

*National Transportation Act, 1986*

replacement agency, yes, but it will operate in a far different way. It will not be a regulatory body in the sense that the old one was. It will, however, be a transportation ombudsman, a mediator and, as I said before, a public watchdog. Its powers allow it to monitor compliance and establish new regulations if the public interest is jeopardized by unsafe practices or a lack of competition. It will have the ability to make inquiries into complaints, establish competitive line rates, grant entry into markets and provide mediation services to help resolve shipper-carrier disputes.

The over-all intent of Bill C-18 is to reduce the regulatory burden on industry and at the same time deal more quickly and effectively with real problems as they emerge. The new agency is uniquely designed to do that. First, the agency has a wider range of options to deal with complaints and disputes between the various modes of transport. Indeed, the main responsibility of the new agency will be to administer a family of dispute resolving mechanisms contained within the bill itself. These include mediation services, a final offer arbitration service, a simplified procedure for investigating complaints from aggrieved parties. All of these provisions are new. They are all designed to assist industry to operate in an environment which is freer of Government regulation and intervention.

Let us look at disputes between a shipper and a carrier for a moment. The new agency, at the request of both parties, will call in a mediator. If the mediator is unsuccessful in resolving the dispute, and if the shipper requests it, an arbitrator may be appointed. The arbitrator will then choose between the final offers. We used to do that in the practice of law between disputing parties. We would make our best offer and then let the chips fall where they may. The arbitrator makes his decision and, according to the Bill, that decision must remain in effect for a period up to a year. That is enough to prompt each party to make its best offer and enough to encourage shippers and carriers alike to settle their disputes between themselves and without recourse to the agency. However, the agency is there to do it for them.

The same applies to cargo rates and fares. Under the new rules, carriers will be permitted to establish fares and rates without regulatory approval. However, the provision is there for complaints in case of abuse. Increases in regular passenger fares on monopoly routes can be appealed to the National Transportation Agency. If it is determined that the rates are unfair, are being abused or that the increase is unreasonable, the agency can disallow the new fare and order a reduction, with refunds where practical.

The national transportation agency will be smaller and more streamlined than the old Transport Commission. It will have to adhere to time limits when dealing with complaints and applications for new services. The old Board was never constrained in such a manner and as a result those disputes would drag on and on, which was a disservice, not only to the parties to a complaint but to the users as well.

The size of the agency, along with the time limit, will make it far more responsive to the needs of shippers, users, the industry and the public than was the former Canadian Transport Commission. Further, the new agency is given functions and powers specifically tailored to the Government's new policies and approach.

The agency will be bound by policy directions which may be issued by the Governor in Council. Some Hon. Members opposite may say this is political manipulation. I want to point out that, with the provisions in this Act, nothing could be further from the truth. Any policy direction issued to the new agency must first be presented to both Houses of Parliament. Further, as in the normal course of business in the House, a policy direction might be referred to a committee for detailed consideration. What more could one ask than that?

In addition, under the Bill, no policy direction can have any bearing on any specific case before the agency at the time. Government will not be able to intervene in any case being considered by the agency. The legislation is phrased to prevent this type of interference or intervention. It is a protection from the type of allegation that might be made by Members opposite.

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Too often there is a type of regulatory capture between a government body and the industry it regulates. The new agency will be structured on a multimodal basis to prevent that. We are talking about deregulation of all modes of transportation just to prevent that type of occurrence. Agency members will deal with the transportation network as a whole rather than the railway component, the airline component or even a marine component. These are separate entities in themselves. This structure is inherently more fair, as well as being more flexible than that found in most government agencies.

Before closing I would like to make the point that while the Canadian Transport Commission itself will be terminated, the Government intends to draw upon the expertise as presently contained within that body in the staffing of the new agency. This intention was clearly stated in the *Freedom to Move* document, and I can assure Hon. Members that it remains the policy of the Government. While the headquarters of the agency will be in Ottawa, it may also have regional offices across the country to give closer contact with the users and providers of transportation services.

Bill C-18 is an important part of the Government's over-all program to spur economic renewal and create jobs by removing regulatory obstacles. It is a vehicle whereby the transportation sector can renew and strengthen itself. The new agency will play an important role in this effort. With its new responsibilities and structure, with the time-limit on decisions and with a greater responsiveness to government policy the agency will be well designed to foster the development of a first-rate transportation system throughout our land.