

Government of British Columbia
Submission to the *Canada Transportation Act Review*





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Canada Transportation Act Review Panel

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The Government of British Columbia is pleased to submit this document as its main submission to the *Canada Transportation Act* (CTA) Review Panel. This submission complements the December 8, 2014, submission to the CTA Review Panel regarding transportation of grain by rail.

The Government of British Columbia has successfully collaborated with the federal government on many transportation-related initiatives over the years, particularly in the last decade. This submission builds on the Province's history of successful collaboration with all levels of government and the private sector to create a competitive transportation environment. It is based on direction from the CTA Review Panel, discussions among the western provinces, engagement with key stakeholders and input from program area experts from across government. It references and builds upon many initiatives implemented by the Government of British Columbia, including the *BC Jobs Plan*, B.C.'s *Liquefied Natural Gas Strategy*, *Connecting with the World: An Aviation Strategy for British Columbia*, *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*, *Accessibility 2024*, as well as the *Pacific Gateway Transportation Strategy* and the New West Partnership Trade Agreement.

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The submission identifies recommendations for the CTA Review Panel's consideration, based on the strategic requirements that British Columbia has identified to enhance its position as a major world trading partner over the next 20 to 30 years. These recommendations are aligned with and support four key objectives related to accessibility, competition, sustainability and livability, which are described in further detail on page 1. While these objectives, and the supporting recommendations, are British Columbia-focused, they contribute to positive economic growth and job creation for Canada as a whole. A summary table of the recommendations can be found in Appendix A.

This submission identifies opportunities for the CTA and other federal transportation-related policies, programs, funding and legislation to support British Columbia's and Canada's continued economic growth. Specifically, the Government of British Columbia has identified four recommended key transportation-related priorities for the federal government, which, if actioned, will help to lay the groundwork for a long-term transportation framework that will create jobs and foster economic growth.

We appreciate the opportunity to provide input to this process and look forward to continuing to build on our record of successful collaboration with the federal government.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Todd G. Stone".

Todd G. Stone
Minister

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EXECUTIVE SUMMARY

British Columbia and Canada both recognize the essential role of the transportation network in building and growing the economy and in ensuring a high quality of life for our citizens. Along with getting people, goods and services where they need to go, transportation generates employment and underpins job creation, economic development and progress in British Columbia and throughout Canada.

To position the provincial and national economies for future growth and prosperity, there is the opportunity for all levels of government to collaborate to foster an environment that encourages development and expansion of the transportation sector. The entire supply chain, across modes, must be reliable, efficient and able to safely accommodate both current and growing forecasted export and import demand for all commodities. It should also be responsive to the continued evolution of the world economy, as new trading partners emerge and new technologies change the way we do business.

Many aspects of transportation, including the provision of infrastructure, are primarily the responsibility of local governments, provincial governments and the private sector. However, federal policies, programs, funding and legislation influence the transportation sector significantly. The *Canada Transportation Act* (CTA) review provides an opportunity for British Columbia to assess Canada's transportation-related regulations and policies. We welcome this opportunity to provide recommendations to ensure that these regulations and policies continue to support the economic health and livability of our communities, and Canada's international competitiveness, over the next 20 to 30 years.

The Government of British Columbia is actively growing its economy and improving the livability of its communities through initiatives such as the *BC Jobs Plan*, B.C.'s *Liquified Natural Gas Strategy*, *Connecting with the World: An Aviation Strategy for British Columbia*, *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*, *Accessibility 2024*, as well as the *Pacific Gateway Transportation Strategy* and the New West Partnership Trade Agreement. All of these initiatives recognize and emphasize that economic prosperity and livability rely on a robust, efficient and reliable multi-modal transportation system.

In recognition of the essential role of transportation in supporting and enhancing the province's economy and the livability of its communities, the Government of British Columbia has identified four key transportation-related objectives. The 20 recommendations contained in this submission support the attainment of these objectives:

- **Enhance access to British Columbia to create jobs and stimulate economic growth:** B.C. has a growing economy and, as identified in the *BC Jobs Plan*, *Connecting with the World: An Aviation Strategy for British Columbia* and the *Pacific Gateway Transportation Strategy*, enabling increased access to the province will further grow the economy and support job creation and investment.
- **Enable British Columbia's ports of entry to be more competitive:** The infrastructure and governance of Canada's ports of entry – air, marine and land – should support international trade competitiveness for B.C. and Canada.
- **Promote a sustainable transportation system:** Increased investment in the transportation network would preserve existing assets by slowing deterioration, increasing safety and expanding capacity to accommodate increased trade throughout western Canada.

- **Ensure the transportation network supports accessibility and community livability now and in the future:** There is potential for our transportation system to better promote vibrant, healthy, livable communities in B.C. through changes in key areas, including safety, regional access, accessible transportation – as identified in *Accessibility 2024* – climate change, public transit and coastal and inland ferries. A world-class transportation system includes incident prevention, response and recovery systems to manage and mitigate risk. Appropriate safety standards will ensure all commodities are moved safely and reliably throughout the supply chain.

The Government of British Columbia has identified four transportation priorities for the next five years that provide the opportunity to provide additional support to the Province in the attainment of these objectives:

- 1. Asia-Pacific Gateway:** The federal government is a key partner in the success of the Asia-Pacific Gateway program, including the Asia-Pacific Gateway and Corridor Initiative. Continued collaboration between the federal and provincial governments and the private sector will improve the efficiency, reliability and international competitiveness of the supply chain. This support will help to reinforce the Government of British Columbia's commitment to international trade, as outlined in the *BC Jobs Plan*.
- 2. Aviation:** The Government of British Columbia believes that there is an opportunity for the federal government to actively pursue liberalized Air Transport Agreements (ATAs). The liberalization of ATAs would enhance air access to British Columbia, creating jobs and economic growth through increased tourism, international education opportunities, corporate investment and the continued expansion of B.C.'s aerospace sector. Improving the flexibility of ATAs is emphasized in *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016* and is identified as an action in *Connecting with the World: An Aviation Strategy for British Columbia*. It also supports the *BC Jobs Plan*.
- 3. Ports:** As a critical part of the supply chain, west coast ports play a key role in the success of the Pacific Gateway. By improving financial flexibility for Canada Port Authorities, the federal government will help these organizations to access the funding necessary to support major capital upgrades and to improve their competitiveness. This will support anticipated growth in international trade, as outlined in the *BC Jobs Plan*, as well as the success of B.C.'s *Liquified Natural Gas Strategy* and other anticipated growth in B.C. industry.
- 4. Ferry Service:** Ferry service is a critical part of B.C.'s transportation network, one that provides a significant amenity to British Columbians from across the province and an essential social and commercial link for citizens, families and businesses in coastal communities. The federal government is an important partner in ensuring the long-term sustainability of British Columbia's coastal ferry service and improving livability and economic growth in ferry-dependent coastal communities. Sustainable ferry service supports British Columbia's tourism strategy, *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*, and Canada's Federal Tourism Strategy: *Welcoming the World*.

As with the recommendations in this submission, with these priorities the Province of British Columbia has identified key actions that the federal government can consider to help to support British Columbia in maximizing the growth of its economy – and the Canadian economy overall – and in maintaining a high quality of life for its citizens.

1.0 INTRODUCTION

British Columbia and Canada both recognize the essential role the transportation network plays in building and growing the economy and in ensuring a high quality of life. Along with getting people, goods and services where they need to go, transportation generates employment and underpins job creation, economic development and progress in British Columbia and throughout Canada. Many aspects of transportation, including the provision of infrastructure, are primarily the responsibility of local governments, provincial governments and the private sector. However, federal policies, programs, funding and legislation influence the transportation sector significantly.

