



Canadian Transportation Agency

Performance Report

For the period ending
March 31, 2000

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Available in Canada through your local bookseller or by mail from

Canadian Government Publishing — PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/31-2000

ISBN 0-660-61425-1



Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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CANADIAN TRANSPORTATION AGENCY



Performance Report

For the
period ending
March 31, 2000

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

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Section I: Chairman's Message

As a fair and transparent regulator and quasi-judicial tribunal responsible for administering federal transportation legislation and for making decisions on a wide range of issues affecting rail, air, and marine transport in Canada, the Canadian Transportation Agency (the Agency) plays a valuable role in Canada's transportation sector. It helps providers and users resolve disputes efficiently outside the court system. During fiscal year 1999-2000, the Agency made decisions (see page 6) on a number of cases that will have far-reaching effects on Canada's transportation industry.

The transportation environment is constantly changing and the Agency continued to consult extensively with all transportation system providers and users, to meet the numerous challenges presented and to help keep the transportation network efficient and accessible for all.

While adjudication and regulation will always have an important role, the Agency also sees great value in trying to resolve problems before they reach the stage of a formal dispute and affect the efficient functioning of the transportation system. The Agency has increased its focus on its role as a facilitator within the system, to resolve matters informally whenever possible.

I am pleased to report that the Agency was also able to provide its expertise in response to requests for advice, most notably in issues of marine pilotage, the recent reform of the western grain transportation system, and on airline restructuring. The legislative changes that accompanied these two latter events will have an impact on Agency responsibilities.

Other changes will come through the statutory review of the *Canada Transportation Act* (the Act) currently underway. Our annual assessment of the operation of the Act, contained in the Agency's Annual Report, will provide useful information for the review panel.

I believe that the Agency has successfully evolved with the transportation industry, regulating where necessary, and at the same time ensuring fair and equitable access for all Canadians. It continues to fulfill an important function as a forum for a fair hearing of transportation-related disputes, while increasing both its visibility and its role as a facilitator. I believe that this Performance Report will illustrate the Agency's contribution towards a healthy and accessible transportation system.

Marian L. Robson

Executive Summary

Goals	Avenue	Results
Sound decisions within statutory time frames	quasi-judicial process	95% of 1,372 decisions and orders were issued within statutory time frame; remainder extended by parties' agreement
Effective and essential regulation	regular consultation with interested parties	clients contributed to the formation of Administrative Monetary Penalties program (AMPs); modernization of <i>Air Transportation Regulations</i> delayed largely due to airline restructuring issues
Protection of consumers and carriers	air carrier licensing system; international air agreements; international air tariffs; regulatory compliance program; rail certificates of fitness	278 air carrier licences and 1,639 charter permits issued; 70 agreements administered; 2,827 air tariffs reviewed; Y2K liability insurance compliance for 1,875 carriers ensured; 16 carriers/facilities warned or fined under AMPs program; 5 certificates of fitness issued
Implementation of Alternative Dispute Resolution (ADR) mechanisms	development of ADR pilot program	ADR committee of industry advisors established; mediation training given; pilot project started June 2000
Improved access to the Canadian transportation system for persons with disabilities	investigation of complaints; formulation of Code of Practice; public education	74 complaints resolved; release of Ferry Code; high satisfaction level among users of Agency publications; high demand for Agency publications and presentations
Issuance of the maximum rate scale for western grain movement before April 30 every year	follow established Agency costing procedures	rate scale issued on April 26, 2000
Provision of advice to Government on the <i>Canada Transportation Act</i> and on other extraordinary requests such as Marine Pilotage Review, Grain Review, Airline Restructuring	annual review of the operation of the Act; grain movement study; Pilotage Review; Airline Restructuring	noted several problems with the Act; provided input to Arthur Kroeger's study on Western Grain Transportation; recommended changes to Pilotage system; advice provided on Airline Restructuring

