



Canadian Transportation Agency

Performance Report

For the period ending
March 31, 2001

Canada

Improved Reporting to Parliament Pilot Document

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 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*.

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 funds.

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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. BT31-4/31-2001

ISBN 0-660-61678-5



Foreword

In the spring of 2000 the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Earlier this year, departments and agencies were encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on results – benefits to Canadians – not on activities. It sets the department’s performance in context and associates performance with earlier commitments, explaining any changes. Supporting the need for responsible spending, it clearly links resources to results. Finally the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organization according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:

<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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CANADIAN TRANSPORTATION AGENCY

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For the
period ending
March 31, 2001

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

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Section I: Chairman's Message

The Canadian Transportation Agency (the Agency) continued to act as a fair and transparent regulator and quasi-judicial tribunal making decisions on a wide range of economic matters involving federally regulated air, rail and marine transportation. It works closely with transportation providers and users to help maintain and improve Canada's transportation industry. In 2000–2001, the Agency made decisions (see page 9) on a number of cases that will have far-reaching effects on Canada's transportation industry. The Agency also responded to a number of challenges resulting from the passage of Bill C-26 and Bill C-34 by Parliament.

Bill C-26 gave the Agency new responsibilities designed to enhance and expand the Agency's role in protecting Canadian air travellers. The legislation also created the position of Air Travel Complaints Commissioner (the Commissioner), giving Canadians a central place to voice their unresolved complaints against air carriers. This new mandate increased the number of Canadian consumers who interact with the Agency. This required a shift in the Agency's operations, and as a result, the Agency devoted great effort in establishing a program that would efficiently respond to the travelling public.

Bill C-34, designed to reform and improve the grain transportation system, also conferred new responsibilities on the Agency. These include ensuring that the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) comply with the maximum revenue they may earn for the movement of grain; determining commercial net salvage value and resolving disputes about the transfer and discontinuance process for railway lines.

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 formal dispute and affect the functioning of that system. In 2000–2001, the Agency continued its efforts to resolve matters informally whenever possible. In that context, it extended its mediation pilot project to June 2002.

As the Minister develops a strategic transportation framework over the course of this fiscal year through the transportation blueprint initiative, the Agency's role in the future may be amended. I believe that the Agency has and will continue to successfully evolve with the transportation industry and make a positive contribution towards a healthy and accessible transportation system.

Marian L. Robson

Executive Summary

Goals	Avenue	Activities/Results
Make sound decisions within statutory time frames	<ul style="list-style-type: none"> quasi-judicial process 	<ul style="list-style-type: none"> 91% of 1,240 formal decisions and orders were issued within the 120 days time frame; of the remaining 9%, 94% of these were extended by parties' agreement.
Administer effective and essential regulation	<ul style="list-style-type: none"> regular consultation with interested parties 	<ul style="list-style-type: none"> Amendments to the <i>Air Transportation Regulations</i> were drafted to simplify the regulatory regime.
Protect consumers and carriers	<ul style="list-style-type: none"> Air Travel Complaints Commissioner and implementation of Bill C-26 domestic pricing complaints investigation program air carrier licensing system rail certificates of fitness international air agreements international air tariffs regulatory compliance program 	<ul style="list-style-type: none"> 2,308 complaints received and 1,185 completed. A sampling of complainants showed that 75% were satisfied with the resolution of their complaint. Of the 73 complaints received, 17 were closed, 7 were withdrawn, 8 were investigated and dismissed and 41 are still pending. 315 air carrier licences and 1,019 charter permits were issued. 10 certificates were reviewed and 3 certificates amended. 73 agreements were administered. 15,547 air tariffs were reviewed. 13 carriers and facilities were warned or fined under the administrative monetary penalties (AMPs) program.
Maintain a fair and impartial regime for settling disputes	<ul style="list-style-type: none"> rail application and complaint investigation program marine application and complaint investigation program 	<ul style="list-style-type: none"> 406 applications and complaints were investigated. 183 applications and complaints were investigated.
Implement Alternative Dispute Resolution (ADR) mechanisms	<ul style="list-style-type: none"> development of an ADR pilot program 	<ul style="list-style-type: none"> The pilot project in rail and marine modes will be continued until June 2002. 4 successful mediations were conducted. Parties indicated high satisfaction with the process

