

In This Issue

- CTA Review Panel Report Issued
- Scholarship Awards
- Member Profile
- Aging Drivers
- VHI Members

The Van Horne Institute

Room 620, Earth Sciences Building
University of Calgary

2500 University Drive NW
Calgary, Alberta T2N 1N4

PHONE: (403) 220-8455

FAX: (403) 282-4663

E-MAIL: vanhorne@ucalgary.ca

WEBSITE: <http://www.ucalgary.ca/UofC/departments/vanhorne/>

Key Contacts

PETER WALLIS, *President & CEO*

PATRICIA HOLMES, *Programs Coordinator*

GAIL MASTERSON, *Senior Administrative Assistant*

The Van Horne Institute has been established to address important **transportation** and related **regulatory** issues confronting industry and government, in North America and internationally, through education and research. The **Institute** was incorporated federally in 1991 as a not-for-profit organization, and was granted affiliation with the University of Calgary in January 1992, the University of Alberta in 1998, and with SAIT in January 2000.

CTA REVIEW PANEL REPORT ISSUED

On July 18, 2001, the CTA Review Panel Report to the Minister of Transport, David Collenette was presented to Parliament and concurrently released publicly by the Minister. The Review Panel members were Brian Flemming, Chair, Jean Patenaude, Vice Chair, and Glen Findlay, Bob Rae, and William Waters II.

The Report, entitled Vision and Balance, is available on the *Canada Transportation Act* Review web site www.reviewcta-examenlte.gc.ca

The Panel's review of federal transportation legislation is placed in the context of the pressures and challenges facing transportation providers and users. The principles of competition, flexibility, harmonization and transparency were relied on by the Panel as they developed their report. The Panel has recommended that the Canada Transportation Act be modified to embrace these principles as future guidance to regulators.

The scope of the report is wide-ranging. It includes recommendations relevant to all modes of traffic and contains a number of innovative recommendations covering important topics such as funding of infrastructure through an allocation of fuel taxes (Chapter 10), the national interest in urban transportation and preserving urban rail corridors (Chapters 12 & 13), the impacts of e-business on transportation (Chapter 16), the environment and sustainable development (Chapter 17), the necessity for reliable and timely transportation data (Chapter 18) and the development of a national transportation vision. Members will recall that a number of these issues were also addressed by the Institute's Global Crossroads initiative. We are pleased to see some positive recommendations on these issues by the Panel.

We are also pleased to see a specific reference in the report to the role of the Van Horne Institute in assisting the Panel in its consultations through the development of issue specific roundtables.

A few of the recommendations of the Panel are set out below:

Competitive Rail Access and Shipper Protections

- Canada Transportation Act be amended to include a requirement that a railway publish in its tariff, a level of service attached to rates in the tariff.
- Canadian Transportation Agency retains the authority to rule on railway service commitments and in the event of a breach, to order the railway to take specific steps to meet the commitment.
- The existing interswitching limits be retained and allow the Agency to prescribe maximum rates for interswitching, thereby allowing shippers and railways to enter into commercial arrangements for lower rates if appropriate.

- Transform the competitive line rate provisions of the Act into a competitive connection rate. A detailed mechanism is spelled out in the text of the Report.
- The substantial commercial harm test be repealed.
- Grain handling and grain transportation system be moved to a more commercial basis which could lead to repeal of the revenue cap on grain rates.
- Specific recommendations with respect to running rights and traffic solicitation are proposed.

Merger Review Process

- The Panel recommends the establishment of a process for reviewing proposed transportation mergers separately from the competition issues considered under the merger review provisions of the Competition Act.

Airline Industry

- To create more domestic competition, the Panel recommends the negotiation of a North American common aviation area with the United States and Mexico which would allow carriers of each nation to operate domestic services within the territory of the others. If negotiations are not successful, the Panel suggests the Government of Canada should negotiate a reciprocal granting of modified six freedom rights which would allow, for example, a US carrier to provide a service between Vancouver and Toronto over Minneapolis. The third alternative suggested would be to allow the right of establishment for foreign owned domestic carriers.
- The Panel agreed that the limit on voting shares of a Canadian air carrier that can be held by foreigners should be raised to 49% immediately.
- Carriers can refer to the Agency for disputes over access to airport facilities.
- Agency's power is to review passenger and cargo fares of monopoly routes upon complaint to order additional fare classes on monopoly routes and to audit carriers proactively be removed.
- Air Canada be required to provide 180 days notice for services it plans to terminate in the first six months of 2003.
- For a domestic carrier to access Air Canada's frequent flyer program, the annual domestic passenger revenue ceiling should be raised from \$250M to \$500M and that access to Aeroplan be extended past

2005 until the Minister of Transport determines that competition in the domestic market has strengthened to the point where such access to Aeroplan is no longer necessary.

