepts.

However, it is also the Panel's intent to maintain an on-going dialogue throughout the review period. We have set up a Review framework that promotes such a dialogue: a web site, broadly-based consultations with provinces and interested parties, a call for submissions, posting of submissions on the web-site and a comprehensive research program.

In the new year we will continue with our consultations; we will be going to the Maritimes, Newfoundland and the Territories, all areas which time did not permit us to visit prior to the end of 2000.

In January, we will be issuing an Issues document highlighting some issues which we have identified in respect of the various items of our mandate. We are also planning to convene some Forums on some of the key issues. We would like to engage the various parties in some meaningful discussions on specific questions and have an exchange of views.

While on the more complex or controversial issues I hold no illusions as to the possibility of reaching an agreement or a consensus, I would hope that we can make some progress on at least some of the elements of solution to the questions.

Thank you very much for your attention this evening.

I invite, those of you who are interested in our progress and consultations, to go see our web site which will keep you posted on developments.