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## **Formulating an Integrated National Transportation Strategy: a Realistic Option?**

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### **I – Introduction**

This paper is one of several that have been prepared for a Transportation Policy Conference in Calgary, November 28-29, 2011 on “Reforming Canada’s Transportation Policies for the 21st Century.” Based on the Conference’s goal that Canada needs a transportation strategy that is “national, inclusive and comprehensive”, the purpose of this paper is to address the question of whether or not such a strategy is a realistic option for Canada. As stated in the Conference notes, the *Canada Transportation Act* “is neither national nor comprehensive modally” and “it is a creature of jurisdictional powers [which] ignores roads and the range of vehicles and businesses that use them”.<sup>2</sup> But this fact may be an outcome of insurmountable realities of the Canadian geography, structure of governance (particularly, the challenges and benefits of federalism) and the vast diversity of transportation needs as evidenced in rural and small urban centres versus major metropolitan areas.

Ultimately, given factors unique to Canada, an integrated national transportation policy--an “inclusive and comprehensive” one--may not be the most realistic and appropriate option. Rather, strategies, policies and institutional mechanisms focused on supporting the transportation needs in a few major urban centres and at key gateways and corridors may more effective and efficient to facilitate transportation movements and economic growth, nationally and internationally.

However, before addressing these questions, it is worthwhile to provide some context and background about macro trends in population, the economy and transportation, both globally and in Canada, as well as a few comments on federal-provincial transportation roles and jurisdictions in Canada.

### **2. Macro Trends**

Several major global and national trends will have significant impacts on Canada’s metropolitan areas and their transportation system. First, global population and economic growth will be urban-centered and the world’s economic centre of gravity will continue to shift to Asia. Unless there are major disruptions, Asia will remain the main driving force for growth over the next few decades with much less robust growth in the US and Europe. With the concomitant changes in population distribution, the European and

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<sup>1</sup> The author appreciates the assistance from Stefania Bartucci and comments on earlier drafts from Philip Cartwright, Vijay Gill, Louis Ranger, Margaret Bloodworth, Jacques Pigeon and David Gillen.

<sup>2</sup> As a former colleague, Jacques Pigeon, noted to me, the current *CTA* covers mainly the carriers involved in transportation and not, with a few exceptions, the infrastructure and operators (airports, ports, bridges, etc.); these are subject to modal specific acts (see page 4). As well, the *NTA* 1967 and the *NTA* 1987 covered more modes (trucking, busing and pipelines) than the current *CTA*. Plus the *CTA* is not a policy, except for the policy statement, but a regulatory act.

North American share of the world's population will decrease from 17.1 % in 2000 to 12.5% in 2050. By 2030, 60% of the world's population will live in urban areas; in Europe and North of America, that proportion will be even higher.<sup>3</sup>

Second, it is a valid assumption that most of Canada's growth will occur in major urban centres and in Western Canada largely as a result of that region's current and projected trade with the Asia-Pacific economies. This growth will be concentrated in major hubs of commercial, public sector, manufacturing and knowledge-based economic activity. Most immigrants will continue to settle in the largest 7 or 8 cities including Toronto, Vancouver, Calgary, and Montreal. By 2030, British Columbia, Alberta and Ontario will account for 67% of Canada's population versus 57% in 1990, mainly in urban centers of over 100,000 persons. Indeed, over 50 % of Canadians now live in the 6 census metropolitan areas of over one million and that share continues to rise.

Third, transport has been a highly productive sector, an engine for economic growth over the past few decades. Transport productivity has increased by 2-3% annually from the mid-1980s while the overall economy has seen virtually no productivity growth. Rail freight had the greatest improvement over those years in terms of productivity; urban transit the worst.<sup>4</sup> Most transport growth has been and will likely be in and around major urban areas and in Western and southern Ontario ports, airports, highways and railways.

