



Canadian  
Transportation  
Agency

Office  
des transports  
du Canada

# **Canadian Transportation Agency**

**2007–2008**

**Report on Plans and Priorities**

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The Honourable Lawrence Cannon, P.C., M.P.  
Minister of Transport, Infrastructure and Communities

**Canada**



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## **SECTION I – OVERVIEW**



## 1.1 Chairman's Message

I am pleased to present the Canadian Transportation Agency's Report on Plans and Priorities which sets out the strategic objectives of the organization. These objectives are shaped by the environment in which the Agency operates.

The transportation industry is one of the most dynamic sectors of our economy and has a significant impact on the lives of individuals and businesses across Canada. Over the past several years, there has also been a renewed focus on demonstrating the value of government services to Canadians. Within this environment, the Agency fulfills its mandate as an economic regulator in a manner that is responsive, efficient and transparent.

In 2007–2008, the Agency will focus on maintaining a fair and transparent economic regulatory regime to help achieve a viable and accessible national transportation system. To achieve this outcome, its efforts will concentrate on three priorities: addressing the workload resource challenge, succession planning, and improving the dispute resolution system.

The challenge facing the Agency is to address, with its available resources, a workload that is simultaneously increasing in terms of sheer volume and complexity. Making this challenge more difficult has been the elimination of funding for the Air Travel Complaints Program while maintaining Agency responsibility in this area. At the same time, proposed changes to legislation will increase the mandate of the Agency. To address this issue, over the past few months, the Agency undertook an intensive resource review in order to realign its financial and human resources while maintaining the integrity of its programs and the expertise and morale of its workforce.

The Agency will succeed in its mandate in large part due to the strength of its people. Faced with a significant number of departures of Members, senior management and subject-matter experts, the Agency will continue to implement its action plan to attract and retain the level of competency and capacity needed to support its quasi-judicial mandate.

Efforts will also continue to improve efficiency in processes and ensure Agency capacity to manage its caseload. Mediation as an alternative to the Agency's formal processes will assist parties in resolving disputes faster and in a less resource intensive manner. Continued improvement on the Agency performance measurement framework will allow the Agency to improve its management practices and make better use of its resources for improved results for Canadians.

We are committed to completing actions to achieve the specific directions set out in this 2007–2008 Report on Plans and Priorities. Delivering on our priorities will ensure the Agency is well positioned to carry out its role in ensuring an effective and accessible Canadian transportation system.

Geoffrey C. Hare  
Chairman and Chief Executive Officer



## 1.2 Management Representation Statement

I submit for tabling in Parliament, the 2007–2008 Report on Plans and Priorities (RPP) for the Canadian Transportation Agency.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Agency's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to the Agency; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat.

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Geoffrey C. Hare  
Chairman and Chief Executive Officer

February 12, 2007



## 1.3 Agency Overview

### 1.3.1 Summary Information

#### Reason for Existence

In its administration of federal transportation legislation and government policies, the Canadian Transportation Agency helps create an efficient and accessible federal transportation system for the benefit of Canadians.

The Agency, as mandated by the *Canada Transportation Act*, is an independent, quasi-judicial, administrative tribunal that implements the transportation policy established by Parliament in the *Canada Transportation Act* and other legislation. As such, it makes decisions on a wide range of matters affecting Canadian transportation. It licenses rail and air carriers, and has the authority to resolve some transportation rate, service and other complaints in the rail, air and marine modes and to make regulations when required. It also has the authority to remove undue obstacles to the mobility of persons with disabilities who use the federally regulated transportation network. In addition, the Agency is the aeronautical authority for Canada on matters related to the economic regulation of air carriers.

### 1.3.2 Financial Resources (thousands of dollars)

2007–2008	2008–2009	2009–2010
27,214	26,301	26,301

### 1.3.3 Human Resources (full-time equivalents)

2007–2008	2008–2009	2009–2010
255	242	242

### 1.3.4 Agency Priorities

Name	Type
1. Addressing Agency workload and resources challenges	Previously committed to
2. Succession planning	Previously committed to
3. Improving the dispute resolution system	Previously committed to

### 1.3.5 Program Activity by Strategic Outcome

**Strategic Outcome:** A fair and transparent economic regulatory regime that helps achieve a viable and accessible national transportation system.

**Program Activity:** Economic regulation of the federal transportation system

Expected Results:	Planned Spending (thousands of dollars)			Contributes to the following priority
	2007–2008	2008–2009	2009–2010	
1. The fair, effective and efficient resolution of federal transportation issues. 2. The removal of undue obstacles for persons with disabilities from federally-regulated transportation. 3. The protection of the economic and other interests of transportation users, carriers and other affected parties.				The Agency's single program activity contributes to all priorities.
<b>Total</b>	<b>27,214</b>	<b>26,301</b>	<b>26,301</b>	

## 1.4 Agency Plans and Priorities

### 1.4.1 Operating Environment and Strategic Context

The Agency's mission is to administer transportation legislation and government policies to help achieve an efficient and accessible transportation system by education, consultation and essential regulation.

