



**ESTIMATES**

# **Canadian Transportation Agency**

**2001-2002  
Estimates**

Part III – Report on Plans and Priorities

**Canada**

## The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

**Part I – The Government Expenditure Plan** provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

**Part II – The Main Estimates** directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

**Part III – Departmental Expenditure Plans** which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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Available in Canada through your local bookseller or by mail from Canadian Government Publishing (PWGSC)  
Ottawa, Canada K1A 0S9

Telephone: 1-800-635-7943  
Internet site: <http://publications.pwgsc.gc.ca>

Catalogue No. BT31-2/2002-III-69

ISBN 0-660-61497-9

# CANADIAN TRANSPORTATION AGENCY



2001-2002  
Estimates

## **A Report on Plans and Priorities**

Approved

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Hon. David M. Collenette, P.C., M.P.  
Minister of Transport

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## Section I: Messages

### Chairman's Message

It is my pleasure to present the Report on Plans and Priorities of the Canadian Transportation Agency (the Agency).

The Agency values its role as an expedient, fair and transparent regulator and quasi-judicial tribunal. As one of its primary functions, it helps providers and users, in the transportation industry under federal jurisdiction, resolve disputes efficiently outside the court system. But the Agency also sees great value in trying to resolve problems before they reach the stage of formal dispute and will pursue its work on alternative dispute resolution.

Parliament continues to refine the legislative framework to encourage airlines, shipping firms and railways to do what they do best: transport people and goods across Canada's vast spaces and beyond our borders. At the same time, the Agency is adapting to changing needs and times in an effort to assist the Canadian transportation industry and its users. In 2001-2002, the Agency will continue to implement the new mandates it has received from Parliament, in addition to carrying out the mandates defined in 1996 by the *Canada Transportation Act* (the Act). The first new mandate, resulting from the restructuring of the Canadian airline industry, gives the Agency, among other matters, the power to monitor prices on non-competitive routes and to address a wider range of consumer complaints through the new Air Travel Complaints Commissioner. The second new mandate, resulting from the Grain Handling and Transportation System Review, requires the Agency to determine maximum revenue entitlements for Canadian National (CN) and the Canadian Pacific Railway (CP) for the movement of western grain, and to monitor these revenues. As well, the Agency has a new role regarding the transfer of rail lines to community-based interest groups.

In 2001-2002, the Agency will also continue its dialogue with various sectors of the transportation industry, shippers, carriers, consumer groups and other levels of government. This encourages an exchange of views on parties' rights and obligations under the current legislative framework, and fosters the growing body of informed opinion on how the Act, and other acts and regulations for which the Agency has partial or full responsibility, have benefited or constrained various parties. The experience the Agency has gained in administering the Act will continue to allow the Agency to contribute its expertise to the current mandated review of the Act.

As one of many players in transportation, the Agency is well positioned, I believe, to continue carrying out the government's transportation policies, to provide a forum for resolving transportation-related disputes, and to respond to any future legislative and sectoral change.

Marian L. Robson

## **Management Representation**

### **Report on Plans and Priorities 2001–2002**

I submit, for tabling in Parliament, the 2001–2002 Report on Plans and Priorities for the

### **Canadian Transportation Agency**

To the best of my knowledge, the information

- accurately portrays the Agency's mandate, priorities, strategies and planned results of the organization;
- is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The planning and reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

---

Joan MacDonald  
Director General, Corporate Management

February 06, 2001

## Section II: Agency Overview

### 2.1 What's New

Bill C-26, which amended the *Canada Transportation Act*, came into force on July 5, 2000. It gives the Agency the power to monitor prices on non-competitive airline routes, the authority to intervene if it determines that prices on these routes are unreasonable and to address a wider range of consumer complaints, including those relating to quality of service. It also created a new position, the Air Travel Complaints Commissioner. The Commissioner was appointed on August 1, 2000.

Bill C-34, which amended the *Canada Transportation Act*, effective August 1, 2000, requires that the Agency determine an annual cap on the revenues that Canadian National (CN) and the Canadian Pacific Railway (CPR) can earn from grain traffic. This cap replaces the previous maximum freight rate scale. The Agency will monitor compliance based on actual grain movements and distance hauled. Bill C-34 also provides for a simpler final offer arbitration process and includes provisions to further encourage the transfer of rail lines to community-based short-line railway interest groups. The Agency will administer these new initiatives in accordance with the legislation.