Goals	Avenue	Activities/Results
<p>Improve access to the Canadian transportation system for persons with disabilities</p>	<ul style="list-style-type: none"> • investigation of complaints • monitoring of activities • formulation of Codes of Practice • public education 	<ul style="list-style-type: none"> • 56 decisions issued on complaints. • An industry survey was conducted to determine carriers' changes to aircraft to improve accessibility. A consumer survey conducted on accessibility of air travel in Canada indicated that 92% of the respondents were satisfied with the degree to which their needs were met. • The first draft of the Code of Practice on Communication of Information (Communications Code) was issued for consultation. • A checklist designed to help travel agents make travel arrangements for their customers with disabilities was issued. This should eliminate such problems as failure to inform carrier personnel of special requests made at booking.
<p>Issue the Volume-related Composite Price Index and the revenue cap determinations, and ensure compliance</p>	<ul style="list-style-type: none"> • established Agency statistical analysis and costing procedures 	<ul style="list-style-type: none"> • Following industry consultations, a decision was issued setting out the items and factors to be included in future Agency revenue cap determinations.
<p>Advise government on the <i>Canada Transportation Act</i> (the Act) and on other extraordinary requests, such as statutory review of the Act</p>	<ul style="list-style-type: none"> • annual review of the operation of the Act • submission to the Review Panel responsible for the statutory review of the Act 	<ul style="list-style-type: none"> • Several problems with the Act were noted. • Input to the Review Panel was provided.

Section II: Departmental Performance

Societal Context

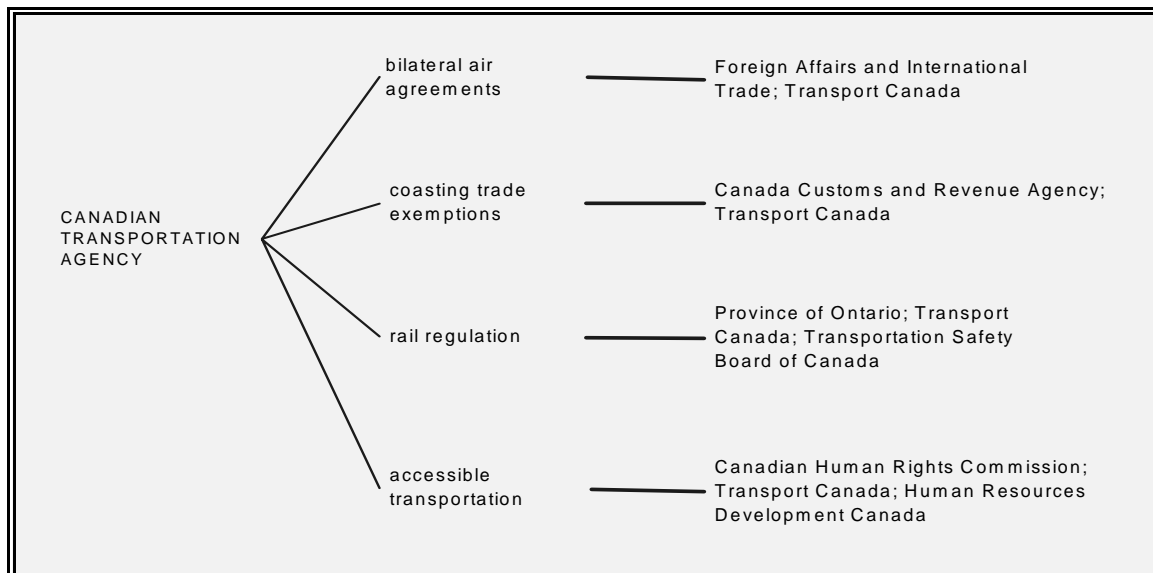
Objective

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 is best described as economic regulation only if necessary. Whenever possible, the marketplace should prevail without interference. The Agency recognizes this principle as it carries out its mandate.

In the years ahead, the Agency will continue in its role as an administrative tribunal and economic regulator in the transportation sector. It will also assume new program responsibilities as conferred by Bills C-26 and C-34, and as a result of any further changes in Acts that it administers. 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 *Canada Transportation Act* (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 the government’s intention to rely more heavily on market forces to dictate the industry’s structure and competitiveness.

International air alliances and growing global competition are focussing governments’ attention on the need to re-interpret legislation and bilateral agreements. The year 2000–2001 saw further evidence of this need. The restructuring of the Canadian airline industry led to legislative amendments to the Act, which enhanced the Agency’s role in protecting Canadian air travellers.