The Agency performs the functions vested in it by the *Canada Transportation Act* and related legislation (refer to section 4.1.4 for a list of legislation and regulations that the Agency administers in whole or in part). The Agency's program is funded by Parliament through an operating expenditures vote. It operates within the context of the very large and complex Canadian transportation system (for details, refer to Transport Canada's Web site at [www.tc.gc.ca](http://www.tc.gc.ca)).

Education and consultation are integral to the Agency's effectiveness in carrying out its mandate. The Agency works closely with those who use and provide transportation services in Canada and others directly affected by them. It helps travellers, shippers, carriers, municipalities and others to fully understand not only their rights and obligations under the *Canada Transportation Act*, but also the Agency's roles and responsibilities. When appropriate, the Agency encourages parties to resolve disputes informally before issues escalate and affect the efficient functioning of the transportation system. The Agency consults as widely as possible on issues that are important to the transportation industry. By remaining open and by listening to all affected parties, the Agency strives to ensure that its decisions are both responsive and responsible.

As an independent, quasi-judicial tribunal, the Agency makes decisions on a wide range of matters involving federally-regulated modes of transportation (air, rail and marine). Most of the Agency's activities and workload are generated by demand from users and operators of the federal transportation system. The tribunal's decisions are rendered by Agency Members who are appointed by the Governor in Council. This includes the Chairman, who also acts as the Chief Executive Officer, and the Vice-Chairman who are both members of the Executive Committee. The Agency's tribunal decision-making process is governed by its General Rules, entrenching the rules of fairness, which ensure that all parties to a complaint or an application are dealt with fairly and equitably. More information about this process can be found at [www.cta.gc.ca/about-nous/decision\\_process\\_e.html](http://www.cta.gc.ca/about-nous/decision_process_e.html).

A number of factors will influence the delivery of the Agency's programs during the planning period, notably:

#### 1. Potential legislative changes

During 2006–2007, certain legislative proposals were made which will affect the mandate of the Agency. The first of these proposals is Bill C-11, *An Act to amend the Canada Transportation Act and the Railway Safety Act and to make consequential amendments to other Acts*, which received Second Reading in the House of Commons on September 21, 2006, and was referred to the Standing Committee on Transport, Infrastructure and Communities. The Committee

provided its report to Parliament on December 13, 2006. The second legislative proposal which will affect the Agency is Bill C-20, the *Canada Airports Act*, which was tabled in the House of Commons on June 15, 2006.

The Agency will establish a strategy for the administration of new or modified mandates that may fall under its jurisdiction, and will take the necessary measures to administer any such new responsibilities once any of these bills are adopted.

## 2. Outcome of an appeal to the Supreme Court on a key Agency decision

The Agency awaits the decision of the Supreme Court on an appeal of an Agency decision related to accessible transportation. As a result, the Agency has adjourned a number of cases until the Supreme Court issues its decision, at which time these cases will be reactivated. While this stay of proceedings will delay the processing of these cases, it is expected that the court will provide the Agency with some direction on what it is to consider when resolving accessibility complaints. This direction may have an impact on the reactivated cases, as well as on other cases that are presently before the Agency.

## 3. Managing with fewer resources

The Agency faces a number of challenges related to balancing workload and resources, in order to continue to deliver its parliamentary mandate and maintain the necessary stewardship and comptrollership capacity to meet central agency and legislative requirements.

A major challenge arises from the implementation of reductions and changes resulting from the expenditure review exercise in 2006. As part of this exercise, funding for the Air Travel Complaints Program was eliminated. This funding had been provided through annual transfers from Transport Canada since the program's inception in 2000. However, since the Agency will retain the mandate for the program, a plan needed to be created to address the program's workload within existing base resource levels for 2007–2008.

The Agency faces an additional challenge in balancing workload and resources related to managing retirements through succession planning. As well, proposed legislation would grant the Agency new mandates and responsibilities, while providing for only limited associated resources.

## 4. Government-wide initiatives

During the planning period, the Agency will need to respond to a number of government-wide initiatives.

Like other similarly sized public sector organizations, the Agency has expended significant effort to fully participate in and respond to numerous government horizontal reviews, audits, reporting requirements and policy initiatives (e.g. shared corporate services, procurement reform, reclassifications, proactive disclosure, etc.).

The Agency will continue to develop more detailed financial and performance information in order to enhance its reporting to Parliament and Canadians. Although work accomplished to date in establishing a performance measurement framework has significantly assisted in achieving this objective, the Agency will continue to work with the Treasury Board Secretariat to improve and refine this framework. This will allow the Agency to better demonstrate its contribution to Canadians in its future Departmental Performance Reports and to better manage results.

