

January 23, 2009

The Honourable John Baird, P.C., M.P.
Minister of Transport
Transport Canada
Place de Ville, 330 Sparks Street
Ottawa, ON K1A 0N5

Dear Minister:

In October, the Canadian Chamber of Commerce concluded its 79th Annual General Meeting (AGM) in Quebec City. One of the highlights of Chamber's AGM is the Policy Session. It is during the Policy Session that resolutions submitted by local chambers of commerce and boards of trade from across the country are debated and voted on by accredited delegates. Once approved, these resolutions become the policy position of the Canadian Chamber of Commerce for three years. This year our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months.

Beyond those issues we have already brought to your attention, our renewed national policy mandate includes a number of additional issues that fall within your portfolio. Accordingly, we would like to discuss these issues with you directly in the near future.

A New National Transportation Policy: In a country as large as Canada, transportation plays an important role in the nation's economy. With heightened activity in the transportation sector such as in Canada's Gateways, a rail freight service review, and substantial federal funds being earmarked for infrastructure, the time is right for the federal government to develop a modern national transportation policy. While *Section 5 of the Canada Transportation Act* serves as an articulation of policy under which the Federal Government broadly governs the transportation sector, it is too general in scope to provide the guidance that is needed in the 21st Century. We recommend that the federal government develop a new National Transportation Policy that meets today's and future demands.

Investing in Canada's Transportation Infrastructure: Canada's national transportation infrastructure is a key contributor to Canada's productivity. It also plays an important role in reducing costs to business. We urge the federal government to allocate funding for its proper maintenance and upgrading.

Driving Economic Growth by Improving Infrastructure and Access to International Airports in Canada: As a trading nation it is essential for Canada to have efficient ports, airports, and border infrastructure. Canada's Gateway Strategy

benefits all Canadians and air transport is one mode of transportation that will bring people, goods, and services from our ports and rail systems to the rest of North America and beyond. It is necessary that the Gateway Strategy include infrastructure to and from airports. Improvements for infrastructure surrounding international airports will vary from area to area but could include: regional public transit systems featuring green buses, light rail systems, heavy rail systems, and road maintenance and upgrades. We recommend that the federal government provide infrastructure funding to municipalities that are experiencing or projecting increases in the movement of people, goods, and services at their international airports.

Reducing Airport Rents: Airport rent paid to the federal government stifles airport expansion, dampens economic growth, and represents a significant cost passed to consumers. Airport rents inhibit Canada from becoming a true gateway into North America. Further, they place airports and air carriers at a competitive disadvantage to other modes of transportation and international carriers. We urge the federal government to move to eliminate airport rents. In the interim it should take steps to amend the rent formula for all airports by eliminating debt financing costs and the Airport Improvement Fees from the definition of revenue.

Moving Forward on Open Skies: Canada has embarked on a National Gateway and Corridor strategy. Providing more air access is a prerequisite to achieving Gateway success. We recommend that the federal government provide the necessary resources to fast track Canada's Blue Sky International air policy and in principle aggressively pursue "open skies" agreements covering both cargo and passengers in all bilateral air transport negotiations. We should adopt a balanced approach to stakeholders, recognizing the needs of Canada's air carriers and take into consideration community stakeholders. Individual airports, as community representatives, must be granted observer status at air negotiations comparable to that of airlines. Also, we should adopt a transparent policy with respect to public access to air treaties so that they no longer include confidential addendums or MOUs, particularly related to commercial articles.

Enhancing Canada's Global Export Advantage – Canada's Asia-Pacific Gateway Export Hubs: Canada's continued and future economic growth is closely linked to its ability to reach global markets. The recognition of Canada as an efficient and reliable exporter of major commodities to help feed the world's population and fuel the building of modern infrastructure is one of Canada's most significant competitive advantages. Today, with increased competition from U.S. ports, constrained rail and terminal access infrastructure no longer meets operational demands, community safety, or environmental expectations. So far public investment in Canada's Pacific Gateway has not adequately addressed the needs of Canadian bulk product exporters who use this Gateway. Without targeted Gateway funding to address the needs of Canadian commodity exporters, the reliability and future growth of Canada's export economy is at risk. To ensure the continued reliability of Canada's export hubs, we recommend that the federal government enhance investments in Pacific Gateway infrastructure to better facilitate the export of bulk and break bulk goods from Canada to global markets.

Investing in Border Crossings: The Peace Bridge border crossing between Fort Erie, Ontario and Buffalo, New York is the second busiest crossing, and the busiest in terms of tourist traffic. The bridge is scheduled to undergo an expansion that will twin the current three-lane bridge. We recommend that the federal government, in

cooperation with provincial and municipal governments, work with state and federal partners on the U.S. side to expedite the construction process (upon completion of the environmental assessment) of a second bridge between Buffalo, New York and Fort Erie, Ontario. The reconstruction factors should include multimodal solutions, future transportation trends, and tourist and truck traffic needs. Finally, in cooperation with provincial/territorial and municipal governments, the federal government should invest in immediate and ongoing improvements to transportation corridors approaching all border crossings.

High Speed Rail Infrastructure: The Windsor-Quebec City corridor is the most densely-populated and heavily industrialized region of Canada. With over 16 million people, it contains over half of Canada's population, the national capital, and three of the four largest metropolitan areas in Canada (Toronto, Montreal, and Ottawa-Gatineau). Establishment of a high speed rail service, with dedicated infrastructure connecting the entire length of the region, would provide nation wide economic benefits including enhanced business opportunities. It connects new communities with speed and efficiency not achievable by conventional rail service. We recommend that the federal government, in cooperation with provincial/territorial governments, develop a viable high speed rail transportation plan encompassing the Windsor-Quebec City corridor. Subject to the current feasibility study, the federal government should make a priority of the completion of a high speed rail service between Windsor and Quebec City within 10 years.

The full text of these resolutions is attached and we hope that we will have an opportunity to discuss these with you in the near future. My assistant will be calling your office to set up a meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Perrin Beatty".

Perrin Beatty
President and CEO

Attachments

CC: The Honourable Rob Merrifield, Minister of State (Transport)
Louis Ranger, Deputy Minister of Transport, Transport Canada
Brian Jean, Parliamentary Secretary to the Minister of Transport