The Government of British Columbia has identified four key objectives that emphasize the essential role of transportation in supporting and enhancing the province's economy and the livability of its communities:

- **Enhance access to British Columbia to create jobs and stimulate economic growth:** B.C. has a growing economy and, as identified in the *BC Jobs Plan, Connecting with the World: An Aviation Strategy for British Columbia* and the *Pacific Gateway Transportation Strategy*, enabling increased access to the province will grow the economy and support job creation and investment.
- **Enable British Columbia's ports of entry to be more competitive:** As identified in the *BC Jobs Plan*, the infrastructure and governance of Canada's ports of entry – air, marine and land – should support international trade competitiveness for B.C. and Canada.
- **Promote a sustainable transportation system:** Increased investment in the transportation network would preserve existing assets by slowing deterioration, increasing safety and expanding capacity to accommodate increased trade throughout western Canada.
- **Ensure the transportation network supports accessibility and community livability now and in the future:** There is potential for our transportation system to better promote vibrant, healthy, livable communities in B.C. through changes in key areas including safety, regional access, accessible transportation – as identified in *Accessibility 2024* – climate change, public transit and coastal and inland ferries. A world-class transportation system includes incident prevention, response and recovery systems to manage and mitigate risk. Appropriate safety standards will ensure all commodities are moved safely and reliably throughout the supply chain.

To position the provincial and national economies for future growth and prosperity, it is important for all levels of government to work together to foster an environment that encourages development and expansion of the transportation sector. The entire supply chain, across modes, must be reliable, efficient and able to safely accommodate both current and growing forecasted export and import demand for all commodities. It should also be responsive to the continued evolution of world economy, as new trading partners emerge and new technologies change the way we do business.

2.0 BRITISH COLUMBIA'S TRANSPORTATION PRIORITIES OVER THE NEXT FIVE YEARS

The Government of British Columbia is actively growing its economy and improving the livability of its communities through initiatives such as the *BC Jobs Plan*, B.C.'s *Liquified Natural Gas Strategy*, *Connecting with the World: An Aviation Strategy for British Columbia*, *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*, and *Accessibility 2024*, as well as the *Pacific Gateway Transportation Strategy* and the New West Partnership Trade Agreement. These initiatives recognize and emphasize that economic prosperity and livability rely on a robust, efficient and reliable multi-modal transportation system.

The Province has identified four priority areas for the next five years where there is the opportunity for the federal government to support the effectiveness of these initiatives:

- 1. Asia-Pacific Gateway:** The federal government is a key partner in the success of the Asia-Pacific Gateway program, including the Asia-Pacific Gateway and Corridor Initiative. Continued collaboration between the federal and provincial governments and the private sector will improve the efficiency, reliability and international competitiveness of the supply chain. This support will help to reinforce the Government of British Columbia's commitment to international trade, as outlined in the *BC Jobs Plan*.
- 2. Aviation:** The Government of British Columbia believes that there is an opportunity for the federal government to actively pursue liberalized Air Transport Agreements (ATAs). The liberalization of ATAs would enhance air access to British Columbia, creating jobs and economic growth through increased tourism, international education opportunities, corporate investment and the continued expansion of B.C.'s aerospace sector. Improving the flexibility of ATAs is emphasized in *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016* and is identified as an action in *Connecting with the World: An Aviation Strategy for British Columbia*. It also supports the *BC Jobs Plan*.
- 3. Ports:** As a critical part of the supply chain, west coast ports play a key role in the success of the Pacific Gateway. By improving financial flexibility for Canada Port Authorities, the federal government will help these organizations to access the funding necessary to support major capital upgrades and to improve their competitiveness. This will support anticipated growth in international trade, as outlined in the *BC Jobs Plan*, as well as the success of B.C.'s *Liquefied Natural Gas Strategy* and other anticipated growth in B.C. industry.
- 4. Ferry Service:** Ferry service is a critical part of B.C.'s transportation network, one that provides a significant amenity to British Columbians from across the province and an essential social and commercial link for citizens, families and businesses in coastal communities. The federal government is an important partner in ensuring the long-term sustainability of British Columbia's coastal ferry service and improving livability and economic growth in ferry-dependent coastal communities. Sustainable ferry service supports British Columbia's tourism strategy, *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*, and Canada's Federal Tourism Strategy: *Welcoming the World*.

As with the recommendations in this submission, with these priorities, the Province of British Columbia has identified key actions that the federal government can consider to help to support British Columbia in maximizing the growth of its economy – and the Canadian economy overall – and in maintaining a high quality of life for its citizens.

3.0 CANADA TRANSPORTATION ACT AND NATIONAL TRANSPORTATION POLICY

The *Canada Transportation Act* (CTA) review provides an opportunity to build upon the National Transportation Policy by examining the ongoing need for specific economic regulation. British Columbia's input is based upon allowing market forces to guide development of a competitive transportation system. These recommended changes are outlined below.

Strengthen Canada's National Transportation Policy

Section five of the *Canada Transportation Act* sets out a National Transportation Policy (NTP) that provides the framework for federal activities related to transportation. The policy states that a competitive, economic and efficient transportation system is desirable and best achieved through reliance on market forces, with regulation and government intervention applied only in situations where market forces cannot be relied upon to achieve desired economic, safety, security, environmental or social outcomes.

Subsection (e) references an integrated transportation system and the need for governments and the private sector to work together. The provincial and federal governments have championed this approach with their partners in the Pacific Gateway, including service providers and port terminals. Supply chain efficiency depends upon these partners working collaboratively to provide innovative, safe and cost-effective transportation services to Canadians and to our trading partners abroad. British Columbia recognizes and supports the contribution that these service providers make and encourages further innovation and collaboration in developing service level agreements and performance standards across the supply chain.

Differing approaches to infrastructure investment between countries can put Canadian transportation providers at a disadvantage when they compete internationally. In Canada, aviation is essentially based upon a user-pay approach, whereas road and transit are publicly funded with some user pay elements through tolling or fares. Railways are generally private sector businesses with government subsidies focused on passenger rail. In some instances, Canada's approach to infrastructure investment, fees and charges relative to those in the United States result in services and facilities being less competitive than comparable services and facilities in the United States.

Confidence in the supply chain is connected to reliability of the supply chain. At the New West Partnership summit on November 6, 2014, the premiers of British Columbia, Alberta and Saskatchewan agreed that world-class environmental and safety standards are required as a key component of future infrastructure planning and development. A world-class system includes incident prevention, response and recovery systems to manage and mitigate risk. Appropriate safety standards will ensure all commodities are moved safely and reliably throughout the supply chain.

Harmonization of transportation-related standards between provinces and territories is necessary to support the free flow of goods and people within Canada. Harmonization of standards and enforcement practices reduces confusion among service providers, increases compliance and eliminates the need for expensive equipment modifications in order to comply with multiple standards.

Despite efforts to promote efficiencies through less restrictive frameworks, such as memorandums of understanding, overall efficiency of the transportation system is impacted by the rate of legislative and regulatory change. The rate of technological change and innovation is outpacing the rate of supporting legislative changes. A statement in the NTP addressing innovation and the openness of Canada to piloting new technologies would encourage federal departments to work collaboratively with the provinces and the private sector to ensure that Canada is at the forefront of innovation as new technologies evolve. British Columbia has successfully piloted projects in the past that are now national initiatives.

The federal, provincial, and territorial governments all have responsibility and jurisdiction over transportation emissions, which are leading contributors to climate change. The existing range of policy and regulatory initiatives aimed at reducing air pollutants and greenhouse gas emissions should be updated regularly to promote stronger emission standards for new engines, recognize new technologies and provide incentives for industry to pursue transportation options that reduce the overall environmental impact associated with transportation.