Similar to other Public Service organizations, the Agency's aging workforce requires continued effort in human resources planning to ensure the organization sustains the internal expertise and capacity to effectively support the quasi-judicial tribunal's mandate. The implementation of the staffing reforms from the *Public Service Modernization Act* provides the Agency with the means to facilitate the creation of qualified candidate pools to address vital succession issues at all levels. The Agency has implemented an integrated business and human resources planning capacity that is geared to the early identification of human resources issues and their link to business delivery, as well as being structured to determine strategic priorities to address any vulnerabilities. Integrated in such strategies is the implementation of the government's new learning, training and development policy, which focusses on ensuring that managers at all levels are educated and/or trained to effectively conduct their responsibilities.

## 5. Key partners

The Agency is one of many players involved in transportation and maintains close ties with its various co-delivery partners, including Transport Canada, the Department of Foreign Affairs and International Trade, the Canada Border Services Agency, the Canadian Human Rights Commission, and a number of provincial governments. For details on these relationships, refer to the Agency's Web site at [www.cta.gc.ca/about-nous/partners\\_e.html](http://www.cta.gc.ca/about-nous/partners_e.html).

### 1.4.2 Link to the Government of Canada Outcome Areas

The Agency's strategic outcome and program activity are directly aligned with the broader Government of Canada outcome of "a fair and secure marketplace". The regulatory programs which the Agency implements resolve economic issues, remove transportation barriers and protect the rights of consumers, carriers and others. These programs also help improve the overall quality of life in Canada, as an efficient and accessible transportation system benefits all Canadians.

### 1.4.3 Agency Priorities

Like other government bodies mandated to administer laws, the Agency's priorities and the actions it can take are dictated to a large degree by statutes. For the planning period, the Agency's activities will continue to be focussed on the attainment of one strategic outcome:

A fair and transparent economic regulatory regime that helps achieve a viable and accessible national transportation system.

The Agency is committed to the achievement of this strategic outcome through the delivery of its ongoing activities, which are focussed on:

- resolving transportation disputes fairly, effectively and efficiently by making sound decisions or through mediation and other informal processes;
- improving the accessibility of the federal transportation system for persons with disabilities; and
- performing its other administrative roles and legislative responsibilities that protect the economic and other interests of the federal transportation users, carriers and other affected parties.

More information about the expected results of the Agency's ongoing activities can be found under Section II of this report.

Based on the risks and challenges facing the Agency, three priorities previously identified in 2006–2007 continue to be priorities for 2007–2008:

1. addressing Agency workload and resources challenges;
2. succession planning; and
3. improving the dispute resolution system.

#### **1.4.4 Agency Plans**

The Agency has developed and updated its implementation plan, which describes its management and program priorities in detail. Resources are allocated to specific initiatives as required, responsibilities are clearly defined and expected results and time lines are established.

Implementation plan progress will be monitored and reported to the Agency's Executive Committee on a regular basis and results will be included in the Departmental Performance Report.

##### **Priority 1: Addressing Agency workload and resources challenges**

Over the past few years, the Agency has taken important steps to ensure that it uses the funds allocated by Parliament in a way that allows it to attain better results for Canadians. Internal resources are allocated annually following a review process in which requests for existing and new resources are challenged and risk principles are used as a key basis for resource allocation decisions. In addition, a results chain was developed along with a performance measurement framework and a detailed Performance Measurement Plan.

The challenge of addressing workload with existing resource levels will become more pronounced in the upcoming fiscal year for two reasons. First, proposed changes to legislation



would grant the Agency new mandates and responsibilities with limited associated resources. Second, and more importantly, as a result of the decision to eliminate the funding provided by Transport Canada for the Air Travel Complaints Program, while maintaining the Agency's responsibility to resolve complaints from air travellers, the Agency will be required to fully absorb the workload and resources associated with the program into its base resource levels in 2007–2008. Given the number of complaints received on an annual basis through this program, the integration of this activity within base levels poses a significant challenge to the Agency.

In order to address this situation, the Agency undertook an organization-wide review of its resources. This review identified some areas of the Agency where savings might be generated in order to absorb the associated workload and costs of the Air Travel Complaints Program, as well as potential new responsibilities, within the Agency's resource base. The Agency's challenge will be to generate the necessary savings while maintaining the integrity of its programs and the expertise and morale of its workforce.

Given the extent of the impact that these events will have in the foreseeable future, the Agency will continue to make efforts to improve its efficiency and ensure its capacity to manage a caseload that is increasing, both in terms of volume and the complexity of issues to be resolved, with fewer resources. To pursue this priority the Agency will:

- continue to implement streamlined and more effective work processes, to further improve its organizational effectiveness and better use its resources;
- continue to develop meaningful performance indicators and better integrate resources with results (refer to Item 4.1.1 under Section IV for the Agency's results chain);
- take measures to ensure the Agency can quickly reallocate human resources to meet temporary workload pressures; and
- implement any necessary restructuring or other administrative processes necessary to generate savings and reallocate such savings to ensure efficient and effective operation of all mandated programs.

## **Priority 2: Succession planning**

Like the majority of federal government departments and agencies, the Agency continues to compete with other public organizations and the private sector in the recruitment of knowledge workers. The majority of employers foresee a loss of corporate memory and expertise because of the predicted retirements and departures of the baby boom generation which make up part of today's work force.

