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CANADA

NATIONAL TRADE CORRIDORS FUND—TRANSPORT CANADA

Report of the Standing Committee on Public Accounts

John Williamson, Chair

**APRIL 2026
45th PARLIAMENT, 1st SESSION**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

TENTH REPORT

Pursuant to its mandate under Standing Order 108(3)(g), the committee has studied Report 4, National Trade Corridors Fund—Transport Canada, of the 2024 Reports 2 to 4 of the Auditor General of Canada and has agreed to report the following:



NATIONAL TRADE CORRIDORS FUND—TRANSPORT CANADA

KEY FACTS AND FINDINGS OF THE AUDITOR GENERAL OF CANADA

- International trade represents more than 60% of Canada’s gross domestic product and relies on moving goods in and out of the country.
- Transport Canada had launched 7 calls for proposals since 2017, including 2 that targeted the Arctic and northern region.
- The department assessed project proposals using a merit-based approach but could not demonstrate on what basis it prioritized some meritorious projects over others.
- Transport Canada had approved \$3.8 billion to fund 181 transportation projects. About 20% (\$711 million) of the approved budget was spent between 2017 and 2023.
- Half of the funded projects had an incomplete performance measurement strategy to assess their results.¹

SUMMARY OF THE COMMITTEE’S RECOMMENDATIONS AND TIMELINES

Table 1—Summary of the Committee’s Recommendations and Timelines

Recommendation		
Recommendation 1	Transport Canada should provide the House of Commons Standing Committee on Public Accounts with a report that outlines procedures and documentation practices currently used to ensure that review committee discussions are formally recorded.	120 days after presenting this report in the House of Commons

¹ Office of the Auditor General of Canada (OAG), [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, At a Glance, “Key facts and findings.”



Recommendation	Recommended measure	Timeline
Recommendation 2	Transport Canada should provide the Committee with a progress report on the following: <ol style="list-style-type: none"> 1. How it will ensure that contribution agreements will use project-specific performance indicators; 2. How it will work with recipients with ongoing projects to adopt project performance indicators; 3. The common tool to ensure that all project managers input specific performance indicator information and data; and 4. How it monitors completed projects to ensure they meet various performance indicators and sustainable development targets. 	120 days after presenting this report in the House of Commons

INTRODUCTION

On 19 March 2024, Reports 2 to 4 of the 2024 Reports of the Auditor General of Canada were tabled in the House of Commons and referred to the Committee, including “Report 4—National Trade Corridors Fund—Transport Canada.”² The recommendations made by the Office of the Auditor General of Canada (OAG) to Transport Canada (TC) in Report 4 are summarized in the present document.

AUDIT PARAMETERS

The main parameters of the performance audit on the National Trade Corridors Fund are summarized in Table 2.

Table 2—Audit Parameters

Audited Organization	Transport Canada (TC or the department).
	To determine whether TC designed, implemented and monitored the National Trade Corridors Fund effectively to improve the fluidity and resiliency of transportation corridors.

² House of Commons, [Journals](#), 19 March 2024.

Audit Period	The audit conclusion applies to the period from 1 January 2017 to 21 August 2023. However, to gain a more complete understanding of the subject matter of the audit, the OAG also examined certain matters that preceded this period.
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Source: Table prepared by the Library of Parliament using information obtained from Office of the Auditor General of Canada, [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, “Audit objective” and “Period covered by the audit.”

Roles and Responsibilities

The roles and responsibilities of TC regarding the National Trade Corridors Fund are outlined in Table 3. However, it is important to note that final decisions on which projects to fund under this program are made by the Minister of Transport or the Treasury Board.

Table 3—Roles and Responsibilities

Transport Canada	<ul style="list-style-type: none"> • To develop and oversee the Government of Canada’s transportation policies and programs. • To provide funding to public and private organizations that strengthen the transportation network. • To design, implement, monitor and report on the performance of the National Trade Corridors Fund.
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Source: Table prepared by the Library of Parliament using information obtained from Office of the Auditor General of Canada, [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, para. 4.6.

Definitions

Table 4, below, defines the terms used in the report on the National Trade Corridors Fund—Transport Canada.



Table 4—Definitions

Gateway	A multimodal entry and exit point through which goods move beyond local and regional markets (for example, the Port of Vancouver, which is an important gateway to the Asia Pacific market).
Trade corridor	A linear system of freight flows that connects gateways to major markets (for example, the combination of road and rail bringing grain from the Prairies to the Port of Vancouver).
Supply chain	The series of processes involved in the production and supply of goods, from when they are first made or grown until they are sold (for example, when raw material such as iron ore is mined and used to construct the frame of a car, which is then assembled with other components into a car and sold as a consumer good).
Fluidity	The ability to move goods quickly and easily.
Resiliency	The ability to withstand changes and adapt to new opportunities, including the effects of climate change.

Source: Table prepared by the Library of Parliament using information obtained from Office of the Auditor General of Canada, [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, “Definitions.”