In the railway industry, major mergers, rationalization and new legislation all affect the Agency’s activities. During the past year, the government’s review of the grain handling and transportation system culminated with the coming into force of amendments to the Act on August 1, 2000. These amendments altered the Agency’s responsibilities in the areas of the western grain revenue cap regime, Final Offer Arbitration (FOA) and branch line operations.

Effective July 1, 2000, the Minister appointed a panel to conduct a statutory review of the Act and related legislation. To support this review, the Agency made its expertise available, including information it has accumulated during its own annual assessments of the operation of the Act. In his issue paper entitled *Transportation Blueprint for the Next Decade and Beyond*, released on June 1, 2001, the Minister announced that, over the next year, he will be developing a new blueprint for guiding decisions and responding to the many challenges the transportation sector faces. The blueprint will build on the following:

- the review of the *Canada Transportation Act*;
- the work of the Transportation Climate Change Table; and
- the views expressed during the June 2000 Millennium Transportation Conference.

The decisions resulting from this exercise could further change the Agency’s role and responsibilities.

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

Performance Results Expectations

To respond to the rapid changes in the transportation system in 2000–2001, the Agency continued to be flexible and responsive, and to make decisions quickly and fairly. Seeing value in solving problems early, the Agency also continued developing alternative methods to resolve disputes and to inform all stakeholders of their rights and obligations.

Bill C-26 expanded the Agency's consumer protection mandate, further emphasizing the Agency's focus on solving problems effectively.

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 government asks the Agency to conduct special studies and to provide advice and recommendations. Furthermore, 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 administering the Act. This task was particularly important over the past year because of the mandated review of the Act.

During the past fiscal year, the Agency continued to respond to issues employees raised in the 1999 public service survey. It also began modernizing its management practices in light of the President of the Treasury Board's report, *Results for Canadians: A Management Framework for the Government of Canada*.

The Agency's performance expectations are outlined in the 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 a domestic pricing complaint investigation program, 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 Volume-related Composite Price Index and of the revenue cap determinations, and compliance with these • advice to the government on the operation of the Act and other relevant legislation, and on any difficulties observed in their administration 	<p>Section II - Decisions - page 9 Also see Annual Report* - pages 1, 51</p> <p>Section II - Essential Regulation - pages 10, 11 Annual Report - pages 2, 4 to 6, 18, 19, 23, 45, 46</p> <p>Section II - Protection of Consumers and Carriers - pages 11, 13 Annual Report - pages 16 to 21, 23, 27, 51</p> <p>Section II - General - page 9 Annual Report - pages 28, 29, 51</p> <p>Section II - Alternative Dispute Resolution - page 10 Annual Report - pages 25, 26</p> <p>Section II - Accessible Transportation - pages 13, 14, 15 Annual Report - pages 1 to 10, 45</p> <p>Section II - Western Grain - page 15 Annual Report - pages 26, 27, 32</p> <p>Section II - Advice to Government - page 16 Annual Report - Chapter 2 - pages 37 to 43</p>

* The Agency's Annual Report was tabled in the House of Commons on June 12, 2001 and can be found on the Agency's Web site at www.cta-otc.gc.ca/publications/ann-rpt/index_e.html

Performance Accomplishments

General

Demonstrating impartiality, the overriding principle of fair dispute resolution, is rarely easy, given the Agency's need 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 or applied impartially and broadly.

Communications continued to be an important activity for the Agency, ensuring 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 concerns and potential solutions, to develop and distribute guidelines, and to distribute information on various 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 Web site at www.cta-otc.gc.ca. During fiscal year 2000–2001, the Agency issued 1,240 formal decisions and orders, 91% within the statutory deadline.

In response to an Agency decision issued on January 3, 2001, the Air Transport Association of Canada invited Canadian air carriers to a working session held in February on "air rage" to develop a consistent approach to new tariff provisions relating to unruly passengers. The Agency welcomed the initiative.

One of several measures indicating the quality of Agency decisions is the number of decisions appealed to the Federal Court of Canada and overturned. During the period covered by this report, nine Agency decisions were appealed. Four appeals were dismissed, one was discontinued by the appellant and one continues with the Court. Three cases related to noise, smoke and vibrations resulting from duly authorized railway operations, and the Federal Court found that the Agency had no jurisdiction to deal with such complaints.