Recommendation 1 – Strengthen Canada’s National Transportation Policy	Relevant B.C. Objectives
<p>British Columbia supports the existing National Transportation Policy framework, which primarily relies on market forces to achieve policy objectives. The following guiding principles should be considered to strengthen the existing National Transportation Policy:</p> <ul style="list-style-type: none">a) Support the global competitiveness of Canada’s transportation system through federal investment.b) Implement world-class spill prevention, response and recovery systems to address environmental risks associated with the movement of goods throughout the supply chain.c) Preserve existing infrastructure assets and avoid accelerated deterioration of these assets by recognizing costs required to maintain infrastructure investments throughout their life-cycle.d) Continue to promote and support harmonization initiatives that reduce barriers to the free and safe movement of goods and people across Canada.e) Accommodate emerging technologies through changes to regulation that allow for pilot programs for new technologies.f) Proactively pursue opportunities to negotiate more liberalized international air transport agreements.g) Consider regional climate change adaptation measures and greenhouse gas emission reductions in federal transportation decision-making.	<ul style="list-style-type: none">• Access• Competitiveness• Sustainability• Livability

4.0 STRATEGIC INFRASTRUCTURE, ASIA-PACIFIC GATEWAY AND TRADE CORRIDORS

Almost ten years ago, British Columbia partnered with Canada, Alberta, Saskatchewan, CN, CP, Port Metro Vancouver, Prince Rupert Port Authority and the Vancouver Airport Authority with the goal of maximizing British Columbia's strategic position as Canada's gateway for the Asia Pacific. This extraordinary collaboration among all levels of government and the private sector, combined with the federal funding provided by the Asia-Pacific Gateway and Corridor Initiative (APGCI), resulted in operational improvements, new infrastructure, policy and research.

British Columbia's role as Canada's Pacific Gateway is growing, providing substantial economic benefit to B.C. and Canada. British Columbia has identified the Asia-Pacific Gateway as one of its key priorities for federal government engagement over the next five years, noting that the federal government has an important role in building on the successes of the Asia-Pacific Gateway program, including the APGCI. Continued collaboration between the federal and provincial governments and the private sector is essential to improving the efficiency, reliability and international competitiveness of the supply chain.

Prepare for a Substantial Forecasted Growth in Trade

Global economic conditions, coupled with collaboration in the Pacific Gateway and the federal government's success in trade negotiations, have resulted in diversifying export markets away from the United States and towards growing markets in Asia. In 2005, 65 percent of British Columbia's origin exports were shipped to the USA. By 2013, this number dropped to 46 percent, while 41 percent of B.C. exports were shipped to Asia.¹

Similarly, in 2013, British Columbia ports handled 46 percent of Canada's marine exports. Goods valued at over \$68 billion were exported through B.C. Recent studies indicate that the demand for moving bulk commodities and containers through the Pacific Gateway will increase 25 to 75 percent or more by 2024, with even greater potential for growth in the movement of energy products.

The economic opportunities presented by a growth in trade can be maximized if the provinces, the private sector and the federal government continue to work together. These partnerships will support supply chain infrastructure and help to ensure that Canada's transportation network is equipped to move goods efficiently.

Recommendation 2 – Prepare for a Substantial Forecasted Growth in Trade	Relevant B.C. Objectives
Build upon the successes of the Pacific Gateway Alliance to promote a transportation system that can respond to predicted growth in trade.	<ul style="list-style-type: none">● Sustainability● Access● Competitiveness

¹ Source: BC Stats

Improve Performance and Reliability

Performance and reliability are key factors in Canada's competitive advantage. Maintaining this advantage requires ongoing monitoring of the transportation network and planning to ensure capacity is in place when needed.

At the New West Partnership summit on November 6, 2014, the premiers of Alberta, Saskatchewan and British Columbia agreed that the CTA review could be the jumping off point for expanded monitoring systems, information sharing, and cooperation among stakeholders, creating the conditions needed to improve efficiency of goods movement across the transportation network. The premiers and industry leaders also agreed that procedures should be developed to handle high demand in the transportation system and that incentives should be explored to help promote innovation in the supply chain.

Recommendation 3 – Improve Performance and Reliability	Relevant B.C. Objectives
Further develop system-wide monitoring and multi-modal performance metrics, and encourage information-sharing among all participants in the transportation supply chain.	<ul style="list-style-type: none">● Sustainability● Competitiveness

Improve Connectivity between Canada and the United States

Although trade with Asia is growing, the United States is still Canada's largest trading partner. British Columbia is committed to working with the federal government, neighbouring states, provinces and territories, the private sector and other partners to make sure there is a common sense approach to crossing the border and to ensure differing regulations are not preventing cross-border trade and travel. While safety is the most important factor, increasing the free flow of people and goods wherever possible is important for economic growth. Differences in regulatory requirements can cause competitive disadvantages that allow companies in one country to underbid companies in the other.

British Columbia is pleased with the progress made to date on the *Beyond the Border* Action Plan. While much has been achieved to date, there are still opportunities to help increase the legitimate movement of people and goods across the Canada/United States border. Improving the flow of business and leisure travelers, goods and services across the Canada/United States border are elements of both *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016* and the *Pacific Gateway Transportation Strategy*.

Develop Intelligent Transportation Systems

Federal programs have provided funding in the past for Intelligent Transportation Systems (ITS) to improve system performance. Two examples of ITS in British Columbia are Weigh2GoBC and the Regional Transportation Management Centre. The Weigh2GoBC Program, a network of Weigh-in-Motion and Automatic Vehicle Identification technologies on key trade corridors, lets low-risk commercial vehicles avoid unnecessary stops at inspection stations. The Regional Transportation Management Centre provides congestion and incident management monitoring and driver notification in B.C.'s Lower Mainland. ITS programs, enhanced and supported by federal funding, reduce congestion and improve system efficiency.

Recommendation 4 – Improve Canada/U.S. Connectivity and Implement Intelligent Transportation Systems	Relevant B.C. Objectives
<p>In support of <i>Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016</i>, <i>Connecting with the World: An Aviation Strategy for British Columbia</i> and the <i>Pacific Gateway Transportation Strategy</i>, continue to improve the movement of people, goods and services by:</p> <ul style="list-style-type: none"> a) Harmonizing regulations between jurisdictions where appropriate. b) Building upon the <i>Beyond the Border</i> Action Plan in consultation with provinces and states. c) Implementing Intelligent Transportation Systems technologies. 	<ul style="list-style-type: none"> • Competitiveness • Access • Sustainability

Balance Risk and Regulation Appropriately

While safety and security are the most important factors in developing transportation regulations, some regulations do not accurately reflect the actual level of risk. A good example is the runway end safety area proposal at airports. While this is a factor for large airports, it is not an appropriate approach to optimize safety at smaller airports and could lead to increased costs at all airports. A second example is the recently enacted *Grade Crossings Regulations* under the federal *Railway Safety Act*, which could unnecessarily add upgrade costs for the municipalities, provincial governments and First Nations responsible for public and resource road grade crossings. In developing regulatory frameworks for transportation, the federal government should aim for frameworks that improve safety and security while minimizing upgrading costs.

Recommendation 5 – Balance Risk and Regulation Appropriately	Relevant B.C. Objectives
<p>Recognize that levels of risk vary across the country and create flexibility to ensure safety requirements can be tailored to local conditions.</p>	<ul style="list-style-type: none"> • Sustainability • Competitiveness

5.0 AVIATION

British Columbia has a diverse aviation sector that includes Vancouver International Airport, Canada's second busiest airport, regional airports – large and small – and smaller local airports. In addition to providing much-needed connections for people and businesses, aviation is important to growing the economy, connecting B.C. to global markets, supporting jobs, enabling investment and facilitating trade.

In December 2012, British Columbia released *Connecting with the World: An Aviation Strategy for British Columbia*, which outlined the province's vision for growth in this sector in support of the *BC Jobs Plan*. The recommendations in this section reflect the provincial aviation strategy and support *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*.

Further Enable International Air Travel

While the federal government's oversight of the aviation system is necessary to ensuring the system is safe and secure, in some cases, regulation means fewer choices for passengers and reduces the economic potential of the aviation industry and the industries that rely on its competitiveness. British Columbia believes that the aviation sector can be further strengthened to increase support for all four of B.C.'s transportation-related objectives: access, competitiveness, sustainability and livability. In particular, B.C. has identified the liberalization of bilateral air transport agreements (ATAs) as one of its key priorities for the federal government for the next five years. This will create jobs and economic growth through increased tourism, international education, corporate investment and continued expansion of B.C.'s aerospace sector.

