



**Atlantic Chamber
of Commerce**

Representing business since 1896

**Chambre de commerce
de l'Atlantique**

Représentant les affaires depuis 1896

March 4, 2015

The Honourable David L. Emerson
Chair, Canada Transportation Act Review
350 Albert Street, Suite 330
Ottawa, ON
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Dear Mr. Emerson,

As the regional representative for over 16,000 businesses in Atlantic Canada, the Atlantic Chamber of Commerce (ACC) wishes to provide comments to the Canada Transportation Act Review that reflect the unique characteristics of our transportation infrastructure and the crucial role that transportation plays in the Atlantic Canadian economy.

Atlantic Canada is strategically located on global trade routes supported by an extensive air, rail, road and marine infrastructure. Our proximity to large markets on the Atlantic Seaboard, and our positioning as the closest bulk and container terminals to the European and Suez trade routes present enormous economic opportunity. It is vital to the region's prosperity that our transportation system operate in an efficient, predictable and globally competitive manner.

Support for Market Based Operations

We recognize the value of the CTA review, noting that previous reviews have resulted in improved productivity through deregulation, privatization and increased competition. As a general principle the ACC supports a market-based approach to determining transportation investment and service levels, but recognizes that the federal government retains an obligation to plan and create an environment that attracts continued investment in infrastructure to support the efficient movement of goods and people.

Investment in Infrastructure to Facilitate Trade

As a region, we applaud the federal government's involvement in negotiating trade liberalizing agreements such as the Comprehensive Economic Trade Agreement and encourage the CTA Review Secretariat to enable development of Atlantic Canada as an international multi-modal hub supported by efficient border and security regulations. In recognition of the potential for expanded freight volumes in the region, the federal government must adopt a long term transportation system planning horizon using a gateway/corridor approach to ensure that Atlantic Canada is positioned as a preferred supplier of global transportation services.

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Coherent Regulations

An essential requirement of an efficient transportation system is competitive costs of operation and regulatory compliance. Specifically the federal government must renew efforts to reduce regulatory divergence, between various government departments, levels of government and our international trade partners. We strongly encourage the federal government to improve regulatory coherence and border efficiency through initiatives such as the *Beyond the Border Action Plan* and the *Regulatory Cooperation Council*.

Small NAS Airports

The ACC is extremely concerned about the viability of Canada's smaller NAS airports (less than 500,000 annual passengers) and their lack of access to capital infrastructure funding for safety related projects. This issue affects five of Canada's smallest NAS airports including; Prince George, Charlottetown, Fredericton, Gander and Saint John.

These five NAS airports, four of which are in Atlantic Canada, are not financially self-sustainable under current passenger levels. Since transfer to airport authorities, these airports have grown passenger traffic by between 20 and 50 percent. Even with this growth in passenger traffic and revenue, they do not generate the funds needed to maintain capital infrastructure.

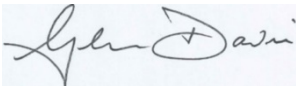
It is essential that the federal government change the conditions of eligibility for the Airports Capital Assistance Program (ACAP) to include airports located on crown land with fewer than 525,000 passengers and increase ACAP funding to address the requirements of all qualifiers. If the proposed changes are not an option, we recommend the creation of a similar program that would meet the needs of these small NAS airports with less than 525,000 passengers.

Conclusion

We wish to repeat our support for policy and regulatory measures that encourage involvement of all stakeholders in developing market-based solutions to the challenges of operating in global supply chains. The creation of a competitive and efficient transportation system should provide local consumers with access to domestic and international transportation services, and facilitate the evolution of improved service through technological innovation and new market entrants.

As members of the Canadian Chamber of Commerce we also support the submission presented to the Secretariat in December. The ACC commends the Secretariat for undertaking this important consultation process, and welcomes further involvement in our role of representing Atlantic businesses including rail, road, air transportation service users and providers.

Yours truly,



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