



Canadian  
Transportation  
Agency

Office  
des transports  
du Canada



# Red Tape Review Progress Report Canadian Transportation Agency – 2025

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# Context

The Canadian Transportation Agency (CTA) falls under the Government of Canada's transportation portfolio and is an independent regulator and quasi-judicial tribunal that regulates over 1,500 service providers in the air, rail, marine, and interprovincial bus sectors. The CTA oversees the very large and complex [Canadian transportation system](#), which is essential to the economic and social well-being of Canadians.

The [Canada Transportation Act](#) (the Act) includes the National Transportation Policy, which guides the CTA. It states that competition and market forces are the prime agents in providing viable and effective transportation services, and that regulation may be required to meet public policy objectives that cannot be achieved by competition and market forces alone.

The CTA has specific powers assigned to it under the Act and other federal legislation:

It is an economic regulator of modes of transportation under federal jurisdiction, developing and applying ground rules that establish the rights and responsibilities of transportation service providers and users and that level the playing field among competitors. These rules can be binding regulations, guidelines, or codes of practice. Using a variety of tools, the CTA supports and verifies the compliance of regulated parties with the applicable acts, regulations, orders, and authorizations<sup>1</sup>

It is also a tribunal that hears and resolves disputes like a court by resolving disputes between transportation service providers and their clients or neighbors while using various tools, from facilitation and mediation to arbitration and adjudication.

With the exception of air travel complaints where decisions are made by Complaint Resolution Officers (public servants), the CTA's primary decision-makers are regular [Members](#) appointed by the Governor-in-Council (GIC) and temporary Members appointed by the Minister of Transport from a GIC-approved roster. Members' key functions include making adjudicative rulings, and regulatory determinations.

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<sup>1</sup> [List of Acts and Regulations the CTA administers](#)

# Executive Summary:

The transportation sector is critical to the success of the Canadian economy and serves as the backbone of domestic and international trade. Sustainable transportation is also critical to the well-being of Canadians, balancing social, economic, and environmental objectives. To this end, the CTA is taking actions to reduce red tape and ease burden for organizations within the transportation system. These actions will create efficiencies, improve our service delivery, and make it easier to comply with regulations. Furthermore, the CTA continues to identify and consider changes in support of a resilient and efficient transportation network in the interest Canada's economy, and for the well-being of all Canadians.

Reflecting on ongoing discussions with stakeholders as well as the lessons we have learned from administering our regulatory and legislative frameworks, the CTA is considering three initiatives to further contribute to an effective national transportation system:

- Reducing reporting requirements for air carriers related to tariffs;
- Improving internal processes for railway construction applications; and,
- Removing unnecessary and outdated air carrier requirements.

Given the current economic landscape and the evolving transportation industry, these three initiatives would provide greater flexibility for the transportation industry, eliminate unnecessary or outdated obligations imposed on the industry, and further contribute to an effective national transportation system.

In the Speech from the Throne, the government committed to establishing a Major Federal Projects Office to achieve project reviews and decisions within two years. The CTA will support the Office and collaborate with partners across government to enable this outcome with our own policies, practices, and regulations.

Recognizing that various acts and regulations may have specific impacts on Indigenous Peoples, the CTA remains committed to the implementation of the *United Nations Declaration on the Rights of Indigenous Peoples Act*, including the obligation to consult and cooperate with Indigenous Peoples on measures to ensure that federal laws and regulations are consistent with the Declaration.

# Supporting a more flexible regulatory framework for transportation

## Reducing reporting requirements for air carriers related to Tariffs

**Context:** The CTA administers an air tariff regime (which are rules for air fares, rates and charges, conditions of carriage applicable to air services) and oversees industry compliance with these tariffs, code-sharing, wet-leasing, and charters. This includes the suspension or disallowing of tariffs that are unclear, unreasonable, or discriminatory

The CTA is considering measures to ease administrative requirements for air carriers while maintaining effective oversight and preserving access to necessary information for consumers.

