Submission to Transport Canada

Strengthening One Canadian Economy through Trade and Transportation

WESTAC

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About WESTAC

The Western Transportation Advisory Council (WESTAC) is a council of senior leaders from across Canada's freight transportation system. WESTAC's membership spans carriers and logistics providers, ports and terminals, shippers, labour unions, and all three levels of government. Members work together to address constraints affecting the safety, efficiency, reliability, resilience and competitiveness of Western Canada's freight transportation network.

Western Canada's ports, railways, highways, terminals, inland hubs and resource production regions are central to Canada's trade performance. As Canada seeks to diversify trade, attract investment, improve productivity and build a more connected "One Canadian Economy," the performance of western trade corridors will be crucial.

Executive Summary

WESTAC applauds Transport Canada for undertaking this initiative and for moving expeditiously to address long-standing structural issues in Canada's transportation system. The goals set out in the discussion paper — reducing red tape and costs for businesses, making supply chains faster and more predictable, attracting investment, unlocking infrastructure development, supporting job creation, strengthening Canada's competitiveness and building a more connected "One Canadian Economy" — are well aligned with the priorities WESTAC members have raised for many years.

WESTAC also commends Transport Canada for recognizing that transportation policy is economic policy. Canada's trade diversification objectives cannot be achieved unless goods can move reliably, predictably, efficiently and competitively to domestic and global markets. Trade agreements and export promotion are necessary, but they are not sufficient. Canada also needs infrastructure, regulatory certainty, digital systems and an investment climate that support delivery at scale.

This submission focuses on six points:

1. **Competitiveness should be more explicit.** The discussion paper rightly focuses on efficiency, investment and collaboration, but these measures should be implemented with a clear competitiveness lens. Canada's trade diversification ambitions will depend not only on whether goods can move, but whether they can move at a delivered cost, speed and level of reliability that allows Canadian exporters to win and retain customers in global markets.
2. **Funding must match the ambition.** WESTAC welcomes federal infrastructure funding commitments, including the Trade Diversification Corridors Fund and Arctic Infrastructure Fund, but current funding levels are not sufficient to meet the scale of investment required to double non-U.S. exports by 2035.

Investment in transportation infrastructure pays off, but investments also need a plan.

3. **Strengthen governance and improve regulatory transparency.** The discussion paper introduces several governance-related measures for Canada Port Authorities but does not address the long-standing issue of delays in making board appointments. Timely appointments are one of the most practical steps the government can take to strengthen port governance. More broadly, consultation processes should clearly identify the substantive policy changes under consideration. The potential reintroduction of extended interswitching was not identified in the discussion paper but was raised in engagement-session materials without notice.
4. **The Transportation Project Office should be a practical delivery mechanism.** WESTAC supports the proposed office as a federal coordination mechanism to help trade-enabling transportation projects move through federal processes more quickly and predictably. Approval timelines for projects supported by the Transportation Project Office should be no longer than those applied through the Major Projects Office.
5. **Digital and paperless trade should reduce burden, not digitize legacy complexity.** WESTAC supports digital and paperless trade but recommends that government simplify before it digitizes by first reviewing whether existing information requirements and processes are still needed.
6. **A corridor advisory group needs a clear purpose.** WESTAC supports stronger collaboration across trade corridors but cautions against creating another advisory body unless its scope, mandate, role and conflict-of-interest safeguards are clear.

1. Competitiveness Should Be More Explicit

WESTAC supports the direction of Transport Canada's proposals but encourages the department to place greater emphasis on competitiveness.

The discussion paper appropriately focuses on supply chain efficiency, reliability, predictability, red tape reduction, infrastructure development and investment. These are essential. However, WESTAC's recent research suggests that stability and efficiency gains will not be enough unless they translate into improved competitiveness.

WESTAC's *2026 Compass Report* shows a sector that is operating more steadily than in recent years but still faces structural constraints. Leaders reported fewer acute disruptions, improving revenue expectations and more constructive perceptions of the regulatory environment. At the same time, longer-term challenges remain around competitiveness, reliability and resilience.