### 2.2 Mandate, Role and Responsibilities

The Agency is an independent, quasi-judicial, administrative tribunal that makes decisions on a wide range of matters affecting Canadian transportation. The Agency licenses rail and air carriers, and has the authority to resolve some transportation rate, service and other complaints in the rail, air and marine modes. It also has the authority to remove undue obstacles to the mobility of persons with disabilities who use the federally regulated transportation network. In addition, the Agency implements transportation policy as established by Parliament in the Act and is the aeronautical authority for Canada on matters related to the economic regulation of air carriers.

The Agency is an economic regulator and uses its regulatory authority in conjunction with its dispute resolution powers. When appropriate, the Agency encourages parties to resolve disputes informally, and its employees are constantly looking for ways to do so. The Agency maintains its quasi-judicial independence, while also acting as a communicator and facilitator in the Canadian transportation industry.

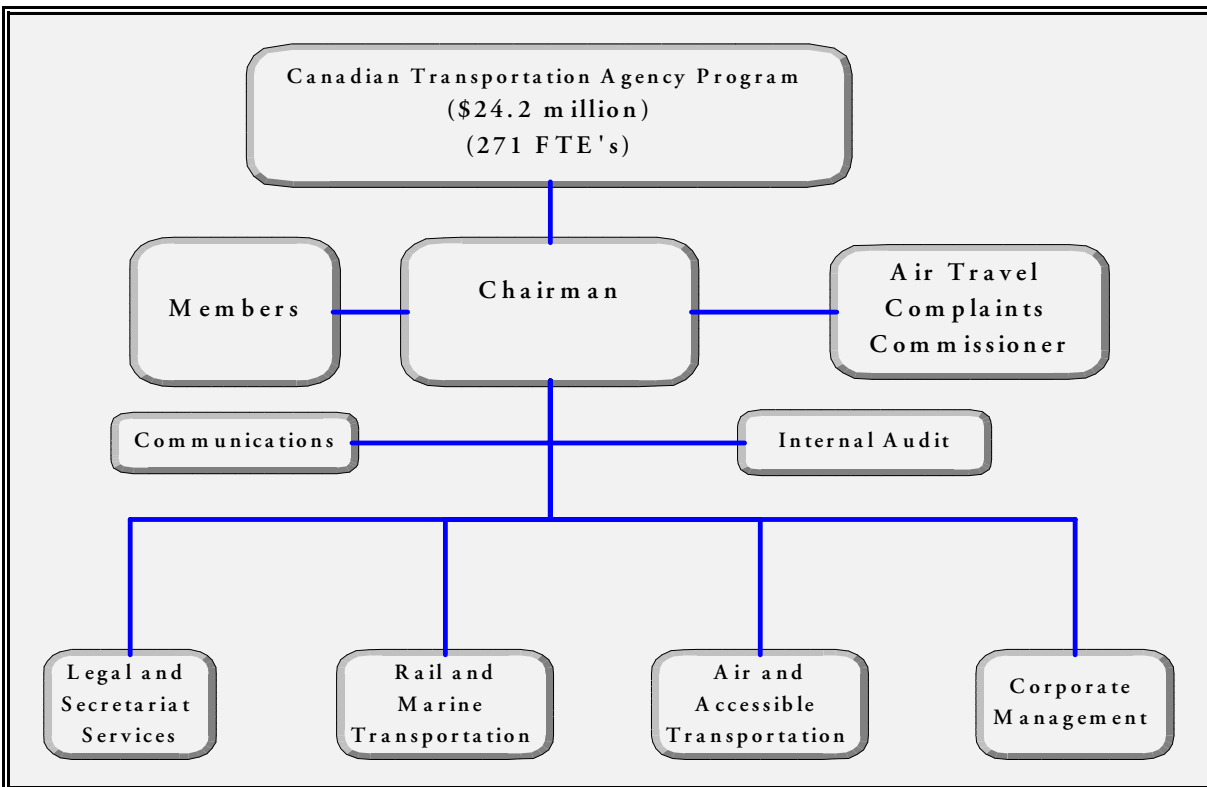
Our mission is to administer transportation legislation and government policies to help achieve an efficient and accessible transportation system by education, consultation and essential regulation .

