



TRANSPORT ACTION ONTARIO

(formerly Transport 2000 Ontario)

Advocating for Sustainable Public and Freight Transportation
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Submission to Secretariat of the CANADA TRANSPORTATION ACT Review

Transport Action Ontario (TAO) welcomes this opportunity to provide input related to the process initiated in June 2014 by Minister of Transport Lisa Raitt for the review and revision of the *Canada Transportation Act (CTA)* and related legislation. We understand that the Honourable David Emerson, P.C., supported by five eminent Canadians, will report back to the Minister with recommendations by the end of 2015.

Transport Action Ontario (TAO) believes that this review provides a significant opportunity to establish a new direction for Canada's railway transportation policy for coming decades. The national interest of Canada should be the primary focus of changes to the existing *CTA* and new legislative proposals to Parliament.

TAO is a long-standing non-government organization (NGO) advocating for sustainable passenger and freight transportation. We are part of the Transport Action family of NGOs, which includes a central office in Ottawa and affiliates in Atlantic Canada, Ontario, the Prairies and British Columbia. These affiliates have reviewed our comments and are generally supportive of them.

The central focus of our submission is railway-based transportation, where TAO has extensive collective knowledge and professional experience. It is an area in which TAO is confident that it can contribute positively with legislative recommendations which will result in increased safety, security, efficiency, public accessibility, sustainability, employment stability, and meeting Canada's climate change targets in the coming years and decades.

1. Need for National Multimodal Transportation Policy, Especially for Rail

Despite our rail expertise, we feel we are at a disadvantage in making the case for the realization of rail's full potential within a multi-modal transportation system solely through revisions to the *CTA*. This is because of the absence of several of the fundamental and interlocking elements necessary to facilitate rail maximization, of which legislation is only one.

The construction, maintenance and operation of a national rail system fully addressing the needs

of the nation, the private owners of the majority of the system, and the shippers and passengers dependent on it requires that it be conceived as a whole structure. The essential elements are:

- policy;
- legislation;
- plans; and
- public and private funding.

This complete structure is at the heart of the multi-modal transportation strategies of the many advanced, industrialized nations that have traditionally secured and maintained rail's central role. It explains the relentless drive to optimize rail in Western Europe throughout the period since the Second World War. It is at work now in advancing industrial nations such as China and India.

Regrettably, Canada still lacks many of these building blocks for rail maximization, the first and most elementary being a basic concept embodied in a national policy. In fact, the discussion paper states "*Canada has no unifying policy framework from which national priorities can be established across transportation modes.*" And, as Mr. Emerson says in the introduction to the discussion paper, Canada's transportation system is, in contrast to earlier times, "*substantially more market-based, deregulated and competitive.*"

Today, Canada's transportation system is largely based on a laissez-faire approach that reserves only a few areas for public oversight through clauses within the *CTA*. Its largest and most vital flaw is, in TAO's opinion, the lack of an underlying, pro-active policy; it's a non-policy.

Without an innovative policy at its heart, Canada's transportation system has become something akin to a complex of disconnected structures cobbled together without a comprehensive plan by multiple and often competing owners. Each has been patched and propped up with makeshift legislative and financial programs aimed at correcting the flaws created by a boundless faith in the hands-off, strictly-for-profit nature of this approach. The VIA program, funding for remote airports and roads, one-off short line rehabilitation projects and the recent *Fair Rail for Grain Farmers Act* are examples of such patchwork intervention undertaken ostensibly in the national interest.

The Canadian approach is far different from that taken by other countries that view rail as a potent tool for national economic, social and environmental growth and security. In this regard, it is worth noting that the U.S. for many decades took a laissez-faire approach to railroading similar to Canada. The national rail system there drifted along for decades without benefit of clear policy, comprehensive planning and balanced, sustainable funding from both the private and public sectors. The result was a collapse of large parts of this system and the need for government intervention under crisis conditions.

