



Government
— of —
Saskatchewan

Ministry of
Highways and
Infrastructure
Legislative Building
Regina, Canada S4S 0B3

April 27, 2015

Honourable David L. Emerson P.C., O.B.C.
Chair of *The Canada Transportation Act Review*
350 Albert Street, Suite 330
OTTAWA ON K1A 0N5

Dear Minister Emerson:

**Re: *The Canadian Transportation Act Review Submission in the matter of:
The Canada Transportation Act, S.C. 1996, c.10 Section 53***

The Government of Saskatchewan is providing this submission on the statutory review of the *Canada Transportation Act (CTA)* to the CTA Review Panel.

Our submission reflects the Saskatchewan government priorities and issues identified by supply chain stakeholders. It also contains recommendations that will improve market access for Saskatchewan shippers.

Saskatchewan's goals for enhancement to the CTA include four main points:

1. Promote an integrated transportation system that lowers delivery costs for Saskatchewan businesses and improves the level of service with the goal of supporting the Saskatchewan Growth Plan.
2. Establish a legislative and regulatory framework that promotes competition and customer-oriented systems.
3. Promote competitive rates and services for shippers, while maintaining the commercial viability of carriers.
4. Provide an opportunity for small and medium sized shippers to participate in the Canadian and international economy and provide consumers with competitive prices and product choices.

Market access is a key element of broadening reach and expanding product sales. Capacity to provide reliable delivery of products to international buyers is paramount. Our supply chain to the West Coast and to continental North America needs to be competitive, responsive and account for community interest. Saskatchewan producers and exporters of commodities must compete with other countries that are geographically closer to the end customer.

On November 28, 2014, Saskatchewan provided our Interim Submission on Grain Transportation to the CTA Review Panel that included specific recommendations to ensure competitive railway transportation. Further to this submission, Saskatchewan has undertaken additional consultation with stakeholders including producers, shippers, rail and air service providers and consumers. Here is a summary of stakeholder concerns:

1. In order to realize the full potential of the National Transportation Policy (NTP), legislative deficiencies should be addressed in key areas that affect overall transportation performance.
2. Access to transparent information needs improvement. The availability of Canadian supply chain information is being contrasted to other jurisdictions like the United States, where the Surface Transportation Board is the primary regulator.
3. Communities have stressed movement of rail freight should be safe.
4. Rail shippers have told us that Canadian Transportation Agency powers need to be enhanced so the ability exists to independently investigate any system wide issues without requiring complaint initiation.
5. Rail shippers regard "equitable" treatment as important in the CTA legislation. Small and medium sized shippers have indicated that service levels have been poor and that their treatment has not met market needs.
6. Saskatchewan aviation stakeholders indicated air competitiveness needs to be addressed. Issues such as airport rent levels and enhanced air access are at the top of the list.
7. The Canadian Transportation Agency powers, as they relate to persons with disabilities and accessible transportation, have also been identified by the aviation stakeholders as an area for clarity.

An issue of particular concern is railway competition. There are only two national railroads (Canadian National and Canadian Pacific) that serve the province. All shippers in Saskatchewan, both large and small, require access to rail and air services to be successful. At the local level, the situation is exacerbated as a majority of shipping points have access to only one rail carrier. Bulk products such as grain and potash can only move long distances economically by rail, leaving many shippers captive.

Honourable David L. Emerson P.C., O.B.C.

April 27, 2015

Page 3

Saskatchewan maintains the position that "*competition and market forces*" continue to provide the best vehicle to guide all stakeholder investments in the supply chain. Parliament has clearly recognized the importance of competition in the NTP. Effective rail and air competition is vital for a country like Canada, with a large expansive overland movement of commodities and people. Connecting people and commodities to the world is our goal.

Saskatchewan is pleased to submit its recommendations to build on past success, to ensure an improved transportation system for the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Heppner', written in a cursive style.