The Agency is a single business line—the Canadian Transportation Agency Program. It is divided into four sub-business lines: Members and Regulatory Support, Rail and Marine Transportation, Air and Accessible Transportation, and Corporate Management.

The Agency exercises its powers through its seven members, appointed by the Governor-in-Council: a chairperson, a vice-chairperson and five members. The Minister can also appoint up to three temporary members, as well as designating a temporary member to act as the Air Travel Complaints Commissioner. The Agency’s organizational structure comprises four branches: the Rail and Marine Transportation Branch, the Air and Accessible Transportation Branch, the Legal Services and Secretariat Branch, and the Corporate Management Branch. The heads of each branch report to the chairperson.

The two program branches, the Rail and Marine Transportation Branch and the Air and Accessible Transportation Branch, relate to the Agency’s regulatory functions. The Legal Services and Secretariat Branch and the Corporate Management Branch provide regulatory and administrative support. The Agency’s headquarters are located in the National Capital Region. Agency personnel working in field offices in six cities across Canada carry out air and accessibility enforcement activities.

**Table 2.1: Organizational Structure–Canadian Transportation Agency Program**





### 2.3 Agency/Program Objective

The Agency contributes to the attainment of an efficient and accessible Canadian transportation system that serves the needs of shippers, carriers, travellers and other users.

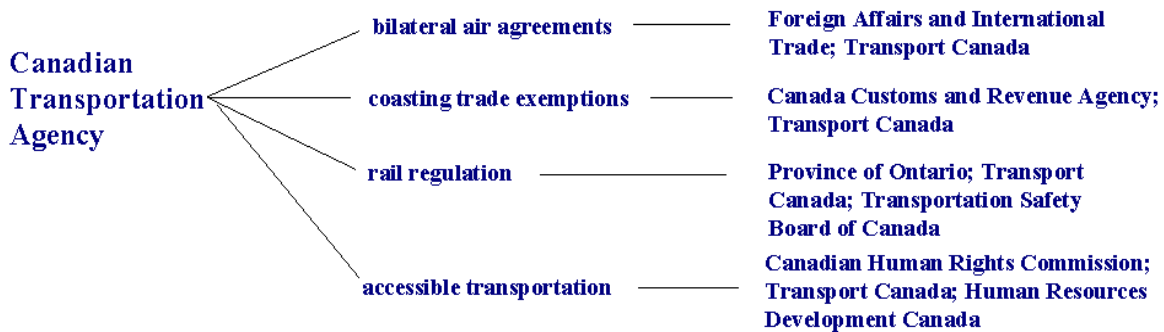
### 2.4 Planning Context

The Agency's current form and processes reflect Canadian and international approaches to transportation policy; the federal government's ongoing efforts to revise its role and the way it delivers services; and the global environment in which the Agency and its clients operate.

The Agency applies government policy in its decisions and orders. Section 5 of the Act states, in part, that transportation is "...essential to serve the transportation needs of shippers and travellers, including persons with disabilities, and to maintain the economic growth and well-being of Canada and its regions...." It further states that these goals are best achieved under conditions that ensure "...competition and market forces are, whenever possible, the prime agents in providing viable and effective transportation services...."

As the transportation industry evolves in today's deregulated environment, the government's policy direction could be best described as not necessarily regulation, but regulation when necessary. Whenever possible, the marketplace should prevail without interference. The Agency recognizes this principle as it carries out its mandate.

The Agency is one of many players involved in transportation and maintains close ties with its various co-delivery partners.



Since Agency decisions can affect the international competitiveness of Canadian producers and carriers, the Agency must be sensitive to the environment in which its clients operate. Most Canadians agree that our shippers need economical transportation services to help them compete internationally. It is also important that Canadian carriers have an economic environment in which they can compete and thrive, both domestically and internationally.