The Agency continues to assist parties with complaints through mediation and facilitation with railways while working with organizations such as Transport Canada, the Railway Association of Canada and the Federation of Canadian Municipalities to determine an appropriate permanent mechanism to deal with such complaints.

Alternative Dispute Resolution

In response to a government-wide initiative supported by Justice Canada, the Agency officially launched its Mediation Pilot Project in the Rail and Marine Branch on June 2, 2000, at the National Transportation Week annual conference in Windsor, Ontario. The Mediation Pilot Project is designed to give parties an additional dispute resolution tool to complement the Agency's traditional hearing process. The Agency committed itself to helping parties resolve their disputes through a system that was simpler, more responsive and less litigious than existing systems.

The Agency believes that, in certain cases, mediation is a more appropriate way to resolve disputes than traditional procedures, because it is often simpler and faster. Mediation also helps improve the lines of communication between parties, especially those who have an ongoing relationship. In addition to these benefits, parties usually have high levels of commitment to a mediated agreement, since they are jointly involved in crafting a solution that meets their specific needs.

For the pilot phase, the Agency developed a mediation system in collaboration with Agency clients (through the Alternative Dispute Resolution Advisory Committee), mediation practitioners, and other tribunals and agencies that already offer mediation services.

Four requests for mediation were brought before the Agency in 2000–2001, and early indications suggest that parties that have used the Agency's mediation services have found it beneficial. Furthermore, parties said they would use this process again in the future, if the need arose. Three of the cases proceeded to mediation and ended with an agreement between parties. In the other case, parties reached a settlement before mediation took place. The Agency's experience so far indicates that the transportation industry has been slow to accept a non-traditional method of resolving disputes, although interest in mediation among those using or affected by the industry remains high.

The pilot project was initially implemented for one year to test the system design and the applicability of mediation in various types of rail and marine transportation disputes. The Agency subsequently extended the pilot project to June 30, 2002 to allow more time to fully assess the impact and benefits of mediation, and to inform parties about mediation.

Essential Regulation

In April 2000, the Minister of Transport announced the new International Passenger Charter Air Services Policy. The objectives of the policy are to enhance options for Canadian travellers in international markets; to avoid all unnecessary economic regulatory constraints; to support the ongoing development of Canada's charter industry; and to maintain the integrity of Canada's policy for scheduled international air services

and of the bilateral air agreements for scheduled international air services to which Canada is a party. The Minister asked the Agency to consider this policy when assessing applications for international passenger charter services.

Two years previously, in May 1998, the Minister had also amended the International All-Cargo Charter Air Services Policy. At present, the Agency is amending the *Air Transportation Regulations* to reflect the two new charter policies. In the interim, the Agency has granted exemptions from those provisions of the regulations that conflict with the policies.

Protection of Consumers and Carriers

The Agency participated in parliamentary hearings into airline restructuring and Bill C-26. With Bill C-26 coming into effect and the subsequent appointment of the Air

Degree of Satisfaction

When asked if they were happy with the resolution of their complaints, most consumers who responded said they were satisfied (75 %). Several complainants said it was unlikely they would have reached a settlement without the Commissioner's help.

Travel Complaints Commissioner, the Agency began to accept complaints from consumers under the new legislation on July 5, 2000. While the range of complaints that the Commissioner handles varies widely, most disputes involve issues related to the quality of service provided by carriers, baggage handling and flight schedules. The Commissioner also deals with complaints concerning domestic

pricing on competitive routes, and the discontinuance of or reduction in service to a community served by several scheduled carriers.

To help Canadians understand the role of the Commissioner and the Agency's new responsibilities, the Agency established an air travel complaints Web site (www.cta.gc.ca) and a toll-free telephone information line (1-888-222-2592, TTY 1-800-669-5575), attended meetings with travel agents and air carriers, spoke before representatives of municipalities and participated in travel trade shows.

Unruly Passengers

The Agency issued a decision confirming that air carriers have the right to impose sanctions on unruly passengers. These sanctions can include prohibitions from travel with that carrier for various periods of time, up to and including a lifetime ban. However, to protect passengers from possible arbitrary action by an air carrier, a carrier's tariff must clearly set out a system of graduated sanctions to be taken against unruly passengers, with the sanctions imposed being consistent with the severity of the incident.