Fourth, congestion and related delays at key origins, destinations and gateways have been and will continue to be an increasing problem across all modes of transportation. "Transportation" now entails moving faster and faster between major bottlenecks. Increasingly over the past few decades, transport time and productivity are lost in urban areas, border crossings, ports and airports. A plane can now fly from Hong Kong to Toronto in 14 hrs (12,500 km), yet this trip also involves an extra 7 hours of "door-to-door" time including travel to and from airports and processing time through the airports. Urban road congestion is experienced by many Canadians every day; up to 45 minutes commuter time on average each way in Toronto according to a recent survey<sup>5</sup> These delays also exist in other areas. For example, in 2008, the average truck wait times at a customs office for US-bound freight was 20 minutes in Windsor and 13 minutes at other main exits to the US.<sup>6</sup> Interlining among trucks, railways and ports and between urban transit and airports is often problematic. Urban and gateway congestion and network integration are important issues for renewed transport productivity for all levels of government and the private sector.

Yet, and this point is worth keeping in mind at all times, in most parts of rural and small town Canada, transportation problems are often minor, certainly when compared to local health, education or municipal service concerns. There may be complaints about the quality of local roads, bus services and frequency of air services, but in the Frederictons and Brandons of Canada, transportation congestion is not a major problem. And in those small urban centres and in rural areas, inter-modal links and integration are also not an issue since most transportation is by highway, and road-air or truck-rail links, often times far away, are not congested.

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<sup>3</sup>For more details on these issues see "Macro Trends – Transport Impacts" by Emily Bates, Philip Cartwright and Nick Mulder, CTRF, June 2008.

<sup>4</sup> Transport Canada Data, 2010.

<sup>5</sup> See Statistics Canada, Public Transit Usage, June 2010.

<sup>6</sup> Transport Canada, Quarterly Transportation Bulletin, December 2009.

The biggest transportation problems are and will continue to be found in the top 10 Canadian cities and in the Asia-Pacific Gateway and the largest gateways at Canada-US border points. There all modes play a major role and inter-modal integration is very important. Hence, this is where Canada's strategy and policies should be focused: on major urban areas and gateways, each with unique plans, as opposed to a national comprehensive and inclusive strategy, or a cookie cutter approach.

### 3. Jurisdictions

Canada is a confederation and, as such, transportation jurisdictions for legislative powers are shared between the federal and provincial governments. Under Section 92 of the *Constitution Act*, the provinces are responsible for all "local works and undertakings other than such as are of the following Classes:

(a) Lines of Steam or other Ships, Railways, Canals, Telegraphs, and other Works and Undertakings connecting the Province with any other or others of the Provinces, or extending beyond the Limits of the Province:

(b) Lines of Steam Ships between the Province and any British or Foreign Country:

(c) Such Works as, although wholly situate within the Province, are before or after their Execution declared by the Parliament of Canada to be for the general Advantage of Canada or for the Advantage of Two or more of the Provinces"

Under Section 91, the Government of Canada has responsibility for the regulation of trade and commerce and for "beacons, buoys, lighthouses, navigation, shipping and for ferries between a Province" and any other jurisdiction. And as per section 92, the federal government also has jurisdiction over all inter-provincial and international transportation and those "works" that are to the "general advantage of Canada or for the Advantage of Two or more of the Provinces". And under the peace, order and good government clause it has jurisdiction over aeronautics.

Hence, the Government of Canada has, using more current terms, jurisdiction over air and most aspects of rail and marine transportation but no direct role in provincial highways and bridges and in urban transportation. These are all under provincial jurisdiction.

Municipalities have no direct power under our Constitution and are, under provincial legislation, deemed to be creatures of the provinces. Yet most of the levers for urban transportation are held by municipal and metropolitan governments such as land use planning, zoning, the pace and location of development, local roads, and urban transit systems. Provinces can over-ride many of those decisions but not the federal government.