Nancy Heppner
Minister of Highways and Infrastructure

cc: Premier Brad Wall
Honourable Bill Boyd, Minister of the Economy
Honourable Lyle Stewart, Minister of Agriculture



SASKATCHEWAN
SUBMISSION

2015 *Canada
Transportation
Act Review*



EXECUTIVE SUMMARY

Saskatchewan's goals for Canada's transportation system include

1. Promoting an integrated transportation system that lowers delivery costs for Saskatchewan business and improves the level of service with the goal of supporting the Saskatchewan Plan for Growth.
2. Establishing a legislative and regulatory framework that promotes competition and customer-oriented systems.
3. Promoting competitive rates and services for shippers, while maintaining the commercial viability of carriers.
4. Providing an opportunity for small and medium sized shippers to participate in the Canadian and international economy while providing consumers with competitive prices and product choices.

The intended outcome of Saskatchewan's submission is to provide more certainty for all players in the supply chain. More certainty around transportation supply (service provider's capacity) and transportation demand (shipper's production and forecasts) should attract more investment from all players in the chain. Investments lead to increased capacity that will increase reliability of service to customers. Satisfied customers lead to economic sustainability and growth.

Saskatchewan is focused on growth that supports quality of life. Our drive to improve reliability and system capacity is intended to help maintain our international competitiveness, our existing customer base and establish the conditions necessary to serve additional customers and new markets.

An area of significant risk is falling into a place where we are spending time assigning blame for poor performance in a system that is not fully explained and not properly measured. This approach pits players in the chain against each other, further eroding trust and promoting lack of productive communication, coordination, investment and ultimately growth in an environment where each party's business models and drivers are already in conflict.

Recommendations contained within this submission are intended to support these goals.

**SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015**

INTRODUCTION

With exports accounting for 32% of real GDP, Canada’s economic well-being hinges on our ability to reliably and competitively get goods to market. In Saskatchewan, 38% of provincial GDP comes from international exports and that number climbs to 65% when interprovincial trade is included.

Saskatchewan and Canada have a tremendous opportunity to increase wealth as global demand for Canadian goods and services grows and innovations increase production. However, any inefficiencies, failures or excessive costs within the supply chain will have implications for Canada’s economic competitiveness.

Modest projections suggest that exports to the Asia-Pacific region will double in 10 years:

SECTOR	2013 ACTUAL	2024 MEDIUM GROWTH SCENARIO	INCREASE (MEDIUM GROWTH)	% INCREASE (MEDIUM GROWTH)
	millions of tonnes	millions of tonnes	millions of tonnes	percentage
COAL	48.6	82	33.4	69
AGRICULTURAL PRODUCTS	21.2	29.6	8.4	40
POTASH	6.6	15.2	8.6	130
FOREST PRODUCTS	1.9	4.5	2.6	32
METALS AND MINERALS	3.4	4.5	1.1	32
SULPHUR	3.4	3.2	-0.2	14
OTHER FERTILIZERS	0.6	2.3	1.7	21
PETROCHEMICALS	2.8	3	0.2	400
SUBTOTAL (BULK & BREAKBULK)	88.5	144.3	55.8	63
CRUDE OIL	3.1	25.7	22.6	729
LNG	-	27.6	27.6	-
TOTAL	91.6	197.6	106	116

*Source: Transportation Network Needs Assessment

Currently Canada ranks 12th internationally on logistics and overall infrastructure, the United States ranks 9th and Australia has improved to 16th. While Canada remains near the top 10, we have slipped on important measures, such as timeliness (shipments reach destination within expected timeframe) and ease of arranging competitively priced shipments. (Logistics Performance Index, 2014)

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

To capitalize on increased demand we must be able to meet consumer expectations for delivery. A well-developed, reliable and efficient logistics system is crucial to Saskatchewan and Canada's success in an increasingly competitive global trade environment.

STRATEGIC GATEWAYS AND CORRIDORS

Saskatchewan recommends that the federal government:

- *Provide infrastructure funding targeted to improving market access for Canada's exports, particularly for Western Canada's exports.*
- *Improve intermodal connectivity to gateway and corridor access points, including marine ports, inland ports and inland border crossings.*
- *Improve supply chain performance reporting and expand the program to include provincial representation.*
- *Work with provinces and territories to reduce internal and external barriers to trade.*

The volume of goods that moves through Western Canada's gateways and corridors is expected to double over the next 10 years. To support this growth, enhanced, targeted funding, such as that identified by the New West Partnership, is required for major projects to relieve pressure on supply chain bottlenecks and enhance delivery to customers. At the New West Partnership Transportation Infrastructure Summit held November 5 and 6, 2014, in Regina, Saskatchewan, Premiers agreed on the following vision for the New West transportation infrastructure system:

An integrated and collaborative system and supply chain that stays apace with demand growth, can pivot to stay ahead of shifts in demand, prioritizes safety and environmental protection and has the right options to move goods efficiently and cost-effectively.

