



**SUBMISSION TO THE  
CANADA TRANSPORTATION ACT  
REVIEW PANEL**

**Approved by The Chamber Board of Directors  
May 28, 2015**

## **1. BACKGROUND**

Founded in 1873, The Winnipeg Chamber of Commerce is Winnipeg's largest and most diverse business voice. The Chamber represent all sectors and sizes of business in Winnipeg, thus empowering The Chamber with a truly reflective and informed perspective on our community.

Our mission is to foster an environment in which Winnipeg businesses can prosper. We seek to fulfill this mission through public policy influence, community leadership and business support.

Transport is the lifeblood of all cities in Canada. Cities require access and connectivity that responds to the needs and enables the aspirations of local businesses and residents.

Transport plays a significant role in Manitoba's economy. Transportation and warehousing account for 6% of Manitoba's GDP; we have over 40,000 people employed directly in transportation and logistics. We are home to six of Canada's largest trucking companies and a 24-hour, all-weather airport moving nearly 200,000 tonnes of cargo and 3.6 million passengers annually. We have access through the Mid-Continent Trading Corridor to the United States and Mexico, further supporting the development of CentrePort Canada as a highly valuable trade asset for both Canada and Winnipeg.

As is commonly known, there is a strong connection between trade, transportation and prosperity. Winnipeg (and, indeed, Canada) benefits from the proactive trading initiatives and policies established by the federal government. We applaud initiatives such as the National Policy Framework for Strategic Gateways and Trade Corridors, the Asia Pacific Gateway and Corridor Initiative, and the Global Markets Action Plan. Our desire is to ensure Canada's transportation policy aligns with these for the best possible outcomes for the country.

Like other cities in Canada, Winnipeg's economic competitiveness depends on the external linkages it holds with other cities, provinces and countries. For goods-based businesses seeking access to global and regional supply chains and distribution channels, Winnipeg's geographic position is a clear advantage. Yet, transportation cost is a key element of their bottom line. We therefore are supportive of policy that fosters transport accessibility and provides an environment where competitive rates facilitate access to key supply chains and distribution channels. This will make better use of our key infrastructure assets as they relate to trade and help Canadian businesses compete globally and operationalize the trade initiatives set forward recently by the federal government.

While the City of Winnipeg is challenging itself to foster innovative commercial endeavours, it is still evident that affordable and reliable access is necessary as both direct and indirect support mechanisms. As transport facilitates mobility and supports economic development, Winnipeg looks to efficient and supportive federal legislation governing transportation.

The Winnipeg Chamber of Commerce is pleased to have the opportunity to describe our vision of how the *Canada Transportation Act* can assist with the broader economic development and trajectory of our City. We support legislative and regulatory efforts that improve the ability of Winnipeg businesses to be innovative and reduce unnecessary and costly compliance burdens. Further, we support efforts that help local business benefit from efficient and cost-effective connectivity to external markets.

A number of our suggestions fall within the purview of the *Act* itself and, subsequently, the policy as prescribed. In other instances, however, we offer suggestions that may relate more closely to the stated mandate of the Canada Transportation Agency or other pieces of legislation necessary to secure future prosperity.

## 2. START WITH 'WHY'

In his synopsis of Canada's transportation policy for the 2001 Review of the *Canada Transportation Act*, John Gratwick wrote that "*Legislated policy statements are Parliament's instructions to the public service and regulatory bodies, enabling them to control, guide, encourage, and assist all the participants in transportation, in both the public and private sectors.*"

Thirteen years later, we are eager to see the government use the 2015 *Act* Review to craft a **proactive** policy that favours market forces over direct government intervention. Doing so will ensure transportation is an engine for economic growth across Canada. We are calling on the federal government to use the review of the *Act* to set out a future vision for transportation in Canada that integrates trade, commerce and economic prosperity.

Oxera, a consultancy based in London, wrote recently<sup>1</sup> that the wider economic benefits of transport include greater labour productivity and supply, higher efficiencies in production, enhanced innovation and competition and increasing private investment. The driver of any federal policy on transport, then, must be quantifiable outcomes that raise productivity, support innovation, enhance access to capital and facilitate the mobility of people and goods.

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<sup>1</sup> <http://www.oxera.com/Latest-Thinking/Agenda/2014/Deep-impact-assessing-wider-economic-impacts-in-tr.aspx>

### 3. FLEXIBILITY AND PROACTIVENESS: OUR RECOMMENDED APPROACH

Winnipeg is a transport junction. It is an active participant in several trade corridors. The City has, therefore, a vested interest in ensuring transportation flows continue with as little regulatory friction as possible. Local business and residents thrive on access and connectivity.

Our transportation system would benefit from a policy approach that emphasizes **stability** and certainty of access, but embraces **flexibility** and **proactiveness**. We offer the following recommendations in support of this:

*Recommendation 1:* The objective function of Canada's transportation policy should be an identifiable net benefit arising from the operations, connections and business environment that envelopes all modes of transport. Decisions relating to the policy should be supported by quantifiable evidence and be fully transparent.

*Recommendation 2:* Canada's transportation policy should promote **accessibility** and **connectivity**, primarily through market forces and demand but with specific attention paid to secondary markets where commercial services may need support.