The Agency has traditionally played an important but low-key role in resolving air travel complaints. After Bill C-26 was passed on July 5, 2000, the number of air travel complaints increased substantially. Actually, 2,308 such complaints were received in 2000–2001. Of these, 1,185 were completed while 1,123 were carried over. Originally, the Agency had anticipated receiving 1,000 complaints in the first year. The Agency has had difficulty responding to actual demand and is concerned about having the proper level of resources to adequately deliver the consumer complaints program envisaged by the legislation. Consequently, it has re-examined its processes and re-allocated resources from other areas in an attempt to handle the influx. However, if the situation persists, as the current trend of complaints received (an average of 243 per month) indicates, the Agency will not be able to further re-allocate resources without seriously affecting its other statutory mandates. It has nevertheless begun developing and implementing indicators to measure how efficiently and effectively it is delivering this program.

Most of these complaints were handled through the Commissioner's informal complaint resolution process. For a full description of this process, see the Report of the Air Travel Complaints Commissioner, available on the Agency's Web site.

The Agency makes every effort to resolve these complaints informally, but this is not always possible. When the complaint falls within the Agency's quasi-judicial mandate, it is referred to a panel of Agency Members for a formal decision. For example, some complaints required the panel to determine whether the carrier had applied its tariff properly.

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 designed to ensure that start-up carriers with large and medium-sized aircraft commence service on a solid financial basis;
- ensures that only Canadians operate domestic services or exercise traffic rights granted to Canada in bilateral air agreements;
- ensures 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 set out in their tariffs; and
- ensures that air carriers provide notification when they discontinue or, in certain situations, reduce services, thereby alerting other operators that a commercial opportunity exists and giving the community time to seek replacement carriers.

Licences to provide publicly available air services are granted when the Agency is satisfied that the applicant has a Canadian aviation document indicating its ability to maintain safe operations; that it has prescribed insurance coverage; that it has not contravened specific prohibitions regarding the sale of an air service; and, where

necessary, that it has met certain financial requirements. Chapter 6 of the Agency's Annual Report, available on its Web site, provides detailed statistics on licensing and charter activities.

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 to protect the interests of shippers and the public. Where competition may be inadequate, shippers are further protected by the provisions of the Act which ensure that they have access to alternative railways, a proper level of service or reasonable rates. These provisions, recently updated by the passage of Bill C-34, are administered by the Agency allowing it to resolve both formal and informal disputes between carriers and shippers.

The Agency also resolves disputes between railways and municipalities, road authorities, utility companies, landowners and private citizens to ensure property rights and access, to apportion costs fairly, and to avoid lengthy and costly court procedures.

With respect to railway construction, the Agency must assess the potential environmental impacts of a proposal under the *Canadian Environmental Assessment Act*. In 2000–2001, the Agency made 15 environmental screening decisions, each allowing a project to proceed once it was clear that the applicant's compliance with measures the Agency deemed appropriate would mitigate any significant environmental impacts.

On the marine side, the Agency investigates whether tariffs issued by pilotage authorities are in the public interest and whether pilotage services are safe and efficient. The Agency conducted two public hearings, one dealing with the Laurentian Pilotage Authority and the other with the Pacific Pilotage Authority. In both cases, the Agency approved the proposed tariff increases. The Agency may also determine whether fees set by port authorities may be unjustly discriminatory. In addition, 83 applications were reviewed for use of foreign vessels in the coasting trade of Canada to determine whether suitable Canadian vessels were available to provide the service.

Accessible Transportation

Eliminating undue obstacles to the mobility of Canadians with disabilities continues to be an important component of the Agency's responsibilities. The Agency removes undue obstacles in two ways: on a systemic basis by developing Codes of Practice and regulations, and on a case-by-case basis by resolving individual complaints.

Codes of Practice are advantageous because the Agency can implement them more quickly than regulations. The success of these codes depends on the willingness to abide by them and, in this respect, the industry committed to implement the Agency's codes developed in consultation with associations of and for persons with disabilities, seniors, manufacturers, carriers and service providers. In addition, the Agency undertook to monitor their implementation.

The Agency began monitoring the industry's application of the Air Code in 1999 and finished its first monitoring survey in 2000. The report highlights areas of compliance with provisions of the Air Code, as well as areas requiring additional attention. Many Canadian carriers have implemented features that were relatively expensive or difficult to install (such as movable aisle armrests and on-board wheelchairs) or that were not required until 2002 (such as several washroom criteria). Improvements related to features that should have been easy and inexpensive to install (such as colour contrasting strips and appropriate signage) were not as great as expected. The overall results for the fleet showed a decrease in compliance with many of the criteria of the Air Code. The largest aircraft had the most accessibility features installed and the smallest aircraft had the least.