Background

The National Trade Corridors Fund (NTCF) is a transfer payment program administered by TC whose purpose is to provide federal funding for projects and activities that strengthen the fluidity and resiliency of national trade corridors, including those related to Northern infrastructure. It helps support infrastructure projects in Canada that improve and expand the transportation system in the Arctic and Northern communities, increase the flow of trade between Canada and foreign nations, and helps withstand the effects of climate change.

The NTCF’s budget was initially \$1.9 billion over 11 years (2017–2018 to 2027–2028) in 2017, before expanding to \$4.6 billion as of August 2023.³

³ OAG, [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, para. 4.5.

Meeting of the Standing Committee on Public Accounts

On 23 May 2024, the House of Commons Standing Committee on Public Accounts (the Committee) held a hearing on this audit, with the following witnesses in attendance:

- OAG—Andrew Hayes, Deputy Auditor General; David Normand, Principal; and Susie Fortier, Director
- TC—Stephanie Hébert, Assistant Deputy Minister, Programs, and Joshua LaRocque, Director General, Transportation Infrastructure Programs.⁴

FINDINGS AND RECOMMENDATIONS

No Documentation of the Basis Used for Recommending Some Meritorious Projects for Funding Over Others

TC used a two-stage process to assess eligible project proposals and select which ones to recommend for funding:

- Stage 1—The evaluation team assesses merit and makes preliminary recommendations for funding to committees.
- Stage 2—Committees review evaluations and finalize recommendations for funding.⁵

By comparing the recommendations made by review committees in stage 2 against the results of merit evaluations from stage 1, the OAG found that, “in 15% of cases, recommendations by review committees in stage 2 differed from stage 1 results.” In response to this finding, the department stated that “the review committees discussed evaluations, scores, and other considerations before finalizing the list of recommended proposals.”⁶ However, the OAG found that the department could not provide the rationale used by review committees in recommending some meritorious projects for funding over others; in other words, the department had not documented the basis

4 House of Commons Standing Committee on Public Accounts, *Minutes of Proceedings*, 1st Session, 44th Parliament, 23 May 2024, [Meeting 124](#), 1535.

5 OAG, [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, para. 4.19.

6 *Ibid.*, para. 4.22.



used for making a recommendation for funding.⁷ In addition, the OAG noted that the documentation provided to the Minister of Transport explaining the benefit of the individual projects being recommended for funding was insufficient to support the review committees' additional considerations and ranking of the proposals.⁸

Consequently, the OAG made the following recommendation:

In support of the transparency and fairness of the project selection process, Transport Canada should document the review committees' work, including the rationale used when validating project evaluation scores and applying additional considerations for identifying which proposals to recommend for funding.⁹

Stephanie Hébert, Assistant Deputy Minister, Programs, Transport Canada, explained the following when she appeared before the Committee:

The audit found that the calls were designed using evidence and that the criteria were transparent and open. I'll quote the Auditor General, who in an earlier appearance before this committee, noted that the program was "a great example of well-informed decision-making."¹⁰

TC's Detailed Action Plan outlines three measures to respond to this recommendation, with various timelines:

- Developing procedures and documentation instructions to ensure review committee discussions are formally captured.
- Ensuring appropriate documentation is produced when a project is not recommended for funding.
- Formally capturing and documenting the confirmation of proposal evaluation scores, calibration exercises and the application of additional considerations at the review committee.¹¹

Therefore, the Committee recommends:

7 Ibid., para. 4.22.

8 Ibid., para. 4.23.

9 Ibid., para. 4.25.

10 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 23 May 2024, [Meeting 124](#), 1535.

11 Transport Canada, [Detailed Action Plan](#), p. 1.

Recommendation 1—Supporting the transparency and fairness of the project selection process

That, 120 days after presentation of this report in the House of Commons, Transport Canada provide the House of Commons Standing Committee on Public Accounts with a report that outlines procedures and documentation practices currently used to ensure that review committee discussions are formally recorded.

Ineffective Monitoring of Project Results

The OAG found that TC’s original approach to measure the outcomes of the NTCF was ineffective, as the performance indicators used

- were either not practical or could not be measured;
- showed the actual performance of the transportation system, rather than improvements to the fluidity of trade corridors that could be directly attributed to the projects completed under the fund; and
- were not standardized to monitor and report on results of individual projects.¹²

As a result, the OAG made the following recommendation:

Transport Canada should strengthen project-level performance evaluation and monitoring to allow the consistent and timely gathering of performance information for future projects and those underway and to allow the roll-up of results from individual funded projects to inform program-level performance and accountability.¹³

Stephanie Hébert explained as follows:

We agree with the Auditor General that there is more to do and that now is the time to do it. Since the launch of the program, completed projects represent less than 10% of the total funding envelope of the program, so there is ample time for us to improve.

As noted in the report, we have completed some work to identify consistent project-specific indicators such as the number of jobs created, or the length of road or rail constructed and what additional capacity is added to the transportation network.