The Agency is now experiencing significant challenges as a number of key senior officials and senior subject-matter experts have retired or will be retiring over the next few years. In this regard, the organization continues to sustain its action plan to ensure that it retains the level of competency and capacity needed to support its quasi-judicial mandate and role.

Based on the five-year Succession Plan, implemented in 2002 and which is revised on an annual basis, as well as through integrated business and human resource planning processes, the Agency continues to focus on strategic workforce management approaches designed to address potential vulnerabilities in key positions and areas of critical expertise. With the coming into force of the *Public Service Employment Act* on December 31, 2005, the Agency broadened its strategic approaches to benefit from a more flexible staffing regime that more effectively supports its succession strategies. The Agency also relies on a comprehensive, integrated human resource planning framework that focusses on corporate priorities in human resource management, and reflects the objective of more strategic staffing and recruitment. During the planning period, the following measures will be taken to address key succession issues identified within the Agency:

- continue to ensure a sufficient pool of qualified candidates through internal and external language training;
- sustain the implementation of the three-Year Strategic Human Resources Plan. This plan integrates the human resources management priorities stemming from the Human Resources Modernization initiative and the Agency's own planning needs; and
- continue to enhance the Agency's human resources corporate planning capacity through actions such as streamlining appointment processes by creating pools of pre-qualified candidates.

### **Priority 3: Improving the dispute resolution system**

A significant portion of the Agency's workload is externally generated and can be difficult to predict. With limited resource flexibility, backlogs can result.

The objective of this priority is to improve the timeliness with which dispute files are resolved by the Agency. During 2007–2008, the Agency will:

- implement the planned activities that were identified and developed during 2006–2007 to improve service levels;
- implement the performance indicators that were identified, developed and accepted during 2006–2007; and
- establish meaningful performance targets for upcoming years.

**SECTION II – ANALYSIS OF PROGRAM ACTIVITY BY  
STRATEGIC OUTCOME**



## 2.1 Analysis by Program Activity

The Canadian Transportation Agency's program activity architecture is simple. The Agency pursues **one strategic outcome**:

A fair and transparent economic regulatory regime that helps achieve a viable and accessible national transportation system.

The architecture contains **one program activity**:

The economic regulation of the federal transportation system.

### 2.1.1 Financial Resources (thousands of dollars):

	2007–2008	2008–2009	2009–2010
Air Transportation	8,831	8,691	8,691
Rail Transportation	6,845	6,527	6,527
Marine Transportation	1,340	1,279	1,279
Accessible Transportation	2,689	2,573	2,573
Members and regulatory support	7,509	7,231	7,231
<b>Total Program Activity</b>	<b>27,214</b>	<b>26,301</b>	<b>26,301</b>

### 2.1.2 Human Resources (full-time equivalents)

2007–2008	2008–2009	2009–2010
255	242	242

### 2.1.3 Program Activity Description

The Canadian Transportation Agency manages the economic regulation of air, rail and marine transportation through the administration of laws, regulations, voluntary codes of practice, educational and outreach programs and through the resolution of disputes. As an independent quasi-judicial administrative tribunal reporting to the Parliament of Canada through the Minister of Transport, Infrastructure and Communities, the Canadian Transportation Agency makes its decisions independently, on a wide range of matters affecting Canadian transportation.

All decisions on matters before the Agency, whether they relate to air, rail, marine or accessible transportation matters, are made by Agency Members appointed by the Governor in Council.

The Agency's single program activity is divided into five program sub-activities:

- air transportation;
- rail transportation;
- marine transportation
- accessible transportation; and
- Members and regulatory support.

#### **2.1.4 Performance Measurement Strategy**

As part of its action plan on Modern Comptrollership and with funding received from Treasury Board Secretariat, the Agency developed its own Performance Measurement Framework. Results chains and performance measures were developed for all Agency business operations. (For more information, refer to Item 4.1.1 under Section IV for the Agency's overall results chain.)

A number of important steps have been undertaken to implement this framework:

- performance measures, key performance targets and workload indicators are now incorporated into the Agency's operational plan review process, which forms the basis for the annual resource allocation exercise;
- key performance indicators and benchmark data were identified for the Agency's dispute resolution system and work is underway to identify performance targets; and
- the Agency's application information system, the primary source for actual performance data and information, was improved to provide more pertinent performance information including reporting by sub-activity, level of complexity, average time to process cases, to name a few.

Generating and using better performance information is a key element of the Agency's management priority to address workload and resource issues and of its program priority of improving its dispute resolution system. Over time, better performance information will allow the Agency to improve its management practices and make better use of its resources for improved results.

#### **2.1.5 Expected Results**

The three results expected from the Agency's program activity are:

1. the fair, effective and efficient resolution of federal transportation issues;
2. the removal of undue obstacles for persons with disabilities from federally-regulated transportation; and
3. the protection of the economic and other interests of transportation users, carriers and other affected parties.

