

TRANSPORTATION POLICY HARMONIZATION

In 1993, the TAC Board of Directors prepared and endorsed **A NEW VISION FOR CANADIAN TRANSPORTATION**, designed to enhance Canada's competitiveness in the face of rapidly changing continental and global economies. The vision states:

"Canada's economy and society are strengthened by a responsive, progressive and competitive transportation system, geared to the needs of shippers and passengers and operated as a sustainable, seamless network providing quality, efficient and affordable services."

The vision is supported by 19 elements. In terms of **POLICY HARMONIZATION**, Vision Element #7 states:

"Transportation responsibilities and policies of all levels of government are coordinated and harmonized, for both developed and remote regions of Canada and are consistent with the policies of major trading partners. This supports trade, avoids undue costs to carriers, shippers, and users, and helps improve capital and labour productivity."

To develop a better understanding of issues requiring attention, TAC's Multi-Modal Council initiated a Transportation Policy Harmonization Task Force, including consultation within the TAC membership. This briefing summarizes the results of the Task Force work, and is offered for consideration by those who are responsible for creating and implementing transportation policies in Canada. The full text of the Task Force final report is available from the TAC web site <www.tac-atc.ca> under "Programs – Multi-Modal Council – Major Activities".

POLICY HARMONIZATION SHOULD BE BASED ON FOUR GUIDING PRINCIPLES.....

Preamble

Transportation policies, regulations, taxation, standards and practices cross modes and government jurisdictions. Their integration and harmonization are critical to: enhancing Canadian competitiveness, improving safety, increasing efficiency, promoting trade and tourism, and helping achieve TAC's **New Vision for Canadian Transportation**. Harmonization should be consistent with the public interest and should strive for consistency: across modes, between jurisdictions in Canada, and between Canada, the United States and other trading partners. Harmonization should be based on four principles.

Principle 1 – Market Forces

An integrated policy respects market forces and focuses on competitiveness in trade and transportation. It would:

- promote competitive market behaviour by carriers and users.
- enable rational choices to be made (by governments, carriers and users) that take into account all costs and enable the most effective option to be chosen.
- treat transportation as a business, whose demand is derived from the need to move people and goods.
- safeguard users and the public from unnecessary cost.
- induce viable investment in each mode, as a prerequisite to competitiveness.

Principle 2 – Comprehensive Approach

An integrated policy requires a comprehensive approach to policy-making that can bring together policies for infrastructure, taxation, regulation and safety. It would:

- provide fair and consistent competition and treatment in terms of regulation and taxation, between governments, carriers and users.
- facilitate the optimal use of each mode of transportation based on all costs.
- remove investment distortions and policy conflicts.
- be based on a coordinated planning process.

Principle 3 – Regulations

An integrated policy demonstrates the need for regulations to insure that benefits outweigh costs; regulations amongst jurisdictions are aligned for a consistent approach to safety and other operating issues. It would:

- reflect the "code of regulatory fairness" which stipulates that governments avoid regulations that limit supply/price or entry/exit in competitive markets, and ensure that regulation is the best alternative.
- ensure that regulations are not an undue cost burden to carriers or shippers, and are easy to interpret and to apply.
- ensure that safety regulations reflect two key principles: carriers are allowed to exercise responsibility and accountability for the safety of operations; and regulators have the powers of enforcement to protect transportation workers and the public.

Principle 4 – Sustainability

An integrated policy promotes the development of transportation systems that are environmentally, socially and economically sustainable. It would:

- allow the basic access needs of individuals and societies to be met safely and in a manner consistent with human and ecosystem health, and with equity within and between generations.

- be affordable, operate efficiently, offer choice of transport mode, and support a vibrant economy.
- limit emissions and waste within the planet's ability to absorb, minimize consumption of non-renewable resources, reuse and recycle its components, and minimize the use of land and the production of noise.

SIX PRIORITY ISSUES TOP THE LIST TODAY.....

Thirty-four potential policy harmonization issues were identified by TAC members. The Task Force reduced this to a priority short list based on five criteria:

- The issue is of national importance (ie: it affects most jurisdictions).
- The issue is relevant to more than one mode of transportation.
- Resolution of the issue would be of significant value to trade, tourism or the mobility of people.
- Resolution of the issue would advance TAC's **New Vision for Canadian Transportation**.
- The issue is not being adequately addressed by anyone at present.

Here is a summary of the top six issues and some current projects in the Multi-Modal Council program.

Priority 1 – Transportation Taxation

Taxes and fees levied by federal, provincial and municipal governments on transportation providers and users may hinder Canadian competitiveness in North American and world markets, to the detriment of Canadian economic development.

Council activity: conduct a study of "Taxation in the Canadian Transportation Sector – A Policy Assessment in the North American Context".

Priority 2 – Cross Jurisdictional Transportation Planning

An integrated, multi-modal, cross jurisdictional planning process (involving three levels of government, users and suppliers) is needed to increase operational efficiency and maximize the benefits of infrastructure investments, for both passenger (tourist) and freight movements, especially in large metropolitan "gateway" areas.

Council activity: conduct research into "best practices" in cross jurisdictional transportation planning.

Priority 3 – User Pay in Transportation

The principle of user pay, or direct charges for the consumption of infrastructure or services, is becoming entrenched in competitive national and international market places and has started to appear in Canada in recent years. But important questions remain, regarding appropriate applications, especially in the roadway sector, in light of competitive, economic, social and equality factors.

Council activity: sponsor a national workshop on "User Pay – Transportation Funding for the Millennium".

Priority 4 – Intermodal Passenger Transportation Integration

The lack of "seamless" and convenient access between carriers and terminals in different modes, resulting from conflicting government policies, regulations and practice, is a barrier to tourism growth and efficient commuter travel.

Council activity: monitor and support government/industry initiatives; also part of Priority 2 research.

Priority 5 – Sustainable Transportation

Recent research indicates that neither intercity nor urban transportation systems are environmentally, socially or economically sustainable in the longer term. Public awareness of the health impacts of air pollution and Canada's international commitments to reduce greenhouse gas emissions are both issues of concern for the transportation sector.

Council activity: support and participate in any TAC program to address Canada's greenhouse gas reduction targets under the Kyoto Protocol.

Priority 6 – Transportation Investment Decision Making

In reaching multi-modal transportation investment decisions, all levels of government should make wider use of the latest benefit/cost methodologies, in order to maximize economic returns from limited public sector financial resources.

Council activity: prepare a "Guidebook on Benefit/Cost Analysis" supported by educational seminars and web site(s).

TAC mission: to promote the provision of safe, efficient, effective and environmentally sustainable transportation services in support of Canada's social and economic goals.

For more information about TAC Multi-Modal Council programs, contact **John Hartman**, Director of Transportation Forums.

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