Key *Compass* findings include:

- concerns about supply chain disruption have eased, but reduced disruption has not produced a stronger competitive position.
- cost competitiveness entered the top five business challenges for the first time, linked to regulatory compliance burdens, gateway fees, congestion, rising labour costs and system inefficiencies.
- top transportation challenges include an uncertain trade environment with the United States, lack of coordinated long-term infrastructure planning, disruption, reliability concerns, declining cost competitiveness and uncertainty in trade with other countries.
- Western Canada's supply chain reputation has stabilized but has not fully recovered. Among shippers, a significant share continued to rate the reputation of Western Canada's supply chains as poor.

Canada should not mistake a quieter year for a competitive system. Fewer disruptions may stabilize operations, but they do not necessarily lower costs, improve corridor capacity, restore customer confidence or attract new investment.

WESTAC recommends that Transport Canada make competitiveness an explicit objective in implementing the discussion paper proposals. Reforms should be assessed based on whether they:

- lower unnecessary costs for businesses
- reduce duplicated reporting and administrative burden
- improve approval timelines and predictability
- increase corridor reliability and recoverability
- improve end-to-end supply chain performance
- strengthen Canada's reputation as a reliable supplier
- attract private investment
- improve the competitiveness of Canadian gateways
- improve Canada's delivered-cost position in global markets

The Transportation Project Office should be measured not only by whether it processes files, but whether it improves project delivery and investment certainty. Digital trade should be measured not only by whether documents become electronic, but whether transaction costs, delays and manual work are reduced.

2. Funding Must Match the Ambition

WESTAC welcomes federal funding commitments such as the Trade Diversification Corridors Fund and the Arctic Infrastructure Fund. These are important tools and signal that the federal government recognizes the link between transportation infrastructure, trade diversification, northern development and national economic resilience.

However, the amounts currently set aside are not sufficient to meet the scale of investment required to support Canada's stated ambition of doubling non-U.S. exports by 2035 or to compete effectively against our global competitors. Investment in transportation infrastructure pays off: it improves productivity, lowers costs, supports job creation, attracts private capital and enables Canadian goods to reach global markets reliably and competitively.

The report from the 2026 Western Premier's Conference found that "to keep up with expected population growth and support economic development, Western jurisdictions have determined that an estimated $60-$69 billion per year of investment, from both private and public sources, is required to maintain linear transportation infrastructure in the Western economic corridor system over the next 50 years (2025-2075)"[1].

This reinforces WESTAC's concern that current funding levels are not proportionate to our stated desired outcome or that of our key competitors. Canada's goal of doubling non-U.S. exports will require sustained investment in trade corridors, ports, inland connections, rail interfaces, highways, intermodal facilities, industrial lands and the enabling community infrastructure that supports labour force growth in key trade and production regions. Without these investments, export diversification will remain aspirational rather than achievable.

Federal funding must also be guided by a trade transportation infrastructure plan. Investment announcements are most effective when they are connected to a clear understanding of what the system needs, which bottlenecks matter most, which projects should be sequenced first and how public funding can unlock private investment.

WESTAC recommends that federal infrastructure funding be guided by:

- corridor-level trade transportation investment plans
- a clear economic infrastructure test
- ranked project lists tied to measurable outcomes
- assessment of export growth, productivity, reliability, recoverability and competitiveness benefits
- recognition that enabling community infrastructure can be economic infrastructure where it unlocks trade capacity
- public reporting on how investments support Canada's export diversification and productivity objectives

[1] Western Premiers' Conference, *Economic Corridors in Western Canada* (May 2026), accessed July 3, 2026, https://scics.ca/wp-content/uploads/2026/05/Economic-Corridors-Western-Canada-Report-WEB-1.pdf

The government should not assume that every stakeholder will be satisfied with every decision. Choices will have to be made. Some projects will move ahead before others. Some proponents will be disappointed. The test should be whether federal decisions are disciplined, transparent and aligned with national economic objectives.