The revision of the U.S. approach to railroading is now under way with the enunciation of clear, inclusive policies that lead to and are interlocked with legislation, planning and funding to realize this new national vision. The objective is to maximize the potential of rail in concert – not in competition – with the other modes.

Therefore, under the policy-deficient approach taken by Canada, making changes to the limited amount of legislation embodied in the *CTA* and related transportation acts is only a small part of the solution. Without a clear and comprehensive national transportation policy, even the best of legislation will fail because it is based on what amounts to non-policy. Revising the *CTA* in the absence of enlightened and pro-active policies cannot and will not decisively correct the major deficiencies in Canada's transportation system, particularly rail.

Nonetheless, there are some improvements that can be made through a revised *CTA*. This submission deals with those areas we feel can and should be considered.

2. Background for CTA Revision

In 1867, the steam railway was the only semi-reliable ground transportation available for carrying large numbers of passengers and goods in a newly emerging Canada. Thus, marine transport and railways were the only modes recognized in the nineteenth century as constitutional obligations for transport by the new Government of Canada. Nearly a century-and-a-half later, many of Canada's global competitors and partners have made significant advances from steam powered locomotives to higher speed electric railways. Modern railway infrastructure made possible by public investments over recent decades has provided significant policy alternatives and choices in transportation to these countries, as well as benefits to their economic competitiveness and their environmental sustainability efforts.

Canada has opportunities to address issues of jurisdiction between the federal and provincial governments in the following areas:

- Protection of lands required for future railway corridors while being compatible with other land policies;
- Intergovernmental investment agreements for more modern railway infrastructure;
- Obligations for the maintenance of modern railway infrastructure on an on-going basis;
- Improved access to safe and efficient transport alternatives for more Canadians; and
- Sustaining the necessary skilled workforce for modern railway infrastructure over the long-term.

The discussion paper included a map showing major provincial roads and highways across much of the country. Roads are essentially a provincial jurisdiction where little constitutional responsibility rests with the federal government. However, absent is any map showing Canada's railways, which remain a fundamental federal responsibility today. This mirrors the federal government's recent and largely hands-off approach to railways in Canada.

In the national framework, suitable rail transport availability is essential to Canada's long-term competitiveness and sustainability. The coming needs to be met by railways in Canada exceed what can be sustained by a profit-driven marketplace alone, with its elements of "*natural monopoly and captive shipping*" (discussion paper, page ten). In recent years, Canadian passenger rail service has shrunk, railway rights-of-way have deteriorated and/or been prematurely abandoned, and existing freight rail services have put Canadians and their communities at risk. The discussion paper stated "*CTA[The Act] sets out the National*

Transportation Policy; transportation policy based on competition and market forces. Government regulation and intervention should generally be limited to cases where the market cannot achieve satisfactory economic, safety, security and environmental social outcomes”. TAO believes, based on the evidence of recent years’ events, that Canada’s rail system is an area where the market has failed to achieve satisfactory outcomes.

Canada’s population distribution creates substantial distances between origins and destinations, a challenge that is compounded by a climate that in many areas is harsh for a significant portion of the year. Combined with the aforementioned declines in service and infrastructure, this raises questions about the sustainability of allowing the status quo to continue. Consequently, there is a role for governments to become more engaged, creative and supportive partners in addressing serious railway policy challenges.

Canada’s railway services, passenger and freight alike, are capable of doing great things if their potential were more widely appreciated and embraced. TAO is concerned that important issues such as liability insurance and branch line abandonment were not included in the initial discussion paper. The CTA review is a critical opportunity to address such major issues.

3. Consultation Process Revision

The timeframe proposed for the recommendations report (end of 2015) creates unnecessary delay, given the urgency of the changes needed in national transportation policy. The process should be accelerated to have a six month or shorter period established after receipt of the submissions from stakeholders at the end of 2014.