Canada has taken positive steps under the *Blue Sky Policy*. There is the opportunity for the federal government to more aggressively apply the *Blue Sky Policy* when negotiating ATAs with key trading partners in the Asia-Pacific region, as it has with Europe and the Caribbean. This will help to increase the number of foreign carriers that can access British Columbia, supporting the economy and job growth and providing additional options for travellers.

British Columbia has strongly supported Canada's trade agenda through negotiations such as the Canada-European Union Comprehensive Economic and Trade Agreement, the Canada-Korea Free Trade Agreement and the Trans-Pacific Partnership. The Government of British Columbia recommends that unrestricted air access to all regions of Canada be part of all current and future free trade agreements.

The recommendation to liberalize and expand bilateral air transport agreements is identified in the tourism sector of the *BC Jobs Plan*. It is also a key component of *Connecting with the World: An Aviation Strategy for British Columbia* and *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*.

Recommendation 6 – Further Enable International Air Travel	Relevant B.C. Objectives
<p>Increase the flexibility of Canada's bilateral air transport agreements to support economic growth, as outlined in the <i>BC Jobs Plan, Connecting with the World and Gaining the Edge</i>, by:</p> <ul style="list-style-type: none"> a) Eliminating capacity, frequency and routing restrictions currently contained in bilateral air transport agreements, with an immediate focus on Asian and Latin American countries. b) Signing an Open Skies Agreement with every country with which Canada has a free trade agreement, and include Open Skies as part of all free trade negotiations. 	<ul style="list-style-type: none"> • Access • Competitiveness

Improve Travel for International Visitors

Visas are very important to Canada's security. However, the need for a visa can discourage potential visitors from considering travel to Canada, which is a challenge to expanding or establishing new international air services. While visitors from most of Canada's current trade and tourism markets do not require a visa to enter Canada, those from growth markets such as China, Mexico and India do. This reduces demand and the ability of airlines and airports to connect with these markets.

Travellers who require a visa to enter Canada cannot travel through a B.C. airport on their way to another international destination without getting a visa. This is an extra step for travellers, who are more likely to choose to connect through countries that do not require this type of visa. This discourages airlines from offering connecting flights through Canada, which further limits the number of flight options for travellers to Canada. This has been identified as a key strategic challenge in *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*. Allowing international passengers who currently require visas to transit through a Canadian airport without a visa would lead to more flights and help airlines to sell more seats, creating more viable routes and resulting in lower costs to travellers.

The Government of British Columbia is pleased that the federal government has recognized this issue and has taken steps to improve it with the introduction of the Transit Without Visa (TWOV) program and the China Transit Program (CTP). Both were piloted successfully at Vancouver International Airport. However, the TWOV program and the CTP could be made more efficient. With the right controls in place to address issues such as illegal immigration, the Government of British Columbia recommends that the federal government go beyond the existing programs to facilitate transit between any international destination.

There are ways to expand the current programs to enable immediate benefits. In partnership with Vancouver International Airport, B.C. has identified India as a target for the expansion of the TWOV program. While the India-Canada travel market may not be big enough to support an international service, expanding the program to include citizens from India would allow Vancouver to be included as a stopover en route to more U.S. destinations, increasing the viability of the service.

The Government of British Columbia applauds the changes the federal government has made through Citizenship and Immigration Canada to improve the efficiency of visa processing, help applicants navigate the visa application process and lengthen the validity period for visas. However, continuous visa policy and process improvements are important to facilitating international travellers' access to Canada and capturing the associated benefits to tourism, business and international education sectors. The recommendations below are consistent with priorities identified in *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016* and the tourism sector component of the *BC Jobs Plan*, regarding the liberalization and expansion of Canada's visa policies.

Recommendation 7 – Improve Travel for International Visitors	Relevant B.C. Objectives
<p>Improve visa processes to better enable citizens of other countries to access or transit through B.C., in support of <i>Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016</i> and the tourism sector component of the <i>BC Jobs Plan</i>, by:</p> <ul style="list-style-type: none"> a) Amending regulatory procedures – such as the process for obtaining a visa – so that they do not restrict legitimate travel to Canada and undermine competitiveness for international travellers. b) Expanding the existing Transit Without Visa program to any international traveller to/from the United States, beginning with an immediate extension of this program to include Indian nationals. c) Introducing a new program that enables international air passengers to transit British Columbia airports without a Canadian entry visa on a route between any two international points (e.g. China to Latin America). 	<ul style="list-style-type: none"> • Access • Competitiveness

Streamline Airport Screening

All passengers are subject to security screening through the Canadian Air Transport Security Authority (CATSA). Industry stakeholders have expressed concern regarding throughput rates for security screening, suggesting that CATSA does not have sufficient resources to meet the demand. Although Canada charges an Air Travellers' Security Charge on every passenger that will use CATSA screening, revenue generated is not directed to fund initiatives specifically to alleviate the security screening challenges travellers face when travelling through a Canadian airport. Along with visa requirements, user fees have been identified as an impediment in *Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016*.

Recommendation 8 – Streamline Airport Screening	Relevant B.C. Objectives
<p>Enhance the air travel experience for Canadians and travellers to Canada by:</p> <ul style="list-style-type: none"> a) Improving the efficiency of airport screening procedures. b) Eliminating or reducing the Air Travellers' Security Charge. 	<ul style="list-style-type: none"> • Competitiveness • Access

Eliminate Rents Charged at NAS Airports

In the years since airport infrastructure and operations were transferred from Transport Canada to local airport authorities and other airport operators, airport operators have invested significantly in infrastructure and operations. To reflect the investment in airport infrastructure, the Government of British Columbia believes it would be beneficial to eliminate rents charged to NAS airports including, in British Columbia, the international airports in Vancouver, Victoria, Kelowna and Prince George. Eliminating this rent would enable those airports to make additional investments in their infrastructure, increasing their competitiveness in the global marketplace and enabling those cost savings to be passed on to operators and consumers.

One way of eliminating rents could be to complete the devolution process by offering NAS airports to their current airport operators. This would also eliminate any concerns regarding long-term planning at airports and would provide certainty for airport authorities wanting to enter into sub-leases with airlines and other airport-related businesses.

Support the Sustainability of Small and Regional Airports

British Columbia is a vast and rugged province, where aviation plays a significant role in maintaining access to vital services – such as medevac, emergency response and forest fire fighting – and encouraging economic development. Access to aviation is important, even where traffic levels are low or the local tax base is too small to fund airport infrastructure and operations.

The sustainability of small and regional airports is an ongoing concern. The federal government could help to increase the sustainability of these facilities by allowing these airports to apply for existing federal grants, and by helping airports pool their capital borrowing needs to get better loan rates.

Provide Support for Local and Regional Airports

British Columbia supports the federal government's shift from an operational role to a regulatory role in aviation. However, this has resulted in an unintended loss of expertise and reduced familiarity with the operational needs of the aviation industry. Local governments are no longer able to draw on the expertise of Transport Canada with regard to technical and land use issues. This has resulted in local challenges, such as zoning for hospital heliports and new developments near runway or heliport approaches.

Recommendation 9 – Support the Growth and Sustainability of Airports	Relevant B.C. Objectives
<p>Support the growth and sustainability of airports by:</p> <ul style="list-style-type: none"> a) Eliminating rents charged to National Airport System airports, reflecting the investment of airport authorities and other airport operators in airport infrastructure. b) Increasing investment in airports through federal grant programs and expanding the eligibility of small and regional airports to apply for existing federal grants. c) Helping airports pool their capital borrowing needs to obtain preferential loan rates. d) Undertaking targeted outreach with local governments to ensure that zoning and land use decisions around airports and heliports accommodate aviation. 	<ul style="list-style-type: none"> • Sustainability • Access • Competitiveness • Livability

Increase the Number of Designated “Airports of Entry”

The federal government’s operational role in passenger screening and border security plays an important part in helping airports to fully serve their communities and the economic needs of the regions they serve.

One of the areas of opportunity relates to the number of airports in British Columbia designated as “Airports of Entry” for flights from outside of Canada. The emerging LNG sector in British Columbia’s north is highlighting the need for direct flight access to the region for corporate aircraft carrying investors, engineers or other workers from outside of Canada. The restoration of “Airport of Entry” status at the Northwest Regional Airport in Terrace-Kitimat will help to ensure cross-border access for industry related to Pacific Gateway projects and LNG development.