Premiers also called on the federal government to target incremental funding to support and enhance essential western port and transportation infrastructure.

Enhanced connectivity between landlocked provinces with substantial exports and key ports is essential to Canada's long-term economic competitiveness. Marine ports are of significant national interest and must have the necessary governance structure and authority to effectively and efficiently manage and expand the flow of goods through their facilities. Better coordination of community planning and development objectives with transportation corridors is critical to maintain safe communities while facilitating the movement of goods to customers.

To inform effective decision-making, and fully utilize existing infrastructure, the capacity of the system must be measured and ongoing relevant performance reporting on supply chain flow must be provided to, and shared with, the players. Work being led by Agriculture and Agrifood Canada's Crop Logistics Working Group and Transport Canada's Commodity Supply Chain Table

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

must be coordinated with the work being led by Pacific Gateway Alliance under the New West Partnership.

Finally, internal trade barriers between provinces and territories and between Canada and the United States need to be addressed. Adopting a New West Partnership Trade Agreement model for the Agreement on Internal Trade would be a substantial improvement that would improve the movement of goods, services and investment destined for Canada and abroad. Given the integration of the North American supply chain, alignment of standards and reduction of regulatory burden between Canada and the United States must be a national priority.

NATIONAL TRANSPORTATION POLICY

Saskatchewan recommends:

- ***Continued support for the National Transportation Policy assertion that “competition and market forces” act as the guiding principle of the Canada Transportation Act.***
- ***Reinstatement of the principle of equitable treatment and the term “adequate” in the National Transportation Policy statement.***

Central to the *Canada Transportation Act* is that “competition and market forces” are at the forefront of the National Transportation Policy statement. Saskatchewan supports this principal as the prime agent in providing viable and effective transportation services. Conditions to achieve these principles include regulation, rates, accessibility and partnership enshrined in the *Canada Transportation Act*.

The equitable treatment principle was one of the important principles in the National Transportation Policy framework prior to 2001. This section and the term “adequate” were removed following the 2001 review.

These provisions should be reinstated as they provide important guidance to the Canadian Transportation Agency on questions related to level of service, common carrier obligations, and competitive provision complaints. This is evidenced by the recent *Canada Transportation Act* decision (No. 2014-10-03) in which the equitable treatment principle was employed indirectly in arriving at its ruling. The intent of this inclusion would be to mitigate discriminatory practices by those with significant market power and formally provide a basis for shippers to seek redress on a number of issues, such as level of service.

RAIL TRANSPORTATION

The Canadian Transportation Agency (Agency)

Saskatchewan recommends:

- *Empowering the Agency to independently investigate system-wide issues without requiring a complaint to be filed.*
- *Adopting a more transparent process for complaints in front of the Agency, including empowering the Agency to more fully report on findings and rationale for decisions.*
- *Requiring the Agency to provide railways and shippers with easier and less costly access to mediation services to resolve disputes before they become formal complaints.*
- *Expanding the Agency's membership to include at least one representative from the West.*

The Agency plays a critical role in administering regulations, resolving disputes, and ensuring competitive access. Currently, the Agency is restricted to complaints in which often common issues can only be dealt with independently on a case-by-case basis. Giving the Agency a mandate to investigate system-wide problems would enable it to deal with issues such as common complaints of poor service on domestic and international routes. This would remedy a fundamental shortcoming in the regulatory regime and prevent abuse of market power.

Adopting a more transparent process for complaints would be beneficial as the issues considered by the Agency are often of concern to all shippers and railways as well as policy makers. This lack of transparency causes shippers to repeat flawed arguments on unwinnable cases before the Agency. Transparent information would help make the *Canada Transportation Act* operational as intended.

Adopting an informal mediation service would allow disputes to be resolved in a timelier and less burdensome manner for all parties in particular small shippers. This would also support the Agency's ability to identify system-wide concerns earlier. The Surface Transportation Board, in the United States, has reported success through its Rail Customer and Public Assistance Program.