*Recommendation 3:* Our world-class airport is a critical part of the province functioning as a tourism, transportation and logistics hub. As one of many Canadian cities close to the United States border, our airport faces the requirement to meet the region's need for connectivity while competing on a trans-border playing field tilted against it. Although the Review cannot influence directly another country's strategic policy, it can influence the creation of domestic policy that permits our airports to compete in that reality. We concur fully with the 2012 Senate Standing Committee on Transport and Communications Report on the Future Growth and Global Competitiveness of Canada's Airports that there is a high cost to flying in Canada. This is largely attributed to various taxes, surcharges and levies, including airport ground rent.

*Recommendation 4:* Critically, the aforementioned Senate Standing Committee also noted that "...the Government of Canada should break with the past and stop using the "one size fits all" approach that has prevailed in Canadian aviation policy over the last two decades." We agree and support policy revisions that treat our airport as an economic "spark plug". We encourage the government to consider **regional** policy prescriptions (for instance, more open access, tag-end services by international airlines or adjusted airport rent calculations) as an incremental but proactive approach to stimulating market access by international airlines. By treating regions and cities like Winnipeg differently, we are potentially one step closer to leveling the playing field for access to Canada.

*Recommendation 5:* Winnipeg has an immensely valuable inland port potential in CentrePort that will generate substantial returns for the city and province. We urge the federal government to ensure the policy places emphasis on the value of trade corridors where installations such as CentrePort feature. To support the strong linkage between trade and economic prosperity, we advocate strongly for policy that supports competitive rail shipping, including the clustering and sharing of rail infrastructure. We would encourage the federal government to engage in dialogue with the provinces that ensures supply chain corridors are protected if not rationalized. In short, we support policy and legislation that would ensure frictionless movements of goods along critical trade corridors in support of our (and Canada's) trade-oriented agenda.

*Recommendation 6:* Canada's rail companies are generally privately owned and operate a network that many companies use for the movement of goods. Our concern is that this system is vulnerable. This threatens our economic competitiveness and will make it difficult for Winnipeg to continue to serve as a major rail and grain hub. The government should find language in the policy to ensure:

- (a) goods are transported in the most efficient means possible;
- (b) producers have access to performance metrics across the supply chain, including transport modes; and,
- (c) regular reviews introduce flexible adjustments to the system to ensure (a) and (b) are maximized.

Further, The Chamber suggests that a dialogue be initiated on the value of having the federal government ensure capital assistance is available to assist with new rail provision initiatives.

*Recommendation 7:* It is incumbent upon the federal government to continue to provide oversight of safety and security in all modes of transport. There are co-benefits for the mobility of goods and passengers when such systems are measured and realistic. That said, we would recommend deeper consideration of the provision of such safety and security measures in order to ensure all transport modes are treated equally. At present, only *users* of aviation services pay for border crossing facilities and security requirements, which are national issues. To facilitate mobility, a revised *Act* and policy emphasizing seamless pre-clearance procedures could have consequential implications for CATSA, for example. We feel the CATSA budget for screening should track more closely with economic development indicators for regions. This will ensure that adequate security coverage for airports and borders aligns with prosperity and, thus, demand.

*Recommendation 8:* Canada's motor carrier industry provides a valuable service for businesses wishing to transport goods, not to mention raw materials such as gravel, sand, logs and lumber. Significant variations in the economic regulation of trucking exist across provinces. We recommend proper alignment and commonality in the interest of balancing access and minimizing provincial involvement.

*Recommendation 9:* Canada's north has received significant attention recently. The federal government has shown its commitment to encouraging broad and strong economic growth in the region. Part of this is supporting the viability of nodal points as active fulcra in national and international supply chains. We would encourage the federal government to recognize assets like the Port of Churchill that can be leveraged for the scale and scope of development desired for our north. It is perhaps time to revisit the status of the devolution of such ports in light of policy and trade imperatives and in terms of Canada's sovereignty.

#### **4. CONCLUSION – LOOKING TO THE FUTURE**

Given the strong connection between trade and transport, we also encourage consideration of future scenarios and how these might be interact with a revised policy:

1. *Intelligent transport.* The federal government could offer strong leadership in this areas as there are overlaps with other Ministries and regulatory bodies. New technologies are being introduced that promise efficient mobilities, but these must also make sense for the climate and general operating environment operators face in Canada.

2. *Sustainability.* Given established scientific evidence relating to anthropogenic climate change, there is room to consider how sustainable transport and mobilities in Canada fit within the government's wider environmental goals. Linking with intelligent transportation as discussed above, so-called 'green corridors' can be developed with small ecological footprints but improved economic efficiencies. We look to the government to be a leader in facilitating and championing sustainable technologies for urban mobility. Doing so encourages universal uptake, best practice and proper alignment with national and regional policy objectives. With respect to climate change, we also welcome initiatives that focus on the operational resilience of our country's infrastructure, thus ensuring critical trade corridors are protected.

3. *Modal convergence and rationalization.* Efficient transport in Canada's cities requires a review of how different modes of transport interact. In Winnipeg's case, intersecting rail lines throughout the city pose challenges to the frictionless movement of goods and people. While we are aware of existing legislation where the government may assist with some costs of rail relocation, the government should play a larger role, financially and otherwise, in any potential rail rationalization efforts in cities like Winnipeg. Doing so would marry economic benefits with safety and security concerns and drive international gateway and corridor initiatives that would uphold Canada's overall economic agenda.