Section II: Departmental Performance

Societal Context

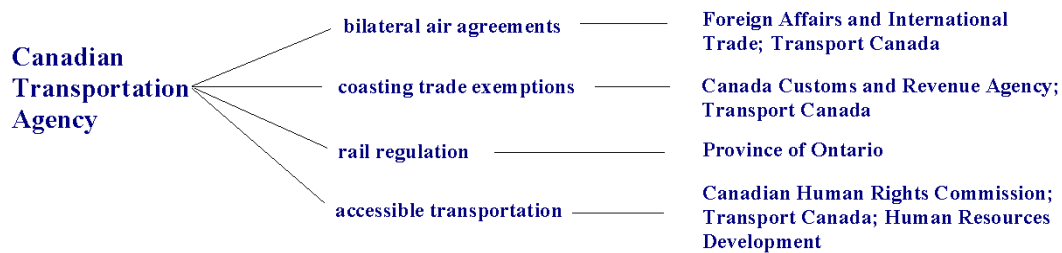
Objective

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.

Strategic Priorities

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.

During the past year and in the years ahead, the Agency has and will continue in its role as an administrative tribunal and economic regulator in the transportation sector. At the same time, it will enhance its activities as a quasi-judicial body by seeking new ways to resolve disputes. Openly and informally, it will communicate with parties involved in disputes and, when possible, help them resolve issues through facilitation and mediation as alternatives to adjudication or regulation. In addition, it will continue to inform both industry and consumers of their obligations and rights under the Act. To further this goal, the Agency maintains close ties with various co-delivery partners.



Social and Economic Factors

Since 1996, when the Act came into force, the federally-regulated transportation industry - rail, air, and marine - has evolved in response to Government's intention to rely more heavily on market forces to dictate its structure and competitiveness.

International air alliances and growing global competition are focusing governments on the need to re-interpret legislation and bilateral agreements. The year 1999-2000 saw further evidence of this with the merger of Air Canada and Canadian Airlines.

With regard to the railway industry, major mergers, rationalization and new legislation all affect the Agency's activities. During the past year, the government continued its review of the grain transportation and handling system in Canada, to which the Agency contributed *A Report on the Movement of Western Grain*. In late May 2000, the government introduced legislation affecting the grain transportation and handling system. These changes will alter Agency responsibilities in the areas of the revenue cap, Final Offer Arbitration (FOA), and branch lines.

Effective July 1, 2000, the Minister appointed a panel to conduct a statutory review of the Act and related legislation. The Agency will make available its expertise in support of this review, including information it has accumulated during its own annual assessments of the operation of the Act.

As both the transportation sector and the related legislation evolve, so will the Agency, using a variety of methods to help create an environment in which Canadian carriers can compete and thrive, both domestically and internationally.

Performance Results Expectations

In order to respond to the rapid changes in the transportation system, the Agency aimed to be more flexible, responsive, and to take decisions quickly and fairly. Seeing value in facilitating issues early, the Agency also set out to continue developing alternative methods to resolve disputes and to reach out to all stakeholders to inform them of their rights and obligations.

In its annual reports to Parliament, the Agency undertook to focus on the quality of its program delivery and on its assessment of the Act. During the past fiscal year, the Agency continued to focus on its employees, developing competency profiles and related training and responding to issues raised in the 1999 public service survey.

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. The Agency is also requested at times to conduct special studies and to provide advice and recommendations to government. Finally, the Agency, as per Section 42 of the Act, continues to assess the operation of the Act and to note in its Annual Report any difficulties it has encountered in its administration. This will be particularly important over the coming year during the mandated review of the Act.

The Agency's performance expectations are contained in its Chart of Key Results Commitments on the following page.