The West has a number of unique characteristics (e.g., shippers spread over a large geographic area, emphasis on commodities) that warrant specific representation in the Agency.

Transparent Information

Saskatchewan recommends:

- *The Canadian Transportation Agency be empowered to order carriers and other supply chain partners to provide relevant traffic and operating statistics to benchmark capacity and publicly report performance.*

Transparent information is needed to determine if the objectives contained within the National Transportation Policy are being achieved. The lack of available traffic and operating statistics has been a common theme by all stakeholders. Transparent supply chain performance information can help focus shippers, transportation service providers and governments on areas that are constrained and guide investments that produce a competitive, safe and reliable transportation system.

Confidential Agreements

Saskatchewan recommends:

- *Reviewing the effectiveness of confidential agreements in generating competitive solutions.*
- *Clearly defining the scope and intent of confidential agreements in keeping with recent rulings by the Canadian Transportation Agency and the purpose of confidential agreements within the Canada Transportation Act.*
- *Defining fair and balanced negotiations in terms of asymmetrical market power and information between carrier and shipper.*

Confidential agreements was a competitive provision introduced in the *Canada Transportation Act*, 2001 Review as a means to rebalance shipper's ability to receive improved levels of service and rates. The underlying assumption is that the negotiating powers between shippers and carriers are reasonably equal and a full set of transparent information exists that would allow both parties to arrive at an equitable agreement. However, this assumption has proved faulty as seen in two recent cases. The first, where federal cabinet directed the Canadian Transport Agency to rule on the confidential contract related complaint (Decision No. LET-R-165-2010); the second, where the federal Court of Appeal clarified the scope of confidential contract related complaints between railways and supply chain participants.

Both rulings also clarified the role and limits of confidential agreement use in promoting private interests over public interests. As written, much of the *Canada Transportation Act's* power is removed if railways and shippers enter into confidential agreements rendering the *Canada*

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

Transportation Act ineffective. Defining the purpose and scope of confidential contracts would assist in making the *Act* operational as intended.

Service Level Agreements

Saskatchewan recommends:

- ***Clearly defining “adequate and suitable accommodation” and “service obligations” in the Canada Transportation Act.***
- ***That reciprocal financial penalties are included in arbitrated Service Level Agreements.***
- ***Expanding the rights of shippers to file complaints against a railway for penalty or ancillary charges by clarifying the role and limits of confidential agreements.***
- ***Eliminating the requirement for an arbitrator to consider whether the railway company’s commitments are hindered by network effects, including obligations to other shippers.***
- ***Final Offer Arbitration provisions remain in the Canada Transportation Act.***

All shippers in Saskatchewan, whether large or small, require access to rail services to be successful. At the local level, most shippers have access to only one rail carrier causing an imbalance of power between shipper and railway. A more effective regulatory structure governing the rail system must address situations where competition does not exist. The Canadian Transportation Agency has made it clear that railways are suppliers to their customers and suppliers should not be in a position to dictate terms to customers when a customer has no alternative option.

The level of service provisions in the *Canada Transportation Act* impose obligations on the railways and authorize the Canadian Transportation Agency to order corrective action. These provisions are the main regulatory remedy available to address rail service issues. Clear definitions are needed to ensure expectations and consequences are known by all involved. Fair and balanced negotiations are needed to ensure agreements are generating competitive solutions.

The current lack of reciprocal penalties provides little incentive for the railways to negotiate with shippers. In order to encourage both the railways and shippers to negotiate service level agreements, the inclusion of reciprocal penalties for non-performance is needed.

The regulations need to make it easier for all shippers to enter into balanced and enforceable service level agreements with railways. They must also provide the parties with more timely and cost-effective means to remedy disputes through the Canadian Transportation Agency.

Interswitching

Saskatchewan recommends:

- ***Making permanent the increased interswitching distances for the prairie region and improve the take up of interswitching by:***
 - *ensuring physical switches are operational and standardized;*
 - *rate structures are standardized and predictable;*
 - *providing clarity about who is responsible for crew maintenance and scheduling of siding; and,*
 - *ensuring information on how to take advantage of interswitching is made publicly available, including the locations of all available interswitching points in Canada.*

The expanded interswitching distances introduced in the *Fair Rail for Grain Farmers Act* will be in place to 2016. Expanding the distance to 160 kilometres enhances competition by offering shippers more reach to seek out alternative rail service options.