Transportation Research

The Panel also recognized the concerns expressed regarding a potential shortage of transportation researchers and more generally, a shortage of qualified personnel for the transportation sector. Reference is made to the United States' TEA-21 program which authorized \$158.8M US in transportation research funds for grants to establish and operate ten regional university transportation centres and up to twenty-three other centres over the period 1998-2003. The Panel states that similar action is required to sustain and build on current efforts of Canadian universities to develop the professional schools of transportation that will generate needed academic expertise for industry and research and graduate students.

SCHOLARSHIP AWARDS

We are please to announce the following scholarship awards:

The Calgary Airport Authority Scholarship for the academic year July 2001 to June 2002 is awarded to Huaixiang (Wayne) Wang in the amount of \$5,000. Mr. Wang's research topic is Applied Economics in Transportation.

The Vancouver Port Authority scholarship for the academic year July 2001 to June 2002 is awarded to Roger Williams in the amount of \$2,500. Mr. Williams' research will look at competition policy, econometrics, freight forwarders, and market definition.

Gibson Petroleum

In this initial year of the Gibson Petroleum Scholarship Program, awards have been offered to three candidates, as follows: Stephanie Betts, Human Ecology Program, University of Alberta; Adrienne Betts, Faculty of Arts, University of Alberta; and Kate Rive, Environmental Science, Acadia University, Nova Scotia.

CONGRATULATIONS and BEST OF LUCK

MEMBER PROFILE PricewaterhouseCoopers

PricewaterhouseCoopers (PwC) (www.pwcglobal.com) is the world's largest professional services organization. They draw on the knowledge and skills of more than 150,000 people in 152 countries. Their resources are divided between five service lines: Assurance and Business Advisory Services; Tax Services; Financial Advisory Services; PwC Consulting; and Business Process Outsourcing. Here in Calgary, there are approximately 1,100 Partners and staff providing these services to all industries – Energy and Mining, Financial Services, Information, Communications and Entertainment, Services, and Consumer and Industrial products.

Knowledge of the **transportation industry** has been built on years of experience working with transport organizations in the public and private sectors. In the rail sector, for example, PwC advises on privatization, commercialisation and restructuring of railways around the world, and in performing economic and strategic investment studies for railways.

In the aviation sector, the global practice currently serves more than 20 of the world's top 30 airlines with more than 600 air transport practitioners. In May, PwC announced the establishment of an Aviation Solution Centre. Working with Hewlett Packard, the Centre will design, develop, implement and operate a wide variety of business solutions for airlines, airports and other aviation companies.

The Energy and Mining practice includes practitioners skilled in the business of **electric, gas and water utilities**. A utilities "solution set" has been developed to provide specific industry solutions for the challenges facing the industry today.

PwC sees "**e-Business** becoming business." This year, the Calgary office partnered with the VHI to present *The New Economy Series* for members, and the business and academic communities. Recently, the "New Economy Game" was presented to senior business leaders. The '**Game**' is an interactive, high performance, state-of-the-art business simulation to help participants gain a different perspective on their organization's role in the new economy, and to determine strategic direction decisions, financial consequences, and what it takes to adapt to the changes.

Steve Shepherdson, PwC Consulting in Calgary, is the VHI Board representative for PwC. For further information on PricewaterhouseCoopers, please contact Steve at (403) 509 7336.

AGING DRIVERS (Abstract from Monograph)

Caird, J.K. (2000). Anticipating the Effects of Canada's Aging Population on Older Driver Safety and Mobility. University of Calgary: Van Horne Institute for Transportation Studies.

In the next thirty years, Canadian society faces an unprecedented increase in older persons. Segments of the elderly population will increase as much as 300%. Many older Canadians, in the face of declining capabilities, would like to be able to visit friends, make doctors appointments, shop for food, go to church, and travel. Mobility is essential to maintaining independence and the quality of life. Many modes of transportation are not preferred by the elderly because basic traveller needs are not met by the transportation system (e.g., cost and security.) Most older people prefer to drive while others have the option to travel as passengers.

The monograph synthesizes a large body of research on accident statistics, older driver performance and crash countermeasures. Mitigation of older driver fatalities and injuries will depend on a comprehensive review of basic knowledge. In addition, an analysis of Transport Canada's motor vehicle databases was conducted to determine if older drivers (i.e., those 65 years and older) are 'over-represented' in traffic fatalities. Demographic trends, age, gender, and yearly fatality differences, accident typologies, age-related declines, and countermeasures are briefly summarized. A number of countermeasures are also discussed. In the decades to come, researchers, transportation service corporations, and government agencies will need to anticipate Canada's demographic age shift and the consequences of increases in injuries and fatalities. In the interim, research and policy solutions that attenuate these social costs and balance older driver safety and mobility are needed.