Government is best suited to setting the conditions for a strong investment climate: clear and consistent rules, predictable approvals, fair competition, reliable public infrastructure, effective regulation and accountability for outcomes. Within that framework, private firms can invest, compete and deliver.

3. Strengthen Governance and Improve Regulatory Transparency

Effective governance depends on federal boards and agencies having a full complement of qualified directors appointed in a timely manner. Delays in appointments and reappointments increase the workload on remaining directors, disrupt board continuity, and leave gaps in the skills and expertise needed for effective oversight. Timely appointments are one of the fastest and least costly reforms the federal government can implement to strengthen governance at Canada's Port Authorities and ensure they can fulfill their mandates effectively.

WESTAC supports Transport Canada's efforts to engage stakeholders on measures to strengthen Canada's transportation system. However, consultations are most effective when stakeholders have clear visibility into the policy options under consideration. The discussion paper did not identify the potential reintroduction of extended interswitching, despite its inclusion in engagement-session materials. As a result, stakeholders had limited opportunity to assess the proposal, consult internally, and provide informed feedback.

Future consultations should clearly identify the substantive policy measures being considered. If extended interswitching is reintroduced, it should be supported by a comprehensive evaluation of the previous pilot program, including its impacts on network performance, capacity, investment, and service reliability. Any new policy should also be assessed against the government's objective of doubling Canada's non-U.S. exports.

4. Support for the Transportation Project Office

WESTAC supports the proposed Transportation Project Office within Transport Canada.

For many years, WESTAC members have identified federal permitting uncertainty, fragmented decision-making, duplicated review processes and unclear approval pathways as barriers to investment. These barriers increase costs, delay projects and reduce Canada’s ability to respond to changing market conditions. They also weaken confidence among investors, exporters and supply chain operators.

The Major Projects Office is an important federal tool, but many transportation projects that matter to corridor performance may not meet major-project thresholds. Rail sidings, bridge improvements, grade separations, port access projects, terminal upgrades, marine service improvements, inland logistics connections, shortline investments, first- and last-mile road connections and digital infrastructure can all remove bottlenecks or improve corridor fluidity.

Individually, these projects may appear modest. Collectively, they determine whether Canada's supply chains are reliable, predictable and competitive.

WESTAC recommends that the Transportation Project Office:

- provide a single federal coordination point for eligible trade-enabling transportation projects
- identify required federal approvals, permits, consultations and information requirements at the outset and not change the requirements mid-review
- coordinate federal departments and agencies so reviews proceed concurrently where possible
- establish project-specific timelines and service standards
- support timely and well-resourced Crown consultation with Indigenous Peoples
- identify duplication with other federal, provincial, territorial, Indigenous or municipal processes
- escalate unresolved interdepartmental issues
- report publicly, at an aggregate level, on timelines and process performance

The office should not become another advisory forum. Its value will depend on whether it improves predictability, reduces duplication and costs to proponents, accelerates decision-making and helps projects move through federal processes within commercially relevant timelines. Where transportation projects are eligible for support through the Transportation Project Office, approval timelines should be no longer than those applied through the Major Projects Office.

5. Support for Digital and Paperless Trade

WESTAC supports Transport Canada's proposal to advance digital and paperless trade and develop a roadmap of legislative and regulatory changes needed across federal departments.

Paperless trade should be framed as a competitiveness measure. Paper-based, duplicative and fragmented documentation processes create costs, delays, errors, manual rework and uncertainty. They make Canada harder to trade with and limit the ability of supply chain partners to pre-clear goods, share information and provide predictable service.

WESTAC conducted a Paperless Trade Readiness survey earlier this year of its members and members from the Chartered Institute of Traffic and Transportation (CITT). It found [link] that Canada's trade ecosystem operates in a hybrid state. Digital capabilities exist, but they are not integrated across the full supply chain. Exporters, carriers, logistics firms and practitioners continue to rely on paper, PDFs, email, couriered originals, manual validation and workarounds.

Government should not begin by simply digitizing today's forms and processes. It should first review its own requirements and determine whether each piece of information, document, signature, validation step or process is still necessary. In other words, government should clean up its own closet before digitizing it.