It is essential that full public discussion and review of the initial recommendations be facilitated early in 2015. In this way, the final report could incorporate more ideas and recommendations from across the country while maintaining a tight schedule. Consistent with TAO’s view on transparency and openness, this submission will be copied to all political parties in the House of Commons for their information and consideration.

4. Specific Recommendations for CTA Revisions

4.1 New Railway Safety Legislation

It has become increasingly evident that present railway safety legislation and regulatory policies are insufficient. Railway accidents, including major derailments across the country, such as Lac-Mégantic, Plaster Road, Gainford, White River, and others, have been occurring too close to populated communities for comfort and too frequently. Recently, railway safety policies have been based on self-regulation and self-inspection by the railways, with the Government of Canada intervening only in rare situations and in a limited way. This approach has demonstrated itself to be unsatisfactory and inadequate. TAO believes that a stronger safety regulatory regime is required to ensure that the public interest is adequately protected, including the safety and security of individuals, urban communities, and railway workers.

Regarding safety regulations, there are a number of short-term changes worth considering:

- (i) Mandate appropriate standards for effective wayside inspection systems to ensure the railways are deploying an adequate number of hot wheel bearing, dragging equipment, shifted load and wheel impact load detectors (WILD), especially within urban areas. For example, the Transportation Safety Board (TSB) report on the White River derailment (April 3, 2013) indicates that, despite advisories, there have been no tangible developments on standards for WILD in Canada.
- (ii) Accelerate the phase-out or revamp (i.e. valves, fittings, etc.) of safety-deficient rolling stock (e.g. CTC-111A tank cars) operating in Canada, particularly for those used for transporting highly flammable or toxic cargos.
- (iii) Prohibit the use of passing sidings on single-track railway lines for extended parking or for occupancy by freight cars serving local industrial users. If industries on single track lines require railway sidings for parking empty or loaded railcars, these should be constructed and maintained as separate, independent tracks. Passing sidings must be kept clear to allow through trains to pass expeditiously or stop safely in emergencies.

In the medium-term, a national program for the implementation of positive train control (PTC) will be necessary, as has long been recommended by the TSB, including in its investigation of the February 26, 2012 VIA Rail Canada Train 92 derailment in Burlington, ON. The implementation of PTC is now underway across most of the rail network in the USA, as required by the Rail Safety Improvement Act of 2008, which includes CN and CP equipment operating in the USA.

Regarding level crossing safety, TSB statistics indicate that there are close to two hundred accidents at railway crossings across Canada per year, with many fatalities and serious injuries. In many instances, these accidents occurred at crossings where crossing protection and warning lights were absent. Thus, TAO believes that present railway crossing legislation and regulations would be worth consideration for review and revision to achieve better methods of accident prevention through the implementation of safer crossings. This will mean installing new crossing protection on lower volume freight corridors, as well as new grade separations along more heavily used corridors where maintaining road traffic flows is another important objective. More government funding for the existing road-rail grade separation program would be necessary.

4.2 New Transport Liability Insurance Legislation.

Present CTA legislation envisages railways as “common carriers” that must deliver whatever cargo as requested when it is provided to them. No distinction is made regarding the transport of dangerous and hazardous (D&H) cargos and other goods, except for the fact that D&H materials must be appropriately indicated by placards on the specific transporting vehicle (e.g. tank car). At the same time, railways must also have adequate liability insurance to cover any risks arising from their shipping of such materials. However, presently mandated levels of insurance coverage appear insufficient to ensure adequate coverage for the affected communities and should be increased. This includes the class one railways, the secondary short line carriers, and other modes of freight transportation such as marine and trucking.

If freight railways are unable to obtain satisfactory coverage to fully protect the public, as well as their train crews, and the private insurance industry is not prepared to change current policies which restrict or limit the amount of coverage, it may be necessary for the Government of Canada to introduce appropriate legislation to establish a government-owned railway insurance agency. This would ensure that all rail carriers and shippers have access to the mandated level of insurance arising from their transport activities to cover errors, omissions, liabilities, and/or accidents. In such instances, both private railway companies and cargo shippers must maintain their respective information and/or operating systems so as to ensure maximum public safety at minimum risk.