Chart of Key Results Commitments

Canadian Transportation Agency		
To provide Canadians:	to be demonstrated by:	achievement reported in:
An administrative tribunal that helps achieve an efficient and accessible Canadian transportation system for all modes under federal jurisdiction	<ul style="list-style-type: none"> • Sound quasi-judicial decisions made within the statutory time frames • Effective and essential regulation developed through consultation • The protection of consumers and carriers through the administration of an air carrier licensing system, rail certificates of fitness, international air agreements, international air tariffs and a regulatory compliance program • A fair and impartial regime for settling disputes • Use of alternative dispute resolution mechanisms • Improved access to the Canadian transportation system for persons with disabilities • The issuance of the maximum rate scale for western grain movements before April 30 every year • Advice to Government on the assessment of the operation and any difficulties observed in the administration of the <i>Canada Transportation Act</i> and other relevant legislation 	<p>Section II - Decisions - page 6 Also see Annual Report* - pages 43, 44</p> <p>Section II - Essential Regulation - page 7 Annual Report - pages 22, 29, 30, 32 to 34</p> <p>Section II - Protection of Consumers and Carriers - pages 8, 9 Accessible Transportation - pages 9, 10 Annual Report - pages 10, 22, 25 to 28</p> <p>Section II - General - page 6 Annual Report - page 3</p> <p>Section II - Alternative Dispute Resolution - page 7 Annual Report - pages 18, 19</p> <p>Section II - Accessible Transportation - pages 9, 10, 11 Annual Report - pages 31 to 42</p> <p>Section II - Western Grain - page 11 Annual Report - page 14</p> <p>Section II - Advice to Government - pages 11, 12, 13 Annual Report - Chapter 3 - pages 43 to 50</p>

* The Agency's annual report was tabled in the House of Commons on June 2, 2000 and can be found on the Agency's website www.cta-otc.qc.ca/eng/toc.htm

Performance Accomplishments

General

Demonstrating impartiality, the overriding principle of fair dispute resolution, is rarely easy, given the need of the Agency to engage the Canadian public in its processes. When communicating with parties to inform them of their rights and obligations under the Act, the Agency ensures that all concerned receive the same information and that all Agency activities are conducted and/or applied impartially and broadly.

Communications continued to be an important activity for the Agency, so as to ensure that Canadians understand their rights and obligations, as well as the Agency's role in the federal transportation system. Consultations continued with shippers, carriers, consumers and other levels of government to discuss issues of concern and potential solutions, to develop and distribute guidelines, and to distribute information on a variety of issues.

Decisions

The Act specifies that the Agency must issue decisions within a statutory deadline of 120 days, unless the parties involved agree to an extension. These decisions often have significant implications for transportation across Canada. All decisions and orders can be found on the Agency's website at www.cta-otc.gc.ca. During fiscal year 1999-2000, the Agency issued 1,372 formal decisions and orders, 95% within the statutory deadline.

In 1999, the Agency approved the construction of CN's Edmonton Intermodal Facility. This approval conformed with a Federal Court of Appeal ruling in the same year. The Court confirmed an earlier Agency ruling that all types of rail lines, from main lines through sidings, spurs and yard tracks, were subject to the construction approval process of the Act and to the federal environmental assessment process.

The Agency's statutory Annual Report noted situations where the statutory time limits, which are 60 days for a final offer arbitration process and 120 days for decisions, may provide insufficient time for the Agency to resolve the issue. Such situations could arise from procedural challenges, incomplete

applications, legal issues or a complaint indicating a systemic problem in the transportation network. The Agency believes it appropriate to consider alternatives that would allow it, on its own motion, to extend the 120-day limit in such cases where not doing so could cause serious prejudice to one or more parties. Further details of this, and the Agency's assessment of difficulties encountered with the Act, can be found in the 1999 Annual Report and on page 11 of this report.

- ✓ **One measure, among others, giving an indication of the quality of decisions, is the number of Agency decisions appealed to the Federal Court of Canada and overturned. During the period covered by this report, seven Agency decisions were appealed and none were overturned.**

Alternative Dispute Resolution

In the latter part of 1998-99, the Department of Justice (DOJ) established a special fund to provide financing to departments and agencies wishing to undertake Alternative Dispute Resolution (ADR) initiatives. The Agency's proposal to develop an alternative dispute resolution mechanism through the use of mediation or facilitation tools as well as training for members and staff was accepted. Most of these activities were planned for 1999-2000, and steps were taken to implement an ADR pilot project in the Rail and Marine Branch. This project is intended to test the design of the ADR system in a specific area before expanding mediation to other parts of the Agency. This work will build on the Agency's current approach; that is, whenever possible it tries to help resolve issues without resorting to a legal proceedings and a formal order or decision.