The Act requires air carriers to publish their domestic tariffs on their website for at least three years after they no longer apply. For international air services, air carriers are required to file their fares, rates, and charges with the CTA. In addition, air carriers offering international cargo services to or from Canada are also required to file their tariffs with the CTA. The CTA is considering options to reduce these requirements and replace them with a more simplified approach.

Finally, all air carriers offering a domestic service are required to identify a “basic fare” in their domestic tariffs. This is not necessarily the lowest cost fare, but rather a one-way fare that includes baggage and does not have any restrictions, for example restrictions related to the passenger making changes to their itinerary. The current practice of industry is to offer unbundled fares so that passengers can select the services for which they want to pay, a practice even more relevant for low cost carriers. The CTA is therefore reviewing the necessity of this requirement.

**Expected Outcomes:** The CTA anticipates a reduction in reporting requirements for air carriers.

## Improving Internal Processes for Railway Construction Applications

**Context:** Before a railway company constructs a line, it is required by law, under s.98 of the Act, to obtain approval from the CTA. The CTA reviews the application, and may approve the construction if it determines that the location of the railway line is reasonable, taking into consideration:

- Requirements for railway operations and services; and,
- The interests of the localities that will be affected by the railway line.

Currently, the CTA applies a uniformed approval process to all railway construction applications it receives. The CTA is looking to implement a new approval process that adopts a three-tiered approach to applications based on their level of complexity (i.e. low, medium, high) as well as potential risks and impacts, which would have accelerated service standards for applications with low (30 days), medium (60 days) and high (85 days) complexities. This approach would help ensure that time and resources are allocated appropriately by the applicant, localities, as well as the CTA, relative to the risks and impacts of the project.

The CTA is also considering other process improvements that would apply to all applications.

To order to implement these changes, the CTA is revising its *Guide on How to Apply for Approval to Construct a Railway Line*, and aiming to publish this new guidance in 2026.

With respect to Indigenous consultations, the CTA is developing a new guide to clarify expectations and requirements related to the Crown's Duty to Consult so that they are better understood by applicants and Indigenous communities. This new guide is anticipated to be published in 2026.

**Expected Outcomes:** The CTA expects the outcome will be a more predictable and streamlined application and approval process, reduced resource demands on industry, and faster, more efficient project approvals.

## **Eliminating unnecessary or outdated obligations imposed on the industry**

### **Removing unnecessary and outdated air carrier requirements**

**Context:** Some provisions of the *Air Transportation Regulations* (ATR) are outdated, and accordingly the CTA has identified amendments that could be made to remove requirements that no longer reflect the current state of the air transportation industry:

Under the ATR, air carriers must apply to the CTA for a charter permit in order to operate any passenger resaleable charter<sup>2</sup>. In the application, air carriers must provide a financial guarantee from a Canadian financial institution. However, consumers typically pay for charter services using their credit cards. In the unlikely event that a paid-for charter service is not provided, consumers already have financial protection via a charge-back that can be processed through their credit card company. Further, Quebec, Ontario, and British

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<sup>2</sup> Chartered flights are those that depart from Canada to an international destination, where all passenger seats are contracted by a company or tour operator for the purpose of reselling them to the general public.

Columbia<sup>3</sup> administer funds that reimburse consumers in situations where a travel-related service has been paid for through travel agencies, but not rendered. As such, the financial guarantee provided with the carrier's written application has limited practical effect. The CTA proposes to eliminate this requirement, which will reduce administrative burden and result in a cost savings for air carriers – financial guarantees typically come in the form of a letter of credit from financial institutions who may levy a fee to air carriers.

The CTA is currently analyzing these regulations and will consider removing provisions in the medium-term.

**Expected Outcomes:** The CTA expects that, by removing these unnecessary provisions, air carriers would benefit from reduced regulatory and administrative burdens while safeguarding the financial interest of consumers.

For any questions about Canadian Transportation Agency items in this report, please contact [Allan.Burnside@otc-cta.gc.ca](mailto:Allan.Burnside@otc-cta.gc.ca).

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<sup>3</sup> The British Columbia consumer protection fund covers bookings made through travel agents, as well as bookings made with the air carrier directly, either over the phone or online.