Predictable and standardized rules and rate structures will ensure shippers can benefit from expanded interswitching distances. Information about interswitching must be made available to ensure shippers are aware, and can take advantage of, interswitching opportunities.

Competitive Line Rates

Saskatchewan recommends:

- ***removing the requirement that a shipper have an agreement with the connecting railway before the shipper can access Competitive Line Rates.***

Shippers can only apply to the Canada Transportation Agency for a Competitive Line Rate when they have an agreement with a railway. The requirement for an agreement prior to applying for a Competitive Line Rate reduces the effectiveness of these provisions as railways are unlikely to negotiate with shippers on a competitor's rail line.

Maximum Revenue Entitlement (MRE)

Saskatchewan recommends:

- ***Maintaining the MRE.***
- ***Assessing the effectiveness of the MRE to ensure it:***

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

- *meets the intent of protecting producers from excessive freight rates;*
- *provides appropriate incentives to reinvest in the network;*
- *does not adversely affect service levels; and,*
- *is in the public interest.*

The MRE was designed to incent rail productivity improvements while enabling price-setting flexibility and protecting shippers from excessive pricing. The MRE has enabled railways to improve profitability while still investing in needed infrastructure. Marginal improvements may be possible; however, more assessment is needed before any changes are considered.

Safety and Security

Saskatchewan recommends:

- *Providing adequate monitoring and resources devoted to rail safety, and safety and security provisions.*
- *Increasing funding for Grade Crossing Improvement Programs for safer rail-road crossings, and work with the provincial governments on a plan to target priority projects.*
- *Assessing proposed levies on dangerous goods against the liability and compensation regime to demonstrate the impact on shippers.*
- *Assessing the proposed liability and compensation regime to ensure it compensates all victims affected by railway incidents and holds responsible parties (i.e., those that had care and custody at the time of the incident) accountable.*
- *Requiring Class 1 railways to coordinate incident responses with regional and provincial emergency responders to ensure incidents and derailments are effectively addressed and reported.*
- *Ensuring alignment of rail operation and equipment requirements between Canada and the United States.*

Growing rail traffic places new urgency on ensuring the safe movement of goods and dangerous goods. Transport Canada has jurisdiction over the enforcement of the Transportation of Dangerous Goods Regulations on all railways in Saskatchewan. The province works with provincial railways and industrial railways to ensure provincially-regulated railways are aware and compliant with any new Regulations.

Rail and road traffic collision avoidance is necessary to protect the public while minimizing the downtime of the rail supply chain. Despite this, Transport Canada has reduced funding for

**SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015**

eligible federal crossings when improvements to safety at crossings are needed. Increased funding would assist in improving safety at rail crossings.

If the federal government chooses to proceed with its previously proposed plan to develop a shipper-financed compensation fund as part of the proposed liability and compensation regime, regulations should take into consideration the affordability of any new levies imposed on the shippers. Consideration should also be given to the fact that shippers of dangerous goods are already subject to higher freight rates and ancillary charges by the railways. The railways provide no information regarding the rationale for the reason and amount of these charges.

Canada and the United States have a highly integrated supply chain. As such, alignment of operation and equipment requirements would ensure efficiency and safety in the cross-border movement of goods.

Shortline Railways

Saskatchewan recommends:

- ***Bringing greater clarity as to when railways and their lands are subject to federal or provincial regulation.***
- ***Implementing a mechanism for resolving connection issues, access and service obligations between federal and provincial railways.***

Saskatchewan needs an expeditious resolution of federal/provincial roles and responsibilities within the rail sector given the present increase in branch line investments and an increase in provincial railway formation. Sections of the *Canada Transportation Act* defining rail infrastructure are vague. It is unclear whether rail sidings or abandoned rail lines fall within federal or provincial authority.

Shortline railways are a critical part of Saskatchewan's transportation and logistics system. As provincially-regulated railways are increasing in number, it would be appropriate to ensure they are recognized within the system and an effective and efficient mechanism is in place to deal with inter-jurisdictional issues involving connections, running rights, service levels, interchanges, and inter-switching rates.