The only way the Government of Canada can influence road and urban transportation is through the use of the federal spending power. In a recent paper, Hamish Telford states: "Although the term is not explicitly mentioned in the *Constitution Act, 1867*, the federal government historically has maintained that the spending power provides it with the authority to extend grants to the provinces to create and support programs that are matters of exclusive provincial jurisdiction. In this manner, the federal government was able to initiate a health care system with "national" standards as well as a variety of assistance programs and support to families, among other things. Canadians cherish these programs.

Quebec, however, has never accepted the constitutionality of the spending power, and it has long sought to limit — not to abolish — its use, at least with respect to that province.”<sup>7</sup>

Similar concerns have been expressed at times by other provinces such as Alberta and British Columbia. Yet despite these views, the federal government has been able to use the spending power to reach agreements with all provinces over many decades, not only in social areas such as health and education but also in transportation. It has assisted the provinces financially for the construction of the Trans-Canada highway, for many other highways and bridges, and more recently for urban transit systems and various Gateway projects, several of them with the Government of Quebec. Regarding federal initiatives such as the Winter Works and the recent Economic Stimulus programs, the municipalities were also party to these agreements and played a lead role in the decisions and implementation.

However, federal spending powers are not binding; provinces can refuse to participate or opt out. Federal assistance is usually conditional but not obligatory. If the conditions are not accepted and met, the assistance will not be forthcoming. Quebec refused to participate in the Trans-Canada Highway program for over a decade. Many provinces delayed their participation in Medicare for up to 5 years, and Quebec has never participated in the Canada Pension Plan.

There are other intergovernmental issues to take into consideration. Co-operation in areas under provincial jurisdiction, with or without federal assistance, is frequently slow and problematic. It took decades, for example, for many provinces to recognize the apprentice certificates for trades people, such as plumbers, issued by another province; ditto for interprovincial regulations for truck vehicle weights and dimensions where agreements among all provinces have still not materialized. Often the provinces demand or take federal assistance with few conditions or ones so vague as to be unenforceable. Plus, the federal government cannot bypass the provinces and assist the municipalities directly; all federal agreements and funding are with and through the provincial governments. And finally there is a tendency for “me-tooism” in federal-provincial issues. If one or two provinces or regions need and receive federal assistance then often other provinces or regions demand the same assistance. Canada now has a federal regional development agency for every part of the country versus the 2 or 3 created for regions with acute economic development problems 20 years ago. Due to a need for Gateway assistance in the West and at major border crossings, there arose a demand for an Atlantic Gateway initiative as well, despite the challenges of determining the boundaries of the Atlantic Gateway and the fact that problems at this Gateway are due not to the lack of capacity but to the lack of traffic.<sup>8</sup>

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<sup>7</sup> “Defining the Federal Government’s Role in Social Policy: The Spending Power and Other Instruments” by Hamish Telford, Peter Graefe and Keith Banting, IRPP, September 2008, p. 15

<sup>8</sup> Years ago when studying and working in regional development, I concluded that Canada did not have a real regional development strategy but a “manure theory of development”; spread it around and something may grow somewhere. Tom Kent has recently coined the term “sugar daddy federalism”. The point is that a federal-provincial strategy and agreements ought to be focussed, maximize the benefits with clear results and vary from place to place depending on the regional circumstances and needs.

#### 4. Federal Transportation Legislation.

The Government of Canada has enacted many transportation laws. Most of them are modal-specific and of a technical nature to regulate requirements for entry and operations or for safety and security such as *the Aeronautics Act, Transportation of Dangerous Goods Act, Railway Safety Act, Pilotage Act* and *the Accident Investigation and Air Transport Security Authority Acts*. Some acts consist of modal specific operational or regulatory issues such as the *Motor Vehicle Transport Act* and *the Canada Marine Act*.