The program sub-activities for Air, Rail and Marine Transportation each support results (1) and (3), and the sub-activity for Accessible Transportation contributes to result (2). The sub-activity Members and Regulatory Support contributes to all three expected results.

All three expected results directly contribute to the Agency's ongoing business priority to deliver its mandate, the key element of which is to make sound decisions within the time frames established in the legislation on issues and disputes affecting the transportation system and on matters specified in the legislation under the Agency's responsibility.

To do so, the Agency applies a decision-making process that is governed by the rules of fairness and the legislation, regulations and legal principles applicable to the case. The Agency also ensures that Agency Members and staff maintain a high level of expertise in the transportation field and keep abreast of the constant evolution of the industry and its players.

Where possible, the Agency offers mediation as an alternative to its formal process. This allows parties to resolve their issues in an informal manner that is simple, rapid, less litigious and less costly than the Agency's traditional hearing process. The mediator and the disputing parties work together to develop solutions and produce collaborative outcomes resulting in better understanding between the parties and in agreements that inspire high levels of satisfaction and commitment.

### **Result 1: Fair, effective and efficient resolution of federal transportation issues**

Part of the Agency's mandate is to resolve transportation issues affecting all modes of transportation under the federal transportation network: air, rail and marine transportation. It does so either by investigating and making formal tribunal decisions on complaints and ordering corrective measures as required, or by assisting parties in resolving their issues through mediation or other informal processes. During the planning period, one of the Agency's priorities will be to improve its dispute resolution system in order to provide more timely resolution of disputes.

Issues addressed by the Agency include:

Air transportation:

- complaints related to carriers' application of their tariff provisions and on prices applied by air carriers on non-competitive routes within Canada (to ensure that air carriers licensed to operate in Canada meet the legislative requirements in place to protect Canadians); and
- appeals of increases in air navigational charges imposed by Nav Canada (to ensure that principles used to establish the charges are in compliance with the legislation).

Rail transportation:

- disputes between shippers and rail carriers regarding issues such as: interswitching, competitive or single line rates; joint rates; running rights; joint track usage; and level of service; and
- disputes between railway companies and municipalities, road authorities, landowners and others that interact with them.

Marine transportation:

- complaints about user fees charged by Canadian port authorities and the St. Lawrence Seaway Management Corporation (to determine if they are unjustly discriminatory);
- opposition to proposed pilotage charges (to determine whether the pilotage authority has based its fees to continue operations on a self-sustaining financial basis, and if the proposed user charges are fair, reasonable and in the public interest); and
- complaints about agreements between shipping conferences or actions by a member of a cartel of shipping lines (to ensure that no such agreement or action reduces competition or results in an unreasonable increase in price or reduction in service).

Agency performance in attaining this result will be monitored by examining:

- the nature of key decisions on air, rail and marine transportation disputes and complaints;
- the number and trends of air, rail and marine transportation disputes and complaints resolved and in process through either formal or informal methods;
- the number and nature of Agency decisions and orders on air, rail and marine disputes and complaints that are appealed and the number and percentage that are upheld or overturned on appeal;
- the percentage of cases resolved within the relevant statutory deadline; and
- the comments of parties involved in mediation and informal dispute resolution processes undertaken by the Agency and the level of resolution of such disputes.

**Result 2: The removal of undue obstacles for persons with disabilities from federally-regulated transportation**

The *Canada Transportation Act* gives the Agency the power to eliminate undue obstacles to the mobility of Canadians with disabilities. It does so in two ways:

- on a case-by-case basis by resolving individual complaints formally and ordering remedial actions as required, or through mediation or other informal processes; and
- on a systemic basis by developing regulations, codes of practice and standards concerning the level of accessibility in all modes of transport under federal jurisdiction.

Agency performance will be monitored by examining:

- the nature of key decisions on accessibility dispute cases;



- the number and trends of accessibility complaints resolved and in process through both formal and informal methods;
- the trends and type of undue obstacles found by the Agency;
- feedback from people with disabilities on the accessibility of public air, rail or ferry travel;
- the results of monitoring of the transportation industry's compliance with Agency codes of practice (air, rail, ferry and communications); and
- the number and nature of Agency decisions and orders on accessibility complaints that are appealed and the number and percentage that are upheld or overturned on appeal.

**Result 3: Protection of the economic and other interests of transportation users, carriers and other affected parties**

Although the government's transportation policy favours competition and market forces, it also recognizes that certain measures are required to protect consumers, shippers and Canadian carriers. As such, the Agency's activities include:

Air transportation:

- licensing air carriers that provide domestic or international publicly available air transportation services (to ensure that carriers hold liability insurance, a valid Canadian aviation document and that Canadian carriers are owned and controlled by Canadian citizens);
- administering a permit system for international charter operations (to protect international passenger charter flight advance payments); and
- participating in bilateral air transport negotiations and implementing agreements and arrangements (to ensure that bilateral agreements are implemented fairly, balancing the interests of all parties).