Such an insurance agency will ensure that, to quote the present Minister of Transport, “*The new regime will ensure that polluters pay, and that those who suffer damages are compensated and that taxpayers do not bear the burden of cost if a serious rail incident should happen. However, if an event does occur, we need to ensure that we have a robust liability and compensation regime in place to support Canadians and their communities.*” (Honourable Lisa Raitt, August 1, 2014).

4.3 Legislation and Regulations on Rolling Stock Deployment

A section of the legislation should be designed to control the deployment of rolling stock in Canada during periods of local and regional need within various provinces. Currently, multinational railway companies may remove and relocate rolling stock from Canada to locations outside Canada even during periods of national equipment shortage in Canada. This risks tie-ups, bottlenecks and/or market diversions of products from Canada to global markets that could result in Canada being at an economic disadvantage.

More information is needed to determine the best regulatory instrument to achieve this important goal. The *Fair Rail for Grain Farmers Act* and renewed federal order mandating a minimum weekly rail tonnage movement for grain appears to be a reasonable first effort, and could potentially be a template for other rolling stock supply challenges during times of need.

4.4 Revised Legislation and/or Regulations on Branch Line Abandonment.

If freight railways or important segments of such railways are prematurely abandoned, discontinued, and/or sold to short line operators, as they have been at an accelerated pace since the *CN Commercialization Act* of 1995, local firms and businesses can no longer ship by rail and passengers lose an important transportation alternative. For example, grain farmers in many areas of Canada must now drive their seasonal production hundreds of kilometers more each year just to get to the nearest grain elevator for outbound delivery, and/or to pick up fertilizer, seed, or other supplies. The additional cost of such transport is being “externalized” to local farm units. Local municipalities and/or provinces must also bear the increasing cost of maintenance for the additional or upgraded roadways for this “externalization” of essential regional transport initiated by the railways that is currently allowed by the existing federal legislation. Furthermore, when passenger railway services are abandoned or substantially reduced, then passengers in many local communities no longer have a reasonable transportation alternative.

Before any further abandonment of railway branch lines, TAO suggests the government consider undertaking a full environmental impact assessment and economic cost-benefit analysis when a railway opts to abandon a line. These would be undertaken with full public hearings, open to all regional and provincial interest groups and individuals, including local agricultural and other regional producers (forestry, fisheries, manufacturing, mining, etc.), and First Nations. The full cost of such a process in proposed legislation could be shared jointly by the federal government, the affected province(s), and the affected railway(s).

In some cases, branch lines have successfully been acquired by local municipalities or government agencies. Due to the benefits of keeping these components of the rail network intact, TAO suggests senior governments consider stepping in to assist in such purchases.

4.5 Incentives for More Competitive Intermodal Operations

Expansion of intermodal facilities across Canada's railway network would achieve a number of significant improvements in the productivity of long-haul trucking within Canada, and can reduce the proportion of trucks on major expressways, especially in larger urban regions. Truck-to-rail intermodal facilities in Canada are currently few and far between, ranging from 500 km to 2,000 km apart. In the maritime provinces, the only such facility is in Moncton, NB, while in Ontario, the only such facilities are in northwestern Greater Toronto. In Québec, only in west-end Montréal are such facilities found.

Financial pressures force the private railways to focus on longer-haul operations to minimize the number of terminals they require as the costs of operating such terminals are difficult to offset without a high volume of truck traffic. However, greater availability of such intermodal facilities in more regions would open an opportunity to divert more freight to the railway network from the highway network.