There is only one Act that is more multi-modal and policy oriented: the *Canada Transportation Act* (CTA). It has its origins in the MacPherson Royal Commission of 1959-61 which urged the Government of Canada to move away from its railway obsession when thinking of transport policy, to support the newer truck and air modes, and to rely more on enabling competition and the use of market forces. These recommendations were largely incorporated in the 1967 *National Transportation Act* (the predecessor of *the Canada Transportation Act*) which included a statement of national transport policy with goals and principles.<sup>9</sup>

##### Section 3. *National Transportation Act* of 1967 — National Transportation Policy Statement

It is hereby declared that an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada, and that these objectives are most likely to be achieved when all modes of transport are able to compete, under conditions ensuring that, having due regard to national policy and to legal and constitutional requirements

- a. regulation of all modes of transport will not be of such a nature as to restrict the ability of any mode of transport to compete freely with any other modes of transport;
- b. each mode of transport, so far as practicable, bears a fair proportion of the real costs of the resources, facilities and services provided that mode of transport at public expense;
- c. each mode of transport, so far as practicable, receives compensation for the resources, facilities and services that it is required to provide as an imposed public duty; and
- d. each mode of transport, so far as practicable, carries traffic to or from any point in Canada under tolls and conditions that do not constitute :
  - i. an unfair disadvantage in respect of any such traffic beyond that disadvantage inherent in the location or volume of the traffic, the scale of operation connected therewith or the type of traffic or service involved, or
  - ii. an undue obstacle to the interchange of commodities between points in Canada or unreasonable discouragement to the development of primary or secondary industries or to export trade in or from any region of Canada or to the movement of commodities through Canadian ports

The emphasis of the 1967 National Transportation Policy (NTP) was on an economic and efficient transport system, the use of all modes, reliance on competition, compensation for imposed public duties, and transport services with tolls and conditions that were not undue obstacles to growth. It was a policy statement that signified a major step away from the then detailed railway rate regulations and the removal of the financial burden on railways to haul freight - especially grain and passengers - at much less than the actual costs.

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<sup>9</sup> For an excellent paper on the evolution of the NTP statement see: W.G Waters II in “Canada’s Statement on National Transport Policy”, UBC.

But the NTP statement of the *CTA* was and still is only a statement of goals, of guidance, or at best one of intent. Much like preambles to the French or US Constitutions, it is more often a hope – a vision - than a reality. It means little if there are no enabling clauses in the Act or other acts to actually make it happen. For example, despite the 1967 goal of compensation for public duties, it took the government ten years – with the creation of VIA Rail Canada - to relieve the railways of the losses incurred from carrying passengers, and 17 years to compensate them for the large grain transportation losses. Even then, through the direct rail payment to the railways to carry grain, it distorted the role and growth of the trucking sector. Rail passenger traffic is still subsidized unlike and to the detriment of its main competitor, the motor coach industry. In brief, if there is no political will to formulate and implement the right transportation policies, it does not matter what the NTP says.

The 1967 NTP statement and the Act have seen three major changes: in the mid-80s, under the Freedom to Move deregulation efforts; in the mid-90s, with the commercialization and privatization initiatives; and in the past decade with the renewed focus on rail rate issues and urban and rail transportation. Each time the NTP statement was also amended and now reads as follows in the *Canada Transportation Act*, section 5:

It is declared that a competitive, economic and efficient national transportation system that meets the highest practicable safety and security standards and contributes to a sustainable environment and makes the best use of all modes of transportation at the lowest total cost is essential to serve the needs of its users, advance the well-being of Canadians and enable competitiveness and economic growth in both urban and rural areas throughout Canada. Those objectives are most likely to be achieved when:

- a) competition and market forces, both within and among the various modes of transportation, are the prime agents in providing viable and effective transportation services;
- b) regulation and strategic public intervention are used to achieve economic, safety, security, environmental or social outcomes that cannot be achieved satisfactorily by competition and market forces and do not unduly favour, or reduce the inherent advantages of, any particular mode of transportation;
- c) rates and conditions do not constitute an undue obstacle to the movement of traffic within Canada or to the export of goods from Canada;
- d) the transportation system is accessible without undue obstacle to the mobility of persons, including persons with disabilities; and
- e) governments and the private sector work together for an integrated transportation system.

