

C. THE CHANGING CANADIAN TRANSPORT ENVIRONMENT

As a result of both transportation deregulation in the United States and changing economic circumstances in Canada, the Minister of Transport has proposed broad changes in regulatory policy which will greatly affect the rules of the transportation game when implemented. Although a consultation process will take place in order to refine concepts outlined in Freedom to Move - A Framework for Transportation Reform,^[1] the following highlights (quoted directly from material provided by the Minister of Transport) should make you aware of changes that are afoot which affect transportation options available to you in shipping to markets in the Western United States, Hawaii and Alaska.

"Principles

The proposals for a new transportation framework are based on the principles of greater reliance on competition and market forces, a reduction of government interference and regulation, and the creation of a regulatory process that is open and accessible.

Competition

The National Transportation Act will be revised to actively encourage competition among air, marine, rail and road sectors (intermodal), as well as within the various sectors (intramodal). Encouragement will be given to new multimodal services. Restrictions on mergers and acquisitions will be relaxed.

Air

Entry to any class of domestic commercial air service in Canada will be open to carriers meeting a "fit, willing and able" requirement. It will no longer be necessary for the carrier to establish that its service is required by "public convenience and necessity". Any operator submitting evidence of adequate liability insurance, and in possession of a Department of Transport operating certificate attesting to the adequacy of its equipment and its ability to conduct a safe operation, shall be granted a license.

The new policy is expected to have particular impact on the encouragement of new local regional fixed-wing and rotating-wing carriers, in both charter and scheduled services.

Discontinuance of services will require minimal notice - perhaps 60 days on monopoly routes, 30 days on others.

1. Hon. Donald Mazankowski, Freedom to Move - A Framework for Transportation Reform, Transport Canada, Ottawa, Ontario, July, 1985. (Available from Supply and Services Canada, Cat. No. T22-69/1985E, ISBN 0-662-14172-5.)