The cost of increased intermodal facilities in other regions currently underserved would never be picked up by the private railways. A federal or provincial Crown railway, similar to the Port of Montreal's railway, which is linked to both CN and CP, would be the likely body charged with the operation and financing of such terminals as a means of mitigating urban congestion, improving working conditions for truckers and productivity of trucking companies, reducing road maintenance costs, and improving regional economic competitiveness in getting goods to market more efficiently.

4.6 Strategies for development of Higher Speed Railway Transport.

Worldwide, in countries which are Canada's economic partners and competitors alike, railways have significantly increased their operational speeds and reduced travel times for both passenger and freight railway services. At the same time, most have also significantly increased their passenger ridership and freight sales growth. Where freight railways have introduced safer, faster and more efficient arrangements for shipments by rail, such railways have experienced substantial increases in market response.

In most countries, this has been achieved by substantial improvements in right-of-way design

and maintenance, and much safer road crossing arrangements. Many of these railways have already been electrified, drawing on increasingly sustainable sources of energy. For example, electrified railways increasingly use rolling stock with regenerative braking, electrical energy recovered from slowing down by having the braking equipment double as a power generator, allowing electricity to be “sold back” to utilities through the nearest substation along an electric railway corridor.

TAO suggests the federal government initiate a study on faster rail transport and improved railway energy efficiency from electric passenger and freight operations that includes its potential impact on Canada’s economic development and mitigation of climate change.

4.7 Strategies to Improve Freight Rail Infrastructure by Federal and Provincial Investment (Public Private Partnership, P3)

Many of the aforementioned rail infrastructure improvements, such as road-rail grade separations, retention or acquisition of branch lines, improvement of rail corridors for higher speed or more capacity, additional rolling stock, and more intermodal facilities will require substantial financial investment.

TAO believes that, due to decades of “unbalanced or non-level playing field” competition from transport trucks, operating without paying all the costs they impose on our publicly-funded highways, the privately-funded railways cannot generate sufficient revenue to fully cover the capital cost of investments that would have long-term private and public sector benefits, including safety, capacity and speed improvements. TAO notes that the discussion paper cautions about the “*unlevel playing field between the different modes of transportation*” and notes that “*the majority of federal transportation funding contributes to new highway capacity*”.

Canada could take a page from the U.S. approach, where P3s with clearly demonstrated public and private benefits are increasingly being employed to deliver improved freight, passenger and commuter rail infrastructure and services. The P3s involve federal and state governments and the private railroads. So far, Canada has largely failed to engage in such joint investments to improve the safety, efficiency and utility of Canadian railways as main components of Canada’s national multi-modal transportation system. To be effective, these P3s should engage both senior levels of government – federal and provincial.

It is important to remember that there have been many successful joint federal-provincial programs over the past 65 years, with many different political parties in power at all levels at various times. These include long-term cost sharing programs like national health care and post-secondary education programs, as well as shorter-term programs like co-op and social housing, urban renewal, the Trans-Canada Highway, and various large cultural and athletic events (e.g. Expo 67, Olympic Games, and Pan-Am Games).

Almost all of these public initiatives and programs involved major, multi-government involvement, and in some cases, primitive P3s with the private sector. Virtually all ran well beyond the term of any one government. Most were successful. What this demonstrates is that if governments are prepared to demonstrate creative leadership, it is possible to assemble broad

coalitions of governments, community organizations, labour groups, and private interests to effectively tackle a problem such as development and execution of a national rail policy. As the discussion paper has already noted: *“A transport sector that is slow to implement innovation today risks limiting a country’s global competition in the future;”* and: *“The long term challenge of ramping up development infrastructure will present governments with the need for innovative financing models... ..may require different investment frameworks or incentives which encourage greater private sector investments in infrastructure.”*

To ensure proper contract structuring, analysis, and oversight of the costs and public benefits of P3s, it is essential that a specialized agency such as P3 Canada or Infrastructure Ontario be used, plus a post-contract audit by the Auditor General be carried out. This will help to ensure greater transparency and accountability for such projects.