The Agency met with contending parties at rail sites across Canada to review first hand various disputes, such as noise complaints and crossing disputes, and to find a mutually acceptable solution to their problems. The Agency was able to encourage complete or partial resolution of some contentious issues, without recourse to the formal dispute resolution process.

During 1999-2000 and in order to design a mediation system and implement a pilot project effectively, Agency staff conducted research to understand how other tribunals and government departments conduct mediation and to learn how they design, implement and evaluate their ADR systems. An ADR Committee of industry advisors also helped in the design and implementation of the pilot project.

Agency members and staff began mediation training in April 1999, and continued in advanced courses in early 2000. A core group of trained mediators is now available to conduct mediations.

The Agency started the ADR pilot project in June 2000. The project is expected to run approximately one year. This will allow the Agency to mediate a sufficient number of cases, and to receive ample feedback through surveys, so as to thoroughly test and evaluate all facets of the project.

Essential Regulation

Two major projects pursued during 1999-2000 were the implementation of the Administrative Monetary Penalties Program (AMPs) and the modernization of the *Air Transportation Regulations*.

After extensive public consultation with air carriers, terminal operators, other government departments and interested parties, the Agency introduced the AMPs program in 1999. Through the AMPs program, enforcement officers of the Agency can issue warnings or notices of violation which incorporate fines to air carriers that do not comply with the designated provisions of the Act.

Generally, carriers have the opportunity to take corrective action before a monetary penalty is imposed. However in the most severe cases a monetary penalty, rather than a formal warning, is the first step in the AMPs process. Previously, the Agency could only enforce the law through informal warnings, cease-and-desist orders, licence suspensions or cancellations, and prosecutions. These options were either administrative or judicial; there was no middle ground. While these options remain, the AMPs program provides an additional means of enforcing the law.

The AMPs program allows the Agency to better tailor sanctions to the nature of the violation. Summaries of enforcement actions can be found on the CTA website under Air Transportation.

Although the legal framework for the AMPs program came into force June 11, 1999, in keeping with its commitment to advise and inform interested parties about the program, the Agency did not launch the AMPs program itself until November 15, 1999.

- ✓ **During 1999-2000, Agency enforcement officers issued 15 warnings to various carriers and facilities regarding infractions, and one notice of violation with an accompanying fine to a carrier.**

Due to airline restructuring, the proposed amendments to the *Air Transportation Regulations*, which will bring the international charter and tariff provisions into line with new government policy, have been delayed.

Protection of Consumers and Carriers

As the Canadian licensing authority for publicly available air services, the Agency:

- issues licences for domestic and international air services
- verifies that Canadian air carriers meet financial requirements as applicable
- ensures that only Canadians operate domestic services or exercise traffic rights granted to Canada in bilateral air agreements
- checks that carriers protect advance payments from charterers so that they can provide refunds to consumers in cases of non-performance
- verifies that carriers have abided by the terms and conditions of carriage as set out in their tariffs

Licences to provide publicly available air services are granted when the Agency is satisfied that the applicant has a Canadian aviation document indicating their ability to maintain safe operations; that they have prescribed insurance coverage; that they have not contravened specific prohibitions regarding the sale of an air service and; where necessary, that they have met certain financial requirements.

In the rail industry, the Agency issues certificates of fitness when it is satisfied that a company proposing to construct or operate a railway has adequate liability insurance. When the Agency receives an application related to railway construction, it must also assess the potential environmental impacts of the proposal under the *Canadian Environmental Assessment Act*.

In 1999, aviation insurers were refusing to cover Y2K-related claims. Exclusions to coverage began to appear in certificates of insurance filed with the Agency. By working closely with almost 200 aviation insurers, underwriters in the British and U.S. insurance markets, and carriers, the Agency ensured that all licensed air carriers - approximately 1,875 - continued to maintain adequate liability insurance that would not be affected by Y2K-related claims.