The Agency is currently working with the industry to ensure compliance with all accessibility criteria in the Air Code by January 2002. Should the voluntary approach not bring about the expected results, the Agency will consider making regulations to remove undue obstacles to the mobility of persons with disabilities. The Agency will do its next follow-up monitoring of the Air Code in 2002.

In addition to the Agency's three codes of practice (air, rail and ferry codes), the Agency is developing a new Code of Practice on the Communication of Information (the Communications Code). The purpose of the Communications Code is to ensure the communication of transportation-related information to persons with disabilities travelling by air, rail or ferry. While the Communications Code will focus on the information needs of travellers with disabilities, it is expected to benefit all travellers. In October 2000, the Agency discussed a first draft of the Communications Code with its Advisory Committee. At year-end, the Agency was awaiting the committee's written comments. The Agency will analyse the comments and amend the draft so that it can be used in further public consultations.

During 2000–2001, the Agency conducted another extensive survey at the six largest Canadian airports to gain direct feedback to determine the main problems that persons with disabilities still face when travelling by air. The goal of the survey was to gather reliable statistical data on the accessibility of air travel in Canada, and to learn more about achievements in accessible transportation. This survey is the first comprehensive national survey of accessibility in the air transportation network. Although 92% of the respondents said they were satisfied with the degree to which their needs were met, respondents also identified problems. They noted difficulties with service delivery, carrier and terminal-related communication, and seating arrangements as some of the most frequent problems that persons with disabilities encounter while travelling by air. Interestingly, the most common disability-related complaints filed with the Agency for all modes of transportation in 2000 related to the same issues. The report on the Air Travel Accessibility Survey is available on the Agency's Web site.

The Agency has built on the great success of its booklet *Taking Charge of the Air Travel Experience: A Guide for Persons with Disabilities*, produced in 1998. The Agency

has distributed more than 40,000 copies of the guide. This booklet provides useful information on accessible features and services available to persons with disabilities who are travelling by air, and offers tips to help them plan air travel. When people are prepared, potential problems can be minimized. In 2001, the Agency released a checklist to help ensure that transportation service providers meet the needs of persons with disabilities who are travelling by air. The checklist is designed to help travel agents make travel arrangements for their customers.

Last year, the Agency received 67 complaints from travellers with disabilities and issued 56 decisions. They can be found on the Agency's Web site. Several Agency investigations resulted in corrective measures that will benefit all future travellers. Examples of these can be found in the Agency's 2000 Annual Report, also available on the Web site.

The Agency received a complaint about the inaccessibility of the washroom facilities in the domestic flights area of the aeroquay at Montreal International Airport (Dorval). The Agency indicated that accessible washrooms in airports are essential facilities that should be available in all public and secure areas and clearly identified. While there were accessible washrooms in all areas of Dorval airport except the domestic flights area of the aeroquay, the Agency found that the lack of accessible washrooms in that area constituted an undue obstacle for travellers who need accessible washrooms. The airport was required to renovate the accessible washroom facilities in the domestic flight area.

Western Grain

In the summer 2000, Parliament passed Bill C-34, which amended the *Canada Transportation Act* in response to the reviews of Canada's grain transportation and handling system undertaken by Judge Willard Estey and Mr. Arthur Kroeger. The amendments were intended to reform and improve the grain transportation system. They replaced the regulation of maximum rates for the movement of grain with the regulation of maximum revenues that the Canadian National Railway Company (CN) and the Canadian Pacific Railway Company (CP) may earn for the movement of grain. The Agency is to issue its first revenue cap determinations by the end of 2001. In preparation for that event and after industry's consultations, the Agency issued a decision in March 2001 that clarified the way it will treat various items and factors when determining railway revenue under the revenue cap regime.

Bill C-34 also ensures rate protection for branch lines, strengthens the transfer and discontinuance negotiation procedures, and provides for compensation to municipalities when service is discontinued on railway lines. These new measures will directly affect the Agency's mandate, as they include provisions for recourse to the Agency in the event of a dispute. Further details can be found in the Agency's Annual Report.