Please check our website for the full monograph. Hard copies are available by request to (403) 220-8455.

VHI MEMBERS

Air Canada
 Air Transport Association of Canada
 Alberta Energy & Utilities Board
 Alliance Pipelines Ltd.
 Bell Nexxia
 Bennett Jones
 Bombardier Inc.
 Calgary Airport Authority
 Canadian Freightways Limited
 Canadian National Railway Co.
 Canadian Pacific Railway
 Canadian Transport Lawyers' Assoc.
 Economy Carriers Limited
 Edmonton Regional Airports Authority
 Enbridge Inc.
 ENMAX Corporation
 Foothills Pipe Lines Ltd.
 Fraser Milner Casgrain
 Gibson Petroleum Company Limited
 Government of Alberta
 Greyhound Canada Transportation Corp.
 Group Telecom
 IBM Canada
 Inland Cement Limited or Inland Group
 Kelowna Flightcraft
 KPMG Consulting
 Lawson Lundell
 Lawson & MacIntosh
 Luscar Ltd.
 MacLeod Dixon
 McCarthy Tetrault
 NAV CANADA
 OmniTRAX, Inc.
 Ogilvy Renault
 Pacific Western Transportation Ltd.
 PricewaterhouseCoopers
 Schenker Canada
 Siemens Electric Limited
 SMED International
 Southern Alberta Institute of Technology
 Sultran Ltd.
 Teamsters Canada
 TELUS Corporation
 TransAlta Utilities Corporation
 TransCanada Pipelines Limited
 Transport Canada
 Trimac Corporation
 United Airlines
 University of Alberta
 University of Calgary

VHI MEMBERS

UtiliCorp Networks Canada
 Vancouver International Airport Authority
 Vancouver Port Authority
 VIA Rail Canada Inc.
 WestJet Airlines Limited
 Western Transportation Advisory Council

VHI DIRECTORS

Chairman of the Board

**Arthur R. Smith, SNC-Lavalin Inc.,
 Calgary**

Celine Belanger, TransCanada
 Pipelines Limited, Calgary
Mel Belich, Enbridge Inc.,
 Calgary
Donald Brownie, ProLog Canada
 Inc.
Robert B. Colborne, Pacific West-
 ern Transportation Ltd., Calgary
 (Honorary)
Jack Crawford, Alliance Pipelines
 Ltd.
Terence Dalgleish, Q.C., McCarthy
 Tetrault, Calgary
Kevin Doyle, Corporate Director,
 Calgary (Honorary)
Lorne Friberg, Sultran Ltd.,
 Calgary
Harry Hobbs, Foothills Pipe Lines
 Ltd., Calgary
Robert Hobbs, UtiliCorp Networks
 Canada
Captain Gordon Houston,
 Vancouver Port Authority
Dr. Rainer Iowski, Siemens
 Electric Limited, Mississauga
Jeremy Jonas, Bombardier Inc.,
 Montreal, Québec
Dr. Vernon Jones, University
 of Calgary
Darshan Kailly, Canadian
 Freightways Limited, Calgary
Mark Kolesar, TELUS
 Communications, Calgary
Edward H. LaBorde, LaBorde
 Petroleum, Calgary (Honorary)

VHI DIRECTORS

Ron Laing, Inland Cement Limited
 or Inland Group, Edmonton
Marc LeFrancois, VIA Rail Canada
 Inc.
Dr. Robert Mansell,
 University of Calgary
Jeff J. McCaig, Trimac
 Corporation, Calgary
Neil McCrank, Q.C., Alberta
 Energy and Utilities Board,
 Calgary
Dr. Stuart McFadyen, University of
 Alberta, Edmonton
Kelly McNeill, SMED International,
 Calgary
Dr. John F. Morrall,
 University of Calgary
Dave Murray, Transport Canada,
 Winnipeg
Gord Nixon, Southern Alberta
 Institute of Technology, Calgary
Fred H. Peacock, Peacock
 Holdings Limited, Calgary
 (Honorary)
H. Gordon Pearce, Pearce
 Consulting Services Limited,
 Calgary (Honorary)
Dr. Anthony Perl,
 University of Calgary
Hugh Planche, Hugh Planche
 Holdings, Calgary (Honorary)
Kirk Poteet, Enmax Corporation
Dr. Stephen J. Randall,
 University of Calgary
Gary Rennick, OmniTRAX Inc.
Robert J. Ritchie, Canadian
 Pacific Railway, Calgary
Dr. Kathleen Scherf,
 University of Calgary
Paul Tellier, Canadian National
 Railway Co., Montreal
Rod Thompson, Government of
 Alberta, Edmonton
Dr. Nigel Waters,
 University of Calgary
Dick Way, TransAlta Corporation,
 Calgary
Peter Wallis, The Van Horne
 Institute, Calgary