4.8 Passenger Railway Legislation and Funding

Intercity passenger rail is experiencing major growth in every industrialized country. For example, in the USA, there are intercity passenger rail improvement projects underway in 32 states. Amtrak ridership has grown steadily over the past 10 years.

High-quality intercity passenger rail offers many benefits to Canadians, including mitigating highway congestion, improved mobility choices, increased personal safety and security for all age groups, improved national competitiveness, and environmental benefits. It can also play an important role in preventing regional disparity and preserving the distribution of economic activity across provinces and the country as a whole. Poor and limited transportation options tend to penalize smaller municipalities, as people must move away to find opportunity, resulting in accelerated regional decline.

Yet VIA Rail Canada, Canada’s national passenger rail carrier, is in a state of decline – most recently due to major funding cuts in 2012. VIA is also experiencing schedule challenges due to traffic congestion on the privately-held freight railways where preference is given to freight over passenger movements.

Fundamental to many of VIA’s challenges is the absence of legislation spelling out VIA’s rights, obligations, user charges, route network, service levels, and standards. A good reference point is the USA legislation that established Amtrak, the *Rail Passenger Service Act* of 1970 and the recent reauthorization legislation, known as the Passenger Rail Investment and Improvement Act of 2008. It is comprehensive and based largely on the need to operate publicly-funded passenger trains over infrastructure owned by privately-held freight railways. For example, under US federal law, if a host freight railroad fails to meet an 80% on-time performance for Amtrak passenger trains in two consecutive quarters, then the Surface Transportation Board may impose large fines and prescribe remedies such as funding plans and physical improvements that address traffic choke points.

In early December, 2014, Bill C-640, known as the *VIA Rail Canada Act*, was tabled in the House of Commons by Philip Toone, M.P. (Gaspésie-Iles-de-la-Madeleine). This Act would be an excellent first step in developing modern legislation for passenger rail in Canada. The

summary is reproduced below.

SUMMARY: An Act respecting VIA Rail Canada and making consequential amendments to the Canada Transportation Act

This enactment establishes a legislative framework for the crown corporation of VIA Rail Canada and describes the scheme of governance and funding for it. It also requires VIA Rail Canada to maintain public passenger service for the routes set out in the schedule.

This enactment also amends the Canada Transportation Act to enable a railway company to electrify the tracks of another railway company, by applying to the Canadian Transportation Agency for this purpose. It accords scheduling and operational preference to public passenger service by VIA Rail Canada over freight service where there is a conflict between the two. It requires VIA Rail Canada and any other railway company to set out public passenger service performance standards and incentive payments in agreements between them and allows the Canadian Transportation Agency to investigate and impose monetary penalties for poor performance and delays. It promotes the transparency of agreements between VIA Rail Canada and another railway company to use that railway company's facilities or services by requiring publication of these agreements.

As the discussion paper correctly notes, “*passenger rail service is widely subsidized in other parts of the world, including Western Europe, the USA and Australia.*” VIA’s current funding model is unsustainable; VIA needs a federal funding mechanism that guarantees longer-term, stable, and predictable year-to-year funding, just as is required for urban public transit bodies.

The provinces could also be involved in funding VIA services. There is a co-funding mechanism in the USA for joint funding of interurban and regional Amtrak routes that could be studied for applicability in Canada. As discussed in Section 4.7, there are numerous examples of federal-provincial cooperation in past decades, and passenger rail can be one of them.

4.9 Changes in Section 152 of the CTA

This section of the current CTA provides for dispute resolution whenever a public passenger service provider, such as VIA Rail or GO Transit or Agence Métropolitaine de Transport, and a railway company such as CN or CP are unable to agree on any matter concerning the use of the railway infrastructure, services or amount to be paid. In such instances, an application is made to the Canadian Transportation Agency for dispute resolution.