Cross-border air access for travellers influences economic development in other regions of the province not related to resource development. In Pitt Meadows, the success of an aerospace park will be helped by direct cross-border access for travellers arriving to Canada by air and for companies that need to maintain a cross-border supply chain.

Recommendation 10 – Increase the Number of Designated “Airports of Entry”	Relevant B.C. Objectives
<p>Expand the number of airports designated as “Airports of Entry” to improve access to resources and promote local economic development through direct connections to regions throughout British Columbia.</p>	<ul style="list-style-type: none"> • Competitiveness • Access • Livability

Permit Increased Foreign Ownership of Canadian-Owned Airlines

Currently, foreign ownership of Canadian airline companies is limited to 25 percent. Many countries – including those in the European Union and Australia – set foreign ownership limits almost twice as high, at 49 percent. In allowing a similar limit on foreign ownership to these countries, Canada would support an economically-efficient and sustainable air transportation system by encouraging economic investment and strategic infrastructure opportunities for large and small airlines. This type of change would also lower overall system costs. Small and regional airports would benefit from increased investment opportunities for local airlines, improving air access to rural and remote communities.

Stakeholders in British Columbia expressed support for increasing foreign ownership, as long as the change is reciprocal. For example, if the United States were to continue to have a 25 percent foreign ownership limit, that could allow American airlines to invest in the Canadian aviation sector more than Canadian airlines would be able to invest in aviation in the United States. It would be beneficial for both countries if they agreed to a 49 percent foreign ownership limit for airlines.

Increase Competitiveness of Canadian Airlines

Even though Air Canada is no longer publicly-owned, it is still subject to the *Air Canada Public Participation Act*. Elements of the Act – including the application of the *Official Language Act* and the need to maintain the head office in Montreal – were intended to address concerns that a privatized Air Canada would change its operations. For British Columbia, one concern is the requirement that Air Canada operate maintenance bases at Montreal, Toronto and Winnipeg, which contributed to the closure of a Vancouver maintenance base.

The Government of British Columbia recommends that the federal government ensure all domestic airlines are subject to consistent legislation and regulations, to permit all Canadian airlines to compete equally.

Recommendation 11 – Increase the Competitiveness of Canadian Airlines	Relevant B.C. Objectives
<p>Improve the competitiveness of Canadian airlines by:</p> <ul style="list-style-type: none">a) Increasing the permitted foreign ownership for Canadian airlines from 25 to 49 percent and working with the United States to reach an agreement instituting a 49 percent foreign ownership limit for airlines across both countries.b) Updating legislation and regulations to ensure Canadian airlines have an equal opportunity to be competitive.	<ul style="list-style-type: none">• Competitiveness• Access• Sustainability

6.0 PORTS

Ports are a critical part of British Columbia's and Canada's transportation trade network. Challenges facing British Columbia's ports include:

- Maintaining gateway competitiveness.
- Accessing adequate infrastructure funding when it is needed.
- Maximizing existing capacity through innovation and collaboration.
- Navigating federal administrative processes.
- Operating in an environment with limited land available for port development.
- Aging infrastructure.

Continued growth in trade with Asia brings both challenges and opportunities for gateway ports in Metro Vancouver and Prince Rupert, and emerging opportunities for ports in Nanaimo, Port Alberni, Kitimat and Stewart. Victoria, which is not a major trading port, plays a key role in the cruise industry, international ferry transport and marine service industries.

Marine transportation is regulated by the federal government under several statutes, including the *Canada Shipping Act* and the *Canada Marine Act* (CMA). The federal government's regulatory oversight of marine safety, security and the environment can impact the economic performance of British Columbia's marine sector. While safety, security and the environment take precedence, it is important to consider their role in the efficiency of the marine sector. The recommendations in this section can help to support competitiveness and sustainability.

Improve Flexibility for Canada's Ports

For shippers, British Columbia's gateway ports are often the first indicators of efficiency, reliability and cost competitiveness. Improvements to financial flexibility for Canada Port Authorities (CPAs) can have a significant impact on the ports' ability to support economic growth.

Port stakeholders have raised a number of cost/revenue concerns, including the increasing costs associated with administration, security and environmental protection. Several opportunities have been identified for improvements, including:

- **Letters Patent:** Under the CMA, port authorities are required to be financially self-sufficient and act as commercial entities while competing for trade on an international scale. The federal processes to amend letters patent and appoint board members could be made more efficient to help facilitate commercial business practices.
- **Lease Rates:** While the B.C. *Ports Property Tax Act* has provided some investment certainty for terminal operators, they have questioned the role of CPAs when it comes to revenue generated from lease rates and whether or not a limit should be established.
- **Borrowing Limits:** CPA borrowing limits can restrict a port's ability to make timely strategic investments in facilities to attract private sector investments and/or additional business. Similar to the process used for other commercialized transportation infrastructure organizations, such as Canada Airport Authorities, it would be beneficial for markets to determine the ability and level of borrowing for each port authority. The Government of

British Columbia recognizes that there would have to be a framework in place to ensure public accountability.

- **Funding for Infrastructure Upgrades:** CPAs have identified the potential need for an additional \$5 billion for port infrastructure to serve growing international and domestic trade. Over the coming years, additional funding for major maintenance of aging port infrastructure and upgrades will allow B.C.'s gateway ports to support trade, as outlined in the *BC Jobs Plan*.

Recommendation 12 – Support the Competitiveness of Canadian Port Authorities	Relevant B.C. Objectives
<p>Support Canada Port Authorities (CPAs) to be more competitive and better positioned to support the <i>Pacific Gateway Transportation Strategy</i> by:</p> <ul style="list-style-type: none">a) Removing the borrowing limits from letters patent, allowing CPAs to establish borrowing capacity with lending institutions, and streamlining and improving transparency in the amendment process for letters patent, including eliminating the requirement to amend letters patent before CPAs can purchase property.b) Reducing or eliminating the annual stipend for port authorities that demonstrate a business case for infrastructure investment to capture specific market opportunities.c) Allowing and encouraging CPAs to diversify their revenue streams to maintain reasonable lease rates and reduce user fees, while striving to meet best practices in safety, security and environmental protection.	<ul style="list-style-type: none">• Competitiveness• Sustainability

Recommendation 13 – Support Port Infrastructure Development and Preservation	Relevant B.C. Objective
<p>Support new port infrastructure development and preservation of existing infrastructure by:</p> <ul style="list-style-type: none">a) Pursuing innovative funding opportunities through partnerships with CPAs and other potential funding partners.b) Providing low-cost loans to rehabilitate port infrastructure of national or regional significance.	<ul style="list-style-type: none">• Competitiveness

Promote Collaboration and Improved Governance among West Coast Ports

Under the CMA, British Columbia's four existing CPA ports are recognized for their strategic importance to Canadian trade. The two larger CPA ports, Metro Vancouver and Prince Rupert, have worked together and with senior levels of government to grow the Pacific Gateway through the Pacific Gateway Alliance, the APGCI and other initiatives. One sign of their success is that the competing ports of Seattle and Tacoma have initiated their own efforts to collaborate more closely to improve their competitive position. British Columbia's smaller CPA ports, Port Alberni and Nanaimo, are also of national importance.

In the long term, the larger CPA ports of Metro Vancouver and Prince Rupert face challenges related to capacity, congestion and availability of port land, which provides an opportunity to better integrate Port Alberni and Nanaimo into the gateway supply chain. Some initial areas to be explored in collaboration with the province and stakeholders could include:

- The relative roles of British Columbia's CPAs.
- Whether the regions and/or the country would be better served by divestiture of federal assets.
- Whether further amalgamation of CPAs in British Columbia or subsidiary arrangements would improve overall system efficiency.
- Whether bilateral or multilateral collaboration between port authorities – already underway in some cases – should be enhanced to maximize use of available capacity and improve international competitiveness.
- Whether there should be new initiatives to encourage system efficiencies, such as the elimination of duplicate harbour dues for trans-shipment/short sea shipping.