The rail industry is part of a highly competitive global marketplace, and it is under significant pressure to find creative solutions to transportation problems in order to compete efficiently. The Agency, therefore, must be prepared to adapt to an industry whose structure is changing significantly. Major rail mergers, rationalization, buyouts of rival companies, the creation of intermodal companies, the proliferation of provincial and federal short-line railways, the emergence of regional railways and the commercialization of transport services all affect the Agency's activities.

Similarly, the marine industry is changing. The new *Canada Marine Act* established Canada Port Authorities, divested other ports and authorities, and commercialized the St. Lawrence Seaway. Under the *Canada Marine Act*, the Agency has new responsibilities regarding charges that port authorities may levy.

The air transportation sector is evolving rapidly. As mentioned earlier, the Agency has been given an additional consumer protection role in the domestic industry. International airline alliances, liberalization of market access, multilateralism, code-sharing services and other developments are all increasing the need to interpret legislation and bilateral agreements. The Agency acts as the aeronautical authority for Canada and administers some 70 bilateral air agreements.

In the past few years, there has been steady progress in making the Canadian transportation system more accessible to persons with disabilities, but much remains to be accomplished. Canada's population of seniors is among the fastest growing in the world. This demographic shift is altering the economic, social and cultural fabric of our country. Industry is coming to realize that, as Canadian society ages, accessible transportation systems are becoming even more important.

In July 2001, the panel appointed to review the Act and related legislation will submit its report to the Minister of Transport. This may result in amendments to national transportation policy and related legislation.

Governmental initiatives—such as the modernization of comptrollership, the Financial Information Strategy, the Staffing Reform, Government On-Line (GOL), and the Service Improvement Initiative—form part of the Government of Canada's modern management framework, illustrated in the report *Results for Canadians*, tabled by the President of the Treasury Board in March 2000. These initiatives influence the way the Agency intends to deliver its program and services.

## 2.5 Agency Planned Spending

(Thousands of Dollars)	Forecast Spending* 2000-2001	<b>Planned Spending 2001-2002</b>	Planned Spending 2002-2003	Planned Spending 2003-2004
<b>Total Main Estimates</b>	21,442	<b>24,271</b>	24,102	21,816
Adjustments**	3,828			
<b>Net Planned Spending</b>	25,270	<b>24,271</b>	24,102	21,816
Plus: Cost of Services Received without Charge	2,522	<b>3,002</b>	3,025	2,967
<b>Net Cost of Program</b>	27,792	<b>27,273</b>	27,127	24,783

<b>Full-Time Equivalents</b>	271	271	269	269
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\* Reflects best forecast of total net planned spending to the end of the fiscal year.

\*\* Adjustments have been made to accommodate approvals obtained since the Annual Reference Level Update (ARLU) exercise.



### **Section III: Agency Planned Results, Activities and Resources**

Problems or disagreements between transportation users, carriers or others can arise, and resolving these problems quickly is a vital task in this competitive age. The Act provides for a specialized body—the Agency—to deal with these disputes. While the Act requires the Agency to resolve these cases within 120 days. The Agency will also offer mediation services so that problems can be rectified even more quickly. In addition, the Agency is trying to prevent these disputes from occurring in the first place by ensuring parties understand their rights and obligations under the legislation. Thus, communication and education will continue as important elements of the Agency’s program.

The Agency relies on evidence gathered from consultations and exchanges with the Canadian transportation industry to assess its role and its impact on the Canadian economy. At times, the Agency conducts special studies and provides advice and recommendations to government. Finally, as per section 42 of the Act, the Agency continues to assess the operation of the Act and to note in its annual report any difficulties it has encountered in administering the Act. The experience and knowledge gained through these reviews has been an integral part of the discussions of the panel currently reviewing the operation of the Act. The Agency will continue to provide expertise to the panel and will implement any changes to the Act that the government may make as a result of the panel’s deliberations.

With respect to the various government initiatives put forth in the President of the Treasury Board’s report, *Results for Canadians*, the Agency continues to take action. The Agency’s objectives in this area form an integral part of its 2000 Strategic Plan, which has as one of its goals “to have the Agency recognized as a well-managed federal organization.” For example, the Agency will continue to devote efforts and resources to increasing and improving the use of information technology, in line with GOL. It will also begin work relating to the Service Improvement Initiative.