The process was used in 2011 by VIA in a dispute with the Goderich-Exeter Railway on track running rates to be charged, and in 2013 by VIA in a dispute with CP on the operation of three additional round trips on the Ottawa-Brockville-Toronto route. The Canadian Transport Agency sided with VIA in both those cases.

Although this dispute resolution process is certainly welcome, TAO would also recommend

consideration of another mechanism, modelled on the USA. Currently, Amtrak has been given specific powers of eminent domain under US federal law, in which should a private railway refuse to negotiate in good faith to a reasonable resolution of an application from Amtrak for acquisition of a railway segment, a portion of track, or other infrastructure, then operating in the public interest, Amtrak “*can take the land and pay compensation to the owner as is normally regulated and approved by the courts.*” This power of Amtrak has already been tested in a recent court case in New England, where the Amtrak position was upheld in taking 15 miles of track to link two key passenger routes. Therefore, TAO would recommend that similar powers be granted to VIA.

4.10 National Urban Transit Strategy

Canada is the only G8 country without a long-term, predictable federal transit investment strategy. For example, in the USA, the federal government contributes 80% to transit capital investment.

Although most municipal issues, including public transit, are provincial responsibilities, a national public transit strategy has important national benefits within the mandate of the federal government to: (i) maintain Canada’s global competitiveness, (ii) keep Canada’s cities on an equal footing versus international competitors, (iii) develop jobs with a high economic multiplier, and (iv) meet national greenhouse gas emissions targets.

Some federal funding programs (e.g. Gas Tax, New Building Canada Fund) direct funds to municipalities for infrastructure, some of which may partially fund transit projects. However, project selection appears to be entirely ad-hoc with little rationale. Furthermore, the level of investment is substantially lower than many European countries and the USA. And lastly, there appears to be a complete absence of a coherent national strategy for public transit.

Per Professor Mathew Mendelsohn, University of Toronto Mowat School of Public Policy and Governance, some of the key requirements of a national public transit strategy are as follows:

- Formally declared federal commitment to public transit, including a national transit strategy for our global city-regions of Toronto, Montreal and Vancouver
- Long-term commitment (like the Canada Health Accord) providing predictable funding with sufficient time horizons to facilitate large capital projects
- Block transfer of funds with a clear, principle-based allocation formula based on such factors as ridership demand, population density, and extent of congestion
- Promote accountability by clarifying the role and funding commitment of the federal government
- Decision-making on specific projects should be concentrated in a regional transit authority

In 2012, Bill C-305 Private Members Bill *National Public Transit Strategy Act* was introduced by Olivia Chow, M.P. (Trinity-Spadina). The bill was supported by dozens of experts and municipal governments, including the Federation of Canadian Municipalities and its Big City Mayors' Caucus, the Association of Municipalities of Ontario, the Canadian Urban Transit Association, the Canadian Chamber of Commerce, and the Toronto Region Board of Trade.

This Bill set the legal framework for the principles outlined above. While the Bill was defeated, it still offers a good template for this vitally important issue.

5. Conclusions

Strong and healthy rail freight, intercity passenger and urban transit systems are vital to improve Canada's global competitiveness, national security, social well-being and environmental performance. This cannot occur so long as we are, as a nation, allowing our multi-modal transportation system to function in what amounts to a policy vacuum. As other nations with which we compete have demonstrated, the federal government needs to become much more engaged, innovative and supportive in addressing the numerous challenges that stand in the way of delivering modern, sustainable and fully-maximized rail-based transportation.

TAO appreciates having this opportunity to make our suggestions for the improvement of the *CTA*. We have identified 10 serious challenges and our suggested remedies. We would be pleased to respond to any questions or comments from the *CTA* Review Committee.

However, we must again emphasize our view that, to be truly effective, the *CTA* needs to be revised on the basis of the development of a comprehensive national transportation policy that takes into account the needs of all stakeholders, public and private. That is a matter well beyond the control of the members of the *CTA* Review Committee; it must originate at the highest levels of the federal government.