A competitive, economic and efficient national transportation system is still the driving goal of national transportation policy, as is the reliance on competition and market forces. However, there have been deletions on compensation for public duties and additions for the disabled and for safety, security, the environment and for social standards and outcomes. Wording on tolls and conditions have been simplified. And a sub-section has been added to encourage governments and the private sector to work together for an integrated transport system.

It appears therefore that as issues or concerns arise or become prominent, such as accessible transportation, the environment and safety, amendments in the NTP statement have incorporated them. Plus when issues have been largely resolved, such as compensation for most publicly imposed duties or less regulation of tolls and conditions, they have been dropped or simplified in the NTP. New, more important issues have been added such as public private partnerships to work towards an integrated system.

Hence, the NTP statement is a “living” one, amenable to change. But it is still just a high-level statement of goals, of direction, of guidance. Despite the stress in the NTP

statement for 45 years on competition and reliance on market forces, the current Act is still full of detailed air and rail regulations. And nowhere are there enabling clauses in the *CTA* that spell out when and how the government and the private sector are to work together towards an integrated transport system.

The role of federal spending power in transportation has been recognized in the *CTA*. Under Section 48, the Minister of Transport may enter into agreements

“in support of the national transport policy set out in section 5 or in respect of any transportation matter that the Minister considers appropriate.”

It is the legal authority to enter into contribution agreements if Parliament is prepared to make funds available for that purpose through the appropriation process.<sup>10</sup> It has its origins in subsection 3(2) of the *NTA*, 1987. As worded, it is a “wide open” clause to assist the provinces and other entities as well.

Both the intent under Section 5 to encourage co-operation among governments and the private sector and Section 48 on the authority to enter into agreements are the basis for several recent initiatives. For example, and this is covered in more detail below, for close to 10 years the Government of Canada has worked with the Western provinces, municipalities and the private sector on Gateway plans and projects. Similar Gateway efforts are underway in the other regions of Canada, all of them focused on a more efficient and integrated system; ditto for various urban transit projects under the Stimulus Program. In early 2008, the Department of Finance established a new Crown corporation for Public-Private Partnerships to encourage and financially support public-private partnership projects including those geared towards transportation, again using the federal spending power and, if appropriate, Section 48 of the *CTA*. No transportation projects have yet qualified. Perhaps the proposed new bridge in Montreal will be a P3 project similar to the NB-PEI Confederation Bridge.

## **5. Formulating an integrated national transportation strategy: obstacles and options**

Given all of the above, it is logical to assume that in the future most growth will be focused on Asia, be urban-centered particularly in Western Canada, most of Southern Ontario and Montreal and that transportation congestion and bottlenecks will inhibit growth. Federal transportation jurisdiction does not permit Canada a direct role in local transportation works. Under the spending power it can assist but not direct the provinces in undertaking “local works” if they are deemed to be of more than local importance and agreements are reached with the province or provinces involved. And for many urban transportation plans and projects, municipalities also have an essential role and need to be included in strategy formulation and implementation. The *CTA*, with its policy principles and authority for the Minister of Transport to enter into agreements, is a worthwhile, albeit insufficient, legal instrument to deal with urban congestion and intermodal integration.

As per the Notes for this Conference, transportation is “more than routes or networks, it is about comprehensive grids that link together people, society, trade and commerce...

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<sup>10</sup> Comments to the author from Jacques Pigeon.

What is left is to develop the modal and intermodal strategies and more effective institutional frameworks that allow the policy objectives to be realized.” How can these strategies be formulated and what institutional frameworks would be effective? What are the obstacles and options?

In a G-20 country such as Canada, it may seem appropriate to assume that there ought to be an integrated national transportation strategy. To a considerable extent elements for such a strategy exist in Canada and some of the tools are there: the *Canada Transportation Act*, Section 5 of the National Transportation Policy goals and objectives, and Section 48 on the use of federal spending power for transportation. And the federal government does have jurisdiction over 3 of the 4 main modes (air, rail, marine) plus interprovincial truck and bus regulation but not roads, urban transit and other local works.