#### **3.1 Business Line Details**

*Business Line Title*

Canadian Transportation Agency

*Business Line Objective*

To contribute to the attainment of an efficient and accessible Canadian transportation system that serves the needs of shippers, carriers, travellers and other users.

### *Business Line Description*

The Canadian Transportation Agency is responsible for processing matters that come under the jurisdiction of the *Canada Transportation Act* and other related legislation, as they affect the rail, air and marine activities within federal jurisdiction. It examines applications, hears complaints and conducts investigations. It administers various competitive access and dispute resolution provisions relating to matters between railways and other affected parties, such as shippers, municipalities, utility companies, landowners and other railways. The Agency determines CN's and CP's respective annual revenue entitlement for western grain movements and whether or not each has exceeded it. It also undertakes statutory costing activities. It protects the interests of consumers and carriers by ensuring that air carriers operating to, from and within Canada meet certain minimum economic requirements. To this end, it administers an air carrier licensing system, international air agreements and international air tariffs. Consumers' interests are also protected through an air travel complaints program and a certificate of fitness system for railways. The Agency is also responsible for ensuring that undue obstacles to the mobility of persons with disabilities are removed from federally regulated transportation services and facilities.

### *Net Planned Spending and Full-Time Equivalents (FTEs)*

The Agency is a single business line organization. Section 2.5 reflects planned spending and FTE use for the Agency.

### 3.2 Key Results Commitments, Planned Results, Related Activities and Resources

Key Results Commitments	Planned Results	Related Activities	Resources (\$Millions)
An administrative tribunal that helps achieve an efficient and accessible Canadian transportation system for all modes under federal jurisdiction	1- To make sound quasi-judicial decisions within statutory time frames to maintain an efficient and competitive transportation sector	Resolve all issues within 120 days, unless parties have agreed to an extension; post all decisions on the Agency's Web site, in line with GOL	About 80 percent of the Agency's budget is related to personnel costs, translating to a total of <b>271</b> FTEs for 2001-2002
	2- To develop effective regulation, standards and guidelines through consultation to maintain or promote the efficiency and accessibility of the transportation system	Consult with public, industry and other government bodies to develop voluntary codes of practice; survey travellers; review the Air Transportation Regulations (ATR)	
	3- To protect consumers and carriers; to issue the Air Travel Complaints Commissioner's semi-annual report highlighting systemic problems in the industry	Administer an air carrier licensing system, rail certificates of fitness, international air agreements, international air tariffs, a regulatory compliance program and an online air travel complaints program in line with GOL; use modern communications means to inform stakeholders of their rights and obligations under the Act, to prevent issues from arising	
	4- To increase the use of alternative dispute resolution (ADR) mechanisms, providing a less costly and quicker method of resolving issues	Continue the mediation pilot project until June 2002, when this initiative will be evaluated	

<b>Key Results Commitments</b>	<b>Planned Results</b>	<b>Related Activities</b>	<b>Resources (\$Millions)</b>
(See previous page)	5- To improve access to the Canadian transportation system for persons with disabilities; to improve the communication of transportation-related information to persons with sensory or cognitive disabilities as they use the federal transportation system	Define and remove undue obstacles through complaints investigation; set accessibility standards through codes of practice or regulation; inform travellers of their rights; raise industry's awareness of accessibility issues; develop, in consultation with industry and representatives of associations of people with disabilities, voluntary accessibility standards to be implemented by industry	
	6- To foster a common understanding among shippers and grain producers of the annual level of railway revenue for western grain movements and the annual inflation in railway rates	Set annual revenue caps for CN and CP for the movement of western grain; determine, in consultation with railways, cap compliance; inform parties involved in the grain transportation and handling system of their rights and obligations under the Act	
	7- To help policy decision-makers with any necessary legislative adjustments to enhance the efficiency and competitiveness of the Canadian transportation system	Advise the government on the assessment of the operation, and any difficulties observed in the administration, of the Act and other relevant legislation; publish an annual report; provide information and expertise to the panel responsible for reviewing the Act	



## **Section IV: Horizontal Initiatives**

### **Regulatory Initiatives**

The Agency is currently reviewing parts of the *Air Transportation Regulations* (ATR). Otherwise, there are no major regulatory initiatives scheduled for implementation during the planning period. For the full text of the ATR amendments, please visit our Web site (<http://www.cta-otc.gov>) and click on "Air Transportation."