On the marine side, the Agency reviews applications for use of foreign vessels in the coasting trade of Canada to determine if suitable Canadian vessels are available to provide the service.

Accessible Transportation

Eliminating undue obstacles to the mobility of Canadians with disabilities continues to be one of the Agency's busiest areas of activity. The incidence of disability rises with age and this past year the Agency increased its efforts to inform seniors about accessibility in travel, as part of the International Year of Older Persons.

In June 1999, the Agency released the Ferry Code of Practice, the third such Code for the transportation industry, which establishes equipment accessibility standards for extra-provincial ferry services. These include accessibility standards for passageways, elevators, telephones, public areas, cabins and washrooms. The Code also sets standards for signage and verbal communication.

Codes of Practice are advantageous because the Agency can implement them more quickly than regulations. Moreover, the transportation industry has publicly committed to implementing the Agency's codes, developed in consultation with associations of and for persons with disabilities, seniors, manufacturers, carriers and service providers.

- ✓ **With the Agency's three codes of practice (Air, Rail and Ferry) and Transport Canada's Bus Code, a code of practice now exists for each federally regulated public transportation mode in Canada.**

The Agency undertook to monitor the industry's application of the Air Code in 1999. To this end, the Agency collected data on industry compliance with this Code; the information is currently being analyzed and will be reported upon publicly in the fall of 2000.

The Agency also collected data in 1999 from air carriers and major airport operators to assess whether they were implementing the 25 recommendations contained in the Communications Barrier Report, released by the Agency in 1997. The results of the analysis will be used in the development of a Code of Practice on communication

The Agency works with industry, such as Air Canada and VIA Rail, and citizens groups, such as the Council of Canadians with Disabilities and One Voice Seniors, in developing its Codes of Practice. For a list of all organizations that form the Agency's Advisory Committee, please see the 1999 Annual Report.

issues in the federal transportation network. In addition, the Agency had planned to conduct another extensive survey to determine the main problems that persons with disabilities still face when travelling. This survey was done over the summer of 2000 and the results are expected by the end of the calendar year.

In 1998, the Agency produced a booklet entitled *Taking Charge of the Air Travel Experience: A Guide for Persons with Disabilities*. The booklet provides useful information and tips to persons with disabilities in planning air travel. Since its release, more than 30,000 copies have been distributed. The high demand for the guide illustrates the great success of this initiative. The Agency wanted to find out whether the air travel guide was responding to the needs of travelers with disabilities. In 1999, it asked many recipients of the guide to evaluate the publication's clarity and comprehensiveness. Of those surveyed, 83 percent were people with disabilities and 93 percent of those individuals had travel experience.

The vast majority of travellers with disabilities who had travelled by plane since receiving a copy of the guide said they had used the guide to plan their trip; 97% of respondents said they felt more confident about travelling thanks to the Agency's guidebook; 98% would recommend it to their friends or families.

The Agency also prepared a checklist for travel agents to enable them to better meet the needs of persons with disabilities. Twenty-four presentations were made across Canada to publicize this checklist, which met with favourable reviews among industry representatives.

Last year, the Agency received 72 complaints from travellers with disabilities and issued 74 decisions. They can be found on the website at www.cta-otc.gc.ca. Several investigations by the Agency resulted in corrective measures for all future travellers. Examples of these can be found in the Agency's 1999 Annual Report.

Western Grain

Each year, the Agency sets the maximum rate scale for the railway movement of western grain for the next crop year, as specified in the Act. The rates are adjusted annually to reflect changes in inflation and reductions in grain-dependent branch line mileage where service has been discontinued. The Agency consults extensively with parties in the grain handling and transportation industry in establishing these rates.

During 1999-2000, the government continued its review of the grain transportation and handling system. As a result of the review and consultations undertaken by the former Supreme Court Justice Willard Estey, Mr. Arthur Kroeger was appointed in May 1999 to discuss Justice Estey's recommendations with system participants.