Recommendation 14 – Promote Collaboration and Improved Governance Among West Coast Ports	Relevant B.C. Objective
Support the <i>Pacific Gateway Transportation Strategy</i> by regularly reviewing port governance structures to ensure the west coast port system is operating at maximum efficiency and that it meets the needs of stakeholders.	<ul style="list-style-type: none">• Competitiveness

Allow Local Port Management Entities to Act as Harbourmasters

The *Canada Marine Act* governs all public ports, some of which do not meet the criteria to be Canada Port Authorities. Smaller public ports have an important role to play in the national port system by facilitating tourism and industry, or supporting new industrial development, such as the development of Liquefied Natural Gas (LNG) export facilities. B.C. has recognized the economic potential of LNG in its *LNG Strategy*. The success of this strategy depends in part on ensuring that LNG produced in B.C. can be efficiently transported by LNG carriers to customers in Asia, which will require the development of new ports adjacent to the proposed LNG facilities.

As part of a group of initiatives announced to improve the safety of tanker transport in Canada, the federal government announced that Kitimat would be re-designated as a public port under the CMA. The Province of British Columbia is leading discussions with local agencies and industry to develop a port

management approach for Kitimat, where land is owned by industry, First Nations and local and provincial governments. One possibility is the development of a port management entity to represent port stakeholders on matters such as marine safety, marine services, public access and community engagement.

The federal Minister of Transport has the ability to appoint a harbourmaster at public ports who may collect harbour dues on vessels accessing the port. Allowing a port entity to perform some or all functions of a harbourmaster would ensure that local agencies and terminal owners have input into ongoing marine operations of the port, including harbour dues, without compromising safety, security or economic competitiveness.

Recommendation 15 – Allow Local Port Management Entities to Act as Harbourmasters	Relevant B.C. Objective
Give authority to local harbourmasters in communities where port land is not federally-owned – including Kitimat – to support industrial development.	<ul style="list-style-type: none">• Competitiveness

7.0 FERRIES

British Columbia's coastal and inland ferry systems are an important part of the province's transportation system, supporting the health of the provincial economy and the livability of its communities. A sustainable ferry system supports all of British Columbia's transportation-related objectives: access, competitiveness, sustainability and livability.

Over the last decade, British Columbia has been addressing significant challenges to make sure the ferry system is sustainable. To help in addressing these challenges, a key B.C. priority for the next five years is working with the federal government to provide additional financial support for the ferry service. This will sustain ferry service and improve economic growth in and livability of ferry-dependant coastal communities.

Despite numerous initiatives to reduce coastal ferry costs, including significant service adjustments and innovations like the new cable ferry for Denman Island and refitting Spirit Class vessels to LNG, delivering the ferry service is costly for ferry users and taxpayers. British Columbia's coastal ferry service, one of the largest, most complex and expensive ferry systems in the world, with 24 routes, 47 terminals and 35 vessels, received \$28 million in federal contributions in 2013-2014. This contribution is less than four percent of the total cost of providing these services. While annual federal funding for British Columbia's coastal ferry service increases by inflation each year, it has not kept up with the growing cost of providing the ferry service. Additional funding from the federal government, along with the continued commitment from British Columbia to increase efficiencies, would help to ensure that the ferry system continues to be sustainable into the future.

In addition, Canada has federal policies and regulations that have a direct impact on the cost of delivering the ferry service. It would help to decrease costs if the 25 percent tariff on imported ferries less than 129 metres in length were not in place when Canadian shipyards do not compete on projects. Reducing the crewing requirements on BC Ferries vessels to match those required by other jurisdictions, such as Washington State, would help to reduce costs, without compromising safety. Similarly, recognizing the differences between free-running ferries and cable ferries, and adjusting crewing levels to match, would help ensure operational efficiency, without compromising safety.

As coastal communities benefit from a sustainable ferry service, British Columbia also supports a stronger role for local governments. Funding from coastal communities could come from a broadening of the eligibility criteria of the federal Gas Tax Fund. The Government of British Columbia recommends that federal programs such as the Building Canada Fund be made available for strategic marine investments that would have the combined benefit of promoting economic growth and prosperity while helping to ensure a sustainable ferry service for future generations.

Recommendation 16 – Provide Additional Support for Coastal and Inland Ferry Service in British Columbia	Relevant B.C. Objectives
<p>Support the economic health and livability of ferry-dependent communities in B.C. and ensure that Canada has a reliable transportation network from coast-to-coast by:</p> <ul style="list-style-type: none"> a) Increasing federal funding to BC Ferries to ensure the sustainability of the ferry system. b) Expanding eligibility under the Building Canada Fund to include ferry vessels and terminals. c) Ensuring crewing regulations achieve both safety and efficiency. d) Creating flexible regulations to accommodate the unique operational needs of different types of ferry services, such as cable ferries. e) Expanding eligibility under the federal Gas Tax Fund to enable local governments to contribute to the costs of the coastal ferry service. f) Eliminating import duties on ferries when qualified Canadian shipyards do not compete on projects. 	<ul style="list-style-type: none"> ● Livability ● Access ● Competitiveness ● Sustainability

8.0 RAIL

Rail transport has a key role to play in the economy of B.C. and in the quality of life for British Columbians through the safe, efficient transport of goods and people. Properly implemented service level agreements will promote investment and support many of the Government of British Columbia's transportation-related objectives, in particular, sustainability and livability.

Increase the Safety of the Transportation of Dangerous Goods

The transport of crude oil by rail has increased dramatically recently. The 2013 Lac-Mégantic train derailment elevated the importance of effective regulatory oversight for rail safety, particularly relating to the transport of dangerous goods.

The Government of British Columbia supports the federal government's recent efforts to improve rail safety, including legislative, regulatory and policy changes, research into improved rolling stock and technology, the hiring of additional safety inspectors and auditors, and collaborating with rail safety agencies in the United States. British Columbia is also encouraged that Transport Canada is moving forward with a proposed new class of tank car with improved safety features specifically for the transport of flammable (Class 3) liquids, and requiring that all tank cars without these features be phased out of service or retrofitted within three years.

Wildfires caused by rail operations are a national safety issue. The ability of the transportation sector and emergency service providers to respond quickly and effectively to accidents is crucial to ensuring public safety and minimize environmental damage.

In addition to improving infrastructure, equipment and operations to improve rail safety, British Columbia supports better transparency, communication, information sharing and training between rail service providers and local first responders.

Recommendation 17 – Increase the Safety of the Transportation of Dangerous Goods	Relevant B.C. Objectives
Promote collaboration between the railways and first responders to increase the safe movement of all dangerous goods, and improve confidence in the overall safety of the rail system by increasing the effectiveness of inspections and audits.	<ul style="list-style-type: none">• Livability• Sustainability

Increase the Viability of the Passenger Rail Sector

While emphasizing the role of market forces in transportation, the NTP states that strategic public intervention should be considered to achieve economic, safety, security, environmental or social outcomes that cannot be achieved through competition and market forces. Scheduled passenger rail services, such as those provided by VIA Rail, receive public funding and support a number of positive social outcomes, ranging from providing access to rural and remote communities to improving road system congestion.

VIA Rail currently provides basic transportation access to rural communities in northern and central British Columbia. Modernization of equipment used in these services, improved scheduling and effective marketing could lower operating costs, attract higher usage and increase revenues.

In addition to scheduled rail passenger services within Canada, there are cross-border passenger rail services connecting Canada with the United States, including the Amtrak Cascades passenger rail service between Eugene, Oregon, and Vancouver, B.C. These public services are funded mostly by fare revenues and the U.S. federal and state governments. These international passenger rail services provide benefits to Canadians by reducing vehicle traffic and associated greenhouse gas emissions at already congested land border crossings and by encouraging tourism and business travel between Canada and the United States.