To go beyond that and arrive at a comprehensive, inclusive and integrated national strategy is a tall order. There are many challenges and obstacles to achieving this outcome. In formulating such a strategy, a range of key players would need to be involved: the federal government, 10 provinces, 3 territories, and thousands of local governments. Plus the private sector: railways, airports, ports, truckers and of course shippers and passengers. And their involvement would all be permissive; since the Government of Canada does not possess binding powers, they can choose not to participate.

In addition, there would be a vast diversity in issues and priorities, many of these dependent on regional geography and economic development. What exactly would be the elements of an integrated transportation strategy and network for Atlantic Canada versus British Columbia, or for rural Eastern Ontario versus the Greater Toronto Area? It would be hard to reach agreement across the country beyond generalities, and agreements would for various legitimate reasons be different for each region and urban area. A cookie cutter approach would not be effective; transportation needs vary across space and time.

The strategy would also have to deal with funding and governance issues. All levels of Government have limited resources and have to prioritize and rely on other partners, public and private. Agreements would have to be reached on who does what and who pays. Should governments, especially the “senior” ones, mainly steer and leave the rowing to others, especially municipalities and airport, port and rail operators? Should governments use alternative service delivery and outsource many of their operations? To what extent should there be a push for more transportation commercialization and privatization? Or for utilizing clearly-defined Public-Private Partnership models? How much user say and user pay should there be? Will local users and others accept higher user fees and dedicated taxes? What will the elements of a more environmentally friendly strategy be for reducing emissions and pollution and protecting environmentally important lands or endangered species? None of these questions are easy to answer and the answers will vary across the country.

However, there is a need for a more integrated comprehensive strategy in order to address increasing congestion and bottle necks across the system. But then this is not a new problem. Over the past ten years the federal government and others have not been sitting on their hands. Under the Chretien and Martin governments, all municipalities received a share of the fuel excise taxes. The Harper government is proposing to extend this beyond 2014. These funds have been used by local governments to improve roads and transit

services. Under the Economic Stimulus plans launched in response to the global economic downturn, the Government of Canada has helped all provinces and many local governments with highways, bridges and urban transportation projects, some very large ones for urban transit systems. Similar efforts have been underway for gateways and border transport initiatives for well over a decade. So a continuation of the status quo is an option: plans and projects are already underway. Perhaps these efforts are neither broad nor comprehensive enough. Perhaps they are still too ad hoc and short-term, but action is being taken.

For a more comprehensive inclusive national option to deal with urban transportation congestion and integration, a recent initiative for urban transit may be worth considering. That comprehensive approach is the bill introduced by the New Democratic Party in the House of Commons in February 2011 entitled “*An Act to establish a National Public Transit Strategy*”.

After first exempting Quebec (a rather unusual clause), it calls for the federal government to formulate a national urban transit strategy as follows:

Section 4. The Minister of Transport shall, in consultation with the provincial ministers responsible for public transit and with representatives of municipalities, transit authorities and Aboriginal communities, establish a national public transit strategy designed to

(a) encompass the following goals:

- (i) increase access to and use of public transit through support for service and affordability measures,
- (ii) improve the economic competitiveness of Canadian cities and communities,
- (iii) enhance the quality of life, and
- (iv) reduce greenhouse gas emissions and improve air quality; and

(b) accomplish the following measures:

- (i) provide a permanent investment plan to support public transit that places it at the centre of all Canadian cities and communities,
- (ii) establish federal funding mechanisms to ensure the financial health of the operation of public transit systems and to meet the capital needs of public transit systems, including the rehabilitation and renewal of existing infrastructure and the expanding capacity to respond to increasing public transit needs,
- (iii) work together with provincial and municipal governments, as well as with transit authorities to provide sustainable, predictable and adequate funding,
- (iv) provide a leadership role to align, on a national basis, public transit visions, planning goals, project justification, construction time frames and budgets,
- (v) direct research to identify innovation in sustainable public transit technologies, to develop policy approaches to increase access to and use of public transit and to promote information sharing among public transit systems in Canada, and
- (vi) establish accountability measures to ensure that all governments work together to increase public transit use

The bill then proceeds to spell out that the Minister has to call a conference within 180 days, to formulate such a plan during this Conference, and table a report to Parliament within another 180 days thereafter.