As part of this process, Mr. Kroeger asked the Agency to prepare a report on the railways' levels of costs and productivity gains regarding the movement of western grain. For this, the Agency consulted with the railways for the required information, performed necessary audits, developed methods to estimate costs and productivity levels, and prepared and presented its results. The Agency's work provided a solid basis for the formulation of Mr. Kroeger's recommendations regarding policy reform to western grain rate regulation. This report was provided to the Minister of Transport in September 1999, recommending, among other things, how a future cap on railway grain revenues might be implemented.

In May, the government announced legislation which will reduce grain transportation costs to producers by an estimated \$178 million a year. The 2000-2001 crop year rates, announced in April 2000 by the Agency, will therefore not take effect because of this legislation, which established a new rate-setting process. Legislated reforms also include changes to the rail provisions of the Act affecting Final Offer Arbitration, rail line transfer and discontinuance, and level of service complaints. These changes will likely increase the Agency's workload and alter established procedures.

Advice to Government

Review of the Act

The Agency provides an annual report to Parliament on the assessment of the Act and any difficulties encountered in its administration. Some of the difficulties stated in its 1999 report are:

- certain situations where the time limits for making decisions - 60 days for Final Offer Arbitration (FOA) and 120 days for most other decisions - are problematic;
- problems associated with FOA;
- the need for clarification as to what facilities can be constructed by rail companies within approval-exempted limits;
- concern over certain provisions in the transfer and discontinuance of railway lines;
- certain problems with the Act related to the net salvage value of a railway line;
- the broad scope of Section 59 of the Act, which prohibits a company from accepting bookings and selling transportation before it receives a licence for a new air service;
- the broad application of Section 64 of the Act, which requires that a carrier wishing to discontinue or reduce domestic service at a particular point give at least 60 days notice.

Currently, the Agency is working towards improving the administrative process. For instance, with regard to FOA, reviewing its methods for selecting arbitrators and publishing summaries of decisions dealing with procedural challenges will help the Agency in both streamlining the proceedings and in increasing public understanding of FOA. In addition, the Agency meets with interested parties to discuss ways to improve the process for the investigation of railway operations complaints.

Extraordinary Advice

The Agency was also called upon in 1999-2000 to provide advice on several important issues which will eventually reshape the transportation environment. These were the Western Grain Transportation (see page 11), Marine Pilotage Review and Airline Restructuring.

Marine Pilotage Review

The *Pilotage Act* established the Atlantic, Laurentian, Great Lakes, and Pacific Pilotage Authorities. Each of these is a Crown corporation with a statutory responsibility to provide a safe and efficient pilotage service in its geographic region. Under Part 7 of the *Canada Marine Act* (CMA), the Minister of Transport was required to review specific pilotage issues and in August 1998, the Minister appointed the Agency to conduct the review in accordance with his terms of reference.

The review included extensive consultations with hundreds of interested parties, including the pilotage authorities, pilots, associations representing shipping lines and shippers, ports and terminal operators, officials from the federal and provincial governments, and other users with an interest in pilotage.

The Agency produced a report, filed with the Minister in August 1999, containing 21 recommendations designed to improve the pilotage system for all parties.

In November 1999, the Minister tabled his report containing his endorsement of the Agency's 21 recommendations. The Minister directed the pilotage authorities to comply with the Agency's recommendations by an established deadline.

- ✓ **Once in effect, several Agency recommendations, such as the elimination of mandatory docking pilots or the implementation of a risk-based methodology for designating or re-assessing compulsory pilotage areas, may see significant economic savings for marine carriers and shippers while protecting Canadian waters.**

Airline Restructuring

Recognizing that Canadian Airlines was facing serious financial difficulties, in August 1999, the government issued an order under section 47 of the Act which suspended the conspiracy provisions of the *Competition Act*. Following this announcement, three restructuring proposals were made by Onex Corporation and Air Canada. During this period, Agency staff gathered draft documents relating to these proposals so that the Agency would be in a position to promptly issue a Canadian ownership compliance ruling, if and when necessary. In addition, under the legislation proposed in October 1999, the Agency would be involved in price regulation and would have a role in the approval of any merger.