Advice to Government

Review of the Act

The Agency provides an annual report to Parliament on the assessment of the Act and of any difficulties encountered in its administration. This assessment is based on the Agency's experience with the Act and on comments from transportation providers and users. For example, some of the issues relate to the lack of timely operating statistics for air carriers; to the lack of a federal mechanism for resolving disputes about noise, vibration and pollution caused by railway operations; or to the transfer and discontinuance provisions.

A more complete description of these difficulties can be found in Chapter 2 of the Agency's 2000 Annual Report, available on its Web site.

Extraordinary Advice

In 2000–2001, the Agency provided advice on several important issues that will eventually reshape the transportation environment. In July 2000, the Minister of Transport appointed a panel to conduct a comprehensive review of the *Canada Transportation Act*. Section 53 of the Act calls for a comprehensive review, to be completed by July 1, 2001, of the operation of this Act. As part of the review process, the Agency made presentations to the Review Panel on two occasions. Agency staff briefed panel members on a variety of topics, including competitive access provisions; regional railroads; certificates of fitness and jurisdictional issues related to them; the transfer and discontinuance process; marine issues; mergers and acquisitions; and air matters, including accessible transportation. The Agency also provided a document that compared Canadian regulatory provisions with those of its U.S. counterpart, the Surface Transportation Board. The Minister released the Review Panel report and recommendations in July 2001.

In April 2001, the Minister of Transport had launched the transportation blueprint initiative, the purpose of which is to develop a strategic framework for guiding decisions and responding to the many challenges the transportation sector faces. This initiative will build on the findings of the review of the Act, together with other sources of information. Further information is available on Transport Canada's Web site at www.tc.gc.ca. Government decisions made as a result of this blueprint could affect the Agency's mandate and operations.

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 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 (Thousands of Dollars)

Financial Requirements by Authority				
		2000–2001		
Vote		Planned Spending	Total Authorities¹	Actual
Canadian Transportation Agency				
30	Operating expenditures	18,719	23,158	20,554
(S)	Spending of proceeds of the disposal of surplus Crown assets	0	4	0
(S)	Statutory Grants and Contributions	0	0	0
(S)	Contributions to employee benefit plans	2,723	3,057	3,057
Total		21,442	26,219	23,611

1. Includes Supplementary Estimates of \$3,418,000 mainly related to Bill C-26 (air transport complaints mandate) and to collective agreement compensation.

**Table 2 Comparison of Total Planned Spending to Actual Spending
(Thousands of Dollars)**

Canadian Transportation Agency	2000–2001		
	Planned	Total Authorities	Actual
FTE's	251	271	271
Operating *	20,334	24,375	22,330
Capital	1,108	1,844	1,281
Statutory Grants and Contributions	0	0	0
Total Net Expenditures	21,442	26,219	23,611
Cost of services provided by other departments	2,522	2,611	2,611
Net Cost of the Program	23,964	28,830	26,222

* Includes contributions to employee benefit plans.

**Table 3 Historical Comparison of Planned Spending to Actual Spending
(Thousands of Dollars)**

Canadian Transportation Agency	Actual 1998–1999	Actual 1999–2000	2000–2001		
			Planned Spending	Total Authorities	Actual
Total Net Expenditures	21,635	22,275	21,442	26,219	23,611
Capital Spending	631	705	1,108	1,844	1,281

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 air, rail and marine 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 eight members including the Chairman, the Vice-Chairman, four full-time Members and two temporary Members, one of whom is the Air Travel Complaints Commissioner. 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 for 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)

Annual Report 2000 (covering the period January 1–December 31, 2000)

Available on the 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 and E-mail Address
Regulatory Support	Marie-Paule Scott, Q.C.	General Counsel and Secretary	(819) 953-6698 marie-paule.scott@cta-otc.gc.ca
Air and Accessible Transportation	Gavin Currie	Director General	(819) 953-5074 gavin.currie@cta-otc.gc.ca
Rail and Marine	Seymour Isenberg	Director General	(819) 953-4657 seymour.isenberg@cta-otc.gc.ca
Corporate Activities	Joan MacDonald	Director General	(819) 997-6764 joan.macdonald@cta-otc.gc.ca
Planning	Luc Gaudet	Director	(819) 953-2829 luc.gaudet@cta-otc.gc.ca
Communications	Michel Hébert	Director	(819) 953-7666 michel.hebert@cta-otc.gc.ca

C. Legislation Administered

The Agency has primary responsibility for the following Act:

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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