Rail transportation:

- making an independent and fair assessment of the annual revenue caps for Canadian National Railway Company (CN) and Canadian Pacific Railway Company (CP) for the movement of Western grain and determining if the railway companies have exceeded their revenue entitlement for the movement of Western grain;
- issuing rail certificates of fitness to federally-regulated rail carriers (to ensure that they hold adequate liability insurance); and
- assessing the environmental impacts of proposed railway construction projects and ordering corrective measures as required.

Marine transportation:

- determining if Canadian ships are available to operate commercial services proposed to be provided by foreign ships in Canadian waters (to ensure that no foreign ships will be allowed to operate commercial services in Canadian waters if a suitable Canadian ship is available to carry out the services).

Agency Performance will be monitored by examining:

- the number and trends in air licence applications denied, licence suspensions, new licences issued and charter permits issued and denied;
- feedback from shippers, producers and carriers who participate in the Agency's process to develop the Western grain transportation revenue cap and the number and nature of decisions related to Western grain transportation;
- the volume of rail certificates of fitness issued, monitored, amended, suspended, revoked and denied;
- the volume and nature of environmental assessments of rail construction projects;
- the volume of decisions on coasting trade applications and the number of applications that result in rulings that Canadian ships, as opposed to foreign ships, are available to deliver cargo within Canada; and
- the number and nature of Agency decisions and orders on air, rail and marine matters that are appealed and the number and percentage that are upheld or overturned on appeal.

#### **2.1.6 Human Resources Management Capacity**

In delivering on its mandate, the Agency faces two major challenges in the coming years in relation to human resources management. The first of these challenges is the need to address increasing demands on the Agency workload given resource challenges, while the second relates to succession planning. The Agency is addressing these challenges as management priorities, and a more detailed description of plans to address these issues is described in Section I.

In general, the Agency has implemented a comprehensive, integrated human resource planning framework that focusses on corporate priorities in human resource management, and reflects a philosophy of strategic staffing and recruitment. As part of this framework, both a three-year strategic human resources plan and a succession plan are being implemented.

## **SECTION III – SUPPLEMENTARY INFORMATION**



### **3.1 Agency Information**

The Agency exercises its powers through its Members, who are appointed by the Governor in Council (GIC). The GIC may appoint up to seven Members, of which one may be designated Chairman and one Vice-Chairman. The Minister of Transport, Infrastructure and Communities can also appoint up to three temporary Members.

The Chairman is accountable for the Agency's single program activity. The Vice-Chairman replaces the Chairman in his or her absence. All Agency Members are accountable for making quasi-judicial decisions on matters before the Agency.

The Agency's organizational structure comprises four branches: the Rail and Marine Transportation Branch, the Air and Accessible Transportation Branch, the Legal Services and Secretariat Branch, and the Corporate Management Branch. The head of each branch, as well as Communications and Internal Audit, report to the Chairman.

The two program branches, the Rail and Marine Transportation Branch and the Air and Accessible Transportation Branch, relate to the Agency's regulatory functions. The Legal Services and Secretariat Branch performs regulatory activities and the Corporate Management Branch provides administrative support.

The Agency's headquarters are located in the National Capital Region. Agency personnel working in field offices in six cities across Canada carry out air and accessibility enforcement activities. More information about the role and the structure of the Agency can be found on the Agency's Web site at [www.cta.gc.ca/about-nous/index\\_e.html](http://www.cta.gc.ca/about-nous/index_e.html).

### 3.2 Agency Link to Government of Canada Outcomes

**Strategic Outcome:** A fair and transparent economic regulatory regime that helps achieve a viable and accessible national transportation system.

**Program Activity:** Economic regulation of the federal transportation system

2007–2008						
(thousands of dollars)	Budgetary			Total Main Estimates	Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending
	Operating	Contributions and other Transfer Payments	Gross Budgetary Expenditures			
	22,611	3,444	26,055	26,055	1,159	27,214
<b>Total</b>	<b>22,611</b>	<b>3,444</b>	<b>26,055</b>	<b>26,055</b>	<b>1,159</b>	<b>27,214</b>

The Agency's single program activity contributes to the achievement of the Government of Canada's outcome of "a fair and secure marketplace".