The Agency provided advice and assistance, when requested by Transport Canada, on the drafting of legislative amendments to reflect the Minister's policy framework. The Agency also took steps to administer changes to the air transport regulatory regime resulting from the new legislation.

- ✓ **In late 1999, the Agency began a Canadian ownership review of Air Canada and Canadian Airlines related to their restructuring plans. This review, finalized May 1, 2000, found that notwithstanding the financial ties between Air Canada and several entities, notably United Air Lines and Lufthansa, Air Canada would continue to be Canadian-owned as defined in section 55 of the Act. The relevant restructuring legislation, Bill C-26, passed in June 2000, and came into force July 5.**

Section III: Financial Performance

Financial Performance Overview

As with most administrative tribunals, approximately 80% of the Agency's expenditures are related to personnel costs. The Agency does not have any major capital projects. Other operating expenditures relate to the delivery of the Agency activities and range from the costs associated with holding public hearings to ensuring that Agency employees have the proper electronic tools to do their job.

Financial Summary Tables

The Agency is a single business line—the Canadian Transportation Agency Program.

Table 1 - Summary of Voted Appropriations

Financial Requirements by Authority (thousands of dollars)				
		1999-2000		
Vote		Planned Spending	Total Authorities¹	Actual
Canadian Transportation Agency				
30	Operating expenditures	18,380	19,401	19,122
(S)	Spending of proceeds of the disposal of surplus Crown assets	0	2	0
(S)	Statutory Grants and Contributions	4	4	4
(S)	Contributions to employee benefit plans	2,725	3,149	3,149
Total Agency		21,109	22,556	22,275

1. Includes Supplementary Estimates of \$1,021,000 mainly relating to collective agreement compensation.

Table 2 - Comparison of Total Planned Spending to Actual Spending

Canadian Transportation Agency	1999-2000 (thousands of dollars)		
	Planned	Total Authorities	Actual
FTE's	249	249	249
Operating *	20,021	21,468	21,566
Capital	1,084	1,084	705
Statutory Grants and Contributions	4	4	4
Total Net Expenditures	21,109	22,556	22,275
Cost of services provided by other departments	2,426	2,426	2,577
Net Cost of the Program	23,535	24,982	24,852

* includes Contributions to employee benefit plans

Table 3 - Historical Comparison of Planned Spending to Actual Spending

thousands of dollars	Actual 1997-98 ¹	Actual 1998-99	1999-2000		
			Planned Spending	Total Authorities	Actual
Canadian Transportation Agency	56,709	21,365	21,109	22,556	22,275

1 Includes Supplementary Estimates of \$35 million relating to final adjustments to subsidy payments that used to be made under the *National Transportation Act, 1987* and the *Railway Act*. Both of these subsidy programs were eliminated with the coming into force of the *Canada Transportation Act* on July 1, 1996.

Table 4 - Capital Spending

thousands of dollars	Actual 1997-98	Actual 1998-99	1999-2000		
			Planned Spending	Total Authorities	Actual
Canadian Transportation Agency	1,359	631	1,084	1,084	705

Section IV: Overview

Mandate, Vision and Mission

The Agency is an independent, quasi-judicial, administrative tribunal responsible for making decisions on a wide range of matters affecting Canadian transportation. The Agency's mandate to make decisions extends to issuing licences to rail and air carriers, and includes a dispute resolution authority over some transportation rate and service complaints. The Agency has the legislative authority to remove undue obstacles to the mobility of persons with disabilities who use the federally-regulated transportation network. The Agency is also responsible for implementing 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. Simply put, whereas Transport Canada regulates transportation safety and provides policy support to the Minister, it is the Agency that actually sees to the proper application and enforcement of the Act.