Recommendation 18 – Increase the Viability of the Passenger Rail Sector	Relevant B.C. Objectives
Create a viable passenger rail sector by supporting providers of passenger rail services, to ensure an economically-sustainable passenger rail network into the future.	<ul style="list-style-type: none">• Access• Livability

9.0 ACCESSIBILITY

For a transportation system to be effective and for it to support livability – one of B.C.’s objectives – it must be accessible for all people, including those with limited mobility or other disabilities. Part V of the CTA addresses the transportation of people with disabilities and includes provisions that require the federally-regulated transportation system to be accessible to people with disabilities. Similarly, British Columbia has been moving forward on this issue with the recent release of *Accessibility 2024: Making B.C. the most progressive province in Canada for people with disabilities by 2024*.

Technological innovation can benefit people with disabilities through improved information sharing or by improving mobility through new vehicles or personal mobility devices. In British Columbia, both BC Transit and TransLink are committed to accessible bus fleets. BC Ferries has also indicated its commitment to accessibility and universal standards as vessels are upgraded or replaced.

Recommendation 19 – Improve the Travel Experience for Persons with Disabilities	Relevant B.C. Objectives
<p>Improve the travel experience and increase mobility for persons with disabilities, in support of <i>Accessibility 2024: Making B.C. the most progressive province in Canada for people with disabilities by 2024</i> strategy, by:</p> <ul style="list-style-type: none">a) Reducing delays in implementing national standards for new and emerging technologies, such as personal mobility devices.b) Promoting expansion of accessible public transportation services, such as those offered by BC Transit and BC Ferries.	<ul style="list-style-type: none">• Livability

10.0 CLIMATE CHANGE

British Columbia is pleased that the CTA Review Panel's discussion paper recognizes the need for the transportation system to address the consequences of climate change. B.C. has already experienced disruptions to transportation infrastructure due to increases in the number and severity of hazards such as flooding and wildfire and extreme weather events. Addressing climate impacts from transportation helps to support all four of the Government of British Columbia's objectives outlined on page 1. B.C. has already taken decisive action to address climate change by establishing the strongest greenhouse gas reduction targets in Canada.

An appropriate national response to climate change should consider regional and local circumstances and be flexible. Collaboration with provincial and local governments and First Nations is necessary on adaptation, mitigation and emergency management in the design of transportation systems.

B.C. is working on further developing its green economy through the *BC Jobs Plan*. Nationally, opportunities for green technology in the transportation sector should have stronger emphasis, as the links between long-term competitiveness and green technology become clearer. In 2011, B.C.'s clean transportation sector generated nearly \$2 billion in GDP and over 23,000 full-time equivalent jobs. These gains were related to higher demand for public transit services, greater vehicle fuel efficiency and fuel switching opportunities, improvements to systems and infrastructure and the deployment of clean transportation vehicle technologies.²

By 2025, an additional one million people will be living in Metro Vancouver, adding to existing demands on our roads, bridges and transit systems. The *B.C. Provincial Transit Plan (2008–2020)* aims to significantly increase the number of people taking transit to reduce energy use and greenhouse gas (GHG) emissions. To improve transit, the Government of British Columbia recommends that Transport Canada encourage the transit industry to use innovative technologies for its vehicles and infrastructure. For example, BC Transit has identified the opportunity for cost savings if Canada were to allow European Union-certified engines for buses.

Recommendation 20 – Enhance Current Climate Change Initiatives	Relevant B.C. Objectives
<p>Enhance federal climate change initiatives through increased coordination with local and provincial governments by:</p> <ul style="list-style-type: none">a) Promoting energy efficiency and the use of alternative low carbon fuels through technology.b) Enabling industry to use existing and emerging vehicle technologies to meet GHG reduction targets, improve fuel efficiency and achieve cost savings.	<ul style="list-style-type: none">• Livability• Access• Competitiveness• Sustainability

² Globe 2012

11.0 CONCLUSION

A sound, efficient, sustainable transportation system is the foundation for British Columbia's – and Canada's – economy and quality of life. The ability to safely and efficiently move people and goods to, from, and around the province is critical and has implications reaching far beyond provincial boundaries.

The *Canada Transportation Act* provides the federal framework legislation for Canada's transportation system and sets out the National Transportation Policy, which emphasizes that transportation services will be based on competition and market forces. Through the review of the Act and other federal transportation-related programs, policies and funding, British Columbia has identified 20 recommendations based upon key opportunities for improvement.

British Columbia's key recommendations are focused on three transportation priorities: BC Ferries, airports and infrastructure investment. The coastal ferry system is an essential component of the province's transportation system, and coordinated focus with the federal government is essential to enable BC Ferries to maintain a sustainable service. Aviation is also vital for many sectors in the province. Without federal support for airports, including the smaller local airports, the economic development opportunities in the remote or developing areas of the province cannot be optimized. Broadly speaking, ongoing federal funding is necessary to build new transportation infrastructure and maintain existing investments so goods, people and services can continue to move and support economic growth.

British Columbia's recommendations are far-reaching, addressing not only the CTA and NTP themselves, but strategic infrastructure, Asia-Pacific Gateway and trade corridors, aviation, marine, ferries, rail, accessibility and climate change. Within these recommendations, British Columbia has identified four specific priorities for the next five years, in the areas of the Asia-Pacific Gateway, aviation, ports and the ferry service, which will help to optimize job creation and economic growth.

Furthermore, the recommendations in this submission support the four key transportation-related objectives for the province: enhancing access to British Columbia to attract jobs and stimulate economic growth; enabling British Columbia's ports of entry to be more competitive; promoting a sustainable transportation system; and ensuring the transportation network supports accessibility and community livability, now and in the future. The recommendations are intended to inform and shape federal actions relating to transportation, ensuring that British Columbia will be able to grow its economy and support the national economy for many years into the future, while maintaining a high quality of life for all British Columbians.

The Government of British Columbia looks forward to continuing to work with its partners in the federal government to implement these recommendations.

APPENDIX 1

SUMMARY OF BRITISH COLUMBIA'S RECOMMENDATIONS

<i>Canada Transportation Act and National Transportation Policy</i>	
<p>Recommendation 1 – Strengthen Canada’s National Transportation Policy</p> <p>British Columbia supports the existing National Transportation Policy framework, which primarily relies on market forces to achieve policy objectives. The following guiding principles should be considered to strengthen the existing National Transportation Policy:</p> <ul style="list-style-type: none">a) Support the global competitiveness of Canada’s transportation system through federal investment.b) Implement world-class spill prevention, response and recovery systems to address environmental risks associated with the movement of goods throughout the supply chain.c) Preserve existing infrastructure assets and avoid accelerated deterioration of these assets by recognizing costs required to maintain infrastructure investments throughout their life-cycle.d) Continue to promote and support harmonization initiatives that reduce barriers to the free and safe movement of goods and people across Canada.e) Accommodate emerging technologies through changes to regulation that allow for pilot programs for new technologies.f) Proactively pursue opportunities to negotiate more liberalized international air transport agreements.a) Consider regional climate change adaptation measures and greenhouse gas emission reductions in federal transportation decision-making.	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none">• Access• Competitiveness• Sustainability• Livability

Strategic Infrastructure, Asia-Pacific Gateway and Trade Corridors	
Recommendation 2 – Prepare for a Substantial Forecasted Growth in Trade Build upon the successes of the Pacific Gateway Alliance to promote a transportation system that can respond to predicted growth in trade.	Relevant B.C. Objectives <ul style="list-style-type: none">• Sustainability• Access• Competitiveness
Recommendation 3 – Improve Performance and Reliability Further develop system-wide monitoring and multi-modal performance metrics, and encourage information-sharing among all participants in the transportation supply chain.	Relevant B.C. Objectives <ul style="list-style-type: none">• Sustainability• Competitiveness
Recommendation 4 – Improve Canada/U.S. Connectivity and Implement Intelligent Transportation Systems In support of <i>Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016</i> , <i>Connecting with the World: An Aviation Strategy for British Columbia</i> and the <i>Pacific Gateway Transportation Strategy</i> , continue to improve the movement of people, goods and services by: a) Harmonizing regulations between jurisdictions where appropriate. b) Building upon the <i>Beyond the Border</i> Action Plan in consultation with provinces and states. c) Implementing Intelligent Transportation Systems technologies.	Relevant B.C. Objectives <ul style="list-style-type: none">• Competitiveness• Access• Sustainability
Recommendation 5 – Balance Risk and Regulation Appropriately Recognize that levels of risk vary across the country and create flexibility to ensure safety requirements can be tailored to local conditions.	Relevant B.C. Objectives <ul style="list-style-type: none">• Sustainability• Competitiveness