At first glance this initiative seems like a worthwhile and timely endeavour. Canada does need to improve and expand its urban transit systems. While progress has been made and many urban transit projects are on the drawing board or underway, there are few major cities that have a clear comprehensive strategy and plan, in part because they lack jurisdiction and definitely lack funding sources. And all levels of government have a role to play. But should it be left to the Minister of Transport to organize and manage such a

large conference? Would Premiers and their Ministers of Finance let this happen? And for all to agree on a national plan for such a complex and costly problem over a short time frame? With that many players, needs, issues, priorities as listed in this proposed bill?

It is “a consummation devoutly to be wished” as Shakespeare wrote, but rather unrealistic. It might be better to grant all local governments more access to fuel and other tax sources and let them deal with local transport issues. Municipalities suffer from a fiscal imbalance, as the demand for services and essential infrastructure exceeds their revenue capacity.

Municipalities need to have regular, reliable and long-term sources of additional funding for local infrastructure and determine where that funding goes without the current extensive reviews and decisions required from senior levels of government. Some provinces have given municipalities more room to raise revenue or have transferred unconditional grants. And the renewal, as the recent Budget has promised, of the transfer of gas taxes from the federal and provincial governments to municipalities is a good place to start. With this and other local tax sources in place, municipalities can then decide on their own where the funds go and what local transportation projects should be undertaken. The federal and provincial governments could then focus on the more complex, costly and strategic transportation and network issues, not just public transit, for the 10 or so major metropolitan areas, where again most of Canada’s growth will occur.

Several major cities have also prepared and implemented plans to facilitate and increase freight transportation in and around their cities in a focused and strategic manner, such as Winnipeg’s CentrePort International and Regina’s Global Transportation Hub. For the latter, several initiatives are illustrative of effective action that can be taken:

- 1) measures to encourage long hauls by rail and the distribution of goods by truck over shorter distances to retail centers on the Prairies;
- 2) market incentives to have CP Rail relocate its main yard from downtown Regina; and
- 3) a regional transportation network making the best use of all modes, based largely on private sector funding, with government providing a broad policy framework, single-window facilitation, and basic infrastructure.<sup>11</sup>

A complementary element of a focused strategic plan would be to continue and expand the Asia-Pacific Gateway format. Based on earlier work on Western Canadian transportation issues, this initiative was formally launched ten years ago with an Intergovernmental Ministerial Committee, a committee of senior officials, and advisory groups of both local governments and of private sector representatives. They collectively and pro-actively formulated a medium term plan, set priorities, allocated funds and ensured effective implementation. To date, well over \$5 billion worth of projects, private and public, have been completed or are underway on port and terminal expansion, airport access, urban transit, and many railway, bridge and highway projects.

As noted before, similar focused public and private efforts have been underway for major Canada-US border corridors especially since 9/11. All levels of government and the private sector have worked together strategically to speed up the movement of and

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<sup>11</sup> Louis Ranger, email, to author on October 22, 2011.

increase the capacity for passengers and freight. Some projects have been delayed, such as a new Detroit River International Crossing, and many on both sides of the border believe the US has not been forthrightly co-operative on improving the efficiency of the border. Nonetheless, many projects have been completed or are underway (highways, bridges, local roads, border inspection facilities, etc) and Canada and the US are working on cross-border transportation initiatives (such as cargo preclearance) as part of the Perimeter Security and Economic Competitiveness Border Vision.