12 OAG, [National Trade Corridors Fund—Transport Canada](#), Report 4 of the 2024 Reports of the Auditor General of Canada, paras. 4.29, 4.30, and 4.32.

13 *Ibid.*, par. 4.43.



For all agreements going forward and for ongoing projects, we will work with recipients to include these indicators so that we can better understand the impact of projects and the program overall. We will also introduce tools and guidance for staff to ensure that we collect and can easily report on and analyze the results of projects. We expect this work to be completed by September 2025.¹⁴

Transport Canada's action plan outlines three measures to respond to this recommendation, with various timelines:

- Ensuring all new contribution agreements continue to use project specific performance indicators.
- Working with recipients with ongoing projects to determine if they can adopt the project-specific performance indicators as part of the project's contribution agreement and/or final report.
- Developing a common tool to ensure all project managers have a single source to input specific performance indicator information and data to allow for reporting of results at the project and program level.¹⁵

Therefore, the Committee recommends:

Recommendation 2 — Strengthening project-level performance evaluation and monitoring

That, 120 days after presentation of this report in the House of Commons, Transport Canada provide the House of Commons Standing Committee on Public Accounts with a progress report on the following:

- 1. How it will ensure that contribution agreements will use project specific performance indicators;**
- 2. How it will work with recipients with ongoing projects to adopt project performance indicators;**
- 3. The common tool to ensure that all project managers input specific performance indicator information and data; and**

14 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 23 May 2024, [Meeting 124](#), 1535.

15 Transport Canada, [Detailed Action Plan](#), p. 2.

4. How it monitors completed projects to ensure they meet various performance indicators and sustainable development targets.

CONCLUSION

The Committee concludes that Transport Canada showed deficiencies in its management of the National Trade Corridors Fund.

To that end, the Committee is making two recommendations to ensure that the recommendations of the Office of the Auditor General of Canada are adequately addressed and that the department provides evidence of this to the Committee through progress reports.

APPENDIX A: TRANSPORT CANADA'S WRITTEN RESPONSES TO THE COMMITTEE'S QUESTIONS

QUESTION 1

In response to a question about funding granted through the National Trade Corridors Fund to road projects for the 400-series highways in Ontario, Transport Canada provided the following response to the Committee in a letter:

Since 2017, Transport Canada has launched seven National Trade Corridors Fund (NTCF) calls for proposals. To date, 213 projects have been approved under the NTCF, representing \$4.1 billion in federal funding commitments. These investments have prioritized infrastructure of national significance, supported critical digital infrastructure and innovative technology, and ensured greater resilience of Canadian supply chains to the impacts of climate change.

The NTCF has approved funding for 30 projects in the province of Ontario, representing a total federal contribution of \$411.5 million, including \$13.6 million for six road projects. Throughout the country, \$1 billion has been committed to 42 road projects across Canada.

The province of Ontario submitted the Highway 401—ELB Reconstruction project seeking \$44 million in federal funding under the NTCF's first call for proposals. This is the only comprehensive project proposal submitted for funding on a 400 series highway in Ontario to date. The project was not selected for federal funding.

QUESTION 2

In response to a question about National Trade Corridors Fund projects focused on optimizing supply chains through digitization in the Greater Toronto Area, Transport Canada provided the following response to the Committee in a letter:

On February 13, 2023, the Minister of Transport launched the "Advancing Supply Chain Digitalization call for proposals" (digital call), which prioritized projects that strengthened Canada's digital infrastructure to make Canada's transportation supply chains more efficient and reliable. Investments under this call support Transport Canada in working with industry stakeholders to effectively manage and improve the supply chain through data and information sharing.

The Minister of Transport approved 23 projects under the NTCF's digital call, representing a total federal contribution of \$57.2 million. This includes \$256,000 for the Hamilton—

Oshawa Port Authority - Intelligent Vehicle Management System Ports of Hamilton and Oshawa project in the Greater Toronto and Hamilton area. Information on announced projects can be found at: [Advancing Supply Chain Digitalization Nineteen digital infrastructure projects funded under the National Trade Corridors Fund - Canada.ca.](#)

The Greater Toronto Airports Authority submitted the YYZ Cargo Development - Digital Infrastructure Implementation project, which sought \$750,000 in federal funding under the digital call. The project was not selected for funding.

APPENDIX B: LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Department of Transport Stephanie Hébert, Assistant Deputy Minister, Programs Joshua LaRocque, Director General, Transportation Infrastructure Programs	2024/05/23	124
Office of the Auditor General Susie Fortier, Director Andrew Hayes, Deputy Auditor General David Normand, Principal	2024/05/23	124

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* (Meeting Nos. [27](#) and [29](#)) from the 45th Parliament, 1st Session and ([Meeting No. 124](#)) from the 44th Parliament, 1st Session is tabled.

Respectfully submitted,

John Williamson
Chair