## Section V: Financial Information

**Table 5.1: Summary of Transfer Payments**

(Thousands of Dollars)	Forecast Spending 2000–2001	<b>Planned Spending 2001–2002</b>	Planned Spending 2002–2003	Planned Spending 2003–2004
<b>Contributions</b>				
Contribution to the Canadian Transportation Research Forum				
<b>Total</b>	4	<b>4</b>	4	4

**Table 5.2: Net Cost of Program for 2001–2002**

(Thousands of Dollars)	2001–2002
<b>Net Planned Spending</b>	<b>24,271</b>
<b>Plus: Services Received without Charge</b>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	<b>1,765</b>
Contributions covering employer’s share of insurance premiums and costs paid by Treasury Board of Canada Secretariat	<b>1,167</b>
Worker’s compensation coverage provided by Human Resources Development Canada	<b>70</b>
<b>2001–2002 Net cost of Program</b>	<b>27,273</b>



## Section VI: Other Information

**Table 6.1: List of Statutes and Regulations**

### Statutes and Regulations Currently in Force

**The Agency has primary responsibility for:**

*Canada Transportation Act* ..... *S.C. 1996, c. 10*

**The Agency shares responsibility to Parliament for the following acts:**

*Access to Information Act* ..... *R.S.C. 1985, c. A-1*  
*Canada Marine Act* ..... *S.C. 1998, c. 10*  
*Canadian Environmental Assessment Act* ..... *S.C. 1992, c. 37*  
*Civil Air Navigation Services Commercialization Act* ... *S.C. 1996, c. 20*  
*Coasting Trade Act* ..... *S.C. 1992, c. 31*  
*Energy Supplies Emergency Act* ..... *R.S.C. 1985, c. E-9*  
*Financial Administration Act* ..... *R.C.C. 1985, c. F-11*  
*Pilotage Act* ..... *R.S.C. 1985, c. P-14*  
*Privacy Act* ..... *R.S.C. 1985, c. P-21*  
*Railway Relocation and Crossing Act* ..... *R.S.C. 1985, c. R-4*  
*Railway Safety Act* ..... *R.S.C. 1985, c. 32 (4th*  
*Supp.)*  
*Shipping Conferences Exemption Act, 1987* ..... *R.S.C. 1985, c. 17 (3rd*  
*Supp.)*

For the full text of these acts, please visit our Web site and click on “Acts and Regulations.”

**The Agency has sole responsibility for the following regulations:**

Air Transportation Regulations  
Canadian Transportation Agency Designated Provisions Regulations  
National Transportation Agency General Rules  
Personnel Training for the Assistance of Persons with Disabilities Regulations  
Railway Costing Regulations  
Railway Interswitching Regulations  
Railway Third Party Liability Insurance Coverage Regulations  
Railway Traffic and Passenger Tariffs Regulations  
Railway Traffic Liability Regulations  
Uniform Classification of Accounts and Related Railway Records

**The Agency shares responsibility to Parliament for the following regulations:**

Carriers and Transportation and Grain Handling Undertakings Information  
Regulations  
The Jacques-Cartier and Champlain Bridges Inc. Regulations  
The Seaway International Bridge Corporation, Ltd. Regulations

For the full text of these regulations, please visit our Web site and click on “Acts and Regulations.”

## Table 6.2: References

Postal address: Canadian Transportation Agency  
Ottawa, Canada K1A 0N9

Web site: <http://www.cta-otc.gc.ca>

Annual Report 1999: [www.cta-otc.gc.ca/eng/toc.htm#Publications and Reports](http://www.cta-otc.gc.ca/eng/toc.htm#Publications and Reports)

## Contacts for Further Information

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Air and Accessible Transportation	Gavin Currie	Director General	(819) 953-5074 <a href="mailto:gavin.currie@cta-otc.x400.gc.ca">gavin.currie@cta-otc.x400.gc.ca</a>
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