### 3.3 Tables

**3.3.1 Table 1: Agency Planned Spending and Full Time Equivalents**

<b>(thousands of dollars)</b>	Forecast Spending 2006–2007	<b>Planned Spending 2007–2008</b>	Planned Spending 2008–2009	Planned Spending 2009–2010
Economic regulation of the federal transportation system	26,817	<b>26,055</b>	26,026	26,026
Budgetary Main Estimates (gross)	26,817	<b>26,055</b>	26,026	26,026
<b>Total Main Estimates</b>	<b>26,817</b>	<b>26,055</b>	<b>26,026</b>	<b>26,026</b>
<i>Adjustments</i>				
Supplementary Estimates:				
Economic Policy Framework for Airports in Canada to fund costs of appeals	0	<b>0</b>	275	275
Operating budget carry forward	1,049	<b>1,159</b>	0	0
Other:				
Treasury Board Vote 15	251	<b>0</b>	0	0
Spending of proceeds from disposal of surplus Crown assets	65	<b>0</b>	0	0
Surplus Operating	(500)	<b>0</b>	0	0
<i>Total Adjustments</i>	865	<b>1,159</b>	275	275
<b>Total Planned Spending</b>	<b>27,682</b>	<b>27,214</b>	<b>26,301</b>	<b>26,301</b>
Total Planned Spending	27,682	<b>27,214</b>	26,301	26,301
Less: Non-Respendable Revenue	(86)	<b>(59)</b>	(59)	(59)
Plus: Cost of services received without charge	3,267	<b>3,256</b>	3,200	3,200
<b>Total Agency Spending</b>	<b>30,863</b>	<b>30,411</b>	<b>29,442</b>	<b>29,442</b>
<b>Full Time Equivalents</b>	<b>267</b>	<b>255</b>	<b>242</b>	<b>242</b>

The Agency's planned spending and levels of full time equivalents over the next years reflect a downward trend. As a result of the reduction in funding, fiscal year 2007–2008 will be a transition period in which the Agency will balance its workload with reduced resources by using the operating budget carry forward from 2006–2007. Following this transition year, planned spending and full time equivalent figures will stabilize.

### 3.3.2 Table 2: Voted and Statutory Items

<b>(thousands of dollars)</b>			
Vote or Statutory Item	Truncated Vote or Statutory Wording	<b>2007–2008 Main Estimates</b>	2006–2007 Main Estimates
25	Operating or Program expenditures	<b>22,611</b>	23,173
(S)	Contributions to employee benefit plans	<b>3,444</b>	3,644
	<b>Total for the Agency</b>	<b>26,055</b>	26,817

#### Explanation of variances

The variance between 2006-2007 and 2007-2008 Main Estimates relates to increases in collective agreements compensation and the elimination of the funding for the Air Travel Complaints Program. More information about the elimination of the funding for the Air Travel Complaints Program can be found in section 1.4.4.

### 3.3.3 Table 3: Services Received Without Charge

<b>(thousands of dollars)</b>	<b>2007–2008</b>
Accommodation provided by Public Works and Government Services Canada	<b>1,872</b>
Contributions covering employers' share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds)	<b>1,347</b>
Worker's compensation coverage provided by Human Resources and Social Development Canada	<b>23</b>
Salary and associated expenditures of legal services provided by the Department of Justice Canada	<b>14</b>
<b>Total 2007–2008 Services received without charge</b>	<b>3,256</b>



### 3.3.4 Table 4: Sources of Non-Respendable Revenue

(thousands of dollars)	Forecast Revenue 2006–2007	<b>Planned Revenue 2007–2008</b>	Planned Revenue 2008–2009	Planned Revenue 2009–2010
Refunds of previous years' expenditures	46	<b>37</b>	37	37
Administrative Monetary Penalties	40	<b>22</b>	22	22
Sales of Goods and Services *	0	<b>0</b>	0	0
<b>Total Non-Respendable Revenue</b>	86	<b>59</b>	59	59

\* Less than \$100 per year

### 3.3.5 Table 5: Resource Requirement by Branch or Sector

2007–2008	
Branches	Total planned spending for economic regulation of the federal transportation system  (thousands of dollars)
Chairman's Office*	3,731
Corporate Management	5,971
Rail and Marine Transportation	6,141
Air and Accessible Transportation	7,989
Legal Services and Secretariat	3,382
<b>Total</b>	<b>27,214</b>

\* This includes the Members, Communications Directorate and Internal Audit.

### 3.3.6 Table 6: Internal Audits

Name of Internal Audit	Audit Type	Status	Expected Completion Date	Electronic Link to Report
<b>2007-2008</b>				
• Rail Economics Directorate	Regulatory Function	Planned	September 2007	N/A <sup>1</sup>
• International Agreements	Regulatory Function	Planned	December 2007	N/A
• Follow-up audits	Regulatory Functions	Planned	January-March 2008	N/A
<b>Electronic Link to Internal Audit and Evaluation Plan:</b>			Audit Plan is under development.	

The Internal Audit Plan for fiscal years 2008–2009 and 2009–2010 is being developed.

With regard to recent internal audits, any and all findings and recommendations were agreed to by management, with none having such significance as to have an impact on the Agency’s plans and priorities.

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<sup>1</sup>When completed, the Agency’s evaluations and internal audits are available at [www.tbs-sct.gc.ca/rma/database/newdeptview\\_e.asp?id=29](http://www.tbs-sct.gc.ca/rma/database/newdeptview_e.asp?id=29).