AIR TRANSPORTATION

Air transportation is best served where the marketplace has both competitive and market forces which are the prime agents in providing viable and effective transportation services for passengers. When these forces are not prevalent, competitive pricing and adequacy of air service are affected and not efficiently provided.

National Air Transportation Strategy

Saskatchewan recommends:

- ***Adopting a National Air Transportation Strategy and supporting in the Canada Transportation Act and Air Transportation Regulations. The National Air Transportation Strategy ought to:***
 - *place priority on improving regional and northern airport infrastructure to support airport improvement and faster economic development;*
 - *support tourism as a policy direction;*
 - *provide greater funding for airports through the Airport Capital Assistance Program (ACAP) and not restrict the funding solely to certified airports with at least 1,000 year-round regularly scheduled commercial passengers; and,*
 - *reduce or eliminate regulatory creep.*

Air Competitiveness

Saskatchewan recommends:

- ***Reducing airport rents, security fees and other fees, charges and taxes that reduce Canada's aviation system's cost competitiveness.***
- ***Investing rents and charges that are collected into the aviation system to ensure viability of the airport network.***
- ***Reducing regulatory burdens by undertaking cost-benefit analysis on new regulations.***

Canada's air travel industry has a high level of costs that have resulted in a lower contribution than its potential to economic growth. Saskatchewan is supportive of policies and initiatives that ensure competitiveness and adequate air service for Saskatchewan passengers.

In 2012, the Standing Senate Committee on Transport and Communications produced a report entitled *The Future of Canadian Air Travel: Toll Booth or Spark Plug?* The report acknowledged that the imposition of airport rents at National Airport System airports makes it difficult for them to compete with airports in other countries, such as the United States. The committee recommended that *"Transport Canada establish and implement a plan to phase-out ground rents completely over time for airports that are part of the National Airport System."*

The federal government views aviation security as being of benefit only for air travellers. Transportation security is a national responsibility and should be funded as national security and not be charged as a user fee to air travellers. The amount collected has exceeded the

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

operating costs of air security. The Canadian Air Travellers Security Charge is also higher for transborder flights than it is for domestic flights, which further penalizes flights originating in Canada.

A reduction in airport rents and security fees imposed by the federal government could lead to a reduction in Airport Improvement Fees at National Airport System airports (both air carriers and airports could pass on the savings to the travelling public). Reduced fees would also allow low-cost carriers to evaluate new international services and reduce the volume of leakage (passengers departing from airports in the United States that border Canada) where prices are considerably cheaper.

International Air Services

Saskatchewan recommends:

- ***Continued negotiations with countries to secure unrestricted bilateral air service agreements where feasible, practical and beneficial to all Canadian passengers.***
- ***Establishing a formal process for involving airport authorities and provinces in international air bilateral negotiations.***

Competition in the air sector is the best means to achieve the best service and best rates that will benefit both shippers and travellers. The goal of the *Canada Transportation Act*, is efficient, low-cost transportation through “a competitive, economic and efficient transportation system that meets the highest practicable safety and security standards and contributes to a sustainable environment.”

The air industry operates as two markets in Canada, the first being domestic and the second being international. This air industry structure is unique in that the treaty negotiation requirement of international air travel imposes restrictions on international competition between air carriers, and also, competition between Canadian air carriers on foreign routes. The *Declaration on Open Skies (2009)* was to encourage and promote more Open Skies agreements between the federal government and other nations with resulting benefits for Canada (including Western Canada and Saskatchewan).

Saskatchewan supports air competitiveness and enhanced air service for passengers travelling to and from domestic and international destinations. Saskatchewan is also supportive of the federal government’s liberalization efforts in negotiating favourable bilateral agreements by way of the *Blue Sky* policy that was officially adopted by the Government of Canada on November 27, 2006.

There are no provisions in the *Canada Transportation Act* regarding participation by provincial and territorial jurisdictions, or airport authorities, in the Airport Transport Agreement

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

negotiation process. Input from these jurisdictions and airport authorities would ensure that any concerns regarding international air services are being passed on to the federal government. An adequate international air service is important for supporting economic development, planning, and growing the Saskatchewan economy.