Where information is not needed, it should be eliminated. Where it is needed by more than one department, it should be collected once and shared appropriately. Where a process exists only because of legacy paper workflows, it should be redesigned before being digitized. This would support both paperless trade and Tell-Us-Once.

WESTAC's survey also identified several practical barriers:

- Paper remains embedded in bills of lading, letters of credit, shipping certificates, customs and regulatory documents, proof of delivery, shipping and receiving processes, and billing.
- Letters of credit remain a significant constraint because they often require physical document exchange and manual validation.
- The challenge is interoperability, not simply digitization. Many firms already use EDI, ERP systems, transportation management systems, customs platforms, APIs and third-party tools, but these are often bilateral or function-specific.
- Carriers, and logistic firms showed strong interest in pilots and working groups, while exporter urgency was more mixed.

WESTAC recommends that Transport Canada:

- develop a cross-departmental paperless trade roadmap
- review whether existing information requirements and processes are still necessary before digitizing them
- work with financial institutions to address letters of credit and trade finance barriers
- support legal recognition of electronic bills of lading and other electronic transferable records
- align federal systems with international standards
- connect paperless trade with Tell-Us-Once
- pilot paperless trade in selected corridors, commodities or transaction types
- protect commercially sensitive information and cybersecurity

Digital trade should reduce burden rather than convert paper burden into digital burden.

6. Collaboration

WESTAC supports stronger collaboration across trade corridors. Corridor performance depends on many parties acting together: shippers, carriers, ports, terminals, labour, Indigenous partners, provinces, territories, municipalities and federal departments.

However, WESTAC cautions against creating an advisory body unless it has a clearly defined purpose. Canada already has many forums and consultation processes. The problem is not a shortage of discussion. The problem is converting analysis into decisions, investment and action.

If Transport Canada creates a new advisory group on trade corridors, WESTAC recommends that it have:

- a clearly defined scope and mandate
- a direct relationship to corridor planning, project prioritization and performance measurement
- clear rules on membership, confidentiality and conflict of interest
- transparent criteria for how advice will be used
- time-limited work plans and deliverables
- regional representation that reflects Western, Northern, Prairie and Pacific gateway realities
- a focus on system performance rather than individual project advocacy

A corridor advisory group composed of industry leaders could provide valuable operational insight. It could also create real or perceived conflicts of interest if members advise on project priorities, funding allocations or regulatory changes that may affect their own organizations. That risk can be managed, but it should be acknowledged at the outset.

Government should use such a body to understand system constraints, investment needs, data gaps and sequencing issues. Final decisions on funding, regulation and approvals should remain with government. Government's role is to set conditions for a strong business investment climate, ensure public-interest objectives are met and hold firms to account.

Conclusion

WESTAC supports Transport Canada's efforts to strengthen One Canadian Economy through trade and transportation. The discussion paper is a constructive and welcome response to structural issues that have slowed investment, reduced productivity and made it harder for Canada to compete.

WESTAC recommends that Transport Canada:

1. make competitiveness an explicit objective in implementing the proposed reforms;
2. match funding to the scale of the government's trade diversification ambition, guided by clear corridor plans and an economic infrastructure lens;
3. strengthen governance and improve regulatory transparency by addressing delays in Canada Port Authority board appointments and ensuring consultation materials clearly identify the substantive policy changes under consideration
4. proceed with the Transportation Project Office and design it as a practical delivery mechanism with timelines no longer than those used for the Major Projects Office;
5. advance digital and paperless trade, but simplify government information requirements before digitizing them; and
6. approach the proposed advisory group on trade corridors carefully, with a clear mandate, defined scope and conflict-of-interest safeguards.

Canada's trade diversification ambitions are significant and necessary. Achieving them will require more than market access and export promotion. It will require a transportation system that is reliable, predictable, cost competitive and capable of supporting investment at scale. WESTAC and its members are ready to work with Transport Canada to help turn these proposals into practical improvements in Canada's freight transportation system.