In summary, there are major obstacles to formulating a comprehensive integrated national transportation strategy: federal-provincial jurisdiction, quantity and role of public and private participants, capabilities and financing, geography, pace and type of economic development, and variance in transportation needs. To be effective, comprehensive multimodal efforts cannot be national in scope. Plans focused on gateways, urban centres and border crossings are proving to be and will be more effective. Municipalities have a major role to play in these efforts and must be given the opportunity and resources to do so.

## **6. Quo Vadis**

The Conference notes asked that this paper explore “how a truly comprehensive transportation policy (and Act) can be developed which covers and links all modes and jurisdictions to ensure connectivity and mobility for people and freight.”

A comprehensive integrated national transportation strategy linking all jurisdictions and all modes for all of Canada is impossible and unrealistic to formulate and implement. Transportation needs vary too much across Canada and change frequently over time. There are too many participants from both the public and private sectors. Most of Canada’s geography is comprised of small urban or rural centres which have limited transportation congestion and modal integration problems. Major traffic and modal integration problems occur mostly in metropolitan areas and international gateways. Canada is a federation and provinces (and the private sector) can opt out, go their own way. Such an integrated comprehensive national transportation strategy cannot be binding on all parties.

Hence, it is more realistic and indeed necessary, as outlined above, to continue to focus on a limited number of key urban regions and international gateways where the main congestion and integration problems continue to exist.

As Drs. Gillen and Parsons have documented, the UK Government recently asked for expert advice on transport links with the economy and priority areas. It was concluded that efforts should focus on “policy and sustained investment on improving the performance of existing transport networks, in those places that are important for the UK’s economic success and that, over the next 20 years, the three strategic economic priorities for transport policy should be:

- i. congested and growing city catchments;
- ii. key congested interurban corridors

- iii. key international gateways that are showing signs of increasing congestion and unreliability.<sup>12</sup>

The UK is a unitary state and, hence, this strategy may perhaps be easier to implement. But these priorities make sense in Canada too. Indeed, as noted before, a similar strategy has been underway for about 10 years in the Asia-Pacific Gateway, at major border crossings and to a lesser extent elsewhere. Progress has been made and many key issues are being tackled.

What does that imply for and who does what in Canada? Perhaps there is a need to formalize and improve the governance and decision-making structures for the current Gateway and Border Crossings initiatives. And these efforts could then deal not only with essential infrastructure but also with improved traffic management, logistics, and better on time and service performance, with day-to-day problems. Or develop new powers and dedicated funding to institutions at the municipal level entirely dedicated to managing urban transit, congestion, and transport infrastructure as has, for example, been done in the greater Vancouver area. Perhaps regional economic development agencies, if they should continue to exist since they are largely inconsequential now, should play a greater role in transport planning and projects. Provinces could collaborate more with the federal government with input from municipal governments to create unique multimodal transport plans focused on economic pillars of gateways, border crossings and urban centres?

Such an approach to build on existing regional and urban focused transport initiatives could be even more effective and comprehensive if the *Canada Transportation Act* was amended by including in it:

- a) A guarantee that all municipalities will have increased access to federal fuel tax revenues to help fund their local transport needs;
- b) New transportation policy principles stressing the requirement to deal with major urban and gateway congestion problems and for more modal integration in major urban agglomerations;
- c) The requirement for the Minister of Transport to consult with other levels of government and the private sector on the above issues and to formulate and table plans backed up by good research; and
- d) The need to address governance and funding sources including optimizing private investments, public-private partnerships, user fees and dedicated taxes

These goals and commitments in the *CTA* should be fairly specific and made more explicit elsewhere in legislation and regulations. General principles tend to be ignored too often and are definitely not a step forward beyond current efforts. Yet they ought to be flexible enough to allow for different types of initiatives over time and location as circumstances warrant.

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<sup>12</sup> Draft of a paper on Transportation Legislation and Canada's Changing Economic Society - David Gillen and Graham Parsons, UBC, September 2011 and Eddington, R. The Eddington Transport Study, The Case for Action, London, 2006.

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