The Agency is an economic regulator and uses its regulatory authority in conjunction with its dispute resolution powers only when fair and reasonable service does not result from market forces. When appropriate, the Agency encourages parties to resolve disputes informally. The Agency maintains its quasi-judicial independence, while still acting as an educator and facilitator in the Canadian transportation industry.

Because the Agency's investigative powers are complaint-driven and reactive, it has taken steps to reach and consult with more and more shippers, carriers and travellers to listen to them and to explain its roles and responsibilities.

Mission Statement

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.

Business Line, Organization and Program Composition

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 a Chairman, a Vice-Chairman and up to five full-time and three temporary Members, all appointed by the Governor in Council. Currently, there are seven members including the Chairman, Vice-Chairman, four full-time Members and one temporary Member. The Agency has two program branches: Rail

and Marine; and Air and Accessible Transportation. In addition, a Legal and Secretariat services branch and a Corporate Management branch support the overall program.

The Headquarters of the Agency are in the National Capital Region. However, to support enforcement activities with respect to air and accessible transportation, the Agency also has field offices in Moncton, Montreal, Mississauga, Winnipeg, Edmonton and Vancouver.

Section V: Other Information

A. Agency Annual Reports

Annual Report 1997 (covering the period January 1 - December 31, 1997)

Annual Report 1998 (covering the period January 1 - December 31, 1998)

Annual Report 1999 (covering the period January 1 - December 31, 1999)

Available on Internet: www.cta-otc.gc.ca

B. Contacts for Further Information

Postal Address: Canadian Transportation Agency Web site: www.cta-otc.gc.ca
Ottawa, Ontario, Canada K1A 0N9

Performance Area	Contact Name	Title	Telephone number & Internet address
Regulatory Support	Marie-Paule Scott, Q.C.	General Counsel and Secretary	(819) 953-6698 marie-paule.scott@CTA-OTC.X400.gc.ca
Air and Accessible	Gavin Currie	Director General	(819) 953-5074 gavin.currie@CTA-OTC.X400.gc.ca
Rail and Marine	Seymour Isenberg	Director General	(819) 953-4657 seymour.isenberg@CTA-OTC.X400.gc.ca
Corporate Activities	Joan MacDonald	Director General	(819) 997-6764 joan.macdonald@CTA-OTC.X400.gc.ca
Planning	Luc Gaudet	Director	(819) 953-2829 luc.gaudet@CTA-OTC.X400.gc.ca
Communications	Michel Hébert	Director	(819) 953-7666 michel.hebert@CTA-OTC.X400.gc.ca

C. Legislation Administered

The Agency has primary responsibility for:

Canada Transportation Act

S.C. 1996, c. 10

The Agency shares responsibility to Parliament for the following Acts:

<i>Access to Information Act</i>	<i>R.S.C. 1985, c. A-1</i>
<i>Budget Implementation Act, 1995</i>	<i>S.C. 1995, c. 17</i>
<i>Budget Implementation Act, 1996</i>	<i>S.C. 1996, c. 18</i>
<i>Canada Marine Act</i>	<i>S.C. 1998, c. 10</i>
<i>Canadian Environmental Assessment Act</i>	<i>S.C. 1992, c. 37</i>
<i>Civil Air Navigation Services Commercialization Act</i>	<i>S.C. 1996, c. 20</i>
<i>Coasting Trade Act</i>	<i>S.C. 1992, c. 31</i>
<i>Energy Supplies Emergency Act</i>	<i>R.S.C. 1985, c. E-9</i>
<i>Financial Administration Act</i>	<i>R.S.C. 1985, c. F-11</i>
<i>Pilotage Act</i>	<i>R.S.C. 1985, c. P-14</i>
<i>Railway Relocation and Crossing Act</i>	<i>R.S.C. 1985, c. R-4</i>
<i>Railway Safety Act</i>	<i>R.S.C. 1985, c. 32 (4th Supp.)</i>
<i>Shipping Conferences Exemption Act, 1987</i>	<i>R.S.C. 1985, c. 17 (3rd Supp.)</i>

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