Aviation	
<p>Recommendation 6 – Further Enable International Air Travel</p> <p>Increase the flexibility of Canada's bilateral air transport agreements to support economic growth, as outlined in the <i>BC Jobs Plan, Connecting with the World</i> and <i>Gaining the Edge</i>, by:</p> <ul style="list-style-type: none"> a) Eliminating capacity, frequency and routing restrictions currently contained in bilateral air transport agreements, with an immediate focus on Asian and Latin American countries. b) Signing an Open Skies Agreement with every country with which Canada has a free trade agreement, and include Open Skies as part of all free trade negotiations. 	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Access • Competitiveness
<p>Recommendation 7 – Improve Travel for International Visitors</p> <p>Improve visa processes to better enable citizens of other countries to access or transit through B.C., in support of <i>Gaining the Edge: A Five-year Strategy for Tourism in British Columbia 2012-2016</i> and the tourism sector component of the <i>BC Jobs Plan</i>, by:</p> <ul style="list-style-type: none"> a) Amending regulatory procedures – such as the process for obtaining a visa – so that they do not restrict legitimate travel to Canada and undermine competitiveness for international travellers. b) Expanding the existing Transit Without Visa program to any international traveller to/from the United States, beginning with an immediate extension of this program to include Indian nationals. c) Introducing a new program that enables international air passengers to transit British Columbia airports without a Canadian entry visa on a route between any two international points (e.g. China to Latin America). 	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Access • Competitiveness
<p>Recommendation 8 – Streamline Airport Screening</p> <p>Enhance the air travel experience for Canadians and travellers to Canada by:</p> <ul style="list-style-type: none"> a) Improving the efficiency of airport screening procedures. b) Eliminating or reducing the Air Travellers' Security Charge. 	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Competitiveness • Access

<p>Recommendation 9 – Support the Growth and Sustainability of Airports</p> <p>Support the growth and sustainability of airports by:</p> <ul style="list-style-type: none"> a) Eliminating rents charged to National Airport System airports, reflecting the investment of airport authorities and other airport operators in airport infrastructure. b) Increasing investment in airports through federal grant programs and expanding the eligibility of small and regional airports to apply for existing federal grants. c) Helping airports pool their capital borrowing needs to obtain preferential loan rates. d) Undertaking targeted outreach with local governments to ensure that zoning and land use decisions around airports and heliports accommodate aviation. 	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Sustainability • Access • Competitiveness • Livability
<p>Recommendation 10 – Increase the Number of Designated “Airports of Entry”</p> <p>Expand the number of airports designated as “Airports of Entry” to improve access to resources and promote local economic development through direct connections to regions throughout British Columbia.</p>	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Competitiveness • Access • Livability
<p>Recommendation 11 – Increase the Competitiveness of Canadian Airlines</p> <p>Improve the competitiveness of Canadian airlines by:</p> <ul style="list-style-type: none"> a) Increasing the permitted foreign ownership for Canadian airlines from 25 to 49 percent and working with the United States to reach an agreement instituting a 49 percent foreign ownership limit for airlines across both countries. b) Updating legislation and regulations to ensure Canadian airlines have an equal opportunity to be competitive. 	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Competitiveness • Access • Sustainability

Ports	
Recommendation 12 – Support the Competitiveness of Canadian Port Authorities Support Canada Port Authorities (CPAs) to be more competitive and better positioned to support the <i>Pacific Gateway Transportation Strategy</i> by: a) Removing the borrowing limits from letters patent, allowing CPAs to establish borrowing capacity with lending institutions, and streamlining and improving transparency in the amendment process for letters patent, including eliminating the requirement to amend letters patent before CPAs can purchase property. b) Reducing or eliminating the annual stipend for port authorities that demonstrate a business case for infrastructure investment to capture specific market opportunities. c) Allowing and encouraging CPAs to diversify their revenue streams to maintain reasonable lease rates and reduce user fees, while striving to meet best practices in safety, security and environmental protection.	Relevant B.C. Objectives <ul style="list-style-type: none"> • Competitiveness • Sustainability
Recommendation 13 – Support Port Infrastructure Development and Preservation Support new port infrastructure development and preservation of existing infrastructure by: a) Pursuing innovative funding opportunities through partnerships with CPAs and other potential funding partners. b) Providing low-cost loans to rehabilitate port infrastructure of national or regional significance.	Relevant B.C. Objective <ul style="list-style-type: none"> • Competitiveness
Recommendation 14 – Promote Collaboration and Improved Governance Among West Coast Ports Support the <i>Pacific Gateway Transportation Strategy</i> by regularly reviewing port governance structures to ensure the west coast port system is operating at maximum efficiency and that it meets the needs of stakeholders.	Relevant B.C. Objective <ul style="list-style-type: none"> • Competitiveness
Recommendation 15 – Allow Local Port Management Entities to Act as Harbourmasters Give authority to local harbourmasters in communities where port land is not federally-owned – including Kitimat – to support industrial development.	Relevant B.C. Objective <ul style="list-style-type: none"> • Competitiveness

Ferries	
<p>Recommendation 16 – Provide Additional Support for Coastal and Inland Ferry Service in British Columbia</p> <p>Support the economic health and livability of ferry-dependent communities in B.C. and ensure that Canada has a reliable transportation network from coast-to-coast by:</p> <ul style="list-style-type: none"> a) Increasing federal funding to BC Ferries to ensure the sustainability of the ferry system. b) Expanding eligibility under the Building Canada Fund to include ferry vessels and terminals. c) Ensuring crewing regulations achieve both safety and efficiency. d) Creating flexible regulations to accommodate the unique operational needs of different types of ferry service, such as cable ferries. e) Expanding eligibility under the federal Gas Tax Fund to enable local governments to contribute to the costs of the coastal ferry service. f) Eliminating import duties on ferries when qualified Canadian shipyards do not compete on projects. 	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Livability • Access • Competitiveness • Sustainability
Rail	
<p>Recommendation 17 – Increase the Safety of the Transportation of Dangerous Goods</p> <p>Promote collaboration between the railways and first responders to increase the safe movement of all dangerous goods, and improve confidence in the overall safety of the rail system by increasing the effectiveness of inspections and audits.</p>	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Livability • Sustainability
<p>Recommendation 18 – Increase the Viability of the Passenger Rail Sector</p> <p>Create a viable passenger rail sector by supporting providers of passenger rail services, to ensure an economically-sustainable passenger rail network into the future.</p>	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Access • Livability

Accessibility	
Recommendation 19 – Improve the Travel Experience for Persons with Disabilities	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Livability
<p>Improve the travel experience and increase mobility for persons with disabilities, in support of <i>Accessibility 2024: Making B.C. the most progressive province in Canada for people with disabilities by 2024</i> strategy, by:</p> <ul style="list-style-type: none"> a) Reducing delays in implementing national standards for new and emerging technologies, such as personal mobility devices. b) Promoting expansion of accessible public transportation services, such as those offered by BC Transit and BC Ferries. 	
Climate Change	
Recommendation 20 – Enhance Current Climate Change Initiatives	<p>Relevant B.C. Objectives</p> <ul style="list-style-type: none"> • Livability • Access • Competitiveness • Sustainability
<p>Enhance federal climate change initiatives through increased coordination with local and provincial governments by:</p> <ul style="list-style-type: none"> a) Promoting energy efficiency and the use of alternative low carbon fuels through technology. b) Enabling industry to use existing and emerging vehicle technologies to meet GHG reduction targets, improve fuel efficiency and achieve cost savings. 	