## **SECTION IV – OTHER ITEMS OF INTEREST**



## 4.1 Other Information

### 4.1.1 Canadian Transportation Agency Results Chain

#### Strategic Outcome

A fair and transparent economic regulatory regime that helps achieve a viable and accessible national transportation system



#### Intermediate Outcomes

- Federal transportation issues are resolved fairly, effectively and efficiently
- Undue obstacles for persons with disabilities are removed from federally regulated transportation
- Economic and other interests of transportation users, carriers and other affected parties are protected



#### Outputs

- Decisions and Orders
- Licences, permits, certificates of fitness and other determinations
- Codes of practice, tools and regulations
- Educational material
- Revenue caps for the transportation of Western grain by rail
- Processed and resolved complaints
- Advice regarding administration of the *Canada Transportation Act*
- Administrative Monetary Penalties imposed
- Reports



#### Activities

- Conduct hearings
- Mediate disputes
- Process air travel complaints
- Communication activities, including speeches, presentations, publication and dissemination of information, etc.
- Monitoring and investigation activities to ensure compliance with regulations, legislation and international agreements
- Issue licences, permits, certificates, recommendations and other determinations
- Administrative determinations
- Develop and implement regulations
- Develop codes of practice, guidelines and similar tools
- Consultations with key stakeholders

## 4.1.2 Annual Reports

Annual Reports for 1997 to 2005 (covering each calendar year) are available on the Agency's Web site at [www.cta.gc.ca](http://www.cta.gc.ca).

## 4.1.3 Contacts for Further Information

Postal address: Canadian Transportation Agency      Web site: [www.cta.gc.ca](http://www.cta.gc.ca)  
Ottawa, Ontario, Canada K1A 0N9

Performance Area	Contact Name	Title	Telephone Number and E-Mail Address
Regulatory Support	Claude Jacques	General Counsel and Secretary	(819) 997-9323 <a href="mailto:claud.jacques@cta-otc.gc.ca">claud.jacques@cta-otc.gc.ca</a>
Air and Accessible Transportation	Joan MacDonald	Director General	(819) 953-5074 <a href="mailto:joan.macdonald@cta-otc.gc.ca">joan.macdonald@cta-otc.gc.ca</a>
Rail and Marine Transportation	Ian Spear	A/Director General	(819) 953-4657 <a href="mailto:ian.spear@cta-otc.gc.ca">ian.spear@cta-otc.gc.ca</a>
Corporate Management	Arun Thangaraj	A/Director General	(819) 997-6764 <a href="mailto:arun.thangaraj@cta-otc.gc.ca">arun.thangaraj@cta-otc.gc.ca</a>
Planning	Gonnie de Witte	A/Director	(819) 953-9892 <a href="mailto:gonnie.dewitte@cta-otc.gc.ca">gonnie.dewitte@cta-otc.gc.ca</a>
Communications	Jacqueline Bannister	Director	(819) 953-7666 <a href="mailto:jacqueline.bannister@cta-otc.gc.ca">jacqueline.bannister@cta-otc.gc.ca</a>

#### 4.1.4 Legislation and Regulations Administered

**The Agency has primary responsibility for the following Act:**

<i>Canada Transportation Act</i> . . . . .	<i>S.C. 1996, c. 10</i>
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**The Agency shares responsibility for the following Acts:**

<i>Access to Information Act</i> . . . . .	<i>R.S. 1985, c. A-1</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. 1985, c. E-9</i>
<i>Financial Administration Act</i> . . . . .	<i>R.S. 1985, c. F-11</i>
<i>Official Languages Act</i> . . . . .	<i>R.S. 1985, c. 31 (4th Supp.)</i>
<i>Pilotage Act</i> . . . . .	<i>R.S. 1985, c. P-14</i>
<i>Privacy Act</i> . . . . .	<i>R.S. 1985, c. P-21</i>
<i>Public Service Modernization Act</i> . . . . .	<i>S.C. 2003, c. 22</i>
<i>Railway Relocation and Crossing Act</i> . . . . .	<i>R.S. 1985, c. R-4</i>
<i>Railway Safety Act</i> . . . . .	<i>R.S. 1985, c. 32 (4th Supp.)</i>
<i>Shipping Conferences Exemption Act, 1987</i> . . . . .	<i>R.S. 1985, c. 17 (3rd Supp.)</i>

**The Agency has sole responsibility for the following regulations and other statutory instruments:**

*Air Transportation Regulations*

*Canadian Transportation Agency Designated Provisions Regulations*

*Canadian Transportation Agency General Rules*

*Personnel Training for the Assistance of Persons with Disabilities Regulations*

*Railway Costing Regulations*

*Railway Interswitching Regulations*

*Railway Third Party Liability Insurance Coverage Regulations*

*Railway Traffic and Passenger Tariffs Regulations*

*Railway Traffic Liability Regulations*

*Uniform Classification of Accounts and Related Railway Records*

**The Agency shares responsibility for the following regulations:**

*Carriers and Transportation and Grain Handling Undertakings Information Regulations*

*Railway Company Pay Out of Excess Revenue for the movement of Grain Regulations*

*The Jacques-Cartier and Champlain Bridges Inc. Regulations*

*The Seaway International Bridge Corporation, Ltd. Regulations*

These Acts and Regulations are available in the “Legislation” section of the Agency’s Web site at [www.cta.gc.ca/legislation/index\\_e.html](http://www.cta.gc.ca/legislation/index_e.html).