ACCESSIBLE TRANSPORT FOR PERSONS WITH DISABILITIES

Saskatchewan recommends:

- ***Updating the Canada Transportation Act to ensure language is aligned with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).***
- ***Reducing jurisdictional overlap between the Canada Transportation Act, the Canadian Human Rights Tribunal and the Canadian Human Rights Council by communicating first point-of-contact for complaints publicly.***
- ***Ensuring the implementation and monitoring of the “One-Person-One-Fare” policy by domestic airlines is sufficient.***

Part V of the *Canada Transportation Act* addresses the issue of accessible transport for persons with disabilities. Section 170 [1], provides the Canadian Transportation Agency with authorization to “*make regulations for the purpose of eliminating undue obstacles in the transportation network under the legislative authority of Parliament to the mobility of persons with disabilities.*” The UNCRPD provides current and comprehensive language with respect to accessibility. The language of the *Canada Transportation Act* should be modernized to align with the UNCRPD.

Complaints by persons with disabilities, as it relates to the federal transportation system, are currently dealt with by the Canadian Transportation Agency, the Canadian Human Rights Tribunal and the Canadian Human Rights Council. This jurisdictional overlap has led to confusion and uncertainty as to which body has the authority to address customer complaints; given that there may be different remedies available under the *Canada Transportation Act* and the *Canadian Human Rights Act*. Similarly, respondents such as, air carriers, may have to address the same issues under two different legislative regimes.

The province is encouraged that a “One-Person-One-Fare” policy was presented by the Canadian Transportation Agency to have domestic carriers adopt this policy. The decision applies to domestic carriers only which authorizes these carriers to not charge more than one fare for persons with disabilities who are accompanied by an attendant for their personal care or safety in flight (as required by the carriers’ domestic tariffs) or require additional seating themselves, including those determined to be functionally disabled by obesity.

THE NORTH

Saskatchewan recommends that the federal government:

- *Continue to provide base plus per capita funding to provinces and territories in federal infrastructure programs to address the challenges of providing infrastructure to jurisdictions with small populations.*
- *Adjust the Airports Capital Assistance Program (ACAP).*

Canada's transportation networks form the literal backbone of the country's economy. Canadians depend on transportation to participate in the global marketplace. Investment in transportation infrastructure is critical to fully realizing the benefits of resource development in the North and enhancing quality of life for residents. Lack of borrowing capacity in the territories due to federal borrowing limits constrain the ability of the territories to invest in infrastructure. As such, the federal government has a role to play in ensuring the territories and communities in our northern provinces have access to funds to build and maintain infrastructure needed to support resource development.

Airports/aerodromes are viewed as critical to the economic development of communities, particularly those which are reliant upon them as the only source of year round access and resupply. Air services add value to the local economies through business and job opportunities on and off the airport and by facilitating exploration, geological surveys, tourism, local agriculture and banking. Adjustment to qualifying criteria under ACAP is needed so that strategically located non-certified aerodromes are eligible for funding.

STAKEHOLDER CONSULTATIONS

Saskatchewan's submission reflects the government's priorities and issues identified by stakeholders and contain recommended amendments that will provide market access for Saskatchewan goods.

Stakeholder consultations with rail shippers touched upon numerous common issues and perspectives. In Saskatchewan, key shipper concerns broadly include:

- availability of market information;
- importance of competition and market forces; and,
- investigative autonomy of the Canadian Transportation Agency.

Improvement in any/all of these areas will support the goals of the National Transportation Policy (NTP) and create an economic environment where businesses flourish, exporters are

SASKATCHEWAN SUBMISSION
CANADA TRANSPORTATION ACT REVIEW – MARCH 2015

globally competitive and consumers enjoy access to a global marketplace. In terms of the NTP, shipper stakeholders were very positive about the policy statement itself, however, expressed concerns that the current situation was falling short of its aspirations.

CONCLUSION

Saskatchewan maintains the position that “*competition and market forces*” continues to provide the best vehicle to guide all stakeholder investments in the complete supply chain. Competitive market guidance in investment offers the most efficient solutions in comparison to excessive regulation or non-competitive market structures.

Our submission reflects priorities and issues identified by our stakeholders and contain recommendations that improve market access. The intended outcome of Saskatchewan’s submission is to provide more certainty for all players in the supply chain. This should attract more investment from all players in the chain, improve reliability of service to customers and lead to economic sustainability and growth.